

**“An Analysis of Post Merger Effect on Employee  
Engagement in Select Banks in India:  
A Causality Analysis”**

**Thesis submitted for the degree of**

**Doctor of Philosophy**

**Faculty of Commerce & Management Studies**

**UNIVERSITY OF KOTA, KOTA**



**AUGUST 2016**

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## DECLARATION

I hereby declare that this PhD thesis entitled “**An Analysis of Post Merger Effect on Employee Engagement in Select Banks in India: A Causality Analysis**”, was carried out by me for the degree of Doctor of Philosophy under the guidance and supervision of Prof. Dr.Kapil Dev Sharma, JDB Govt. Girls College, University of Kota, India. The interpretations put forth are based on my reading and understanding of the original texts and they are not published anywhere in the form of books, monographs or articles. The other books, articles and websites, which I have made use of are acknowledged at the respective place in the text. For the present thesis, which I am submitting to the University, no degree or diploma or distinction has been conferred on me before, either in this or in any other University.

**Shehla Sayeed**

## CERTIFICATE

I feel great pleasure in certifying that the thesis entitled “**An Analysis of Post Merger Effect on Employee Engagement in Select Banks in India: A Causality Analysis**” embodies a record of the results of investigations carried out by Ms. Shehla Sayeed for the degree of Doctor of Philosophy in the Department of Commerce & Business Administration, University of Kota, Kota (Rajasthan) under my guidance. I am satisfied with the analysis of data, interpretation of results and the conclusions drawn.

I recommend the submission of the thesis.

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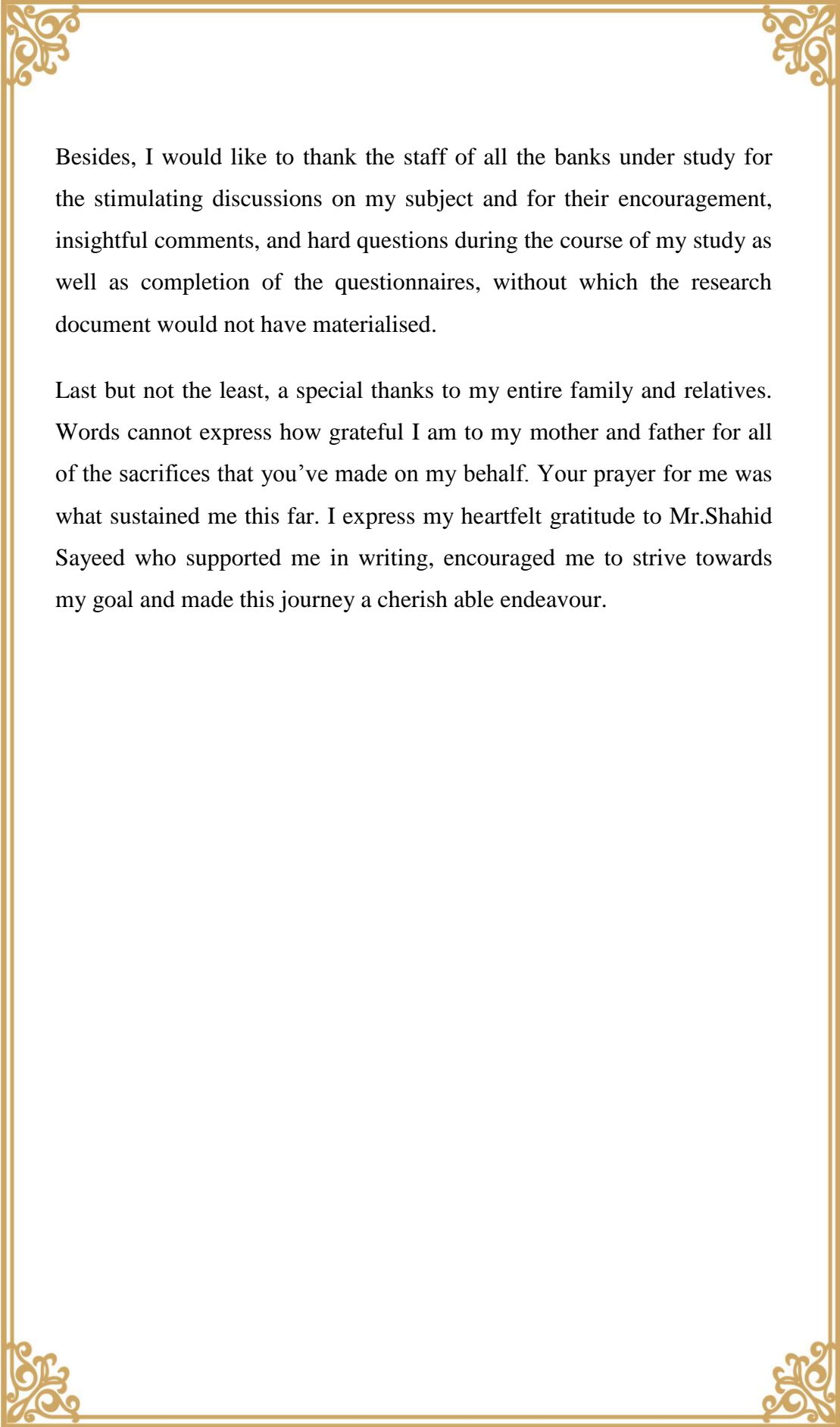
## ACKNOWLEDGEMENT

Foremost, I would like to express my sincere gratitude to the Almighty, who granted me the strength and ability to undertake this study.

I would like to express my special appreciation and thanks to my supervisor Dr. Kapil Dev Sharma, who had been a tremendous source of inspiration for me. I would like to express my sincere gratitude for his continuous support during this study, for his patience, motivation, enthusiasm, and immense knowledge. His guidance has helped me in every phase of research and completion of this thesis. I would like to thank him for enlightening me the first glance of research, for encouraging my research and for allowing me to grow as a research scholar. His advice on both research as well as on my queries have been priceless.

I would also like to thank the entire research cell of the University for letting my defence be an enjoyable moment, and for the brilliant comments and suggestions. Also I thank my friends and co-scholars at the University who have always shown me their support and assistance in the accomplishment of this educational endeavour.

My Special thanks to Prof. Dr. Prabhat Mittal for being there to help me with the data analysis techniques for my PhD thesis. I would like to sincerely thank him for his efforts and guidance in the moments when there was no one to answer my queries. I express my sincere appreciation for his support without which this thesis would not have seen the light of the day.



Besides, I would like to thank the staff of all the banks under study for the stimulating discussions on my subject and for their encouragement, insightful comments, and hard questions during the course of my study as well as completion of the questionnaires, without which the research document would not have materialised.

Last but not the least, a special thanks to my entire family and relatives. Words cannot express how grateful I am to my mother and father for all of the sacrifices that you've made on my behalf. Your prayer for me was what sustained me this far. I express my heartfelt gratitude to Mr. Shahid Sayeed who supported me in writing, encouraged me to strive towards my goal and made this journey a cherish able endeavour.

## **PREFACE**

The thesis is ultimately based on the experimental apparatus and data of the Mergers and Acquisitions which are regular and much noted feature in the present global corporate environment. Among the primary motives behind mergers identified by the literature are a firm's need to improve market coverage, garner promotional profits, expand production without price reduction, acquire capacity at reduced prices, obtain real or pecuniary economies of scale, rationalize production using complementary inputs, and diversify into new products and markets . Also to mention that this has been a humble and sincere effort to have an insight on restructuring and change which are becoming the norm as companies and employees alike to adapt to the effects of the global downturn. The worldwide economic crisis has caused too many companies to restructure their corporate setting in order to survive and meet their financial challenges.

Rising global competition, the influence of advances in information technology and the re-engineering of business processes are some of the imperatives that force organisations to restructure their businesses. In India, the situation is even more compelling, with the recent developments of the country that requires companies to implement certain restructuring programmes designed to empower previously disadvantaged individuals. Organisational restructuring is therefore inevitable for any organisation. These changes, however, do affect organisations and employees. Employees become insecure, confused about their jobs, and therefore less productive.

To the extent that change can adversely affect both organisations and employees, it becomes critical that organisations should implement it carefully, if they are to survive. To achieve this, it requires managers to fully understand

the drivers of change, the possible consequences of change on both organisation and employees, and to take appropriate actions.

The main objective of this study was to identify possible factors related to employee engagement and the post merger influence on the engagement levels of the employees in organizations. The practical context chosen were selected banks in India that had recently implemented organisational restructuring.

The research methodology for this study entailed the conducting of an intensive study of the relevant literature, to determine what the theory reveals in respect of restructuring strategies that can assist organisations in effectively implementing the restructuring process. Dissertations, theses, research reports and journals were consulted, in an attempt to formulate a theoretical basis for this study. The contemporary literature reveals that there are various strategies that organisations can employ to effectively restructure their organisations with minimal adverse influence on employees. The restructuring organizations should ensure that employees are genuinely involved in the process at the outset. The desired changes and the benefits thereof should be clearly and consistently communicated to the employees at the beginning of the restructuring process.

An empirical study was then conducted at the chosen organisations that had recently embarked on an organisational restructuring. The focal point of the empirical study was to determine how the change has influenced employee engagement and the impact that this restructuring had on the morale and motivation of the employees.

The final step of this study included an assessment of the findings. This was done so that suitable conclusions could be drawn and appropriate recommendations made. The conclusions revolved around the effects of M & As on the employees of the selected organisations. The focus of the recommendations was on what approaches the restructuring organizations

should follow to successfully and effectively implement the restructuring process, without adversely affecting the employees.

Part of this work has been published in the following publications:

1. Merger and Acquisition: A Strategic Move towards Change and HR Challenges (Professional Panorama: An International Journal of Applied Management and Technology)
2. A Study on Post Merger Effect on Employee Engagement in Select Banks in India: A Causality Analysis (Journal of Business Management and Information Systems- QTanalytics)

Date

Shehla Sayeed



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## ABBREVIATIONS

|                 |                               |
|-----------------|-------------------------------|
| <b>BoR</b>      | Bank of Rajasthan             |
| <b>BP</b>       | Behavioural Pattern           |
| <b>CB</b>       | Compensation and Benefits     |
| <b>CBoP</b>     | Centurion Bank of Punjab      |
| <b>CGA</b>      | Career Growth and Advancement |
| <b>EE</b>       | Employee Engagement           |
| <b>IM</b>       | Intrinsic Motivation          |
| <b>M&amp;As</b> | Merger and Acquisitions       |
| <b>SBI</b>      | State Bank of India           |
| <b>SEM</b>      | Structural Equation Modeling  |
| <b>WE</b>       | Work Environment              |

## **Chapter 1**

# **CONCEPTUAL FRAMEWORK & PROBLEM STATEMENT**

### **1.1 INTRODUCTION**

Today's dynamic economic climate is challenging for any corporation. The increasingly competitive market pressure and changing business environment have necessitated management in organizations to continuously search for high commitment work-system. Any organized field needs to find its place in the rapidly evolving world order, and every company within that field must maintain its standing in that order. Business trouble can arise quickly and for a variety of reasons. Companies may suffer from missed market expectations, reduced operating profit or severe cash problems. Whether triggered internally or by marketplace dynamics, early detection and swift, decisive action are the keys to restoring performance and value. In the wake of economic reforms, enhanced competition and globalization of businesses; industries have started restructuring and growing their operations around their core business activities either by internal expansion or by external expansion. In the case of internal expansion, a firm grows gradually over time in the normal course of the business, through acquisition of new assets, replacement of the technologically obsolete equipments and the establishment of new lines of products. But in external expansion, a firm acquires a running business and grows overnight through corporate combinations. These combinations are in the form of mergers, acquisitions, amalgamations and takeovers; which have now become important features of corporate restructuring because of the increasing exposure to competition both domestically and internationally.

Mergers and acquisitions are a regular and much noted feature in the present global corporate environment. Among the primary motives behind mergers identified by the literature are a firm's need to improve market coverage, garner promotional profits, expand production without price reduction, acquire capacity at reduced prices, obtain real or pecuniary economies of scale, rationalize production using complementary inputs, and diversify into new products and markets (Jervis, 1971)<sup>1</sup>.

Corporate restructuring is the concept of reorganizing a company's internal structure for the sake of some purpose, such as greater profit or greater organizational control and efficiency.

Many companies today are wrestling with disruptive changes in their business and regulatory environments. Companies in mature markets often find themselves saddled with excessive assets, resources and costs in the face of slowing growth and declining revenue. At the same time, they may lack the ability to capitalize on major growth opportunities in emerging markets. These strategic business challenges cannot be addressed through simple belt-tightening or administrative or overhead cost reduction. They require strategic restructuring that addresses a company's underlying business model, operating model and capital model.

The gloomy economic prospects and higher financing requirements can be expected to reinforce the relevance of drawing up and implementing successful restructuring plans. For many companies, strategic restructuring is essential for competitiveness and growth. And for those on the brink of failure, it's a key to survival. Thus, a restructuring to be successful it has to have a clearly defined plan that is implemented in a skillful and focused manner by an experienced team of specialists. Plans must always be designed so the objectives and action on which the programme of measures is based can be achieved and implemented within the relevant timeframe. Each measure must be based on a realistic objective. The more closely a restructuring is focused on the key issues

for survival and the more realistic the measures chosen when drawing up the plan, the greater the chances of success<sup>2</sup>.

Mergers and Acquisitions since the 1980's, and even more now in the late nineties, it has become a growing trend for companies, large and small, domestic and foreign, to form strategic alliances within their particular industries. There are many specific goals that companies may be looking to achieve by doing this, but the main underlying reason is to guarantee the long-term sustained achievement of fast profitable growth for their business. They have to keep up with a rapidly increasing diversified global market and increased competition. Nowadays, with the struggle for competitive advantage becoming stronger and stronger, it is almost essential to form alliances. Diversifying and expanding techniques such as mergers and acquisitions are very popular methods for forming these alliances. Basically stated, a merger is a joining of forces and acquisition is a purchase of a company, whether it is welcome or hostile. The two terms are often used interchangeably. Advantages and disadvantages of the merger must be thought out, as well as many other important aspects, such as risk factors and new organizational structures that must be considered and closely monitored throughout all of the stages of the merger or acquisition<sup>3</sup>.

Restructuring and change are becoming the norm as companies and employees alike adapt to the effects of the global downturn. The worldwide economic crisis has caused too many companies to restructure their corporate setting in order to survive and meet their financial challenges. During corporate restructuring, employee morale usually is at an all-time low at the troubled firm. This drop of morale during the corporate restructuring lowers productivity and hastens the downward slide of company. The engagement of workers whose companies have merged with, or been acquired by, another company does not automatically decline. The drivers of engagement that suffer the most

include confidence in the organization's future and its senior leaders, employees believing that they have a promising future with the company, and that the company provides its customers with higher quality products and services than its competitors. These declines in confidence can be offset by employee-centric senior managers who take the time to be visible to employees and clearly explain the company's future direction (Wiley, 2009)<sup>4</sup>.

Employees are the hardest hit by M&As and may take a long time to recover. Employees want to see and hear from their senior leaders to help understand where the new organization is going, and how this change influences their jobs and the organization as a whole. M&As can actually signal career opportunities for the employees who remain, these situations usually mean letting go of old behaviors and adopting new ones to compete in new markets and drive business values in a new way (AON Hewitt, 2013)<sup>5</sup>. In addition to the requirements of learning new business skills and processes, the employees also need to understand the new workgroups and cultures of the combined organization and even take additional tasks beyond their historical responsibilities.

## **1.2 RESEARCH PROBLEM**

In these turbulent times, dramatic changes in the global economy over the past 25 years have had significant implications for commitment between employers and employees and thus for employee engagement (Corcoran, 2009)<sup>6</sup>. Today's global economy has clearly had a big impact on the way the organizations operate. Increasing global competition, scarce and costly resources, high labor costs, consumer demands for ever-higher quality and investor pressures for greater returns on equity have prompted organizations to restructure themselves. Although successful organizations are often marked by a modest, continuous level of change, the past few years have been marked by significant business and talent



survival tactics in response to challenging economic conditions. Moreover, the effects of these multiple and ongoing changes produce complex and often ambivalent results. For example, change can lead to both an improvement in product quality and productivity but also to lower morale and commitment among the workforce (Gilmore, Shea & Useem, 1997)<sup>7</sup>. The changes create anxiety and uncertainty among employees produce deterioration in many of their attitudes to their work and to the organization. It is widely accepted that an intervention such as organizational restructuring can significantly contribute towards attitude changes among employees, which in turn affects workforce loyalty, productivity and morale either positively or negatively, depending on the nature and direction of the attitude change (Grunberg, Moore, Greenberg and Sikora, 2008)<sup>8</sup>.

Restructuring is a way of life in organizations today. It is a complex issue with make or break implications for organizations. The benefits of restructuring include reducing the cost base while creating more efficient structures, effective processes and engaged staff. Yet, studies have shown that these initiatives, although intended to produce positive results, do more harm than good to the organization and its workforce (Cascio, 1993; as cited in Griggs and Hyland 2002, p.1)<sup>9</sup>. Unfortunately, much of the evidence from research on survivors' work-related attitudes and behaviors subsequent to restructuring and downsizing have documented evidence of feelings of job insecurity, intent to quit, decline in organizational commitment, loyalty and trust. A number of studies on organizational and personal effects of restructuring and downsizing have reported mixed findings. While some reported cost savings and improved efficiency, others have reported high organizational costs in terms of lower levels of employees morale, trust and feelings of job insecurity, higher levels of stress, loss of productive employees and feelings of uncertainties among survivors (Ugboro, 2006).<sup>10</sup>

M&As are increasingly seen by firms as a relatively fast and efficient way to expand into new markets, to acquire new competences, to create economies of scale, to globalize, to spread the risk or even to dominate existing markets. But there are potential drawbacks associated with M&As also.

- M&As involve important decisions regarding the displacement and re-engagement of employees. Job re-assignments and negotiations impact substantially on the organizational climate and subsequently on employees' attitudes and behaviors.
- As a result of M&As, employees perceive their new job characteristics and job environments to be worse than their previous jobs and will feel uncertain and anxious about their new tasks and responsibilities. Teams tend to breakdown and become less effective.
- When employees develop negative perceptions about merger-induced organizational changes, their job satisfaction and commitments will be negatively affected and consequently the productivity and organizational performance will be lowered.
- Employees that are affected by M&As are likely to undergo a period of instability and uncertainty. Regular, accurate and open communication becomes an important way to alleviate any work-related stress or anxiety.

Over the years it has become evident through compelling researches that an early involvement of HR goes a long way in contributing to a subsequent beneficial merger or an acquisition. Amongst multitude of challenges, people and cultural management can prove to be a key concern. These issues take on even greater importance given the role of total rewards & incentives in helping attract and retain top talent in a tight

economy. Today's mergers involve much more than just physical and financial assets. The essential difference between M&A activities in the past 20 years and present is that companies today are highly focused on acquiring human capital. The challenge, of course is to grow the organization by motivating and retaining the brightest employees amid an increasing worldwide talent shortage. It is important to realize today that a merger or an acquisition is not simply a singular event; rather it's an unfolding process which may take a long period, requiring a delicate balance between the need for a speedy resolution and thoughtful, deliberate action.

Ultimately, a successful restructure or downsizing depends on the engagement of the surviving employees, those employees who remain after the actual redundancies have stopped. Employee engagement is a critical measure of person-organization alignment, and reflects the employees' involvement with, and their contribution to, the success of their organization. The level of employee engagement is closely linked to, and positively impacts employee retention, employee attendance, safety, trust in leadership, revenue, customer loyalty and profits (Corcoran, 2009). To engage workers as well as to benefit from that engagement, organization must invest in its human resource practices, able to weigh how much engagement and commitment the company wants and at what cost. Most important, organization must truly understand what are the factors that determined the employee engagement so that they can implement more effective human resource practices to enhance their employee engagement in the organization (Suan, 2009)<sup>11</sup>. More often than not, in today's environment, it seems that the engagement levels of survivors are a forgotten factor when designing and implementing any form of restructure. Yet, it is a leading indicator of future financial performance. Regardless of the type of change, the degree to which the employees can relate with the organization, see a clear future or strive

toward organizational objectives, seems to be most significantly at risk during change events.

### **1.3 RESEARCH OBJECTIVES**

The main objective of the study is to examine different factors that contribute to Employee Engagement in banking industry post merger. Specifically, the objectives of this study are listed below:

- To compile the profile of respondents and examine its association with Employee Engagement.
- To identify the general causes of Employee Engagement and their relative propensity post merger in banking industry.
- To examine the effects on Employee Engagement post merger in banking industry.
- To study behavioral patterns exhibited at the work place post merger in banking industry.

### **1.4 HYPOTHESES OF THE STUDY**

The study attempts to examine various dimensions of Employee Engagement post merger in banking industry as well as analyze and interpret the demographic details of the respondents. Based on the research problem and objectives, the following hypotheses were formulated.

H0: No relationship exists between the independent and dependent variables.

H1: There is no association between Age factor and Employee Engagement post merger in banking industry.

- H2: There is no association between Gender and Employee Engagement post merger in banking industry.
- H3: There is no association between Marital Status and Employee Engagement post merger in banking industry.
- H4: There is no association between the Formal Position of the incumbent and Employee Engagement post merger in banking industry.
- H5: There is no association between Educational Level and Employee Engagement post merger in banking industry.
- H6: There is no association between Length of Service and Employee Engagement post merger in banking industry.

## **1.5 SCOPE AND SIGNIFICANCE OF THE STUDY**

### **1.5.1 SCOPE OF THE STUDY**

The scope of the study is restricted to the recent M&A process of the selected banking institutions that are involved in merger and acquisitions since and after 2008. The sample selected for the study will consist of the employees at different management levels of the acquired bank. The purpose of this report is to provide an insight into the mergers and acquisitions of banking sector, and intends to study various dimensions of employee engagement post merger in banking industry.

#### **1.5.1.1 DEMOGRAPHIC DEMARCATION**

The study involves employees of different age groups and qualification with different years of experience as well as all staff levels from junior to senior staff members. Responses from various categories will be compared to determine whether the impact of M&As on employee engagement differs with demographic details of respondents within the organization.

### **1.5.1.2 GEOGRAPHICAL DEMARCATION**

The empirical element of this study is limited to the Northern zone in India. For the purpose of this study, mainly employees in northern states are covered. The reason for this is that the Bank of Rajasthan under study has most of the branches in the cities of Rajasthan state.

### **1.5.2 SIGNIFICANCE OF THE STUDY**

M&As have played an important role in the transformation of the industrial sector of India. M&As are not new in the Indian economy. In the past also, companies have used M&As to grow and now, Indian corporate enterprises are refocusing in the lines of core competence, market share, global competitiveness and consolidation. This process of refocusing has further been hastened by the arrival of foreign competitors. In this backdrop, Indian corporate enterprises have undertaken restructuring exercises primarily through M&As to create a formidable presence and expand in their core areas of interest (Kar and Soni, 2008)<sup>12</sup>.

India has an extensive banking network, in both urban and rural areas. There are various types of banks which operate in our country to meet the financial requirements of different categories of people engaged in agriculture, business, profession, etc. Businesses feel the need to merge when they exhaust possibilities of organic growth, or when they want to achieve increased market share in good time. In the era of globalization, banks will have to be financially strong and competitive to face the challenges and leverage the opportunities. Many well publicized mergers have transformed regional banks into national banking power houses. The Indian banking sector has embarked upon consolidation & restructuring that is expected to continue (Prasad D.S, 2011)<sup>13</sup>.

The rising global competition, the influence of advances in information technology, downsizing or outsourcing, the re-engineering of business processes are some of the imperatives that force organizations to

restructure their businesses. Despite the frequency with which these terms are used, they often fail to connote what it is like for those working in these large corporations to live through these turbulent times. These changes do affect organizations and employees. Employees become insecure, confused about their jobs and therefore, less productive (Grunberg, Moore, Greenberg and Sikora, 2008).

To the extent that change can adversely affect both organization and employees, it becomes critical that organizations should implement it carefully, if they are to survive. To achieve this, requires managers to fully understand drivers of change, the possible consequences of change on both organization and employees, and to take appropriate actions.

Despite optimistic expectations, mergers and acquisitions frequently fail, in part because managers neglect human resource issues, which are rarely considered until serious problems arise. This study highlights the importance of proactive management of human resource issues, and offers detailed practical advice to help ensure that the process will succeed. The study also contributes and gives an idea to the top management of banking industry on the awareness of employee engagement post merger and also can be useful for them to understand the approaches to be taken in order to enhance the level of organizational performance and make organization a profitable entity.

The outcomes of this study give rise to the formulation of an appropriate strategic framework that could assist organizations in implementing organizational restructuring. Moreover, the findings of the research could be used to develop new models for implementing organizational change that could be adapted to various change situations.

## **1.6 DEFINITION OF THE SELECTED CONCEPTS**

### **1.6.1 MERGER AND ACQUISITION**

Empirical research on mergers and acquisitions has revealed a great deal about trends and characteristics of mergers over the last century. For example, a profusion of event studies have demonstrated that mergers seem to create shareholder value, with most of the gains accruing to the target company.

In their quest for efficiency and competitiveness, business and companies keep re-organizing themselves. Mergers and Acquisitions have become an imperative part of the financial world. Mergers and Acquisitions (abbreviated M&A) is an aspect of corporate strategy, corporate finance and management dealing with the buying, selling, dividing and combining of different companies and similar entities that can help an enterprise grow rapidly in its sector or location of origin, or a new field or new location.

*Mergers and acquisitions are two different words but mostly use as synonyms for each other. The distinction between a "merger" and an "acquisition" has become increasingly blurred in various respects (particularly in terms of the ultimate economic outcome), although it has not completely disappeared in all situations.*

Glenlake and Fitzroy Dearborn have defined M&A as; “A merger can refer to any takeover of one company by another, when the businesses of each company are brought together as one” and “An acquisition or takeover occurs when one company acquires from another company either controlling interest in the company’s stock or a business operation and its assets.”



Andrew J. Sherman and Milledge A. Hart described Mergers and Acquisitions in the following way, “*Mergers are a combination of two or more companies in which assets and liabilities of the selling firm(s) are absorbed by the buying firm. Although the buying firm may be a considerably different organization after the merger, it retains its original identity*”. “*Acquisition is the purchase of an asset such as plant, a division, or even entire company*”.<sup>14</sup>

Mergers and acquisitions are increasing in India as organizations are trying to expand their operations and increase their competitive advantage. But despite optimistic expectations, mergers and acquisitions frequently fail, in part because managers neglect human resource issues, which are rarely considered until serious problems arise. The role of people and the organizational cultures is often placed in a marginal position, and most of the energy is invested in strategic and financial planning.

### **1.6.2 EMPLOYEE ENGAGEMENT**

The competitive global markets are forcing organizations to look at their products and to move beyond employee motivation towards achieving an engaged work force. Most of these organizations considered the capital as shares, cash, investments or some sort of wealth but the employees now have been seen as the asset of the companies popularly regarded as the human capital. Engagement impacts various organizational outcomes such as performance, retention and productivity. Having engaged employees has become crucial in the time where the organization expect their employees to take initiatives, bring innovations, and be proactive to bring solutions to current needs. Organizational leaders are in the position to increase their employee’s engagement levels and do more than just motivate them. EE involves commitment, loyalty, pride in the

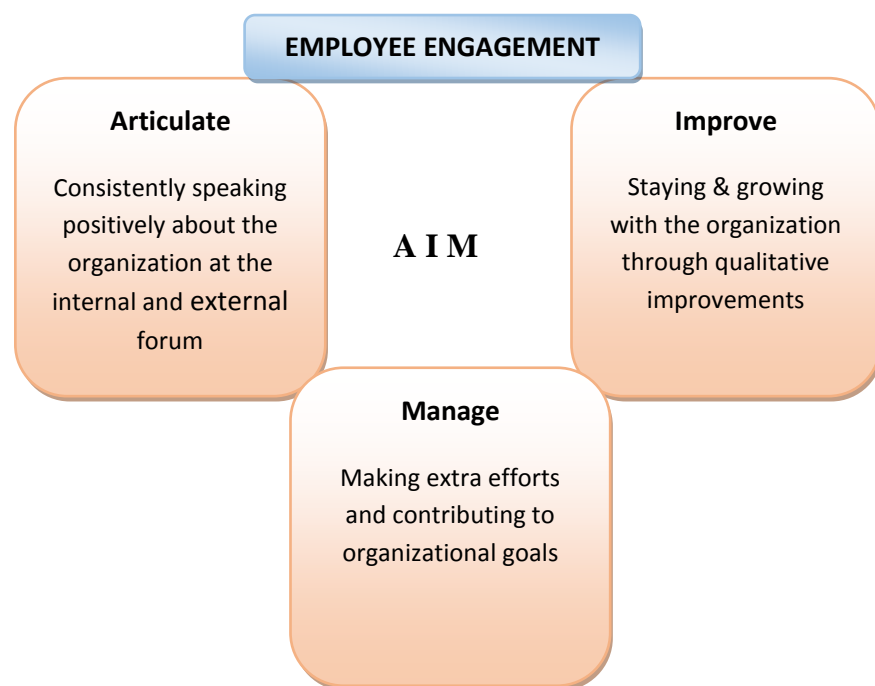
organization, willingness to advocate for the organization and sense of personal responsibility. Like satisfaction, EE is changeable. EE is capable of being greatly influenced and thus can vary considerably among organizational unit, companies and overtime.

*Employee Engagement is the state of emotional and intellectual commitment of employees towards the organization that gives the companies competitive advantages including higher productivity and lower employee turnover. EE refers to involving employees with the organization in a manner that leads to a win-win situation for both the employees and the organization.*

In every organization, however, EE is one of the most essential factors in human resource management. Truly engaged employees tend to have enthusiasm, high energy levels, willingness to learn new things, sense of belongingness to the organization, involvement in the job, good interpersonal skills, adaptability to change, openness to innovative ideas, ability to work under pressure, leadership qualities and team spirit.

The success of employee engagement lies in the attainment of the highest standards of AIM (Articulate-Improve-Manage). In case, the employees are truly engaged, they tend to articulate their view freely in the interest of the organization. Further, while interacting with customers, potential employees and co-workers, employees speak positively and passionately about the organization. This helps to get better operating results from a higher level of motivation and also helps to get better employees and market share due to the positive image of the organization. Secondly, the truly engaged employees tend to have an intense desire to stay with the organization and work for its continual improvement. While this solves the problem of attrition and intellectual flight from the organization, at the

same time this leads to qualitative improvements in the system and procedures, ultimately leading to better operating and financial performance. As the third component of AIM, truly engaged employees manage things better by making extra efforts and engaging in behavior that contributes to business success. As such, success of AIM becomes the cornerstone of employee engagement (Srivastava and Saxena, 2011)<sup>15</sup>.



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**Fig. 1.1: EE: 'A I M'-Articulate-Improve-Manage**

*Source: Srivastava A and Saxena N (2011), "Employee Engagement: Healthy Organization-Happy Employees"*

Employee engagement is the extent to which employees are motivated to contribute to organizational success, and are willing to apply discretionary effort to accomplishing tasks important to the achievement of organizational goals. M&As have become a way of life in industry today. The drivers of engagement that suffer the most post merger includes confidence of the employees in the organization's future and its senior

leaders, employee's belief that they have a promising future with the company and the capability to deal with the challenges faced due to changes (Wiley, 2009). An engaged employee is aware of business context, and works with colleagues to improve performance within the job for the benefit of the organization. Engaged employees will stay with the company, normally perform better and are self-motivated.

Gallup, an organization that studies the engagement level of the employees suggests that Engaged Employee is intellectually and emotionally bound with the organization, feels passionate about its goals and is committed towards its values thus he goes the extra mile beyond the basic job. Apparently, a disengaged employee will cost an organization such as lower productivity, higher absenteeism and turnover. Therefore, increasing EE levels is one of the levers managers can pull to increase organizational effectiveness and performance. This means that while contributing towards attainment of organizational objectives, employees also have personal intellectual growth and enjoy a feel good factor about the organization to cherish. EE of the highest standard fosters an environment of belongingness, mutual respect and trust, and offers opportunities for learning and growth; which in turn yields rich dividends for the organization in long term (Srivastava and Saxena, 2011).

Lockwood N.R (2007)<sup>16</sup>; in her article states that EE is the key business driver for organizational success. High levels of engagement in domestic and global firms promote retention of talent, foster customer loyalty and improve organizational performance and stakeholder value. A complex concept, engagement is influenced by many factors- from workplace culture, organizational communication and managerial styles to trust and respect, and leadership and company reputation. For today's generation, access to training and career opportunities, work-life balance and empowerment to make decisions are important factors. Thus, to foster a

culture of engagement, HR leads the way to design measure and evaluate proactive workplace policies and practices that help attract and retain talent with skills and competencies necessary for growth and sustainability. According to the author the top trends leading to EE are as follows:

- Employee-employer relationship evolving/ changing to partnerships.
- Increased demand for work-life balance.
- HR's greater role in promoting the link between employee performance and its impact on business goals.
- Increasing focus on selective retention for keeping mission-critical talent.
- Work intensification as employers increase productivity with fewer employees and resources.
- Acquiring and keeping key talent re-emerging as top issues of concern.
- Decline in traditional communication methods and increase in cyber communication.
- Needs, wants and behaviors of the talent pool driving changes in attraction, selection and retention practices.

Truss K (2014)<sup>17</sup>, in the article "Job Design and Employee Engagement", tries to relate job design, content of job, work environment and role of management with engagement. This study in various organizations has resulted in showing the relationship between job content like skill variety, identity, autonomy, feedback knowledge of results etc. Also the work

environment like climate, physical working conditions, organization structure, team and group work and work flow are important factors under work environment which effect EE. The immediate manager also plays an important role according to the author there are four elements of job design; job content, job context, work relationship and line manager and all these have to be considered to optimize the job design.

### **1.6.3 HR CHALLENGES**

Mergers are failing to meet their objectives. In the last decade, mergers and acquisitions have become a worldwide growth story, despite the high risks attached, and the information that over 85% of them have failed during the process of integration. It has been determined that most cases of failures have been because of employees not being able to adjust to the new environment, and/or many good employees leaving the organizations during the process of the integration. Despite a well planned strategy acquisitions have found to be a failure, and the main reason attributed for the failure is the challenges faced in managing people related issues.

People are the key to making a merger work, and it is the people-related problems like, culture clashes, management disputes, loss of talent and the inability to manage change, which are the basic reasons why mergers fail. The top seven obstacles to achieving success with a merger or acquisition are<sup>18</sup>:

1. An inability to sustain financial performance
2. Loss of productivity
3. Incompatible cultures
4. Loss of key talent
5. A clash of management styles
6. An inability to manage / implement change

7. Objectives / synergies not being well understood

The success level is thus directly proportional to the effective handling of the integration of human resources. The needs that clearly emerge are:-

- Strong need to manage the human assets to realize the full benefit of the merger.
- Need to communicate the vision and business plans as early as possible to the employees of both the companies.
- Need to involve HR in due diligence stage - to understand the cultural factors that could impact the work force integration, and also to estimate the costs of integration.
- Need to develop the new business goals and the organization structure to meet them. Further, it is essential to map the competencies of the people and integrating the findings to the organization structure.
- A dedicated team to handle mergers would be beneficial in the process of integration, as they can be seen as neutral bias, and working with clear objectives of integration for the new objectives.
- A process of communicating a clear message quickly, and then continuously stay in contact, is essential.
- A point of contact must be established for employees to contact for clarifications, and this person should have access to senior management to be able to respond to the queries quickly.

- A high priority must be given on managing employees with unique skills, and the ones who influence customers.
- Engage employees in productive work to manage their commitment levels.

Thus, awareness and taking action on these common mistakes will make merger and acquisition is much more successful and show the rest of the business just how much of an impact HR can really have.

#### **1.6.4 INDIAN BANKING SECTORS**

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*Bank in general terminology is referred to as a financial institute or a corporation which is authorized by the state or central government to deal with money by accepting deposits, giving out loan and investing in securities. The main roles of Banks are Economics growth, Expansion of the economy and provide funds for investment.*

*-Devarajappa,*

India has an extensive banking network, in both urban and rural areas. All large Indian banks are nationalized, and all Indian financial institutions are in the public sector. The Reserve Bank of India is the central banking institution. It is the sole authority for issuing bank notes and the supervisory body for banking operations in India since 1935. It supervises and administers exchange control and banking regulations, and administers the government's monetary policy. It is also responsible for granting licenses for new bank branches. 36 foreign banks operate in India with full banking licenses (Sahay, 2010)<sup>20</sup>. There are various types of banks which operate in our country to meet the financial requirements



of different categories of people engaged in agriculture, business, profession, etc. Due to cut throat competition, technological up gradation, recession in global economy and stock market volatility, Indian banks are facing various challenges at the market place. In response to these factors, banks in India and around the world are restructuring their assets, operations and contractual relationships with their shareholders, creditors and other financial stakeholders (Joshi and Goyal, 2012)<sup>21</sup>. Banking systems are consolidating many markets and banks and also extending their presence across borders.

The Narsimham Committee on Banking Sector Reform was set up in December, 1997. This Committee's terms of reference include; review of progress in reforms in the banking sector, to make banking system robust and internationally competitive reforms should be modified according to situations, framing detailed recommendation regarding banking policy for each dimension like institution, technology and legislative. The Committee submitted its report on 23 April, 1998; recommending for merger of large Indian banks to make them strong enough for supporting international trade, and the use of mergers to build the size and strength of operations for each bank. Hence, one of the major reasons for bank mergers was the Narsimham Committee report on banking reforms<sup>22</sup>.

In April 2009, Raghuram Rajan Committee penned a guest column for The Economist, which proposed a regulatory system that might minimize boom–bust financial cycles, identify the changes required in the supervisory infrastructure and regulatory infrastructure that will allow financial sector to play a better role by keeping the risk factor intact, to analyze the financial sector and its various segments and analyze the changes to meet the requirements of real sector, the conduct of Monetary and Fiscal policy and operation of legal and educational framework that will help financial sector to work effectively and efficiently and, to

analyze the challenges in financial needs that will crop up in coming years and to meet those challenges effectively<sup>23</sup>.

In the recent times banking sector has been undergoing a lot of changes in terms of regulation and effects of globalization. These changes have affected this sector both structurally and strategically. With the changing environment many different strategies have been adopted by this sector to remain efficient and to surge ahead in the global arena. One such strategy is through the process of consolidation of banks emerged as one of the most profitable strategy. There are several ways to consolidate the banking industry; the most commonly adopted by banks is merger (Devrajappa, 2012).

As we are entering into an international banking phase it is must to have a fair number of large banks, which could play a meaningful role in the emerging economics. International banking system is dominated by large players. Banks in India are gradually moving towards:

1. Consolidation of players through mergers and acquisitions,
2. Globalization of operations,
3. Development of new technology and
4. Universalization of banking.

Some recent examples of well-known bank mergers in India are as follows:

- Centurion Bank of Punjab Ltd. was merged with HDFC Bank Ltd. (2008).
- State Bank of Indore was merged into State Bank of India (2010).
- Bank of Rajasthan merged with ICICI Bank (2010).

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## **Chapter 2**

# **AN OVERVIEW OF THE RELATED LITERATURE**

### **2.1 INTRODUCTION**

This chapter reviews the related literature about the research study as a foundation for developing a theoretical framework to be tested in this research. The chapter further deals with the description of the organizational change/ restructuring especially in reference to mergers and acquisitions. The discussion also focuses on the management of the process and how it can be managed to ensure minimum disruptions and uncertainties, particularly on staff.

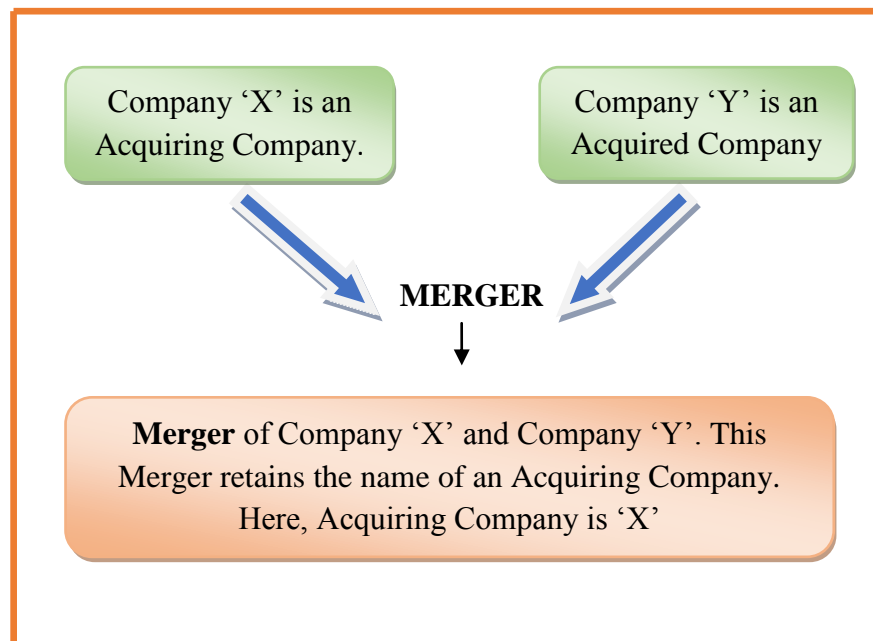
Mergers and acquisitions (abbreviated M&As) is an aspect of corporate strategy, corporate finance and management dealing with the buying, selling, dividing and combining of different companies and similar entities that can help an enterprise grow rapidly in its sector or location of origin, or a new field or new location, without creating a subsidiary, other child entity or using a joint venture. The distinction between a "merger" and an "acquisition" has become increasingly blurred in various respects (particularly in terms of the ultimate economic outcome), although it has not completely disappeared in all situations. Merger is a technique of business growth. It is not treated as a business combination.

Merger is done on a permanent basis. Generally, it is done between two companies. However, it can also be done among more than two companies. During a merger, an acquiring company and acquired

company/companies, come together to decide and execute a merger agreement between them.

1. **Acquiring company** is a single existing company that purchases the majority of equity shares of one or more companies.
2. **Acquired companies** are those companies that surrender the majority of their equity shares to an acquiring company.

After merger, acquiring company survives whereas acquired companies do not survive anymore, and they cease to exist. Merger does not result in the formation of a new company. The management of acquiring company continues to lead (direct) the merger<sup>1</sup>.



**Fig. 2.1: Example of M&A**

*Source: [http://en.wikipedia.org/wiki/Banking\\_in\\_India](http://en.wikipedia.org/wiki/Banking_in_India)*

In the above example, Company 'X' and Company 'Y' are operating (existing) in the market. Company 'X' is an acquiring company, and Company 'Y' is getting acquired by Company 'X'. In other words, Company 'Y' gets merged with Company 'X'. In this example of merger,

Company 'X' will purchase the majority of equity shares (ownership shares) of Company 'Y'. Company 'X' will take over the assets and liabilities of the Company 'Y'. The shareholders of the Company 'Y' will be given the shares of Company 'X'. The acquiring Company 'X' will continue to operate (function) by its erstwhile (former) name.

## **2.2 PRESENT STATUS**

Merger and acquisition activity in India showed a significant uptrend during May 2014 as the month witnessed transactions worth USD 4.4 billion, taking total deal tally to USD 16.37 billion in the first five months of this year. The month of May saw deals worth USD 4.4 billion via 52 transactions, against 44 deals worth USD 1.7 billion in the corresponding period last year. In January-May 2014, corporate India announced 230 M&A transactions worth USD 16.37 billion, while in the same period last year there were 216 deals worth USD 8.71 billion. The overall M&A market witnessed an upsurge in big ticket deals during May with eight deals of over USD 100 million each of which 3 deals were valued over USD 500 million each,. In terms of deal value, the domestic M&A showed an uptrend while cross-border deals also increased marginally. The overall M&A market caught up and is expected to show the same rate of growth in the coming months. Major M&A deals of the month included Adani Port's acquisition of Dhamra Port for USD 932 million, followed by Philippines-based Emperador Inc's acquisition of United Spirits' Whyte & Mackay for USD 725 million and Reliance-Network18 deal worth USD 678 million. Other major deals included Vodacom's (an arm of Vodafone) 68 per cent stake acquisition in Neotel (arm of Tata Communications) for USD 455 million and Essar Oil's 74 percent stake buy in Vadinar Power Company for USD 356 million.



Merger and acquisition has become a routine feature than an exception in the present day business scenario. The numbers of Mergers and acquisitions have increased many times in the last decade compared to the slack period of 1970-80s when legal hurdles trimmed the M&A growth. Globalization has increased the competitive pressure in the markets. Global M&A is one of the most happening and fundamental element of corporate strategy in today's world. Many companies around the world have merged with each other with a motive to expand their businesses and enhance revenue. In the span of few years there are many companies coming together for betterment across the globe. Even in India merger and acquisition has become a fashion today with a cut throat competition in the international market. There are domestic deals like Penta homes acquiring Agro Dutch Industries, ACC taking over Encore Cement and Addictive, Dalmia Cement acquiring Orissa Cement, Edelweiss Capital acquiring Anagram Capital. ICICI Bank's acquisition of Bank of Rajasthan at about Rs 3000 Cr. is a great move by ICICI to enhance its market share across the Indian boundaries especially in northern and western regions; and, Fortis Healthcare acquired Hong Kong's Quality Healthcare Asia Ltd for around Rs 882 Cr. and is now on move to acquire the largest dental service provider in Australia, the Dental Corp at about Rs 450 Cr<sup>2</sup>.

M&As in the banking sector is a common phenomenon across the world. The primary objective behind this move is to attain growth at the strategic level in terms of size and customer base. Banks also prefer mergers and acquisitions to reap the benefits of economies of scale through reduction of costs and maximization of both economic and non-economic benefits. Another important factor is the elimination of competition between the banks. This way considerable amount of funds earlier used for sustaining competition can be channelized to grow the banking business. Consolidating the business also makes the bank robust enough to sustain in the every-changing business environment. They find it easier to adapt

themselves quickly and grow in the domestic and international financial markets.

M&As are increasingly seen by firms as a relatively fast and efficient way to expand into new markets, to acquire new competences, to create economies of scale, to globalize, to spread the risk or even to dominate existing markets. Even then, mergers often fail to meet their objectives. In the last decade, mergers and acquisitions have become a worldwide growth story, despite the high risks attached, and the information that over 85% of them have failed during the process of integration. It has been determined that most cases of failures have been because of employees not being able to adjust to the new environment, and/or many good employees leaving the organizations during the process of the integration. Despite a well planned strategy acquisitions have found to be a failure, and the main reason attributed for the failure is the challenges faced in managing people related issues. People are the key to making a merger work, and it is the people-related problems like, culture clashes, management disputes, loss of talent and the inability to manage change, which are the basic reasons why mergers fail<sup>3</sup>.

The success level is thus directly proportional to the effective handling of the integration of human resources. The most challenging task is to bring together people and make them work as a team. Establishing a new organizational structure that fits all the employees is also difficult. Every company has different cultures and follows different strategies to define their merger. A sound strategic decision and procedure is very important to ensure success and fulfilling of expected desires. Thus, restructuring plans and future parameters should be decided with exchange of information and knowledge from both ends. This involves considering the work culture, employee selection, and the working environment as well.

### **2.3 PAST STATUS**

Many studies have been undertaken, nationally and internationally, on the effects of organizational restructuring and M&As, on both individuals and organizations as well as how best to manage this change.

**Joshi V and Goyal K.A (2012)**, reviewed stressors (psychological factors and work culture factors) which contribute in increasing the level of stress among employees. A sample of 60 employees out of 110 employees from managerial and executive levels of The Bank of Rajasthan Ltd. was chosen. The research based on the merger of The Bank of Rajasthan Ltd. in ICICI Bank Ltd., attempted to study the stress level of employees and their post merger satisfaction level. They concluded that post merger the stress level of the employees of The Bank of Rajasthan Ltd. has increased and the satisfaction level has decreased.

**Joshi V and Goyal K.A (2012)**, studied the growth of ICICI Bank Ltd. through mergers, acquisitions and amalgamations. They have reviewed the historical background of ICICI bank Ltd. and the variables considered significant factors in managing mergers and acquisitions effectively. Finally they concluded that a firm must devise a strategy in three phases, i.e. Pre-merger phase, Acquisition phase and Post merger phase.

**Saxena C.V and Bhargava I (2012)**, studied the changes in employees morale and competency levels in an organization post merger with the help of questionnaire from the banking sector. They concluded that employee morale pretends to be an essential element while handling employees in changed business scenario and it's a psychological bonding of the employee with the organization which self motivates him or her to act respectively.

**Ikpefan, Ochei Ailemen (2012)**, the study was carried out to examine the difference in banks' mean cost of equity capital before and after consolidation and to investigate if merger and acquisition had significantly impacted on bank performance. The study had reviewed the Post-Consolidation effect of Mergers and Acquisitions on Deposit Money Banks and from the study, it has been established that M&As affect the banks and their overall performance and M&As played a significant role in strengthening banks' capital base as well as restoring confidence among the public and consequently enhancing the development of the economy.

**Islam, Sengupta, Ghosh and Basu (2012)**, the paper investigated the context, process and consequences of the merger of State Bank of Indore with the largest nationalized banking firm, State Bank of India. Due to inadequate emphasis on the human resource aspect, employee resistance acted as impediment to merger of these two banks and delayed the process. This paper develops a model which can help the industry achieve smooth changes without employee resistance. Primary data was collected through a survey of 58 employees of State Bank of Indore. The paper examined the effects of mergers and acquisitions on the morale and psychology of the employees in the State Bank of Indore. The paper recommended that a pre merger task force should be prepared to take the feedback from the employees, and make them understand the effects and the benefits of mergers and acquisitions in formal and informal platforms.

**Kakkos and Trivellas (2011)**, the paper focused on employee job performance to study its relationship with employee perceptions regarding job motivation and work stress. Based on a sample of 143 respondents drawn from private and public banks in Greece, the paper used Alderfer's (1967) theory of motivation (ERG) to examine the impact of multiple needs' satisfaction (namely, Existence needs-pay, Existence needs-fringe benefits, Relatedness needs-supervisors, Relatedness needs-peers and Growth needs) on employees' perceived job performance. More, it

examined the impact of work stress and also such variables as gender, age, bank type, work experience, position and income on job performance. They concluded that out of five motivation dimensions, the Growth Needs element had a positive impact on job performance. The analysis also supported a negative relationship between Stress experienced at work and employee job performance while the latter did not seem to be influenced by any of the control variables examined.

**Joshi V and Goyal K.A (2011)**, reviewed the motives of banks for mergers and acquisition with special reference to Indian Banking Industry. For this purpose sample of 17 mergers (post liberalization) of Banks was taken. The study was conducted on the basis of number of branches, geographical penetration in the market as well as financial, Human Resources Management and Organization Behavior aspects. They concluded that, small and local banks face difficulty in bearing the impact of global economy therefore, they needed support and it was one of the reasons for merger.

**Prasad D.S (2011)**, the researcher did an analytical study on M&As in Indian banking sector by selecting major commercial bank mergers in India during the period 1994-2009 that provided sufficient data to compare/evaluate the pre and post-merger corporate performance /financial performance of the acquiring Indian commercial banks. The findings concluded that, for a bank merger to succeed, the role of Human Resources Management (HRM) and effective due diligence followed by integration planning and implementation are crucial.

**Sanda M.A, Benin P.A (2011)**, the paper analyzed the degree to which employees' satisfaction with merger-induced organizational changes impact on their productivity and the merged-firm performance. A sample of 200 employees was selected as study participants and questionnaires were used as the data collection tool. The results showed that human

resource issues are important aspects of mergers which, if not well handled, may impact negatively on employee satisfaction with consequent repercussions on productivity and the success of the merger. It was concluded that employee satisfaction to a merger-induced organizational changes could be enhanced by instituting effective two way communication system and using participatory approaches in job redesign processes. By implication, merger-induced change has human factor challenges that merging firms need to understand.

**Khan A.A (2011)**, the paper explored various motives of M&As in the Indian banking sector. It also compared pre and post merger financial performance of merged banks. The study also examined the changes occurring in the acquiring firms on the basis of financial ground and also the overall impact of M&As on acquiring banks and concluded that merger and acquisition is the useful tool for growth and expansion in the Indian banking sector and it is helpful for survival of weak banks by merging into larger bank.

**Naveed M, Hanif M.N, Ali Shahid (2011)**, the study demonstrated how M&As have recently affected the occupational and skill profile of jobs in banking industry of Pakistan. It was suggested that the framework could give a new insight into explaining the impact of M&As on employee's job satisfaction and security. The framework investigated the impact of M&As on the employee's job motivation and job satisfaction having both pre & post M&A job experience and those having only post M&A experience. The sample comprised of 94 respondents from various banks and the data was collected through questionnaires. They concluded that employees who had worked in both pre and post merger & acquisition environment, strongly feel threat to their job security and their motivation

level was lowered whereas employees who had only post M&A job experience were positive regarding job motivation and job security.

**Khalil Al Jerjawi (2011)**, studied the contributions and roles of HR manager's in merger processes. This paper demonstrates that HR managers are an essential part of merger and that HR practices should be given an extensive emphasizing throughout such organizational change "the merger process". The paper discusses variables like Staffing after merging process, Dumpsizing or Rightsizing, Survival Syndrome and Cultural Issues in merging process as well as the role of HR managers. The study concluded that although radical change processes, such as merging, may be a lever for HRM to play a more strategic role within previously studied companies, this may not happen so easily. The critical issues have illustrated that HRM may effectively contribute to the performance of a company and, in consequence, modify the perceptions of this function by other corporate managers and a basic condition for that role to be fully executed is its integration in the business strategy and the power system.

**Bhola Hemunadevi (2010)**, the study aimed to understand the relationship between the change management implications and employee engagement levels in a post merged organization as well as analyzed the relationship between employee engagement and demographic variables like age and length of service. Data collection was done through questionnaires with a sample of 133 respondents from two merged companies. The results showed that there is a significant difference in the level of emotional commitment between the two merged companies based on the change management implemented during the merger process and no significant relationship was found between employee engagement and demographic variables.

**Yasmeen Rizvi (2010)**, studied the role of human capital development interventions used during integration stages of mergers and acquisitions. Both quantitative as well as qualitative study was carried out to capture a more complete portrayal of the subject. The Responses were taken from 19 HR heads of 19 large/ midsized service sector organizations which had been merged or acquired. The study led to the conclusion that human capital development is a very important role of HR during mergers and acquisitions. The study also had implications for practitioners. As more and more organizations are undergoing radical changes in the face of global challenges, the study concluded that HR departments should have specialists in the areas of human capital development as human capital development role has been found to be very important during management of transformational change.

**Ruhani Ali and Gupta G.S (2010)**, “Motivation and Outcomes of Malaysian takeovers: An international perspective” they examined the potential motives and effects of corporate takeovers in Malaysia. The Mullar’s methodology, which involves the use accounting measures like size, growth, profitability, risk and leverage, were employed for the study to analyze the performance characteristics of takeover firms in the pre and post takeovers periods.

**Baker Shelly A (2009)**, the quantitative study involved examining several facets of job satisfaction among bank employees involved in M&As, 1 to 2 years post merger, assessing whether satisfaction is related to employee’s demographic identity (age, gender, job tenure, and level of education), and determining whether differences existed among the satisfaction facets (work on present job, supervision, opportunities for promotion, people at work, present pay, and the overall feeling of job satisfaction). The analysis of job satisfaction data for the bank employees who had experienced M&A with respect to demographic variables (age, gender, job level, job tenure, and level of education) resulted in mixed



findings. No evidence supporting effects of gender, job tenure, or level of education was found. In general, none of the bank employees were dissatisfied with any of the job facets examined during the study.

**Mohibullah (2009)**, in his paper investigated the reason for the failure of mergers and acquisitions. According to him this is all because of corporate culture clash. He suggested four reasons related to the culture clashes; ambiguity and communication problems within the merged entity, proper management of cultural integration, the acquisitions and organizational culture, and improper acculturation process among the merged organizations. He suggested that creation of proper communication channel between the employees from top level to bottom level can avoid severe ambiguities in merger and acquisitions process. Furthermore properly managed cultural integration process can also help in making mergers and acquisitions successful.

**Elena Beccalli and Pascal Frantz (2009)**, in their paper explored the impact of the operations of mergers and acquisitions on the performance of the banks. They used the sample of 714 deals in which acquiring banks were from European Union and targeting banks were located throughout the world over the period 1991 – 2005. The changes have a positive trend in domestic deals and negative trend in cross-border deals. Amusingly before mergers and acquisitions target banks shows poor performance as compare to acquiring banks in terms of profit and efficiency, but after merger both banks performs efficiently than any other bank.

**David C. Cheng (2009)**, ‘Financial determinants of Bank Takeovers’, found that several studies have examined the determinants of bank merger pricing. Those studies focus on the characteristics of the target and downplay the characteristics of acquirer. Their study found that the purchase price is a negative function of the target’s capital to asset ratio.

The only variable used in their model was the ratio of acquirer to target assets.

**Kumar (2009)**, “Post-Merger Corporate Performance: an Indian Perspective”, examined the post-merger operating performance of a sample of 30 acquiring companies involved in merger activities during the period 1999-2002 in India. The study attempted to identify synergies, if any, resulting from mergers. The study used accounting data to examine merger related gains to the acquiring firms. It was found that the post-merger profitability, assets turnover and solvency of the acquiring companies, on average, show no improvement when compared with pre-merger values.

**Leepsa N.M & Chandra Sekhar Mishra (2009)**, “Post Merger Financial performance: A Study with Reference to Select Manufacturing Companies in India”, intended to study the trend in merger and acquisition (M&A) particularly with reference to manufacturing companies. The study was an attempt to find out the difference in post-merger performance compared with pre-merger in terms of profitability, liquidity and solvency. The statistical tools used were descriptive statistics, paired sample t-test.

**Dr. Salma Ahmed & Yasser Mahfooz (2009)**, “Consolidation in the Sky - A Case Study on the Quest for Supremacy between Jetlite and Kingfisher Airlines”, they made attempt to descriptively analyze the rationale for consolidation in the Indian airline industry. The paper also evaluated major changes in the business environment affecting the airline industry.

**Jack W.W (2009)**, studied the effect of mergers and acquisition on employee engagement on U.S workforce. His analysis concluded that over the past 10 years, 10-15% of U.S. workers have been impacted by

M&A activity. The engagement of workers whose companies have merged with, or been acquired by, another company does not automatically decline. However, when layoffs are involved, the impact is usually negative. The drivers of engagement that suffer the most include confidence in the organization's future and its senior leaders, employees believing that they have a promising future with the company, and that the company provides its customers with higher quality products and services than its competitors. These declines in confidence can be offset by employee-centric senior managers who take the time to be visible to employees and clearly explain the company's future direction. When senior leaders credibly display this type of concern for the welfare and morale of the workforce, employee engagement levels can actually soar. It boils down to leadership and the value senior manager's place on the human assets of the organization.

**Mantravadi P, Reddy A.V (2008)**, the research was aimed to study the impact of mergers on the operating performance of acquiring corporate in different industries by examining some pre- merger and post-merger financial ratios. The sample of firms chosen was all the mergers involving public limited and traded companies in India between 1991 and 2003. The study was undertaken to test whether the industry type has an impact on the outcome of merger for the merging firm, in terms of impact on operating performance. The results from the analysis of pre- and post-merger operating performance ratios for the acquiring firms in the sample showed that there was a differential impact of mergers for different industry sectors in India. Type of industry did not seem to make a difference to the post-merger operating performance of acquiring firms.

**Hernando, Maria J. Nieto, and Larry D. Wall (2008)**, evaluate the determinants of bank acquisitions within and across European Union over

the period 1997–2004. Their sample includes 1342 private banks. The result of this paper included following points; (1) In the same country poorly managed banks are more likely to be acquired by other banks and efficiency gains are achieved more easily if the target bank is underperforming, (2) In the same country large banks are more likely to be acquired by other banks and it is beneficial in terms of attaining product diversification and penetration in new market segments, (3) Domestic acquisitions in New Member States reveals the intense privatization process, (4) Cross-border takeovers mostly occurs in concentrated markets as compare to domestic takeovers, (5) The regression results indicate that in cross-border deals inefficient and less profitable banks are not considered, (6) The chance for the banks, listed in the stock market, is higher to get target in a cross border merger, and (7) Banks functioning in more intensive markets are mostly acquired by the banks in other European Union countries then the banks in the same country.

**Ricardo Correa (2008)**, discussed about the effects of cross-border bank acquisitions on the performance of target banks in 58 different countries from 1994 to 2003. His study discovered that the significant determinants of cross-border deals are the target bank's size, pre-acquisitions profitability, and the level of concentration in the host country's banking sector. The evidence shows that the large and bad performing banks are more likely to get acquired in cross-border deals, in the country where there are less financial intermediation. The result also shows that the post-acquisition performance of target banks does not improve in first two years after the cross-border acquisitions and that the foreign banks in emerging economies perform better than in their domestic countries.

**Park J (2007)**, studied the work stress and job performance and concluded that the negative implications of work stress were recognized as a challenge to both employers and workers. Work stress factors had significant cross-sectional and longitudinal associations with job performance and high job strain was associated with reduced activities at work. Stressed workers were also more likely to be unhealthy, poorly motivated, less productive and less safe at work; and their organizations were less likely to succeed in a competitive market.

**Idrees Khawaja and Musleh-Ud-Din (2007)**, in their research paper confer that mergers and acquisitions allows a merging bank to achieve economy of scale by improving efficiency and also put the adverse impact on the competition. According to them in many countries mergers and acquisitions are closely observed and even blocked if the degree of competition is expected to fall below a certain level.

**Zhanwen Zhu and Haifeng Huang (2007)**, discussed about the impact of different cultures on cross-border mergers and acquisitions. According to him eliminating cultural difference and conflicts among organizations has become an imperative issue for the enterprises in cross-border mergers. Because these cultural differences and conflicts between nations and enterprises, have become a big barrier in cross-border M&A deals. Nowadays, the corporate culture is considered as a spiritual pillar of contemporary enterprises. If the manager cannot clearly grab the culture of the organization, then he or she will not be able to handle it efficiently. So it is extremely imperative for multinational organizations to identify cultural differences and conflicts in order to make the mergers and acquisitions successful. For cross-border mergers and acquisitions, cross-cultural management is an efficient method. If multinational organizations apply this method with the basic principles and select an appropriate cross-cultural management model, the negative effects arising from

cultural conflicts will be eliminated and their competitiveness will be increased.

**Vanitha. S (2007)**, “Mergers and Acquisition in Manufacturing Industry”, the researcher analyzed the financial performance of the merged companies, share price reaction to the announcement of merger and acquisition and the impact of financial variables on the share price of merged companies. The study concluded that the merged company reacted positively to the merger announcement and also, few financial variables only influenced the share price of the merged companies.

**Vanitha. S and Selvam. M (2007)**, “Financial Performance of Indian Manufacturing Companies during Pre and Post Merger”, they analyzed the pre and post merger performance of Indian manufacturing sector during 2000-2002 by using a sample of 17 companies out of 58 (thirty percent of the total population). For financial performance analysis, they used ratio analysis, mean, standard deviation and ‘t’ test. They found that the overall financial performance of merged companies in respect of 13 variables were not significantly different from the expectations.

**Pramod Mantravadi and Vidyadhar Reddy (2007)**, “Relative size in Mergers and Operating Performance”, explained that the research aims to study the impact of M&As on the operating performance of acquiring corporate in different periods in India, by examining some pre and post merger financial ratios with chosen sample firms and mergers between 1991-2003. The result suggested that there are minor variations in terms of impact on operating performance following merger in different intervals of time in India.

**Ryo Kawahara and Fumiko Takeda (2007)**, “M&As and Corporate Performance in Japan”, this paper investigated how M&As affected corporate performance for three years after their implementation. The corporate performance of 162 M&As that took place in Japan from 2001-

03 was analyzed by using Wilcoxon signed rank test. They found that overall effects of M&As on corporate performance were statistically insignificant, compared to the corporate performance of other companies within the same industry with similar pre-acquisition performance.

**John Mylonakis (2006)**, examined the impact of mergers and acquisitions on employees and on the efficiency of human resource. According to him most of the employees consider mergers and acquisitions as a threat for their jobs. The figure provided by him depicts that “3627 jobs had been cancelled during 1998 – 2003 in Greece. His research shows that mergers and acquisitions results in decline in the job of un-specialized or less-specialized employees, changes the role of senior employee’s into more complex duties, increase in the jobs of younger staff that are specialized in their field, and voluntary retirements of old staff.

**Creasy Todd (2005)**, conducted a qualitative research study of the extent to which horizontal and vertical communication affect the three levels of employee identity – personal, group or organizational, and its affect on employee attitudes engaged in merger or acquisition integration. The sample included nineteen professionals and executives from a variety of industries who shared both positive and negative M&A experiences. The study revealed that participants in mergers and acquisitions, independent of whether the activities were deemed successful or not; experienced similar emotional reactions. All respondents indicated that the M&A was stressful and at times ambiguous and uncertain. The research also demonstrated that among the numerous factors that influence the attitudes and behavior of employees in a merger or acquisition, communication appears to play a critical role and the renegotiation during the integration process was influenced by the form and flow of two levels of inter-organizational communication.

**Canyon M, Girma S, Wright P, and Thompson S (2000/5)**, in their paper discussed about the impact of hostile mergers on the jobs in United Kingdom for the period of 1983-1996. They said that hostile takeover have negative impact on employees. Their empirical finding shows that hostile and friendly mergers are similarly associated with each other, because both results in decline in labour demand, averaging about 7.5%. In United Kingdom hostile takeover is not exclusively linked with the layoff of workers. However, one important factor which differ hostile takeovers form friendly takeovers is that hostile takeovers results in immediate decrease in output and employment which is not in friendly takeovers. It is assumed that these downfalls are due to high level of post mergers divestment of divisions or subsidiaries. Such divestment comprises a secondary order of control transactions.

**Joydeep Biswas (2004)**, “Recent trend of merger in the Indian private corporate sector”. The dicussed how corporate restructuring in the form M&As has become a natural and perhaps a desirable phenomenon in the current economic environment. In the tune with the worldwide trend, M&As have become an important conduit for FDI inflows in India in recent years. The paper argued that the Greenfiled FDI and cross-border M&As are not alternatives in developing countries like India.

**Vijay Shrimali and Karunesh Saxena’s (2004)**, “Economic Advantages of Merger and Acquisition.” due to the imminent implementation of WTO Guidelines with effect from July 2005, it became mandatory for business organization to strengthen their R&D base. Consequently, the size of the business organization matters most, merger and acquisition have, therefore, become order of the day, an attempt was made in the paper to provide a theoretical framework of M&A, various examples of merger and acquisition in the world market and finally, the economic advantage of M&A have been outlined.



**Patrick Beitel, Dirk Schiereck, and Mark Wahernburg (2003)**, in their paper argued on the factors that influence the proclamation effects of European bank mergers and acquisitions between 1985 and 2000. They made their analysis on the impact of 13 drivers of mergers and acquisitions success. Their study on the success of mergers and acquisitions deals is based on target shareholders, bidder shareholders and both combined. Their result shows that successful bidders select smaller and faster growing banks with bad efficiency measures. Finally they concluded that the response of stock market to merger and acquisitions announcements in Europe for bidding banks can be partially anticipated which can help managers involved in mergers to grow and also can be helpful for shareholders in judging and approving bank mergers to raise their values.

**Mansur .A. Mulla (2003)**, “Forecasting the Viability and Operational Efficiency by use of Ratio Analysis - A Case Study”, assessed the financial performance of a textile unit by using ratio analysis. The study found that the financial health was never in the healthy zone during the entire study period and ratio analysis highlighted that managerial incompetence accounted for most of the problems. It also suggested toning up efficiency and effectiveness of all facets of management and put the company on a profitable footing.

**Claudia M. Buch and Gayle DeLong (2001)**, describes about “Cross-Border Bank Mergers”. They used the dataset of over 2300 mergers that took place between 1978 and 2001 to analyze the determinants of international bank mergers and they suggested that banks from developed countries inclined to takeover banks in less developed countries. Furthermore banks operating in more regulated environments are less likely to be included in cross border mergers.

**Myeong Gu Seo (2001)**, in his study analyzed six theories (anxiety theory, social identity theory, acculturation theory, role conflict theory, job characteristic theory, and organizational justice theory) on which the impact of mergers and acquisitions on employees is based. He said that each theory shows same type of problem i.e. psychological and behavioural effects of mergers and acquisitions on employees and the related prescriptions in the M&A implementation processes. Based on this conceptual groundwork, it further develops an integrative framework, which delineates when and how those predictors of different theoretical roots have differential effects on employees in the different stages of the M&A integration process. First concept is about the organizational changes related to mergers and acquisitions in contrast to other types of organizational changes. On one hand several problems just like strategic reorientation, downsizing, and reengineering arises in both other types of organizational changes and mergers and acquisitions related organizational changes. These factors result in employee anxiety, role conflicts, employee displacement, and change in job environments. On the other hand some problems just like blending or interacting with different organizational identities and cultures mostly occurs in mergers and acquisitions as compare to other type of organizational changes. Second concept includes framework for managers and mergers and acquisitions professionals which may help them not only to forecast when and how these factors can arises, but also aids them in taking some proactive steps to sort out these problems.

**Vardhana Pawaskar (2001)**, “Effect of Mergers on Corporate Performance in India”, studied the impact of mergers on corporate performance. The study compared the pre- and post- merger operating performance of the corporations involved in merger between 1992 and 1995 to identify their financial characteristics. The study identified the profile of the profits. The regression analysis explained that there was no increase in the post- merger profits. The study of a sample of firms,

restructured through mergers, showed that the merging firms were at the lower end in terms of growth, tax and liquidity of the industry. The merged firms performed better than industry in terms of profitability.

**Huzifa Husain, (2001)**, ‘Merger and Acquisition unlocking value’, explained that takeovers (hostile or non-hostile) may be beneficial to the shareholders if they unlock the hidden value of a company. They also help the existing management to be more receptive to shareholders. Economically, takeovers make sense if the ‘private market value’ of a company is higher than the market capitalization of the company. Further if takeovers are used as a ploy to prevent competition, it becomes harmful to the economy. Therefore, proper checks and balances have to be put in place to ensure that takeover facilitation improves overall efficiency of the company.

**Chitranandi A.K, (2001)**, “Trumps for M&As – Information Technology Management in a merger and acquisition strategy”, the study analyzed that the success of merger and acquisitions depend on proper integration of employees, organization culture, IT, products, operations and service of both the companies. Proper IT integration in merger plays a critical role in determining how effectively merged organizations are able to integrate business processes and people, and deliver products and services to both internal and external customers of the organization. The study suggested that to address the challenges, Chief Information Officers should be involved from the earliest phase.

**Stephen A. Rhoades (2000)**, discussed about the bank mergers in USA from 1980 to 1998. According to his view “Mergers have the potential to fundamentally restructure an industry. Such changes in an industry’s structure may have significant implications for competition and the economic performance of the industry including prices, quality of products and services, and efficiency of production. Additionally, once

the industry is reorganized, it will carry on for a long time.” The basic purpose of his paper was to highlight the facts of bank mergers activities and the effects of mergers on US banking structure. He said that the main reason of increase in mergers activities was the gradual removal of state and federal restrictions. Many banks expended their operations after removal of the restrictions on intrastate and interstate banking.

**Canagavally R. (2000)**, “An Analysis of Mergers and Acquisitions”, measured the performance in terms of size, growth, profitability and risk of the companies before and after merger. The study also investigates the share prices of sample companies in response to the announcement of merger.

**Beena P.L (2000)**, ‘An analysis of merger in the private corporate sector in India’, attempted to analyze the significance of merger and their characteristics. The paper established that acceleration of the merger movement in the early 1990s was accompanied by the dominance of merger between firms belonging to the same business group of houses with similar product line.

**Saple V. (2000)**, “Diversification, Mergers and their Effect on Firm Performance: A Study of the Indian Corporate Sector”, found that the target firms were better than industry averages while the acquiring firms had lower than industry average profitability. Overall, acquirers were high growth firms which had improved the performance over the years prior to the merger and had a higher liquidity.

**Gayle L. DeLong (1999)**, in his paper examined the wealth effect of bank mergers by distinguishing between different types of mergers. He classifies mergers according to activity and geographic based on focus or diversification for bidders, target banks, and for both combined. He said that “mergers that focus both activity and geography enhance stockholder value by 3.0%, whereas diversifying mergers do not create value”. About

the prediction for successful mergers he said that stock prices represent the future cash flows. But in banking industry actual performance is always different from market expectations. That's why it is difficult to predict about the success of bank mergers.

**Anup Agrawal Jeffrey F. Jaffe (1999)**, "The Post-merger Performance Puzzle", examined the literature on long-run abnormal returns following mergers. The paper also provided explanations for any findings of underperformance following mergers and concluded that the evidence did not support the conjecture that underperformance is specifically due to a slow adjustment to merger news. Thus, convincingly rejected the EPS myopia hypothesis, i.e. the hypothesis that the market initially overvalues acquirers if the acquisition increases EPS, ultimately leading to long-run under-performance.

**Ravi Sanker and Rao K.V (1998)**, "Takeovers as a strategy of turnaround", analyzed the implications of takeovers from the financial point of view with the help of certain parameters like liquidity, leverage, profitability etc. They observed that a sick company is takeover by a good management and makes serious attempts; it is possible to turnaround successfully.

**Stanley Block (1997)**, in his paper analyzed the importance of possible dilution and following earnings growth in bank mergers. Bank mergers are different from industrial mergers because of the availability of stock for stock exchange and preliminary dilution in earnings per share. He said that it is imperative for financial planners to allow satisfactory time for investigating all the negative and positive points and verify that the net payoff is adequate to validate the acquisition. If the banks do not do this by themselves, then either security analysts or institutional investors will do it for them, and then the stock of acquiring bank will reflect them in market.

**Rabi N Kar and Amit Soni**, the study was designed to analyse the impact of mergers and acquisitions in the post liberalisation period (1991-2001). The analysis substantiated the fact that Indian companies have adopted M&As as a strategic choice for growth and expansion in general and particularly more prominently during the difficult period of 1996-97 and 1997-98. The analysis of M&As trends for the entire period gives two distinct phases of M&As for the different sectors of the Indian industry, that is the period from 1990-91 to 1995-96 and 1996-97 to 2000-01. During the first period, there have been 68 M&As where as in the second phase 1318 M&As have been found. That is why the second phase can safely be called as the first M&A wave in India. M&As have been found to be beneficial in the sense that Indian companies grew in size, and attained better market share. Further, M&As did not have any impact on return on net worth for the period of study.

**Singh and Kumar (1994)**, “The role played by BIFR in the revival of sick industrial units through the medium of mergers”. With the help of three case studies, they concluded that rehabilitation of sick company by merging with the healthy company is the most effective way of their rehabilitation. All the three cases (namely Kothari General Food Corporation Ltd. with Brooke Bond India Ltd., Challapalli Sugars Ltd. with KCP Ltd. and Sewa Paper Lid. with Ballarpur Industries Ltd.) could be termed as successful mergers and BIFR seemed to have fulfilled its assured objective of revival of sick companies. Another conclusion drawn was that tax implications were singularly the most inviting feature for healthy company to merge with sick company.

## **2.4 ORGANIZATIONAL CHANGE**

### **2.4.1 INTRODUCTION**

*“Change does not happen when circumstances improve; Change happens when we try to improve the circumstances”.*

Change is inevitable and ubiquitous in a rapidly expanding world. The landscapes of many external forces make it most difficult for organizational survival and prosperity. The dilemma faced by many businesses today is managing strategic change initiatives efficiently and effectively. Managing the changes simultaneously poses great challenges to organizational success in terms of the desired change. According to Ulrich, 1997 (as cited in Chew Y.T and Choo S.M 2008, p.1)<sup>4</sup>, a primary difference between organizations that succeed and those that fail, is the ability to respond to the pace of change. In other words, organizations need to monitor and scan their external environments, anticipate and adapt timely to continual change. Researchers, managers and employees have become familiar with a new lexicon to describe these changes: downsizing, reengineering, core competencies, outsourcing, and off shoring, for example. According to Brown and Harvey 2006 (as cited in Chew Y.T and Choo S.M 2008, p.1), there are three major trends that shape change. Specifically the trends are (a) the heightened competition brought about by globalization, (b) information technology and, (c) managerial innovation. Globalization is changing the economy and markets in which the organizations operate; and, there has been an increase in the e- business sector that is changing how work is distributed and performed with the use of information and communication technology. Moreover, managerial innovation becomes more important as a form of response to both competition and IT trends.

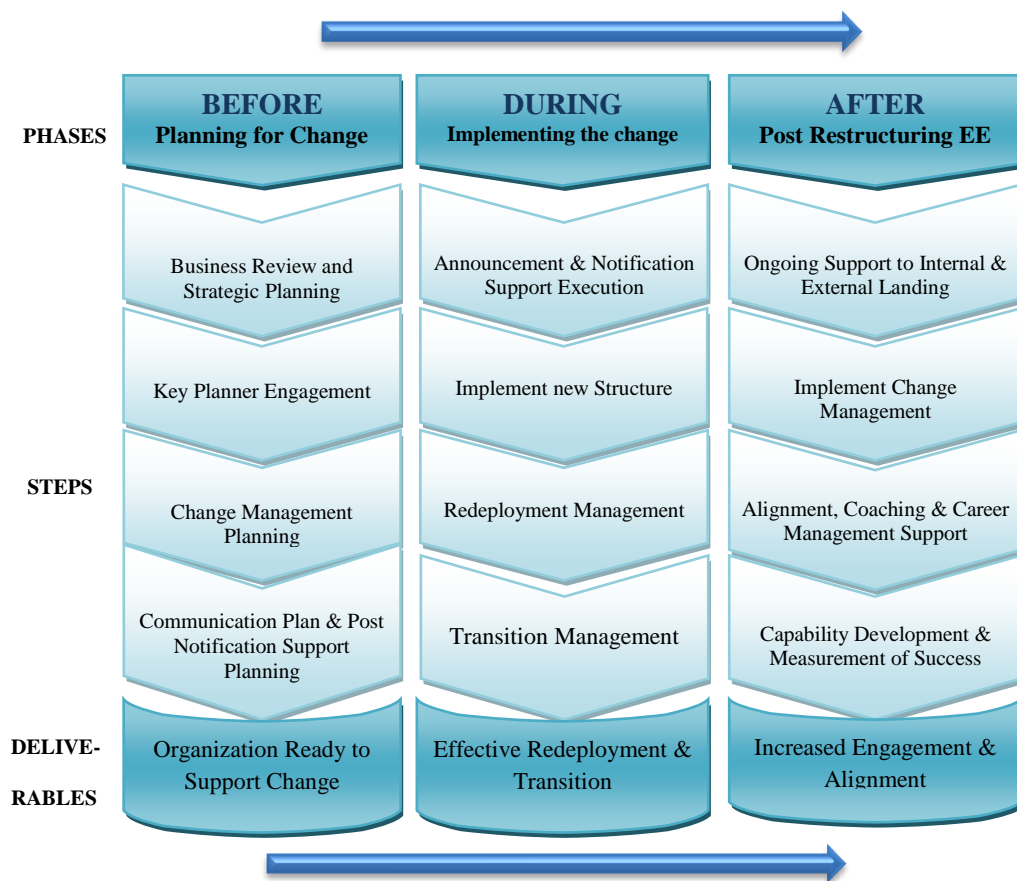
Organizational change is a complex issue with make or break implications for organizations. The benefits of change or restructuring include reducing the cost base while creating more efficient structures, effective processes and engaged staff. In these turbulent times, whether downsizing, rightsizing, restructuring or rebalancing, senior leaders must be more decisive, transparent and communicate more than ever before. The full impact of restructuring on productivity, customer loyalty and profits will not be known for years. Ultimately, a successful restructure depends on the engagement and motivation of the survivors; those employees who remain after the actual redundancies have stopped (Corcoran, 2009)<sup>5</sup>.

According to Greenberg and Baron, 1995 (as cited in Shivambu, Hove and Karodia 2014, p.65, 66)<sup>6</sup> organizational restructuring refers to the “altering of size and basic configuration of the organizational chart”. It may involve downsizing that entails reducing the number of employees needed for the organization to function effectively, or rightsizing that includes adjusting the number of employees needed to work in newly designed organizations. It can also include outsourcing, wherein a company hires the services of an outside firm to carry out its non-core business functions. The restructuring organizations should ensure that employees are genuinely involved in the process at the outset. The desired changes and the benefits thereof should be clearly and consistently communicated to the employees at the beginning of the restructuring process.

Today, many organizations are cost-cutting and reducing headcount with a clear focus on protecting profits. The corporate world is struggling with the process of aligning the organization with the new business environment. More often than not, in today’s environment, it seems that the engagement levels of survivors are a forgotten factor when designing and implementing any form of restructure. Yet, it is a leading indicator of



future financial performance. Employee engagement is a critical measure of person-organization alignment, and reflects the employees' involvement with, and their contribution to, the success of their organization. The level of EE is closely linked to, and positively impacts employee retention, employee attendance, safety and trust in leadership, revenue, customer loyalty and profits. Organizations should adopt an integrated and end-to-end approach to the restructuring/downsizing life cycle, breaking the program into three phases, *Before, During and After*. These manageable phases allow the organization to mitigate the organizational risks and handle the challenges to ensure performance milestones are hit and productivity (Corcoran, 2009).



**Fig. 2.2: Some of the actions to be completed during each phase of the restructuring**

(Source: <http://www.rightmanagement.co.nz/thought-leadership/research/managing-change-maximising-value.pdf>)

Many aspects shape the way an organization works. The people, behaviour and culture bring the structure and connections to life. The purpose of the new organization and structure should be to coordinate the work of employees so that the business objectives are achieved, motivate employee behaviour to achieve superior performance, profits and customer loyalty and, organize work accountabilities with the appropriate authorities to make decisions and respond quickly.

Organizations are sensitive to their environment and look for different ways to conduct operations. To cope with increased competitive pressure globalization and demand for efficiency, many organizations have come to rely on the strategy of restructuring and downsizing. Indian corporate enterprises are refocusing in the lines of core competence, market share, global competitiveness and consolidation. This process of refocusing has further been hastened by the arrival of foreign competitors. In this backdrop, Indian corporate enterprises have undertaken restructuring exercises primarily through M&As to create a formidable presence and expand in their core areas of interest (Giri, 2013)<sup>7</sup>. According to Tidd 2001(as cited in Hallgrímsson T, 2008, p.3)<sup>8</sup>, when this need for change is acknowledged, organizations consequently become subject to increased uncertainty. This is particularly evident when organizational merger is a part of the needed change.

M&As, however, do affect organizations and employees. Employees become insecure, confused about their jobs, and therefore less productive. To the extent that mergers can adversely affect both organizations and employees, it becomes critical that organizations implement it carefully, if they are to survive. To achieve this, requires managers to fully understand drivers of M&As, the possible consequences of change on both organization and employees, and to take appropriate actions.

## **2.4.2 MERGER AND ACQUISITION**

In a dynamic economy, business structures and company structures are in a state of constant flux. Multiple interacting changes in the global environment have led to a highly complex, confusing and unpredictable state. This leads to several forms of restructuring. One of the most radical types of organizational change is M&A, which have become common occurrence in the wake of competition and the ever increasing quest for growth and survival by organization. Following globalization, many small organizations hastily got into mergers to stand against highly-competitive, large scale multinational corporations. They took mergers as a protective strategy to save their business from being perished in the newly created dynamic environment.

### **Types of Mergers and Acquisitions**

There are many types of mergers and acquisitions that redefine the business world with new strategic alliances and improved corporate philosophies. From the business structure perspective, some of the most common and significant types of mergers and acquisitions are listed below:

- **Horizontal Merger**

This kind of merger exists between two companies who compete in the same industry segment. The two companies combine their operations and gains strength in terms of improved performance, increased capital, and enhanced profits. This kind substantially reduces the number of competitors in the segment and gives a higher edge over competition.

- **Vertical Merger**

Vertical merger is a kind in which two or more companies in the same industry but in different fields combine together in business. In this form, the companies in merger decide to combine all the operations and

productions under one shelter. It is like encompassing all the requirements and products of a single industry segment.

- **Co-generic Merger**

Co-generic merger is a kind in which two or more companies in association are some way or the other related to the production processes, business markets, or basic required technologies. It includes the extension of the product line or acquiring components that are all the way required in the daily operations. This kind offers great opportunities to businesses as it opens a hue gateway to diversify around a common set of resources and strategic requirements.

- **Conglomerate Merger**

Conglomerate merger is a kind of venture in which two or more companies belonging to different industrial sectors combine their operations. All the merged companies are no way related to their kind of business and product line rather their operations overlap that of each other. This is just a unification of businesses from different verticals under one flagship enterprise or firm.

A merger is always associated with tremendous uncertainties and a typical period of transition. Most of M&A decisions are taken after examining the financial, legal and market related issues neglecting employees concerns often leading to a great degree of employee uneasiness and stress. These anxieties and stress may arise partly because of the amount of secrecy, ambiguity and uncertainty surrounding the merger due to lack of adequate information to the employees. M&As also create a great deal of uncertainties for both employees of acquiring and target firms, which result in increased absenteeism, stress, lower productivity, health issues and commitment. Many researchers indicate that about two-thirds of all mergers fail to achieve the desired results or outcomes, primarily because

of the organizations apathy to the employee's reaction and interests. Since anxieties, stress, ambiguity and uncertainty lead to psychological discomfort in an organization, work is likely to become a source of pain for the employee, resulting in reduced performance, efficiency, commitment, organizational citizenship behavior and loss of trust in the immediate leader and the organization. Hence, there is a need to explore the human aspects of M&A (Bhaskar, Ratnam & Bhal, 2009).<sup>9</sup>

Merger and acquisition (M&A) activities have increased rapidly since 2000. Mergers and acquisitions are strategic decisions taken for maximization of a company's growth by enhancing its production and marketing operations. They are being used in a wide array of fields such as information technology, telecommunications, and business process outsourcing as well as in traditional businesses in order to gain strength, expand the customer base, cut competition or enter into a new market or product segment.

During this global economic crisis, sensible business leaders pay doubled attention to corporate restructuring. Mergers and acquisitions (M&A) are one broad avenue toward the restructuring success. Therefore, "to do M&A or not?" is a big question facing business leaders, particularly those of fortunate corporations with healthy performance, and those of heavily beaten companies that are desperately searching for ways to survive. Even though M&A is of great significance to the involved companies' survival and sustainable development, the outcome of M&A has many faces. Successful M&A makes winners in multiple aspects: shareholders, management, employees, consumers, communities, governments, and even the economy as a whole. Failed M&A results in losses from different areas: the acquirer and often the acquired, the new entity, and employees of both sides; but also perhaps the community, the governments, and even the economic power of each associated nation are also hurt to a certain extent (Dr.Chand, 2009).<sup>10</sup>

Merger and acquisition is often known to be a single terminology defined as a process of combining two or more companies together. The fact remains that the so-called single terminologies are different terms used under different situations. Though there is a thin line difference between the two but the impact of the kind of completely different in both the cases. In the end, the line between merger and acquisition is often blurred. It's rare that any two companies are equal or desire to combine into a single firm to the same degree. Both companies want to feel they come out ahead on any merger or acquisition, or if in a weakened state, make the best deal possible. The true heart of the difference between mergers and acquisitions is whether they occur in a friendly or hostile environment<sup>11</sup>.

#### **2.4.3 EXTENT OF M&AS IN INDIA**

The concept of merger and acquisition in India was not popular until the year 1988. During that period a very small percentage of businesses in the country used to come together, mostly into a friendly acquisition with a negotiated deal. The key factor contributing to fewer companies involved in the merger is the regulatory and prohibitory provisions of MRTP Act, 1969. According to this Act, a company or a firm has to follow a pressurized and burdensome procedure to get approval for merger and acquisitions.

The year 1988 witnessed one of the oldest business acquisitions or company mergers in India. It is the well-known ineffective unfriendly takeover bid by Swaraj Paul to overpower DCM Ltd. and Escorts Ltd. Further to that many other Non-Residents Indians had put in their efforts to take control over various companies through their stock exchange portfolio. Volume tremendously increased with an estimated deal of worth more than \$ 100 billion in the year 2007. This was known to be two times more than that of 2006 and four times more than that of the deal in

2006. Further to that, the percentage is continuously increasing with high end success in business operations.

As for now the scenario has completely changed with increasing competition and globalization of business. It is believed that at present India has now emerged as one of the top countries entering into merger and acquisitions. India is arguably the world's most promising emerging market. On its current growth trajectory, India is expected to become the world's third largest economy by 2050. India's growth story, based on the structural strengths of a skilled young population, rising savings and investment rates, large unfulfilled domestic demand, and globally competitive returns, has spurred M&A action, both inbound and outbound, during the past decade.

The geographic proximity of Europe and Asia has meant that these two regions have been India's main deal partners. Since 2005, however, North America has been a significant player in cross-border Indian M&A activity. Regrettably for Canadians, the lion's share of Indian activity has been to and from the US—cross border deals with Canadians have been few. Rather than dwell on the reasons and implications of historic precedent, PwC's perspective is that Canada has an opportunity to be front and center in the next generation of Indian deal-making. Indeed, the dynamics of the post-crisis economy and a number of emerging deal drivers suggest that transacting with India may be a promising new frontier for Canadian deal makers.

Some of the examples of successful mergers in India are as follows:

- Tata Chemicals took over British salt based in UK with a deal of US \$ 13 billion. This is one of the most successful recent mergers and acquisitions 2010 that made Tata even more powerful with a

strong access to British Salt's facilities that are known to produce about 800,000 tons of pure white salt annually.

- Merger of Reliance Power and Reliance Natural Resources with a deal of US \$11 billion is another biggest deal in the Indian industry. This merger between the two made it convenient and easy for the Reliance power to handle all its power projects as it now enjoys easy availability of natural gas.
- Airtel acquired Zain in Africa with an amount of US \$ 10.7 billion to set new benchmarks in the telecom industry. Zain is known to be the third largest player in Africa and being acquired by Airtel it is deliberately increasing its base in the international market.
- ICICI Bank's acquisition of Bank of Rajasthan at about Rs 3000 Crore is a great move by ICICI to enhance its market share across the Indian boundaries especially in northern and western regions.
- Fortis Healthcare acquired Hong Kong's Quality Healthcare Asia Ltd for around Rs 882 Crore and is now on move to acquire the largest dental service provider in Australia, the Dental Corp at about Rs 450 Crore<sup>12</sup>.

#### **2.4.4 M&AS IN INDIAN BANKING INDUSTRY**

Bank merger is an event of when previously distinct banks are consolidated into one institution (Pilloff and Santomerro, 1999). A merger occurs when an independent bank loses its charter and becomes a part of an existing bank with one headquarter and unified branch network (Dario Farcarelli 2002). In the resent times banking sector has been undergoing a lot of changes in terms of regulation and effects of globalization. These changes have affected this sector both structurally and strategically. With the changing Environment many different strategies have been adopted by



this sector to remain efficient and to surge ahead in the global arena. One such strategy is through the process of consolidation of banks emerged as one of the most profitable strategy. There are several ways to consolidate the banking industry; the most commonly adopted by banks is merger (as cited in Devarajappa 2012, p.34).<sup>13</sup>

Merger and Acquisition in Indian banking sectors have been initiated through the recommendations of Narsimham committee II. The committee recommended that “merger between strong bank/financial institutions would make for greater economic and commercial sense and would be case where the whole is greater than the sum of its parts and have “force multiplier effect”.

M&A activity in the banking sphere increased in India after economic reforms in 1991. The main motive is to increase efficiency by reducing cost or increasing revenues or combination of both. M&As in banking sector has become admired trend throughout the country. It was found that M&A between distressed and strong banks in India showed persistent efficiency across time. A larger number of public and private sector banks are engaged in M&As activities in India. Economic reforms have succeeded in weeding the weaker banks by merging them with healthier banks. One of the prominent motives behind M&As in the banking sector is to harvest the benefit of economies of scale and eliminate competition from the banking industry. Proven to be an act of corporate action, M&As in the banking sector has ensured efficiency, profitability and synergy from past many years (Bhatnagar and Sinha, 2012).<sup>14</sup>

**Table 2.1: Bank Mergers in India Post Reforms (After 1991)**

| <b>MERGER YEAR</b> | <b>TARGET BANK</b>     | <b>ACQUIRER</b>           | <b>MOTIVE</b>   |
|--------------------|------------------------|---------------------------|---|
| 1993               | New Bank of India      | Punjab National Bank      | Forced merger-restructuring of weak banks                             |
| 1994               | Bank of Karad Ltd      | Bank of India             | Forced merger-restructuring of weak banks                             |
| 1995               | Kashinath Seth Bank    | State Bank of India       | Forced merger-restructuring of weak banks                             |
| 1996               | Punjab Co-op Ltd       | Oriental Bank of Commerce | Forced merger-restructuring of weak banks                             |
| 1997               | Bari Doab Bank Ltd     | Oriental Bank of Commerce | Forced merger-restructuring of weak banks                             |
| 1999               | Bareilly Coop Ltd      | Bank of Baroda            | Forced merger-restructuring of weak banks                             |
| 1999               | Sikkim Bank Ltd        | Union Bank of India       | Forced merger-restructuring of weak banks                             |
| 2000               | Times Bank Ltd         | HDFC Bank Ltd             | Voluntary merger  |
| 2001               | Bank of Madura         | ICICI Bank                | Voluntary merger  |
| 2002               | ICICI Ltd              | ICICI Bank                | Universal banking objective-merger of financial institution with bank |
| 2002               | Banaras State Bank Ltd | Bank of Baroda            | Forced merger-restructuring of weak banks                             |
| 2003               | Nedungadi Bank Ltd     | Punjab National Bank      | Forced merger-restructuring of weak banks                             |

| <b>MERGER YEAR</b> | <b>TARGET BANK</b>            | <b>ACQUIRER</b>                      | <b>MOTIVE</b>   |
|--------------------|-------------------------------|--------------------------------------|---|
| 2004               | IDBI Bank Ltd                 | Industrial development Bank of India | Universal banking objective-merger of financial institution with bank |
| 2004               | South Gujarat Local Area Bank | Bank of Baroda                       | Forced merger-restructuring of weak banks                             |
| 2004               | Global trust Bank             | Oriental bank of Commerce            | Forced merger-restructuring of weak banks                             |
| 2005               | Centurion Bank                | Bank of Punjab                       | Voluntary merger  |
| 2006               | Ganesh bank of Kurandwad      | Federal Bank                         | Forced merger-restructuring of weak banks                             |
| 2006               | United Western Bank           | Industrial Development Bank of India | Forced merger-restructuring of weak banks                             |
| 2006               | Lord Krishna Bank             | Centurion Bank of Punjab             | Expansion of size voluntary merger                                    |
| 2006               | Sangli Bank                   | ICICI Bank                           | Voluntary merger  |
| 2007               | Bharat Overseas Bank          | Indian Overseas Bank                 | Regulatory Intervention   |
| 2008               | Central Bank of Punjab        | HDFC Bank                            | Voluntary merger Growth prospects                                     |
| 2010               | Bank of Rajasthan             | ICICI Bank                           | Voluntary merger  |
| 2010               | State Bank of Indore          | State Bank of India                  | Easier access to funds at competitive rates                           |

*Source: RBI report on currency and finance*

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## Chapter 3

# INTRODUCING THE BANKS UNDER STUDY

### 3.1 INTRODUCTION

The present study focuses on the post merger effect on employee engagement in some select banks in India. The aim of this chapter is to study the profile of the banks selected for the research work which includes the historical background, the corporate profile, merger challenges as well as the current scenario. Thus, this chapter gives a briefing of the banks under study, viz; ICICI Bank & Bank Of Rajasthan, State Bank of India & State Bank of Indore and; HDFC Bank and Centurion Bank of Punjab.

**Table 3.1: List of Banks under study**

| <b>S. No.</b> | <b>Acquirer Bank</b>      | <b>Merged Bank</b>       | <b>Date of Merger</b> |
|---------------|---------------------------|--------------------------|-----------------------|
| 1             | HDFC Bank                 | Centurion Bank of Punjab | May 23, 2008          |
| 2             | ICICI Bank                | Bank of Rajasthan        | Aug 13, 2010          |
| 3             | State Bank of India (SBI) | State Bank of Indore     | Aug 26, 2010          |

*Source: [http://world-finance-conference.com/papers\\_wfc/328.pdf](http://world-finance-conference.com/papers_wfc/328.pdf)*

## **3.2 PROFILE OF ICICI BANK & BANK OF RAJASTHAN**

### **3.2.1 HISTORICAL BACKGROUND OF ICICI BANK**

ICICI Bank was originally promoted in 1994 by ICICI Limited, an Indian financial institution, and was its wholly-owned subsidiary. ICICI's shareholding in ICICI Bank was reduced to 46% through a public offering of shares in India in fiscal 1998, an equity offering in the form of ADRs listed on the NYSE (New York Stock Exchange) in fiscal 2000, ICICI Bank's acquisition of Bank of Madura Limited in an all-stock amalgamation in fiscal 2001, and secondary market sales by ICICI to institutional investors in fiscal 2001 and fiscal 2002. Industrial Credit & Investment Corporation of India (ICICI) Ltd., India's second largest bank was formed in 1955 at the initiative of the World Bank, the Government of India and representatives of Indian industry. The principal objective was to create a development financial institution for providing medium-term and long-term project financing to Indian businesses.

In the 1990s, ICICI transformed its business from a development financial institution offering only project finance to a diversified financial services group offering a wide variety of products and services, both directly and through a number of subsidiaries and affiliates like ICICI Bank. In 1999, ICICI became the first Indian company and the first bank or financial institution from non-Japan Asia to be listed on the NYSE.

After consideration of various corporate structuring alternatives in the context of the emerging competitive scenario in the Indian banking industry, and the move towards universal banking, the managements of ICICI and ICICI Bank formed the view that the merger of ICICI with ICICI Bank would be the optimal strategic alternative for both entities, and would create the optimal legal structure for the ICICI group's

universal banking strategy. The merger would enhance value for ICICI shareholders through the merged entity's access to low-cost deposits, greater opportunities for earning fee-based income and the ability to participate in the payments system and provide transaction-banking services. The merger would enhance value for ICICI Bank shareholders through a large capital base and scale of operations, seamless access to ICICI's strong corporate relationships built up over five decades, entry into new business segments, higher market share in various business segments, particularly fee-based services, and access to the vast talent pool of ICICI and its subsidiaries.

In October 2001, the Boards of Directors of ICICI and ICICI Bank approved the merger of ICICI and two of its wholly-owned retail finance subsidiaries, ICICI Personal Financial Services Limited and ICICI Capital Services Limited, with ICICI Bank. The merger was approved by shareholders of ICICI and ICICI Bank in January 2002, by the High Court of Gujarat at Ahmedabad in March 2002, and by the High Court of Judicature at Mumbai and the Reserve Bank of India in April 2002. Consequent to the merger, the ICICI group's financing and banking operations, both wholesale and retail, have been integrated in a single entity<sup>1</sup>.

Due to changing business environments, ICICI bank considered various corporate restructuring alternatives in the context of the emerging competitive scenario in the Indian banking industry, and the move towards universal banking.

The below mentioned table gives the details of mergers done by ICICI bank:



**Table 3.2: Mergers by ICICI bank Ltd. in India**

| <b>S. No.</b> | <b>MERGERS BY ICICI BANK IN INDIA</b> | <b>YEAR OF MERGER</b> |
|---------------|---------------------------------------|-----------------------|
| 1             | SCICI                                 | 1996                  |
| 2             | ITC Classic Finance Ltd.              | 1997                  |
| 3             | Anagram Finance                       | 1998                  |
| 4             | Bank of Madura Ltd.                   | 2001                  |
| 5             | ICICI Personal Finance Services Ltd.  | 2002                  |
| 6             | ICICI Capital Services Ltd.           | 2002                  |
| 7             | Standard Chartered Grindlays Bank     | 2002                  |
| 8             | Sangli Bank Ltd.                      | 2007                  |
| 9             | The Bank of Rajasthan Ltd. (BoR)      | 2010                  |

*Source: Goyal K. A and Joshi V (2012), M&A in Banking Industry: A case study of ICICI Bank Ltd.*

### **3.2.1.1 CORPORATE PROFILE OF ICICI BANK**

ICICI Bank with the consolidated asset base of over USD 100 Bn and net profit after tax Rs 10,000 crores as on March 2014, turned out to be the second largest bank in Indian Territory and largest private sector bank. The bank has its enhanced network with 2530 branches and approx 6102 ATMs across 1400 locations in India. The bank also has presence in 18 international locations.

The bank offers an extensive range of banking products and financial services to corporate and retail customers through a variety of delivery channels in its areas of personal banking, corporate banking, NRI banking, life and non life insurance, retail banking , commercial banking, mortgages, credit cards, venture capital, investment banking and asset management; backed by a world class technology platform.

### **3.2.2 HISTORICAL BACKGROUND OF THE BANK OF RAJASTHAN**

The Bank of Rajasthan (BoR), with its stronghold in the state of Rajasthan, was established as Joint Stock Bank by Mansingka brothers at Udaipur on 8<sup>th</sup> May 1943. The bank served the Government of Rajasthan as a Scheduled bank for more than 14 years starting from 1948. The founder Chairman of BoR was an industrialist named Late Shri Govind Ram Seksaria who started the bank with an initial investment of 10 lacs. It was, in 1948, that the Bank of Rajasthan became a scheduled bank.

Bank of Rajasthan was one among the first banks to take banking services, at the door step of customers. This was done, when it opened its first mobile branch in Jaipur on August 5, 1960, thereby initiating the concept of mobile branches. The Bank became one of the earliest banks in private sector sponsoring any rural (Gramin) bank, when it established the Mewar Anchlik Gramin Bank in Udaipur District in Rajasthan on January 26, 1983. Further in 1997, the bank achieved distinction, when its Jaipur branch qualified for ISO 9002:94 certification by Det Norske Veritas (DNV), London.

In the year 2000, The Bank had tied up with Infosys Technologies for revamping its InfoTech infrastructure, which allowed the bank to fully computerise 50 branches, besides paving the way for a foray into internet banking and other e-commerce services to customers. During the same year, the Bank of Rajasthan Ltd planned tie-ups with Bajaj Allianz and Tata AIG for distributing general insurance and life insurance products respectively. In 2002, the bank implemented a comprehensive IT infrastructure called Net Services Software, developed by Novell Software Ltd. and received RBI permission to start its new eight branches and three extension counters.

The following table gives the Tie up details of the BoR:

**Table 3.3: Tie Up details of The Bank of Rajasthan**

| <b>YEAR</b> | <b>PARTICULARS</b>  |
|-------------|---|
| 2000        | Bind off with Infosys Technology in order to get fully automated.                                 |
| 2002        | MoU signed by BoR with Bajaj Allianz General Insurance Company and Birla Sun Life Insurance.      |
| 2003        | MoU signed with Bank of Baroda to issue co-branded international Visa Electron Debit Card.        |
| 2005-2006   | Termination of ties up with Bajaj Allianz General Insurance Company and Birla Sun Life Insurance. |
| 2008        | The Bank signed an MoU with ICRA Ltd. in September.   |

*Source: Bhatnagar A and Sinha N (2012), Strategic move of ICICI bank: A case study of Merger of ICICI bank and BoR.*

### **3.2.2.1 CORPORATE PROFILE OF THE BANK OF RAJASTHAN**

The BoR with the asset base of Rs. 17,300.06 billion incurred the net loss after provisions and taxes remained at Rs. 102.13 billion for the year end 31<sup>st</sup> March 2010. The bank operated through all over India as a private sector bank with 463 branches including 67 onsite and 29 offsite ATMs in 230 cities nationwide along with specialized industrial and forex branches.

The BoR has a nationwide presence serving its customer with a mission of “*Together We Prosper*”; engaging actively in commercial banking, merchant banking, auxiliary services, consumer banking, deposit and money placement services, trust and custodial services, international banking, private sector banking, credit facilities to SMEs, internet banking, mobile banking, life insurance, mutual funds and western union money transfer services<sup>2</sup>.

### **3.2.3 THE PROCESSION OF MERGER OF ICICI BANK AND BOR**

ICICI Bank Ltd. India's largest private sector bank agreed to acquire smaller rival BoR Ltd. to strengthen its presence in northern and western India. The strategic focus of the bank shifted to balance sheet growth and market share heighten in order to improvise returns and profitability asset, substantially enhancing its branch network.

The condition of BoR was under pressure after a series of probes continued by RBI. Irregular performance of the bank gave rise to several investigations along with the order of RBI for a special audit. On 25<sup>th</sup> Feb 2010, RBI imposed a pecuniary penalty of Rs.25 Lakhs on The BoR Ltd. Thereafter, the Tayals, Controllers of The BoR Ltd. started their search for suitable deal with heading bank in order to enter into merger after the series of probes.

A non-cash merger deal under Section 391 – 394 was approved by the board of directors of ICICI Bank. It was estimated that the merger would further flourish the ICICI's branch network by 25 percent approximately. On 12<sup>th</sup> of August 2010, RBI published a press release that —All branches of Bank of Rajasthan Ltd. will function as branches of ICICI Bank Ltd. with effect from August 13, 2010. This is consequent upon the Reserve Bank of India sanctioning the Scheme of Amalgamation of Bank of Rajasthan Ltd. with ICICI Bank Ltd. The Scheme was sanctioned in exercise of the powers contained in Sub-section (4) of Section 44A of the Banking Regulation Act, 1949. The Scheme came into force with effect from close of business on August 12, 2010<sup>3</sup>.

The deal gave ICICI bank a sizeable presence in the northwestern desert state of Rajasthan. Besides getting 463 branches, the bank also got control of 58 branches of a regional rural banks sponsored by BoR.

### **3.2.4 PRE AND POST MERGER CHALLENGES**

At the time, when the Tayal Family decided to undergo for change through merger with ICICI bank, lots of problems were already aroused which acted as the strong base to merger. Some of the pre and post challenges faced by BoR can be described as:

- a. *Regulatory Concerns*: Lots of litigations were charged on BoR like distortion of documents and violation of regulatory norms pertaining to accounts of the corporate group. For these regulatory proceedings, RBI had imposed 25 Lakhs as a penalty on BoR for concealing the necessary facts.
- b. *Asset Quality Management*: In a merger asset quality management had always been a major concern for both the parties as the factor can turn out the profitability or synergy.
- c. *Legal Issues Related to EGM*: The Extraordinary General Meeting (EGM) was cancelled by Kolkata Civil Court as the shareholders of BoR got the stay order against the meeting. The reason being the employees of BoR who filed a complaint against the holding of EGM opposing the amalgamation.
- d. *Union Strike and Violation of Company Law*: Around 4300 employees of BoR in all 463 branches across the country announced union strike to protest against the proposed deal with the fear of losing their jobs and incompatible work culture.
- e. *HR issues*: Human capital has always been a major concern for merging firms. To cope up with the change depends upon the competency of the organization to deal with the HR issues. Post merger the fear in the minds of the employees of acquired bank of being sacked was a major challenge.

- f. *Risk of Deterioration of Quality of Asset:* Post merger, the problem of recovery and chances of delinquency of pre merged loans disbursed by BoR was an area of concern for ICICI bank.
- g. *Leverage and Synergy:* The major challenge was to gain synergies such as cost optimization through better negotiations with vendors, economies of scale, technological leverages and forward and backward integration<sup>4</sup>.

### **3.3 PROFILE OF STATE BANK OF INDIA AND STATE BANK OF INDORE**

#### **3.3.1 HISTORICAL BACKGROUND OF STATE BANK OF INDIA (SBI)**

The bank traces its ancestry to British India; on 1st July State Bank of India was constituted under the State Bank of India Act 1955, for the purpose of taking over the undertaking and business of the Imperial Bank of India. The establishment of the British colonial government in India brought with it calls for the formation of a Western-style banking system, if only to serve the needs and interests of the British imperial government and of the European trading houses doing business there. The creation of a national banking system began at the beginning of the 19th century. By the beginning of the 20th century, India's banking industry boasted a host of new arrivals, and particularly foreign banks authorized to exchange currency. The growth of the banking sector, and the development of indigenous banks, in turn created a need for a larger "bankers' bank." At the same time, the Indian government had outgrown its colonial background and now required a more centralized banking institution. These factors led to the decision to merge the three presidency banks into a new, single and centralized banking institution, the Imperial Bank of India.

Created in 1921, the Imperial Bank of India appeared to inaugurate a new era in India's history--culminating in its declaration of independence from the British Empire. The Imperial Bank took on the role of central bank for the Indian government, while acting as a bankers' bank for the growing Indian banking sector. In 1926, a government commission recommended the creation of a true central bank. While some proposed converting the Imperial Bank into a central banking organization for the country, the commission rejected this idea and instead recommended that the Imperial Bank be transformed into a purely commercial banking institution. Into the early 1950s, the Imperial Bank grew steadily, dominating the Indian commercial banking industry. The bank continued to build up its assets and capital base, and also entered a new phase of national expansion. By then, India had achieved its independence from Britain. In 1951, the new government launched its first Five Year Plan, targeting in particular the development of the country's rural areas. The lack of a banking infrastructure in these regions led the government to develop a state-owned banking entity to fill the gap. As part of that process, the Imperial Bank was nationalized and then integrated with other existing government-owned banking components. Government of India owned the Imperial Bank of India in 1955, with Reserve Bank of India (India's Central Bank) taking a 60% stake, and renamed it the State Bank of India. The result was the creation of the State Bank of India, or SBI, in 1955.

In the early 1960s, the State Bank's network already contained nearly 500 branches and sub-offices, as well as the three original head offices inherited from the presidency bank era. Yet the State Bank now began an era of expansion, acting as a motor for India's industrial and agricultural development that was to transform it into one of the world's largest financial networks. Indeed, by the early 1990s, the State Bank counted

nearly 15,000 branches and offices throughout India, giving it the world's single largest branch network<sup>5</sup>.

SBI was allowed to dominate the Indian banking sector for more than two decades. In the early 1990s, the Indian government kicked off a series of reforms aimed at deregulating the banking and financial industries. SBI was now forced to brace itself for the arrival of a new wave of competitors eager to enter the fast-growing Indian economy's commercial banking sector. The Bank transacts general banking business of every description including, foreign exchange, merchant banking and mutual funds. On September State Bank of India (Subsidiary Bank) Act was passed. On October State Bank of Hyderabad become the first subsidiary of SBI. SBI has five associate banks; all use the State Bank of India logo, which is a blue circle, and all use the "State Bank of" name, followed by the regional headquarters' name; State Bank of Bikaner & Jaipur, State Bank of Hyderabad, State Bank of Mysore, State Bank of Patiala and State Bank of Travancore.

Earlier SBI had seven associate banks, all of which had belonged to princely states until the government nationalized them between October 1959 and May 1960. There has been a proposal to merge all the associate banks into SBI to create a "mega bank" and streamline the group's operations<sup>6</sup>. By 2002, the bank had succeeded in networking its 3,000 most profitable branches. The implementation of new technology helped the bank achieve strong profit gains into the early years of the new century. In the meantime, SBI continued its technology rollout, boosting the number of networked branches to more than 4,000 at the end of 2003. SBI promised to remain a central figure in the Indian banking sector as it entered its third century.



**Table 3.4: Mergers by SBI**

| <b>S. No.</b> | <b>MERGERS BY SBI</b>   | <b>YEAR</b> |
|---------------|-------------------------|-------------|
| 1             | Bank of Bihar           | 1969        |
| 2             | National Bank of Lahore | 1970        |
| 3             | Krishnaram Baldeo Bank  | 1975        |
| 4             | Bank of Cochin          | 1985        |
| 5             | Bank of Saurashtra      | 2008        |
| 6             | State Bank of Indore    | 2010        |

*Source: en.wikipedia.org/wiki/State\_Bank\_of\_India*

### **3.3.1.1 CORPORATE PROFILE OF SBI**

State Bank of India (SBI), with a 200 year history, is the largest commercial bank in India in terms of assets, deposits, profits, branches, customers and employees. SBI is the country's largest commercial bank. The government controlled bank; the Indian government maintains a stake of nearly 60 percent in SBI through the central Reserve Bank of India, also operates the world's largest branch network, with more than 13,500 branch offices throughout India, staffed by nearly 220,000 employees. SBI is also present worldwide, with seven international subsidiaries in the United States, Canada, Nepal, Bhutan, Nigeria, Mauritius, and the United Kingdom, and more than 50 branch offices in 30 countries.

The Government of India is the single largest shareholder of this Fortune 500 entity with 61.58% ownership. SBI is ranked 60th in the list of Top 1000 Banks in the world by "The Banker" in July 2012. State Bank of India is one of the Big Four banks of India, along with ICICI Bank, Punjab National Bank and HDFC Bank.

The SBI group consists of SBI and five associate banks. The group has an extensive network; with over 20000 plus branches in India and another 173 offices in 34 countries across the world. As of December 2013, it had assets of US\$388 billion, deposits of USD 278 billion and capital & reserves in excess of USD 20.88 billion. The group commands over 22% share of the domestic Indian banking market.

SBI's non- banking subsidiaries/joint ventures are market leaders in their respective areas and provide wide ranging services, which include life insurance, merchant banking, mutual funds, credit cards, factoring services, security trading and primary dealership, making the SBI Group a truly large financial supermarket and India's financial icon. SBI has arrangements with over 1500 various international / local banks to exchange financial messages through SWIFT in all business centers of the world to facilitate trade related banking business, reinforced by dedicated and highly skilled teams of professionals<sup>7</sup>.

### **3.3.2 HISTORICAL BACKGROUND OF STATE BANK OF INDORE**

1920 The Bank of Indore was incorporated under a special charter from Maharaja Tukoji Rao Holkar III, who was the ruler from 1903 to 1927 of the former princely state of Indore. This bank oversaw the business of the Bank of Dewas Ltd. in 1962 and the Dewas Senior Bank Ltd. in 1965. In the year 1971, the State Bank of Indore was elevated to the status of an 'A' category bank. From that day on, the bank strived to provide quality service and facilities to its customers and the like. The State Bank of Indore has set certain corporate goals and objectives for its proper functioning. This included the bank's achievements to retain the good work it has done over the years of thus being the premier bank of Madhya Pradesh. It also strived to create and maintain assets of quality in order to raise itself to international standards in terms of art technology. Another important objective of the SBICI included its earnest effort of continuing

as the representative of the State Bank of India. Finally, the SBICI aimed at providing better and enhanced customer service through its outlet branches across the country. State Bank of Indore provided a variety of services to its customers. These were designed for the benefit of the customers and ensuring that they receive the best possible outcome from the services rendered by the bank.

Indore State awarded the Bank a monopoly for 10 years, granted it certain concessions and subscribed to the Bank's share capital. Indore Bank's main branch and headquarters was in the city of Indore, located on the Malwa Plateau, just north of the Vindhya Range. 1960 The Bank of Indore became a subsidiary of State Bank of India w.e.f. 1<sup>st</sup> January 1960 under the name State Bank of Indore. Prior to the merger, SBI held a 98.05% stake in Indore Bank, in 1971 State Bank of Indore was upgraded to class 'A' category bank.

**Table 3.5: M&As by the State Bank of Indore**

| <b>S. NO.</b> | <b>M&amp;As BY STATE BANK OF INDORE</b> | <b>YEAR</b> |
|---------------|---|-------------|
| 1             | Acquired the Bank of Dewas              | 1962        |
| 2             | Acquired Dewas Senior Bank              | 1965        |
| 3             | Merged into SBI                         | 2010        |

*Source: en.wikipedia.org/wiki/State\_Bank\_of\_Indore*

### **3.3.2.1 CORPORATE PROFILE OF STATE BANK OF INDORE**

State Bank of Indore (Indore Bank) was a government-owned Indian bank and the largest of State Bank of India's (SBI) six associate bank subsidiaries. In October 2009, the Government of India gave its in-principle approval to a merger between State Bank of India and State Bank of Indore. On 15 July 2010 the Cabinet cleared the merger. On 26

August 2010 State Bank of Indore officially merged into State Bank of India.

At the time of the merger the bank had over 470 branches in more than 300 cities and towns. In March 2009, the business turnover of State Bank of Indore exceeded Rs. 500 billion. Apart from general banking operations, State Bank of Indore had undertaken multi-faceted banking activities too. It had also succeeded to great extent in reaching the rural sectors, especially agricultural segment in the country. In the process, the Bank had provided many useful services to its customers, such as credit and loans to the farmers. Schemes such as Kisan Gold Card Scheme and the Kisan Credit Card Scheme are part of the efforts taken by State Bank of Indore to reach its customers in the rural areas of the country.

### **3.3.3 MERGER OF SBI AND STATE BANK OF INDORE**

SBI has actually managed to merge only two associate banks - State Bank of Indore and State Bank of Saurashtra with itself. There are five associate banks still waiting - State Bank of Bikaner and Jaipur, State Bank of Hyderabad, State Bank of Travancore, State Bank of Mysore and State Bank of Patiala.

The acquisition of State Bank of Indore added 470 branches to SBI's existing network of branches. Also, following the acquisition, SBI's total assets inched very close to the Rs.10 trillion marks (10 billion long scales). The total assets of SBI and the State Bank of Indore stood at Rs. 9,981,190 million as of March 2009. The process of merging of State Bank of Indore was completed by April 2010, and the SBI Indore branches started functioning as SBI branches on 26 August 2010<sup>8</sup>.

### **3.3.4 CHALLENGES DURING MERGER**

Soon after SBI announced its intention to acquire State Bank of Indore, the employees of smallest subsidiary of the group threatened to go on

nation-wide strike to stall the proposed merger move. Over 6,000 staffers of State Bank of Indore across the country, struck work to protest moves underway to merger their bank with the State Bank of India (SBI). “The merger is not appropriate as all associate banks are doing good work in their respective areas; Size alone does not make a bank globally competitive as is evident from the collapse of some big banks in the West,” said J.P. Jhanwar, the national general secretary of the bank’s Officers Coordination Committee. The State bank of Indore contributed to all the facets of banking operations including, developmental, traditional and innovative and the bank wanted to secure its position as an important part of the State bank group<sup>9</sup>.

There was a need to look into the post merger problems and issues of the members of the erstwhile Associate Banks which merged with State Bank of India viz., State Bank of Saurashtra and State Bank of Indore, vis-à-vis the pre merger understandings, discrepancies, confusions and anomalies with regard to the service conditions of those officers belonging to erstwhile associate banks.

Both the banks had to face the challenges that were confronting the banking industry during the change; in particular, the Bank Officers’ movement, the issues and sentiments that affect the ABOA (Associate bank officers Association) had to be understood by periodical meetings of the Co-ordination Committee so that there could be appropriate strategies for tackling these issues and the bond between both the ABOA(Associate bank officers Association) and the AISBOF(All India State bank Officers’ Federation) would continue and get further strengthened in order to face all the future challenges collectively.

### **3.4 PROFILE OF HDFC BANK AND CENTURION BANK OF PUNJAB**

#### **3.4.1 HISTORICAL BACKGROUND OF HDFC BANK**

Housing Development Finance Corporation Limited, more popularly known as HDFC Bank Ltd, was established in the year 1994, as a part of the liberalization of the Indian Banking Industry by Reserve Bank of India (RBI). It was one of the first banks to receive an 'in principle' approval from RBI, for setting up a bank in the private sector. The bank was incorporated with the name 'HDFC Bank Limited', with its registered office in Mumbai. The Bank opened its first branch in Ramon House at Churchgate, Mumbai on January 16th 1995. The following year, it started its operations as a Scheduled Commercial Bank<sup>10</sup>.

In 1996, HDFC Bank had set up a state-of-the-art dealing room to handle all transactions possible in Indian financial markets. The Certificates of Deposits were awarded a PP1+ rating which was the highest rating for short term instruments indicating superior capacity for repayment. In the year 1997, HDFC Bank proposed to launch tele-banking for the first time in June in Mumbai at its Chandiveli branch. HDFC Bank became the first private sector bank to conclude a structured interest rate option deal. HDFC Bank entered into strategic alliances with 10 overseas banks to provide customers with a wide range of derivatives including interest rate and foreign currency swaps. HDFC Bank on October 14 introduced ATMs that conversed in a regional language. HDFC Bank introduced the Freedom Account for the average retail customer located in the major metros as a means to wean away the middle-income market from nationalised banks. HDFC Bank also launched an account in all its 28 branches across India that seeks to free depositors from minimum balance requirement, for the first time in the country.

In 1998, HDFC Bank signed an agreement with the National Stock Exchange (NSE) which gave it a second charge over the brokers deposit for providing loan against share facility to NSE brokers. The bank also entered into a similar understanding with the Bombay Stock Exchange (BSE) whereby the bourse provided support for recovery of money against the card for loan against share facility. The bank also entered into 'Cirrus' arrangements by which all master card holders across the globe were able to transact at HDFC Bank in India. HDFC Bank was the first to sign up with AMEX (American Express) in December 1998. HDFC Bank, tied up with BPL Ltd to offer Internet-enabled supply-chain management and business-to-consumer (B2C) e-commerce services to corporates. Hutchison Max Telecom and HDFC Bank introduced the country's first-ever mobile-banking services in the city.

HDFC Bank was also set to become the first bank in the country to offer wireless application protocol (WAP) services to customers in 2000. HDFC Bank launched its on-line bill payment facility in alliance with the Maharashtra State Electricity Board had also begun to offer bridge loans against fixed deposits of parent Housing Development Finance Corporation the financial institution. The Bank had also launched 'Freedom - The e-Age Savings Account' for cellular phone users.

On 26 Feb 2002, HDFC Bank witnessed its merger with Times Bank Limited (a private sector bank promoted by Bennett, Coleman & Co. / Times Group). With this, HDFC and Times became the first two private banks in the New Generation Private Sector Banks to have gone through a merger. In 2002, HDFC Bank launched new products to its wealth management programme to increase its customer base. The wealth management programme would cater to individual needs taking into account various factors such as customer's age, financial goals and risk profile, which includes equity, MFs and debt instruments such as RBI Relief Bonds. In the year 2003, HDFC bank entered into a tie up for

online railway booking with IRCTC and it introduced 'HDFC Bank Health Plus Credit Card'. The bank also launched India's first mobile payment solution.

During the year 2008, HDFC Bank won 'Nasscom IT User Award' and commenced its first Overseas Branch in Bahrain. It was also the mark of India's first "Online Market Linkage Programme" For Self Help Groups.

On 23 May 2008, RBI approved the amalgamation of Centurion Bank of Punjab with HDFC Bank at a share swap ratio of 1:29. With this, the Deposits of the merged entity became Rs. 1,22,000 crore, while the Advances were Rs. 89,000 crore and Balance Sheet size was Rs. 1,63,000 crore. The amalgamation added significant value to HDFC Bank in terms of increased branch network, geographic reach, and customer base, and a bigger pool of skilled manpower. The year 2009 saw HDFC bank bagging two major awards such as the "Best Domestic Bank" award by Asiamoney and the "Best Retail Bank" award by The Asian Banker. In 2010, HDFC Bank replaced ICICI as Number 1 private retail bank in India. The Asian Banker magazine declared that the strongest bank in Asia Pacific region is HDFC in 2011<sup>11</sup>.

**Table 3.6: Mergers by HDFC Bank**

| <b>S. No.</b> | <b>MERGERS BY HDFC BANK</b> | <b>YEAR</b> |
|---------------|-----------------------------|-------------|
| 1             | Times Bank Limited          | 2002        |
| 2             | Centurion Bank of Punjab    | 2008        |

Source: [http://www.hdfcbank.com/aboutus/News\\_Room/hdfc\\_profile.htm](http://www.hdfcbank.com/aboutus/News_Room/hdfc_profile.htm)

#### **3.4.1.1 CORPORATE PROFILE OF HDFC BANK**

HDFC Bank has always prided itself on a highly automated environment, be it in terms of information technology or communication systems. The



Bank has prioritized its engagement in technology and the internet as one of its key goals and has already made significant progress in web-enabling its core businesses. In each of its businesses, the Bank has succeeded in leveraging its market position, expertise and technology to create a competitive advantage and build market share. All the branches of the bank boast of online connectivity with the other, ensuring speedy funds transfer for the clients. At the same time, the bank's branch network and Automated Teller Machines (ATMs) allow multi-branch access to retail clients. The bank makes use of its up-to-date technology, along with market position and expertise, to create a competitive advantage and build market share.

The bank is committed to maintain the highest level of ethical standards, professional integrity, corporate governance and regulatory compliance. HDFC Bank's business philosophy is based on five core values: Operational Excellence, Customer Focus, Product Leadership, People and Sustainability. Senior banking professionals with substantial experience in India and abroad head various businesses and functions and report to the Managing Director. Given the professional expertise of the management team and the overall focus on recruiting and retaining the best talent in the industry, the bank believes that its people are a significant competitive strength. HDFC Bank began operations in 1995 with a simple mission: to be a "World-class Indian Bank". The bank had only a single-minded focus on product quality and service excellence. Over the years, the Bank has received recognition and awards from several leading organizations and publications, both domestic and international <sup>12</sup>.

As on March 31, 2014 the authorized share capital of the Bank was Rs. 550 crore. As of September 30, 2014, the Bank's distribution network was at 3,600 branches in 2,272 cities. All branches are linked on an online real-time basis. Customers across India are also serviced through multiple delivery channels such as Phone Banking, Net Banking, Mobile Banking

and SMS based banking. The Bank's expansion plans take into account the need to have a presence in all major industrial and commercial centers, where its corporate customers are located, as well as the need to build a strong retail customer base for both deposits and loan products. The Bank also has a network of 11,515 ATMs across India. HDFC Bank's ATM network can be accessed by all domestic and international Visa / MasterCard, Visa Electron / Maestro, Plus / Cirrus and American Express Credit / Charge cardholders.<sup>13</sup>

### **3.4.2 HISTORICAL BACKGROUND OF CENTURION BANK OF PUNJAB**

Centurion Bank was incorporated on 30 June 1994 and received its certificate of Commencement of Business on 20 July. Centurion Bank was a joint venture between 20th Century Finance Corporation and its associates, and Keppel Group of Singapore through Kephinance Investment (Mauritius). Centurion had a network of ten branches, which grew to 29 branches the next year. Also in 1995 Centurion Bank amalgamated 20th Century Finance Corporation. The Bank had set up in a fully computerized environment with ATM facility at every branch and Computer networking between branches which claimed to be a '*Bank with a difference*'. It was also for the first time in the country that a bank had introduced the concept of '*anywhere banking*' which enabled to operate the accounts from any other branch of the Bank.

In 1996, overseeing itself through a new expansion from 4-10 branches across India, the bank also had been providing financial assistance by way of leasing and direct loans to units engaged in generating non-conventional energy as well as in conservation of energy. The Centurion Bank Ltd., was one of the fastest growing new generation private sector banks in the country. During the year 1997, the bank was awarded the highest safety A1 rating by the Industrial Credit Rating Agency. By the end of the year the bank had expanded itself to 20 branches in all the

major cities across the country. Centurion Bank Ltd also proposed to be the first bank to offer Internet banking in its true sense in the year 1998.

Also in the same year its Car finance division went into a 49:51 joint venture with General Motors Acceptance Corporation (GMAc), which was one of the largest auto finance companies in the world.

In the year 1999, the Bank was linked to the Society for Worldwide Interbank Financial Telecommunication (SWIFT) network enabling it to transmit worldwide the financial messages instantly. The Bank also continued to focus on trade financing, both domestic and international, as a niche-market product. The Bank had a diversified loan portfolio managed by personnel with experience in the Banking industry. In the same year the Centurion Bank had launched a cash management product Cash and Transaction Services (CATS) to provide a single window facility to its clients for all their receivables requirements.

In 2001, Centurion Bank had tied up with the Indian Bank Association's Shared payment network scheme, the '*Swadhan ATM Network*'. During the year, Centurion Bank had slipped into the red. Total income for the Quarter fell 11.40 per cent to Rs 158.78 crore as against Rs 179.22 crore earlier. In 2003, the Bombay high court approved for the scheme of amalgamation filed with the court for restructuring and recapitalization of the bank. On 29 June 2005, the boards of directors of Centurion Bank and Bank of Punjab agreed to a merger of the two banks. The combined bank took as its name Centurion Bank of Punjab. Bank of Punjab had been founded in 1994.<sup>14</sup>

Due to intensifying competition, access to low-cost deposits was critical for growth. Therefore, size and geographical reach became the key for smaller banks. The choice before smaller private banks was to merge and form bigger and viable entities or merge into a big private sector bank. On

29th August 2007, Centurion Bank of Punjab merged with Kochi based Lord Krishna Bank (LKB), post obtaining all requisite statutory and regulatory approvals. This merger further strengthened the geographical reach of the Bank in major towns and cities across the country, especially in the State of Kerala, in addition to its existing dominance in the northern part of the country.

**Table 3.7: Merger by CBoP**

| <b>S. No.</b> | <b>MERGER BY CBoP</b> | <b>YEAR</b> |
|---------------|-----------------------|-------------|
| 1             | Lord Krishna Bank     | 2007        |

#### **3.4.2.1 CORPORATE PROFILE OF CENTURION BANK OF PUNJAB**

Centurion Bank of Punjab was one of the leading new generation private sector banks in India. The bank served individual consumers, small and medium businesses and large corporations with a full range of financial products and services for investing, lending and advice on financial planning. The bank offered its customers an array of wealth management products such as mutual funds, life and general insurance and has established a leadership 'position'. The bank was also a strong player in foreign exchange services, personal loans, mortgages and agricultural loans. Additionally the bank offered a full suite of NRI banking products to overseas Indians.

The merger of LKB added Rs 300 crore to CBoP's balance sheet, which was around Rs 18,480 crore, and another 112 branches to its current 279 branches. CBoP planned to add more than 200 branches by December 2007. The all-stock merger deal of LKB with CBoP followed the acquisition of Bank of Punjab by Centurion Bank, after which it was rechristened as CBoP .

Centurion Bank of Punjab operated on a strong nationwide franchise of 404 branches and 452 ATMs in 190 locations across the country, supported by employee base of over 7,500 employees. In addition to being listed on the major Indian stock exchanges, the Bank's shares were also listed on the Luxembourg Stock Exchange.<sup>15</sup>

### **3.4.3 MERGER OF HDFC AND CBoP**

On May 23, 2008, the amalgamation of Centurion Bank of Punjab with HDFC Bank was normally approved by Reserve Bank of India to complete the statutory and regulatory approval process. As per the scheme of amalgamation, shareholders of CBoP received 1 share of HDFC Bank for every 29 shares of CBoP.

HDFC Bank was looking for an appropriate merger opportunity that would add scale, geography and experienced staff to its franchise. This opportunity arose and the bank thought it is an attractive route to supplement HDFC Bank's organic growth. The bank believes that Centurion Bank of Punjab would be the right fit in terms of culture, strategic intent and approach to business.

The merger between HDFC Bank and Centurion Bank of Punjab (CBoP) was billed as one of the biggest mergers in the banking history of India in 2008. The talk at the time of merger revolved around leveraging the strengths of HDFC bank and CBoP in terms of branches, serving different segments of the market and the general synergy brought about by mergers.

The HDFC Bank-CBoP merger was expected to be a win-win for both banks in terms of both asset size and footprint. While CBoP was concentrated in the northern and southern parts of the country, HDFC Bank was focused throughout India. The combined entity had a nationwide network of 1,148 branches, the largest among private sector banks, a

strong deposit base of around Rs. 120,000 crore and net advances of around Rs. 85,000 crore. The balance-sheet size of the combined entity was over Rs. 150,000crore.<sup>16</sup>

#### **3.4.4 CHALLENGES DURING MERGER**

Gaining emotional and intellectual buy-in from the staff was not easy, and so the employees needed to know why merger is happening so that they can work out options for themselves. Thus, the major stressors that accompanied the merger were:

- Power status and prestige changes, loss of identity and uncertainty.
- Unequal compensation was also a matter of concern among new co workers.
- When the merger was announced there had been multiple waves of anxiety and culture clashes and an atmosphere of uncertainty and confusion among the employees.
- People issues like staffing decisions, organizational design etc were sensitive issues faced by the HR.

Thus, HR and the management had to play an important role in anticipating and reducing the impact of the upcoming challenges during the times of merger.<sup>17</sup>

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## Chapter 4

# EMPLOYEE ENGAGEMENT

### 4.1 INTRODUCTION

*“Mergers and acquisitions represent a significant and potentially emotional and stressful life event because they change an individual’s working life significantly but fail to provide an individual with any control over the event”*

*(Cartwright and Cooper 1992)*

When one business acquires or is merged with another, the result is essentially a brand new organization. Managing that change is a complex and time-consuming process, with significant implications for all concerned. Employees of the two companies are affected in different ways, Employees that are affected by mergers and acquisitions are likely to undergo a period of instability and uncertainty. Regular, accurate, open communication is an important way to alleviate any work-related stress or anxiety. It becomes important for employees to have access to the right personnel to help them discuss any issues that concern them. As businesses merge, or if one is acquired by another, there is likely to be a lot of duplication of roles and responsibilities. The new organization may not need the same amount of people the two businesses needed separately. Employees are all too aware of this and experience reduced job security. Many employees look for opportunities elsewhere to avoid being

‘pushed’, which can lead to higher turnover overall. A merger or acquisition may result in changes to the employees’ terms and conditions, as new contracts of employment are likely to be drawn up. These changes need to be managed carefully, with appropriate consultation with employee councils or trade unions as appropriate. Mismanagement of these changes is almost certain to cause big problems<sup>1</sup>.

A merger or acquisition is likely to be the most significant business change to affect the organization and employees. It is important to be aware of the impact that will have on the people, as without their support the change is likely to be far harder and take much longer to bed down. Mergers and acquisitions create opportunities for development, growth and promotion. While business changes like this often result in job losses, there are also nearly always new roles and vacancies created by the changes. Increasing the size of the company may create roles in new departments and locations, which could appeal to many employees.

M&A situations in particular can cause many employees to feel confused or unsure about how they will fit in the combined organization. Uncertainty and role conflict may lead to increased turnover, new or additional job expectations, and delays in accomplishing goals while new decision processes and budgets are developed. Overall, during times of change it can be difficult for employees to simply keep their heads above water and stay productive. Employees are hardest hit by M&A and may take a long time to recover, because a large number of organizational change efforts fail to meet their stated objectives, a focus on how employees think, feel and behave during these transformational periods offers useful insights to employers. Maintaining employee engagement in the midst of organizational change is a key element in the success of a change initiative (Aon Hewitt, 2013)<sup>2</sup>.

The failure to adequately consider the human side of mergers can have a detrimental effect on the realization of merger synergies and benefits.

Increased stress and uncertainty which manifests itself as sickness and absenteeism and a fall in engagement quickly leads to a fall in productivity and performance. Employee engagement during the merger process is vital. Engaged employees will be more willing to take the fluctuations in workload in their stride. In addition they are more adaptable and willing to demonstrate pro-merger behaviours. The organizations restructure in order to increase productivity and gain competitive advantage, the essence is basically to enhance performance by realigning the organizational social structure and work attitudes of employees therein to ensure a proper fit in the work-situation ; thus, the critical challenge facing restructured organizations is the ability of the employees to adjust to the prevailing work situation by diminishing of old work-roles and developing new and propitious work attitudes that are consistent with goals and standards in the work-situation<sup>3</sup>.

## **4.2 DEFINITION AND DRIVERS OF EMPLOYEE ENGAGEMENT**

### **4.2.1 EMPLOYEE ENGAGEMENT**

Employee engagement is a workplace approach designed to ensure that employees are committed to their organization's goals and values, motivated to contribute to organizational success, and are able at the same time to enhance their own sense of well-being. Employee engagement involves commitment, loyalty, pride in the organization, a willingness to advocate for the organization and a sense of personal responsibility.

*"This is about how we create the conditions in which employees offer more of their capability and potential."*

*(David Macleod)\**

Kahn and A, 1990 (as cited in Ramgade A, 2015, p. 330)<sup>5</sup> was the first to coin the word engagement, in his article “Psychological Conditions of Personal Engagement and Disengagement at Work”, the author defined the words the words personal engagement and personal disengagement; which according to him referred to the behavior by which people bring in or leave out their personal selves during work role performances. He defined personal engagement as the harnessing of organizational members selves to their roles; in engagement people employ and express themselves physically, cognitively and emotionally during role performances. Further, personal disengagement was defined as the uncoping of selves from work roles, withdraw and defend oneself physically, cognitively and emotionally during role performances.

According to the International Survey Research, 2003 (as cited in Dicke, Holwerda and Kontakos 2007, p.5)<sup>6</sup>, employee engagement is defined as a process by which an organization increases commitment and contribution of its employees to achieve superior business results. The International Survey Research resolves that employee engagement is a combination of an employee’s cognitive, affective and behavioral commitment to a company. EE is also referred as a business management concept that describes the level of enthusiasm and dedication a worker feels toward his/her job. Engaged employee cares their work and about the performance of the company, and feels that their efforts make a difference. An engaged employee is in it for more than a paycheck.

EE is the emotional connection an employee feels toward his or her employment organization, which tends to influence his or her behaviors and level of effort in work related activities. The more engagement an employee has with his or her company, the more effort they put forth. Employee engagement also involves the nature of the job itself- if the employee feels mentally stimulated; the trust and communication between employees and management; ability

of an employee to see how their own work contributes to the overall company performance; the opportunity of growth within the organization; and the level of pride an employee has about working or being associated with the company<sup>7</sup>.

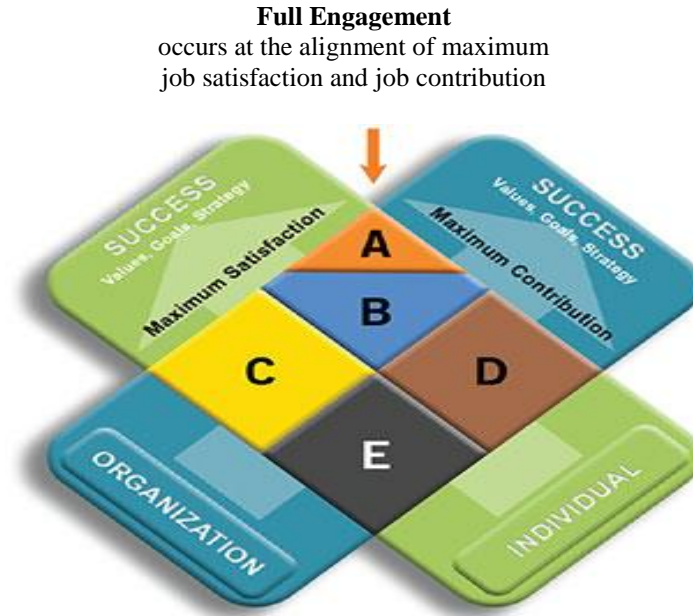
The company definitions tend to view engagement as an outcome, something given by the employee. They often refer to the employee's attachment, commitment and loyalty to the organization. They refer to the effort and time they are willing to expend, whilst constantly finding ways to add value and use talents to the fullest. Several of the definitions refer to the employee as an enthusiastic advocate showing pride and support for the organization's values and goals. Many see engagement as a step higher than satisfaction or motivation at work. There are several key differences between these definitions of engagement dependent upon their source. Company definitions focus heavily on what the organization gets from the 'engagement', without acknowledging the role of the organization or explaining the state of engagement. Academic and consultancy definitions acknowledge that it is a mutually beneficial relationship.

Blessing White (White 2011)<sup>8</sup>, a research consultancy published the Employee Engagement Report in 2011 which revealed interviews with HR Managers/leaders and conducted online surveys in six different countries including India as per the 'X Model'. As a result of the findings, the top three drivers for Indian employees across all engagement levels were career development opportunities and training, more opportunities to do what I do best and more challenging work.

**The X Model:**

BlessingWhite's engagement model focuses on an individual's:

- contribution to the company’s success
- personal satisfaction in the role.



**Fig 4.1: The X Model**

Source:<http://blessingwhite.com/business-issues/employee-engagement/the-x-model-of-employee-engagement/>

**Table 4.1: Levels of EE**

| LEVEL |  | DESCRIPTION  |
|-------|--|--|
| A     | The Engaged: High contribution & high satisfaction         | These employees are at “the apex” where personal and organizational interests align. They contribute fully to the success of the organization and find great satisfaction in their work.                 |
| B     | Almost Engaged: Medium to high contribution & satisfaction | A critical group, these employees are among the high performers and are reasonably satisfied with their job. They may not have consistent “great days at work,” but they know what those days look like. |

| LEVEL |  | DESCRIPTION  |
|-------|--|--|
| C     | Honeymooners & Hamsters:<br>High satisfaction but low contribution | Honeymooners are new to the organization or their role — and happy to be there. They have yet to find their stride and clearly understand how they can best contribute.<br>Hamsters may be working hard, but are in effect “spinning their wheels,” working on non-essential tasks, contributing little to the success of the organization |
| D     | Crash & Burners:<br>High contribution but low satisfaction         | Disillusioned and potentially exhausted, these employees are top producers who aren’t achieving their personal definition of success and satisfaction  |
| E     | The Disengaged:<br>Low contribution & satisfaction                 | They are the most disconnected from organizational priorities, often feel underutilized and are clearly not getting what they need from work.  |

*Source: <http://blessingwhite.com/business-issues/employee-engagement/the-x-model-of-employee-engagement/>*

According to MacLeod report (2013); there are differences between attitude, behaviour and outcomes in terms of engagement. An employee might feel pride and loyalty (attitude); or go the extra mile to finish a piece of work (behaviour). Outcomes may include lower accident rates, higher productivity, fewer conflicts, more innovation, lower numbers leaving and reduced sickness rates. But we believe all three – attitudes, behaviours and outcomes – are part of the engagement story. Engaged organisations have strong and authentic values, with clear evidence of trust and fairness based on mutual respect, where two way promises and commitments – between employers and staff – are understood, and are

fulfilled. An engaged employees freely and willingly give discretionary effort, not as an 'add on', but as an integral part of their daily activity at work as well as experiences a blend of job satisfaction, organisational commitment, job involvement and feelings of empowerment<sup>9</sup>.

Thus, some of the advantages of EE can be outlined as following (Suan, 2009)<sup>10</sup>:

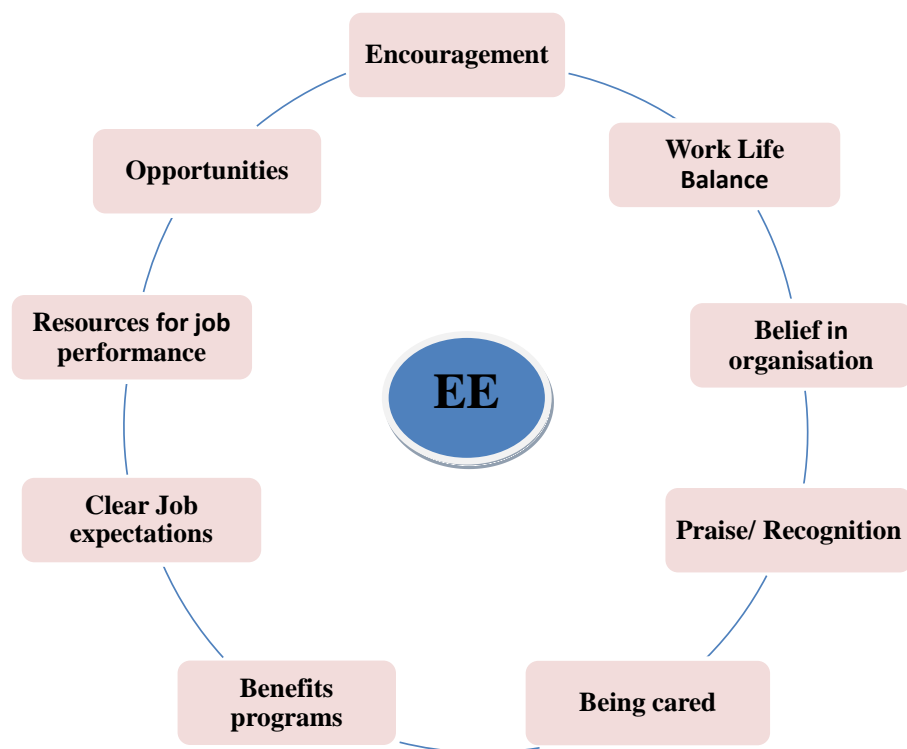
- Engaged employees will normally perform better and are more motivated.
- There is a significant link between employee engagement and profitability.
- Engaged Employee form an emotional connection with the company.
- They impact their attitude towards company's clients and thereby improve customer satisfaction and service levels.
- Engaged employee builds passion, commitment and alignment with the organization's strategies and goals.
- Engaged employees will increase employee's trust in the organization.
- Engaged employees creates a sense of loyalty in a competitive environment.
- Engaged employees will provide a high-energy working environment and boosts business growth.
- EE makes the employees effective brand ambassadors for the company.



#### **4.2.2 KEY DRIVERS OF ENGAGEMENT**

To engage workers as well as to benefit from that engagement, organization must invest in its human resource practices, able to weigh how much engagement and commitment the company wants and at what cost. Most important, organization must truly understand what are the factors that determine the employee engagement so that they can implement more effective human resource practices to enhance their EE in the organization.

According to Gallup (Gallup Journal, 2006), supported by Aon Consulting and Hewitt Consulting, key drivers of employee engagement typically include the following: (Werner, Karel and Jan, 2011)<sup>11</sup>.



**Fig: 4.2: Drivers of EE**

Source: <http://www.investopedia.com/terms/e/employee-engagement.asp>

1. *Encouragement to develop skills* – focus on career planning and individual growth and development.
2. *Work-life balance* – establishment of a culture where leaders are role models of a balanced work-life. Engaged employees don't feel like they have to choose work or life. The company supports the whole person knowing that the effort put in at the office will increase if employees aren't beating themselves up over missing another dinner with the family.
3. *Belief in the organization's direction and leadership* – awareness and understanding of the strategic direction of the organization. Leadership needs a thoughtful, committed strategic plan designed to guide the company and the employees toward the larger vision.
4. *Praise/recognition for good work* – reward and recognition mechanisms, nothing turns a company around faster than a great feedback program. Employees want to perform well; everyone does when they think about it. Yet all too often we hold employees back by not providing critical information to let them know how to improve and remind them that we know they exist.
5. *Being cared about as a person* – culture of caring.
6. *Competitive compensation and benefits programs* – formal mechanisms in place, e.g. incentive programs.
7. *Clear job expectations* – awareness and understanding of what is expected of them.
8. *Resources for effective job performance* – availability of sufficient equipment and resources to all employees.

9. *Opportunity to use skills* – equal opportunities to utilize current skills and develop new ones.

Employee engagement can be critical to a company's success. Engaged employees are more likely to be productive and higher performing. Employers can encourage employee engagement in many ways, including communicating expectations clearly, offering rewards and advancement for excellent work, keeping employees informed about the company's performance, and providing regular feedback<sup>12</sup>.

Not all employees have the same sources of motivation or can be influenced to initiate action and change behavior by considering the same factors. Engagement is an individual construct and if it does not lead to business results, it must first impact on individual-level outcomes. Therefore, one of the biggest challenges that leaders face in the 21st century, is how to motivate effectively, initiate change and sustain improved performance among employees. Factors that contribute to an employee's level of engagement are specific or variable for each individual. It then becomes imperative for leaders to determine which organizational factors contribute to employee engagement and must be able to enhance and maintain these factors, both at individual and group level as said by Harter et al., 2002(Werner, Karel and Jan, 2011).

### **4.3 TYPES OF EMPLOYEE**

Engagement levels can vary according to different biographical and personality characteristics. Younger employees may be positive when they first join an organization, but can quickly become disengaged. Highly extravert and adaptable individuals find it easier to engage. Engagement is a choice; dependent upon what the employee considers is worth investing themselves in. Engagement levels vary according to seniority, occupation and length of service in an organisation but not by

sector. The more senior an individual's role, the greater the chance of being engaged. Presidents, managers, operational and hands-on staff tend to be the most engaged, professionals and support staff the least, but this varies between organisations.

According to a recent study from global research organisation Gallup<sup>13</sup>, there are only three types of employees:

**i. Engaged**

Employees who are engaged are often passionate about the tasks they perform. They are likely to drive innovation and take positive steps to help move the organization forward. Engaged workers are usually easy to spot as they are typically enthusiastic and committed to their job, and will be the employees most likely to create new customers.

**ii. Not engaged**

Not engaged workers are more difficult to identify. They are not actively disruptive, nor are they enthusiastic. These workers blend into the background and their motivation usually relies on looking forward to their lunch break or the end of the working day.

Those not engaged employees possess positive attitude towards work and may engage in productive behaviours, but they are not fully invested in terms of commitment and significant discretionary behavior; and can therefore unintentionally sabotage the company's profitability.

**iii. Passive**

Employees simply come to work and go through the motions without any particular interest in work. While not as problematic as actively disengaged, passive employees do not create a positive environment for innovation and progress.

**iv. Actively disengaged**

Staffs that are actively disengaged go beyond being unhappy with their job; they will project their unhappiness on to other's performance. They tend to purposefully attempt to disrupt the work day and will actively undo and undermine what their engaged coworkers accomplish. These workers can often be identified by their high rate of sick days and workplace accidents, and low rates of retention.

**4.4 EMPLOYEE ENGAGEMENT VS EMPLOYEE SATISFACTION**

*'An employee that is not engaged at work might indicate a high level of satisfaction with their organization. This employee is getting everything they wish: a steady pay check, benefits, sick leave and paid vacation. Their actual contribution to the well being of the organization in terms of innovation, creativity and productivity is negligible. But they are satisfied.'*

*Koscec, 2003*

Satisfaction is a “one-way street” (what can you do for me), and Engagement is a “two-way street” (what can we do together, in partnership). Engagement is a two-way contract. Engagement is more of a multi-dimensional construct and has greater validity and linkages to business outcomes such as revenues, profitability, growth, attrition etc. (Mittal, 2011).<sup>14</sup>

Managers must understand that an engaged employee is an employee who is deeply involved and invested in their work. This occurs when an employee is simultaneously satisfied, effective, and motivated. Employee satisfaction is not the same as employee engagement; it is only one of the three essential components.



An employee can be satisfied with a job without being engaged in the job. Employee engagement is much more than being content with pay and the ability to leave on time. That contentedness is merely job satisfaction, and though satisfaction is generally enough to retain employees, it's not enough to ensure productivity. On the other hand, employee engagement does promote increased productivity. An engaged employee is an employee who is deeply involved and invested in their work, whereas, Employee satisfaction is the foundation upon which employee engagement can grow and thrive. Employee satisfaction is the minimum entry fee that needs to be met in order for an employee to be fully engaged (Posted by Charles Rogel).<sup>15</sup>



**Fig. 4.3: Engagement Vs Satisfaction**

*Source: <https://www.decision-wise.com/job-satisfaction-vs-employee-engagement/>*

Organizations with genuinely engaged employees have higher retention, productivity, customer satisfaction, innovation, and quality. They also require less training time, experience less illness, and have fewer accidents. Satisfaction is related to employee engagement, but the behaviour that occurs as a result of stressors does not fall under the domain of engagement. It could be argued that an individual under pressure may display similar dedication and absorption, but it seems unlikely that they will experience the vigor and passion that tend to characterize engagement. Particularly if the employees feel they have to ‘knuckle down’, it seems that this is an enforced sense of concentration rather than engagement. Further research in this area is required to determine how the behaviour of individuals under stressors differs, if at all, from engaged employees. Similarly, the exact connection between satisfaction and employee engagement is yet to be defined.

#### **4.5 POST MERGER EFFECT ON EMPLOYEE ENGAGEMENT**

*In an Engagement Era where every employee is a global broadcaster for their organization, your people are your company's first and most powerful advocates.*

*Weber Shandwick UK<sup>16</sup>*

Today's global economy has clearly had a big impact on the way organizations operate. Although successful organizations are often distinguished by a modest, continuous level of change, the last few years have been marked by significant business and talent survival tactics in response to increasingly complex and interrelated economic, regulatory, business and demographic trends. Some organizations have sought to transform their strategies ahead of, or in response, to changing economic conditions by restructuring or taking on a merger and acquisition. The increasingly competitive market pressure and changing business environment have necessitated management in organizations to continuously search for high commitment work-system. It is almost impossible to implement organizational restructuring without impacting either negatively or positively on the prevailing employee attitudes within the organization. Regardless of how the change occurs, the associated loss of status, certainty, control and familiarity that come with this change may be met with resistance from employees. When a company is acquired, even if there is no significant impact on people's jobs, the number of actively disengaged employees increases by 23%, according to a recent study by HR consulting firm Aon Hewitt. It takes three years to reach the pre-merger level of highly engaged employees (Aon Hewitt 2013).



M&As situations in particular can cause many employees to feel confused and unsure about how they will fit in the combined organization. Uncertainty and role conflict may lead to increased turnover, new or additional job expectations, and delays in accomplishing goals. For this reason, most employees in post-restructuring context are incessantly dissatisfied with the changing condition of work and find it more difficult to sustain loyalty by adjusting positively to the discomforts which accompanied restructuring in the workplace. Many organizations that restructured in order to increase productivity and gain competitive advantage find that what they have gained is a depressed, anxious and angry workforce at a time when they need spirit and creativity to ensure future success (Longe and Olukayode, 2013)<sup>17</sup>.

Researchers, managers, and employees have become familiar with a new lexicon to describe these changes: downsizing, reengineering, core competencies, outsourcing, and off shoring, for example. Despite the frequency with which these terms are used, they often fail to connote what it is like for those working in these large corporations to live through these turbulent times. Thus, the critical challenge facing restructured organizations is the ability of the employees to adjust to the prevailing work situation by diminishing of old work-roles and developing new and propitious work attitudes that are consistent with goals and standards in the work-situation.

During a merger or acquisition there is notably concern, led by uncertainty, unrest, anxiety, and fear. Fear puts the company and the careers of the employees that represent it at risk. 90% of this is unwarranted worry that can be mitigated by transparent communication. Keeping the team positive and focused is your most important responsibility at this juncture. It requires a steadfast approach to balancing the needs of the business while acting as a liaison between the new parent company and the entire team. Because a large number of organizational

change efforts fail to meet their stated objectives, a focus on how employees think, feel and behave during these transformational periods offers useful insights to employers. Maintaining EE in the midst of organizational change is a key element in the success of a change initiative Ngyuen and Kleiner, 2003 (as cited in AON Hewitt Report 2013, p.2). According to Aon Hewitt report (2013), within the group of employees going through M&A with significant impact on their jobs, the proportion of actively disengaged employees increased, but the percentage of highly engaged employees was nearly cut in half during an M&A event. The data also suggested that acquiring another organization was easier on employees than being acquired. Thus, it was not just the M&A activity that influenced engagement, but rather the extent to which the M&A impacts an individual's job and whether one works for the acquiring organization or for the acquired.

Employee disengagement is a key sign of post-merger dysfunction. The symptoms of disengagement – alienation or loss of identity with a company/organization/group/team — result in the following outcomes (Hill and Weiner, 2008)<sup>18</sup>:

- Day-to-day decision-making grinds to a halt as overall decisions from the top are awaited.
- People don't know where they are going to end up or how they will contribute.
- Employees feel that their security and future are threatened.
- They no longer feel a vital part of the company.
- Worker morale plummets.

- Battle lines are drawn. An “us vs. them” stance emerges where cultural, corporate, country and continental differences are magnified and feared.
- Personal value is lost or at least undermined. The dominant question in most peoples’ minds is: Where do I fit?

Transformational changes such as M&As affect EE, but many organizations struggle with effective strategies and actions to help improve engagement during change. The drivers of EE have different priorities depending on the presence of change as illustrated in the table below.

**Table 4.2: EE drivers during times of Change vs. No change.**

| Rank Order | Top 5 drivers of Engagement during Times of Change vs. No Change |   |
|------------|--|---|
|            | Change (M&A)   | No Change                                       |
| 1          | Involved in decision making                                      | Understand career path                          |
| 2          | Co-workers make personal sacrifices to help the organization     | Involved in decision making                     |
| 3          | Senior leadership is visible                                     | Have the necessary resources to do the job      |
| 4          | Provided proper training to do job                               | Company provides encouragement for development. |
| 5          | Understand career path   | Provided proper training to do job              |

*Source: Aon Hewitt Report 2013.*

The AON research and consulting experience both indicate that during times of change, great leaders do four things extremely well.

First, they inform, meaning that they define a vision of what the future looks like and they share that vision, repeatedly, with employees in highly engaging ways, often through storytelling. And they communicate as many specifics as possible, transparently acknowledging what is not yet known.

Second, they engage, meaning that they find opportunities to involve employees, generate energy around the change by personally modeling the future state, stay visible and accessible, and encourage dialogue, responding proactively to feedback received.

Third, they enable, meaning they identify and address barriers to change, create opportunities to learn new skills that will be needed in the future state, and work to build an organizational culture that sustains change over time.

Finally, they build trust and influence others through their own behavior. By that we mean they are authentic with employees, which inspires confidence and respect.

It's human nature to fear and resist change, at least initially. And few experiences invoke more stress or uncertainty than a workplace merger or acquisition. No matter how rosy corporate's official line might be, a merger is among the most stressful situations that employees face. Disinformation, rumors and fear of the unknown can affect even the most highly engaged employees (Coy, 2014).<sup>19</sup>

When employees do not engage in a change, the result is often resistance and non-participation. Employee resistance can be active or passive. It

can be observable or discreet. But regardless of how resistance manifests itself, it erodes the value of the change and creates additional barriers and work for the project team. Some resistance comes from poorly managing the change, but some resistance is "good resistance" and represents an informed disagreement with the solution or direction of the project. This type of resistance is important to understand and an important input for project teams, but if we do not engage employees and encourage their participation, we are never able to surface this "good resistance" or separate it out from other resistance.<sup>20</sup>

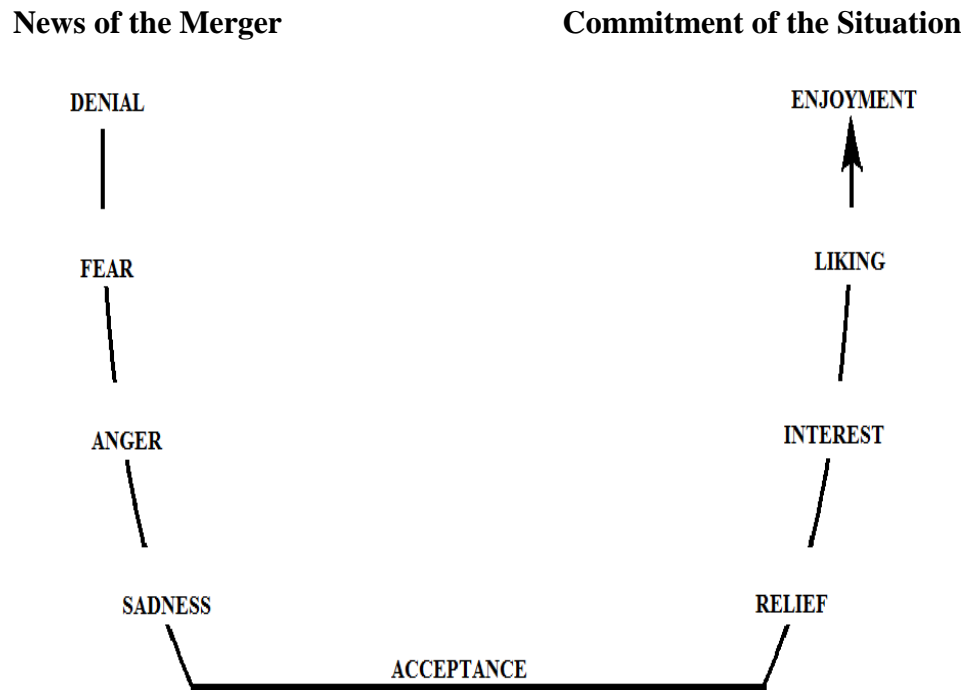
Employees are the hardest hit by M&A and may take a long time to recover. Employees want to see and hear from their senior leaders to help understand where the organization is going, and how the change influences their jobs and the organization as a whole. The employees also value skill development that is vital for the newly integrated business model. Thus, in addition to the requirements of strategy transformations, employees also need to understand the new work groups, cultures and business processes of the combined organization.

Mergers and acquisitions can be threatening for employees and produce anxiety and stress. Hunsaker and Coombs (1988, 58) found identifiable patterns of emotional reactions experienced by employees during a merger or acquisition; they have labelled this phenomenon the 'merger-emotions syndrome.'

- **Denial:** At first employees react to the announced merger with denial. They say it must be 'just a rumour.'
- **Fear:** When the merger becomes a reality, employees become fearful of the unknown. For example, workers become preoccupied with job loss.

- **Anger:** Once employees feel that they are unable to prevent the merger or acquisition from taking place, they begin to express anger towards those who are responsible. In many instances, employees feel like they have been ‘sold out’ after providing the company with loyal service.
- **Sadness:** Employees begin to grieve the loss of corporate identity and reminisce about the good old days before the merger.
- **Acceptance:** Once a sufficient mourning period has elapsed, employees begin to recognize that to fight the situation would be useless, and they begin to become hopeful about their new situation.
- **Relief:** Employees begin to realize that the situation is not as inauspicious as they had envisioned and that the new employees they interact with are not as bad as they had predicted.
- **Interest:** Once people become secure with their new positions or with the organization, they begin to look for positive factors and for the benefits they can achieve through the new entity. They begin to perceive the new situation as a challenge in which they can prove to their organization their abilities and worth.
- **Liking:** Employees discover new opportunities that they had not envisioned before and begin to like their new situations.
- **Enjoyment:** Employees discover that the new situation is working out well and feel more secure and comfortable.

Figure 4.4 below illustrates the stages in the syndrome, showing the downswing, plateau, and upswing.



**Fig.4.4: Stages in the Merger-Emotions Syndrome**

*Source: Pikula D.A (1999, p.7), Merger and Acquisitions: Organizational Culture and HR Issues.*

The merger-emotions syndrome provides management and researchers with the opportunity of pinpointing the emotional stage of the employees of an acquired corporation. Management should recognize that these emotions exist among the employees and deal with them as expeditiously as possible. At a minimum, managers should provide positive feedback to employees, emphasizing that their performance is commendable under the stressful situation brought about by the acquisition, in order to alleviate negative work-related feelings<sup>21</sup>.

Calm, grounded managers can help temper the turmoil during the uncertainty of a change, but it's not an easy task. Managers play a crucial role in trying to beat the dismal odds. The first step is to maintain morale

and employee engagement in the face of uncertainty. Employees can feel a complete lack of control over their careers during a change. Even the simple act of listening to employee's concerns can go a long way toward giving them a semblance of power. Communicating in tough times is difficult but the best approach is to be open, honest and say as much as possible. If an issue has not been decided, then say so – and, if possible, explain why – rather than keep quiet and let people think the worst. Organizations that communicate with staff regularly through times of change experience greater levels of acceptance and engagement. Employees going through a change seek clarity and certainty, and it is even more vital to ensure change communications are received and understood to minimize uncertainty<sup>22</sup>.

Managers should clarify or re-clarify organizational goals, mission and values. If those things have changed, be sure employees understand how that change affects them and their role. Involve employees in decision-making. Revive their self-esteem and optimism by setting clear, achievable objectives and offering the proper tools to achieve results. The most fundamental need people have in times of change or crisis is always the same: support, from one another and from authority figures. Thus, organizations should give employees ways to emotionally connect with each other and with leaders. Once senior leadership provides the vision on what change is needed, the organization must then set out to develop and execute a change management plan and engage their workforce in the process (Jacobsen 2012)<sup>23</sup>.

Engagement is consistently shown as something given by the employee which can benefit the organization through commitment and dedication, advocacy, discretionary effort, using talents to the fullest and being supportive of the organization's goals and values. Engaged employees feel a sense of attachment towards their organization, investing themselves not only in their role, but in the organization as a whole.



Engaged employees are more likely to stay with the organization, perform 20 per cent better than their colleagues and act as advocates of the business. Engagement can enhance bottom line profit and enable organizational agility and improved efficiency in driving change initiatives. Engaged individuals invest themselves fully in their work, with increased self efficacy and a positive impact upon health and well being, which in turn evokes increased employee support for the organization. Being satisfied at work is a weaker predictor of business outcomes than engagement and lacks the two-way reciprocal relationship characteristic of engagement. There is a very strong relationship between organizational citizenship and engagement, as both focuses upon going beyond the expected. Both engagement and the psychological contract have a cognitive and emotional element and can depict the two-way employee-employer relationship. Nevertheless, there is an increasing awareness that employee engagement is pivotal to successful commercial and business performance, where engaged employees are the 'backbone of good working environments where people are industrious, ethical and accountable'.<sup>24</sup>

Employee engagement being a relatively new concept has remained untouched by the academicians, there has been limited work done in India which tries to correlate employee engagement with communication, organizational climate and leadership style. Organizations have realized the importance of EE and are implementing various engagement programs especially in the private sector. Thus, EE needs to be studied in relation to change management and readiness to change in engaged employees. It is important to have a medium to long term vision so as to properly understand the basic tenets and advantages of EE and how to use it effectively for achieving organizational objectives through the best possible utilization of the human resources. Truly engaged employees turn out as invaluable assets for the organization as they aim to contribute more than 100% through positive articulation about organization, working

whole heartedly for its continual improvement and also by putting in extra efforts for managerial effectiveness. Since, the quality and efficiency depends to a large extent on the quality of human assets, it is essential that organizations work for ensuring the effective engagement of their employees. Ensuring EE is thus considered to be the cornerstone for successful human resource management in any organization. It is a win-win proposition leading to a healthy organization and happy employees.

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## **Chapter 5**

# **RESEARCH METHODOLOGY AND DESIGN**

### **5.1 INTRODUCTION**

A research study where the research methodology is based on sound research principles will produce findings that make more sense. It is important therefore, that the research methodology followed in any research study must comply with the conventional standards. This will ensure that the research study is carefully planned, systematically carried out, and is able to offer compelling data on which suitable conclusions are founded. The purpose of this chapter is to explain briefly the research methodology pursued for this study, as well as the theoretical background on which the choice of the methodology was based.

This chapter outlines the research design, the sources of data, the population frame, the sample and sampling technique, unit of analysis, the measurement, the collection and administration of data, the variables under study and finally the technique of analyzing data. Based on the literature review and research problem, the following research frame work has been developed.

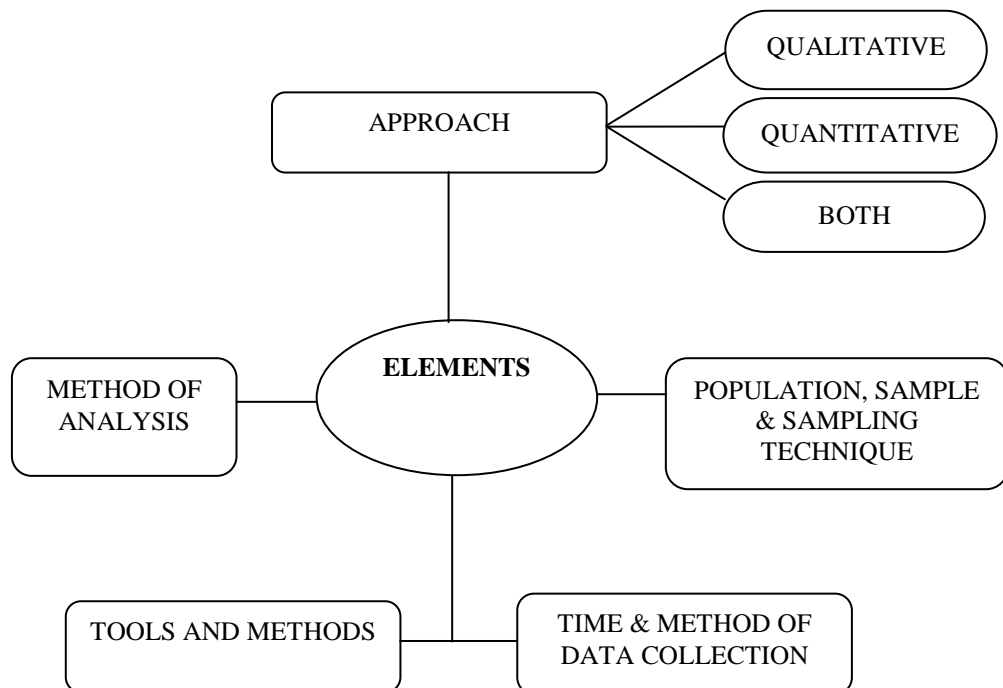
### **5.2 RESEARCH DESIGN**

A research design is a frame work or blue print for conducting the research. It specifies the details or the procedures necessary for obtaining the information needed to structure and to solve research problem (Malhotra, 1999; as cited in Suan 2009, p.27)<sup>1</sup>. It can also be defined as

the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure (Kothari C.R, 2012)<sup>2</sup>. For any research effort to be successful, its overall design has to be carefully planned with a clear set of ideas and procedures.

The purpose of this study is to examine the factors that contributed to Employee Engagement post merger in the banking sector of India. The type of research is descriptive and quantitative; and the testing pattern is a causal analysis because it is concerned with the study of how one or more variables affect changes in another variable without having researcher's control over the variables.

### 5.2.1 ELEMENTS OF RESEARCH DESIGN



**Fig: 5.1 Research Design**

*Source: [www.slideshare.net/maheshwarijaikumar/approach-design](http://www.slideshare.net/maheshwarijaikumar/approach-design)*

### **5.2.2 RESEARCH APPROACH**

Descriptive and quantitative research takes up the bulk of surveying and is considered conclusive in nature due to its quantitative nature. Unlike exploratory research, descriptive research is preplanned and structured in design so the information collected can be statistically inferred on a population. The main idea behind using this type of research is to better define an opinion, attitude, or behaviour held by a group of people on a given subject. Consider the multiple choice questionnaire; since there are predefined categories a respondent must choose from, it is considered descriptive research. Quantitative usually involves collecting and converting data into numerical form so that statistical calculations can be made and conclusions drawn.

Objectivity is very important in quantitative research. Consequently, researchers take great care to avoid their own presence, behaviour or attitude affecting the results (e.g. by changing the situation being studied or causing participants to behave differently). They also critically examine their methods and conclusions for any possible bias. The main emphasis of quantitative research is on deductive reasoning which tends to move from the general to the specific. This is sometimes referred to as a top down approach.<sup>3</sup>

Like descriptive research, causal research is quantitative in nature as well as preplanned and structured in design. For this reason, it is also considered conclusive research. Causal research differs in its attempt to explain the cause and effect relationship between variables.

### **5.3 POPULATION AND SAMPLING**

All the items under consideration in any field of enquiry constitute a 'population'. Whereas, the few items selected from the population by the researcher for the study purpose is technically called as a 'sample'. The



population of this study covers the entire staff of the acquired banks selected for the study; and the sample obtained from the given population constitutes of 250 employees from the acquired banks post merger. Since post merger the banks constitutes the employees of both the acquired and acquiring bank, therefore **convenience sampling** method was used as a sample design.

Convenience sampling is a type of non-probability sampling technique. Non-probability sampling focuses on sampling techniques that are based on the judgment of the researcher. A convenience sample is simply one where the units that are selected for inclusion in the sample are the easiest to access. That is, sample populations selected because it is readily available and convenient, as researchers are drawing on relationships or networks to which they have easy access. Convenience sampling is very easy to carry out with few rules governing how the sample should be collected. The relative cost and time required to carry out a convenience sample are small. Since the sampling frame is not know, and the sample is not chosen at random, the inherent bias in convenience sampling means that the sample is unlikely to be representative of the population being studied. This undermines the ability to make generalizations from the sample to the population under studying.<sup>4</sup>

#### **5.4 RESEARCH INFORMATION**

There are various ways in which data can be gathered for research purposes. The researcher must make a decision on how the required data will be gathered and interpreted before the research proposal is written. The means by which the information is produced and recorded is refers to as the 'mode of data collection'. These various modes of data collection differ in terms of costs and resources required for gathering data as well as in terms of the level of detail and complexity of data that can be gathered successfully.

The information for the research is divided into the sources of data and the measurement instrument. The sources of data included both primary and secondary data; and self structured questionnaire was used as an instrument to collect the primary data.

#### **5.4.1 SOURCES OF DATA**

Data gathering for this study was done through two basic methods:

- **PRIMARY DATA**

According to Uma Sekaran, 2000 (as cited in Suan 2009, p.28) primary data is information that is first obtained by the researcher on the variables of interest for the specific purpose of study. Primary data means original data that has been collected specially for the purpose in mind. It means someone collected the data from the original source first hand.

The primary research was done using quantitative research technique, involving the identification of a number of often related variables that give insight into the nature and causes of certain problems and into the consequences of the problems for those affected. The quantitative research technique was structured with a questionnaire to quantify pre-categorized answers in order to deal with pertinent factors that can improve the employee engagement as well as the understanding and acceptance of mergers and acquisition in the workplace.

- **SECONDARY DATA**

Secondary data refer to the information gathered by someone than the researcher conducting the current study such as company record, publication, industry analysis offered by the media, web publications and so on. It is less time consuming and cheap to obtain the secondary data as it is already prepared by other experts. The secondary data serves to get more information that could support the primary data, strengthen the

information and also assist the researcher to interpret the primary data correctly. At times, secondary data can also give an insight to the researcher on the subject matters from difference perspective (Suan, 2009).

For this study, the secondary data was gathered from the banks websites, annual reports, articles, books, journals, research papers, newspapers and magazines; that was relevant and able to support the literature review. The secondary data consists of both internal and external data sources. External sources include journals, articles and books while internal sources include the banks website, communication magazines, brochures and policy statements.

#### **5.4.2 MEASUREMENT INSTRUMENT**

The measurement instrument used for the study was a self structured questionnaire to quantify pre-categorized answers in order to deal with pertinent factors that lead to employee engagement. The questionnaire was adapted and modified to suite the context of employees in the acquired banks post merger.

A clear and user friendly questionnaire consisted of 3 sections. Section A consists of the questions to gather the information about the profile of the respondent. Section B sought to measure items that were related to employee engagement and Section C meant to study the behavioural pattern exhibited by the employees post merger.

The layout of the questionnaire can be represented as:

| Section  | Variables   | No. of Items |
|----------|---|--------------|
| <b>A</b> | <b>Respondent's Profile</b>   | <b>6</b>     |
|          | <ul style="list-style-type: none"><li>• Age</li><li>• Gender</li><li>• Marital Status</li><li>• Formal Position in the Organization</li><li>• Educational Qualification</li><li>• Length of Service</li></ul> |              |
| <b>B</b> | <b>Factors leading to EE</b>  | <b>24</b>    |
|          | <ul style="list-style-type: none"><li>• A- A1,A2,A3,A4</li><li>• B- B1,B2,B3</li><li>• C- C1,C2,C3,C4,C5</li><li>• D-D1,D2,D3,D4,D5,D6</li><li>• E- E1,E2,E3,E4,E5,E6</li></ul>                               |              |
| <b>C</b> | <b>Behavioural Pattern</b>  | <b>10</b>    |
|          | <ul style="list-style-type: none"><li>• Q1 to Q10</li></ul>   |              |

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Two scales were used in this questionnaire. First is nominal scale used for respondent's profile in section A and 5 point Likert scale was used for sections B and C. Likert scale is used when responses to various items that measure a variable can be tapped on 5 points scale which can thereafter be summated across the item.

Nominal scales are used for labeling variables, without any quantitative value. When measuring using a nominal scale, one simply

names or categorizes responses. Gender, Age, Designation, and Marital Status are examples of variables measured on a nominal scale. The essential point about nominal scales is that they do not imply any ordering among the responses. Responses are only categorized.<sup>5</sup>

With ordinal scales, it is the order of the values is what's important and significant, but the differences between each one is not really known. Unlike nominal scales, ordinal scales allow comparisons of the degree to which two subjects possess the dependent variable.

The ordinal scale below show the measures used in the Likert scale:

---

|                          |                 |                  |              |                       |
|--------------------------|-----------------|------------------|--------------|-----------------------|
| <b>1</b>                 | <b>2</b>        | <b>3</b>         | <b>4</b>     | <b>5</b>              |
| <b>Strongly Disagree</b> | <b>Disagree</b> | <b>Uncertain</b> | <b>Agree</b> | <b>Strongly Agree</b> |

---

The questionnaires were distributed among the employees of acquired banks post merger in different branches and locations to cover a sample of 250. It was assured that the questionnaire was concise and less time consuming. The respondents were given one day to answer and return the questionnaire to the researcher by hand or by mail.

## **5.5 INDEPENDENT AND DEPENDENT VARIABLES**

A concept which can take on different quantitative values is called a variable. If one variable depends upon or is a consequence of the other variable, it is termed as a dependent variable; and the variable that is antecedent to the dependent variable is termed as an independent variable. The "dependent variable" represents the output or effect, or is tested to see

if it is the effect. The "independent variables" represent the inputs or causes, or are tested to see if they are the cause.

In this study the independent variables are the pertinent factors that lead to employee engagement as well as explain the effect on EE post merger in banking industry. Further, there are also the factors that are categorized to explain the behavioral patterns exhibited post merger. The dependent variables for the present study are the variables related to Employee Engagement.

These variables are further categorized as Latent Variables (Constructs) and Observed variables (Indicators).

- **Latent Variable:** An underlying variable that cannot be observed. It is hypothesized to exist in order to explain other variables. Unmeasured variables, factors, unobserved variables, constructs, or true scores are just a few of the terms that researchers use to refer to variables in the model that are not present in the data set.
- **Observed Variables:** To measure a latent construct, researchers capture indicators that represent the underlying construct. The indicators or manifest are directly observable and believed by the researcher to accurately represent the variable that cannot be observed. It a factor or phenomenon that causes or influences another associated factor or phenomenon called a dependent variable.<sup>6</sup>

**Table 5.1: List of Independent Variables**

| <b>LATENT<br/>VARIABLES(CONSTRUCTS)</b> |                                      | <b>OBSERVED<br/>VARIABLES(INDICATORS)</b>   |
|---|--------------------------------------|---|
| <b>A</b>                                | <b>Working Environment</b>           | A1. Changes that may affect me are communicated to me prior to implementation.            |
|   |                                      | A2. Everybody is treated fairly in this organization.                                     |
|   |                                      | A3. Employee performance evaluations are fair and appropriate.                            |
|   |                                      | A4. There is never a pressure to finish my work on time.                                  |
| <b>B</b>                                | <b>Compensation and Benefits</b>     | B1. My pay is fair and I am satisfied with the organization's benefit packages.           |
|   |                                      | B2. I am satisfied with the reward/ incentive schemes for good performances.              |
|   |                                      | B3. The Organization has good Retirement and Insurance Plans and Vacation Pay.            |
| <b>C</b>                                | <b>Career Growth and Advancement</b> | C1. The organization provides as much training as and when I need to perform my job well. |
|   |                                      | C2. I trust if I do a good Job my Company will consider me for a promotion.               |

| <b>LATENT<br/>VARIABLES(CONSTRUCTS)</b> |                              | <b>OBSERVED<br/>VARIABLES(INDICATORS)</b>  |
|---|------------------------------|--|
|   |                              | C3. My Job does make good use of my Skills and abilities.  |
|   |                              | C4. I think that I am able to progress in my Job.  |
|   |                              | C5. My manager is actively interested in my professional development and advancement.                  |
| <b>D</b>                                | <b>Intrinsic Motivations</b> | D1. There is a strong feeling of teamwork and cooperation in this organization.                        |
|   |                              | D2. The environment in this organization supports a balance between work and personal life.            |
|   |                              | D3. My job does not cause unreasonable amount of stress in my life.                                    |
|   |                              | D4. I have regular information and a good understanding of the mission and goals of this organization. |
|   |                              | D5. My supervisor and coworkers care about as a person.  |
|   |                              | D6. My manager always treats me with respect.  |



The above table highlights the variables or factors that have been considered for the study by the researcher to capture the influence on employee engagement post merger in banking industry. The variables have been measured using self structured questionnaire.

**Table 5.2: Dependent Variable**

| <b>DEPENDENT VARIABLE</b> |                            | <b>OBSERVED VARIABLE</b>  |
|---------------------------|----------------------------|---|
| <b>E</b>                  | <b>Employee Engagement</b> | E1. I plan to continue my career with my company for at least 2 more years. |
|                           |                            | E2. I would recommend employment at my company to a friend.                 |
|                           |                            | E3. I constantly look for better ways to do my Job well.                    |
|                           |                            | E4. I feel proud to be a part of this Organization.                         |
|                           |                            | E5. I enjoy working with my team members.                                   |
|                           |                            | E6. I feel committed and emotionally attached to my Organization.           |

The above table tends to identify the factors that define employee engagement. These factors are directly observable through research instrument and they represent the dependent variable that cannot be directly observed in the study.

## **5.6 A REVIEW OF THE FACTORS ASSOCIATED WITH EMPLOYEE ENGAGEMENT**

*“The hearts of employees are a tougher battlefield than the minds of employees.”*

Engagement is the extent to which employees put discretionary effort into their work, beyond the required minimum to get the job done, in the form of extra time, brainpower or energy. According to the Institute for Employment Studies, engagement is a positive attitude held by the employee toward the organization and its values. An engaged employee is aware of business context, and works with colleagues to improve performance within the job for the benefit of the organization. The organization must work to develop and nurture engagement, which requires a two-way relationship between employer and employee. Engagement is the extent to which employees are motivated to contribute to organizational success, and are willing to apply discretionary effort (extra time, brainpower and effort) to accomplishing tasks that are important to the achievement of organizational goals.

Though different organizations define engagement differently, some common themes emerge. These themes include employees' satisfaction with their work and pride in their employer, the extent to which people enjoy and believe in what they do for work and the perception that their employer values what they bring to the table. The greater an employee's engagement, the more likely he or she is to “go the extra mile” and deliver excellent on-the-job performance. In addition, engaged employees may be more likely to commit to staying with their current organization.

Many different engagement studies such as Gallup organization, Tower Perrins, Hewitt, Blessing White, the Corporate Leadership Council and the Conference Board have used different definitions of engagement to come up with various drivers of engagement that managers must take into consideration when supervising their employees. Those drivers include doing exciting and challenging work; having career growth and learning and development opportunities; working with great people, receiving fair pay; having supportive management and being recognized, valued and respected (Ketter 2008, as cited in Suan 2009, p.17). Out of the various drivers identified the drivers or the factors selected for the present study has been explained below.

### **5.6.1 VARIABLES UNDER STUDY**

#### **A. WORKING ENVIRONMENT**

*“No company, small or large, can win over the long run without energized employees who believe in the organizations’ mission and understand how to achieve it. That’s why you need to take the measure of employee engagement at least once a year through anonymous surveys in which people feel completely safe to speak their minds.”*

*Jack and Suzy Welch*

Managing organizational change is difficult due to the fact that it is an ongoing process rather than an event (Price & Chahal 2005; as cited in Dicke, Holwerda and Kontakos 2007, p.49)<sup>7</sup>. In addition, factors such as individual organization characteristics, industries, economic forces, and competitive climates can impact organizational change. Successful

strategies seem to be those customized according to the unique qualities and competitive environment of a firm and may incorporate different components of other successful strategies. Successful change management strategies seem to be customized according to the unique qualities and competitive environment.

Specifically, Kahn found that in an open environment—one in which information was shared freely among organizational members without fear and where meaningful communicative interactions occurred regularly—people were more willing to put all of themselves into their work. As one camp counselor put succinctly, people are only willing to devote their “energy where it will be appreciated” (Kahn, 1990: 708). When the groundwork for meaningful communication is missing, your employees’ willingness to exert discretionary effort will be missing as well. Truly, as Richard Axelrod asserts, communication is the “lifeblood” of the living system that is the modern corporation (2000: 92). Organizations must ensure that they create and promote an inclusive and open workplace environment. Management practices that create an environment in which employees are satisfied and engaged, spurs operational excellence and innovation with the end result of growth and profitability. Thus, when engagement is considered at its most basic level—as a mechanism to achieve the goal of the most positive work environment possible—it appears that old wine may still serve its purpose, even if it is in new bottles (Dicke, Holwerda and Kontakos 2007).

A key driver in any successful organization, effective communication is essential to employee engagement. Continuous communication must be encouraged. Employees must be immediately informed of changes that affect the organizations’ vision and strategy and how the changes relate to

the employees' job and role within the organization. To support employee engagement, communication between leaders, line managers and employees must be an open two-way dialogue (Seijts & Crim 2006; as cited in Dicke, Holwerda and Kontakos 2007, p.75).

A workplace culture that is respectful, courteous, and fair and that values individual differences is a core aspect of building a positive workplace culture. Promoting equity and diversity is a key component of managing employees and focus on building a positive and respectful culture enhances the performance of all employees. Successful organizations show respect for each employee's qualities and contribution – regardless of their job level.<sup>8</sup>

Performance management is a critical aspect of organizational effectiveness. Performance management when effectively applied helps to create and sustain high levels of employee engagement, which leads to higher levels of performance. Performance appraisal and feedback represent an opportunity not only to assess employee performance but also the degree to which employee's exhibit engagement behavior in the performance of their work (e.g., persistence, initiative, role expansion, and adaptability). . In order for employees to feel comfortable employing and expressing themselves fully during role performances (i.e, displaying engagement) they must trust that their organization and managers treat them fairly and justly (Dicke, Holwerda and Kontakos 2007).

The employees who are emotionally engaged may be at risk of becoming transitionally engaged in the presence of high work demands and pressures. At this point, although they may appear from their behavior to be engaged, their motivation has shifted from enjoyment of their work and identification with their employer organization to 'performing' in an engaged manner out of necessity or fear of losing their job. Once again,

employee engagement is fragile, and therefore focus must be given to engaging employees – but in a sustainable and well-being-focused way.<sup>9</sup>

## **B. COMPENSATION AND BENEFITS**

Vaziarani 2007(as cited in Suan 2009, p.9) urges that organization should have a proper pay system so that the employees are motivated to work in the organization. In order to boost the engagement levels of the employee, organization should be able to provide with certain benefits and compensation. Employers must build on a solid compensation foundation in order to influence the extent that employees will go the extra mile and put discretionary effort into their work — contributing more of their energy, creativity and passion on the job. A well-developed performance management process can provide managers with the tools not only to deliver competitive base pay, but also to communicate one-on-one about how the pay (or pay increase) was determined, the relationship between employee pay and performance (either individual or organizational), and how the job fits within the organization overall. Towers Watson research indicates employees who believe they are paid fairly compared with people in either their company or other companies are 4.5 times as likely to be highly engaged as people who do not believe they are paid fairly.<sup>10</sup>

Employees want to be compensated fairly for the work they do and the contribution they make (through base pay, bonuses and benefits). The important word here is ‘fair’. We all want to feel that we are being treated fairly and that our performance is evaluated fairly. A sense of balance between what employees contribute to an organization and what they get back in return is fundamental to sustaining the extra efforts that come with an engaged workforce. And that means that reward/incentive programs are an important component of effective employee engagement strategies. If organizations want employees to do and deliver more, it’s essential that employees feel valued as people that their extra efforts are recognized and appreciated, and that over time there is a balance between

what they give to and get back from an organization. In challenging economic environments, compensation budgets are heavily pressured, meaning that as organizations need to ask employees to do and deliver more, their ability to reward those extra efforts financially is particularly constrained.<sup>11</sup>

Because commitments require an investment of time as well as mental and emotional energy, most people make them with the expectation of reciprocation. That is, people assume that in exchange for their commitment, they will get something of value in return—such as favors, affection, gifts, attention, goods, money and property. In the world of work, employees and employers have traditionally made a tacit agreement: In exchange for workers' commitment, organizations would provide forms of value for employees, such as secure jobs and fair compensation. Reciprocity affects the intensity of a commitment. When an entity or individual to whom someone has made a commitment fails to come through with the expected exchange, the commitment erodes.

Compensation consists of financial elements (pay and benefits) but may also include nonfinancial elements or perks, such as on-site day care, employee assistance programs, subsidized cafeterias, travel discounts, company picnics and so on. The most effective compensation plans support your organization's strategic objectives. A well-designed compensation plan gives the organization a competitive advantage. Incentive pay, also known as pay-for-performance, can directly influence employees' productivity (and thus their engagement) as well as their commitment to the organization (as workers learn to trust that they will be rewarded for good performance). Most employees are motivated by financial incentives and will exert greater effort to produce more if the incentives the company offers make it worthwhile to do so. When an employee recognition programme is aligned with the business goals that have an engaged workforce, employees are emotionally committed to

their employer's goals, vision and ethos. The outcomes; improved business performance, productivity, and a heightened sense of well-being for the individual. Once an organization has recognized the efforts and output of the employees, there's a need to start building an effective rewards program.<sup>12</sup>

### **C. CAREER GROWTH AND ADVANCEMENT**

An engaged workforce who possess the necessary skills, knowledge and expertise is crucial for any organization who wants to achieve high levels of business success. In our current challenging and competitive business environment, learning and development has never been more important as a means to keep employees engaged and maintain that competitive advantage.

The right training and development can greatly enhance employee engagement by nurturing talent and helping people to learn new things and improve their performance. Most people want to feel that they are doing a good job and that they are valued by their organization for the part they play. Done efficiently, learning and development will then provide the means to motivate and engage employees like never before. People will feel valued for their contribution and they will understand that the organization supports them to be the best that they can be. Developing people really is a key to having an engaged workforce and achieving business success.<sup>13</sup>

The majority of employees have no control over the change decision. But they need to continue to meet performance objectives during and after a change event. To that end, employees may need help creating strategies to overcome natural resistance to change. Through assessments, workshops and team meetings, organizations can show employees how to recognize their own styles, anticipate their reactions to change, understand their role in making change work, set measurable goals and develop a plan of



action. Most importantly, employees need to be treated as more than passive recipients of change — they need to be involved. If employees are to remain engaged in the process and feel as if their contribution still matters, the organization must continue to invest in them individually and keep the employees skill set in line with the companies goals. Job skills training allow the organization to take measurable steps towards improving employee skill.<sup>14</sup>

If peoples' desire to make advancement in their own career is not fulfilled, they will begin looking for work elsewhere. Opportunities to move up the career ladder often come down to availability of open positions—waiting for someone to die or retire to move up in the company is a sad reality for many people. When promotions seem like a waiting game to employees, organizations are at risk of turnover.<sup>15</sup>

#### **D. INTRINSIC MOTIVATION**

Only intrinsic motivations (rewards that come directly from the work itself) encourage the profound commitment and sense of ownership needed for a truly engaged and innovative workforce. To build a culture of engagement it is important to incorporate training on intrinsic motivation and employee engagement into management development programs. Every employee needs to feel like they're making a difference and that their efforts and accomplishments have meaning. The employees' have a general belief that their employers value their contributions and care about their well-being. Whereas employers value employee dedication and loyalty, employees are more concerned with their employers' reciprocal commitments to them. People respond well when they see that they are making progress on something they care about, whether in the workplace or in life. Humans are innately social creatures, and we want to connect, interact, affiliate, care and share. We also want to be recognized, and we want to understand and be understood. When intrinsic motivators are integrated into the workplace, the opposite

happens. Employees start to see their work as more meaningful, and so they become eager and willing to learn and contribute. As a result, business performance improves, measurably and fast.<sup>16</sup>

Intrinsic motivation comes from within. It's driven by a personal interest or enjoyment in the task itself. With intrinsic motivation, the result is often growth. When people talk about engaged employees having both their heads and their hearts in their jobs, intrinsic motivation is the “heart” part of that equation. The fact is, intrinsically motivated employees are more likely to be engaged in what they're doing than their counterparts who rely only on extrinsic motivation to put a spring in their step. Moreover, intrinsically motivated employees are more likely to go above and beyond - to put in that discretionary effort.<sup>17</sup>

Respect has gotten a lot of attention in the work environment lately, as it relates to equity, fairness and just getting along. But respect reaches much further than manners and compliance. It also plays a key role in recognition, engagement, and in creating a strong organizational culture. “Employee engagement depends upon the extent to which individuals respect their organization and its leadership, and feel respected,” writes Paul Marciano. Respect is a simple aspect of employee engagement. It’s incredibly important to convey respect when leaders interacting with their employees. While that may seem obvious, unfortunately not nearly enough leaders do it.<sup>18</sup>

The impact of fulfilling workers’ most important wants is significant - on employee engagement, customer satisfaction and even the bottom line. Employees want a job that’s challenging, interesting and fun. They want a sense of accomplishment and they want to feel the time they’ve spent at work has been worthwhile. They want to feel confident about their organization’s future and they want stability and steady work so they can meet their financial obligations. Essentially, each individual wants to be

recognized and appreciated as a valued team member - particularly by the person who should be most familiar with their work: their line manager. To engender trust, leaders need to show consideration for the morale, welfare and well-being of their team.<sup>19</sup>

## **5.7 TREATMENT OF DATA AND DATA ANALYSIS TECHNIQUE**

Researchers will have one or more hypotheses. These are the questions that they want to address which include predictions about possible relationships between the things they want to investigate (variables). In order to find answers to these questions, the researchers will also have various instruments and materials (e.g. paper or computer tests, observation check lists etc.) and a clearly defined plan of action.

The research data has to be prepared before it gets analyzed. Greenfield (1996:122) argues that various stages exist between gathering data and analyzing data. These stages include data coding, data editing and data preparation for analysis. These stages must be planned beforehand and be part of the documents and procedural designs. Coding refers to the “conversion of verbatim answers to categorized data” (Greenfield, 1996:122). Data editing involves checking and correcting mistakes in the data collected. Greenfield (1996:123) believes that mistakes in the data are a reflection on the quality of data. It is always important to edit data because edit mistakes that are not corrected may lead to difficulties and confusion in the research process. Preparing the data for analysis happens only after data have been coded and edited (Zweni, 2004).<sup>20</sup>

Data analysis is the process of systematically applying statistical and/or logical techniques to describe and illustrate, condense and recap, and evaluate data. Data analysis technique is an established, habitual, logical, or prescribed practice or systematic process of achieving certain ends

with accuracy and efficiency, usually in an ordered sequence of fixed steps.<sup>21</sup>

Data analysis is a step-by-step approach consisting of:

1. Identifying and defining a problem
2. Accumulating relevant data
3. Formulating a tentative hypothesis
4. Conducting experiments to test the hypothesis
5. Interpreting the results objectively and
6. Repeating the steps until an acceptable solution is found.

For the present study, after collecting the information from the questionnaires, a few procedures were done such as checking the data for accuracy. Besides that the questions were being coded to enable for analysis using Statistical Packages for the Social Science (SPSS V.21) and Analysis of Moment Structures (AMOS V.20).

The results stemming from each of the two methods have been integrated into the analysis and interpretation stage of the research process with the aim to gain an inter-subjective and multi-level understanding of the interrelations between the independent and dependent variables, and HR practices that should not be feasible by relying on a single method of inquiry.

The analysis of data begins with Descriptive analysis to describe the profile of respondents followed by ranking and reliability test for the scales through Cronbach's Alpha. The Cronbach Alpha testing was used as it is the most well accepted reliability test tools applied by social researcher (Sekaran, 2005). In Cronbach's Alpha reliability analysis, the

closer Cronbach's Alpha to 1.0, the higher the internal consistency reliability. The Cronbach measures are:

1. 0.7 and above – very strong relationship,
2. 0.50 to 0.69 – strong relationship,
3. 0.30 to 0.49 – moderate relationship,
4. 0.10 to 0.29 – low relationships and
5. 0.01 to 0.09 – very low relationship.

A commonly-accepted rule of thumb is that an alpha of 0.7 (some say 0.6) indicates acceptable reliability and 0.8 or higher indicates good reliability. Very high reliability (0.95 or higher) is not necessarily desirable, as this indicates that the items may be entirely redundant.

After collecting the data from the employees, scores of all the respondents were compiled to calculate the weighted total, and then ranking of the weighted total was done for the variables under consideration. In order to find the association between each of the demographic variables and employee engagement, Chi square test was done so as to accept or reject the hypothesis using AMOS.

In hypothesis testing, the significance level is the criterion used for rejecting the null hypothesis. The significance level is used in hypothesis testing as follows: First, the difference between the results of the experiment and the null hypothesis is determined. Then, assuming the null hypothesis is true; the probability of a difference that large or larger is computed. Finally, this probability is compared to the significance level. If the probability is less than or equal to the significance level, then the

null hypothesis is rejected and the outcome is said to be statistically significant. Traditionally, experimenters have used either the 0.05 level (sometimes called the 5% level) or the 0.01 level (1% level), although the choice of levels is largely subjective. The significance level  $\alpha$  for a given hypothesis test is a value for which a P-value less than or equal to  $\alpha$  is considered statistically significant. Typical values for  $\alpha$  are 0.1, 0.05, and 0.01. These values correspond to the probability of observing such an extreme value by chance. In the test score example above, the P-value is 0.0082, so the probability of observing such a value by chance is less than 0.01, and the result is significant at the 0.01 level. The lower the significance level, the more the data must diverge from the null hypothesis to be significant<sup>22</sup>. Alpha levels are controlled by the researcher and are related to confidence levels. You get an alpha level by subtracting your confidence level from 100%. For example, if you want to be 98 percent confident in your research, the alpha level would be 2% (100% – 98%). The researcher has selected three typical significance levels for the present study:

**0.01 levels (or 1% level)**

**0.05 levels (or 5% level)**

**0.10 levels (or 10% level)**

AMOS requires a complete data set (no missing values) in order to run the analysis. Structural Equation Modeling is used to test the causal relationship among the main constructs of the hypothesized model. SEM can be either regression analysis with path analysis or path analysis with factor analysis. Usually, in SEM diagrams the variables are arranged from left to right in temporal/causal order (causes before effects). Representation of variables:

- Observed variables are represented by rectangles/squares.
- Unobserved variables are represented by ellipses/circles in SEM diagrams.
- Representation of relationships: There is a clear distinction between association relationships and causal relationships (both in theoretical terms and in terms of graphical representation of a structural equations model).
- Non-causal (association) relationships are represented by curved double-headed arrows.
- Causal relationships are represented by straight single-headed arrows (with the arrow pointing towards the effect).

Association relationships can only be modeled among exogenous variables. Associations between two endogenous variables or between an endogenous variable and an exogenous variable are not possible in the SEM framework.

The model should include all possible influences on the endogenous variable(s). The influences that cannot be accounted for by the predictors included in the model are included in the error term. The error term also includes measurement errors in the endogenous variable. In short, this means that each endogenous variable in the model must have an associated error term.

5.7.1 RESEARCH MODEL

The model of the study has been depicted as the following figure:

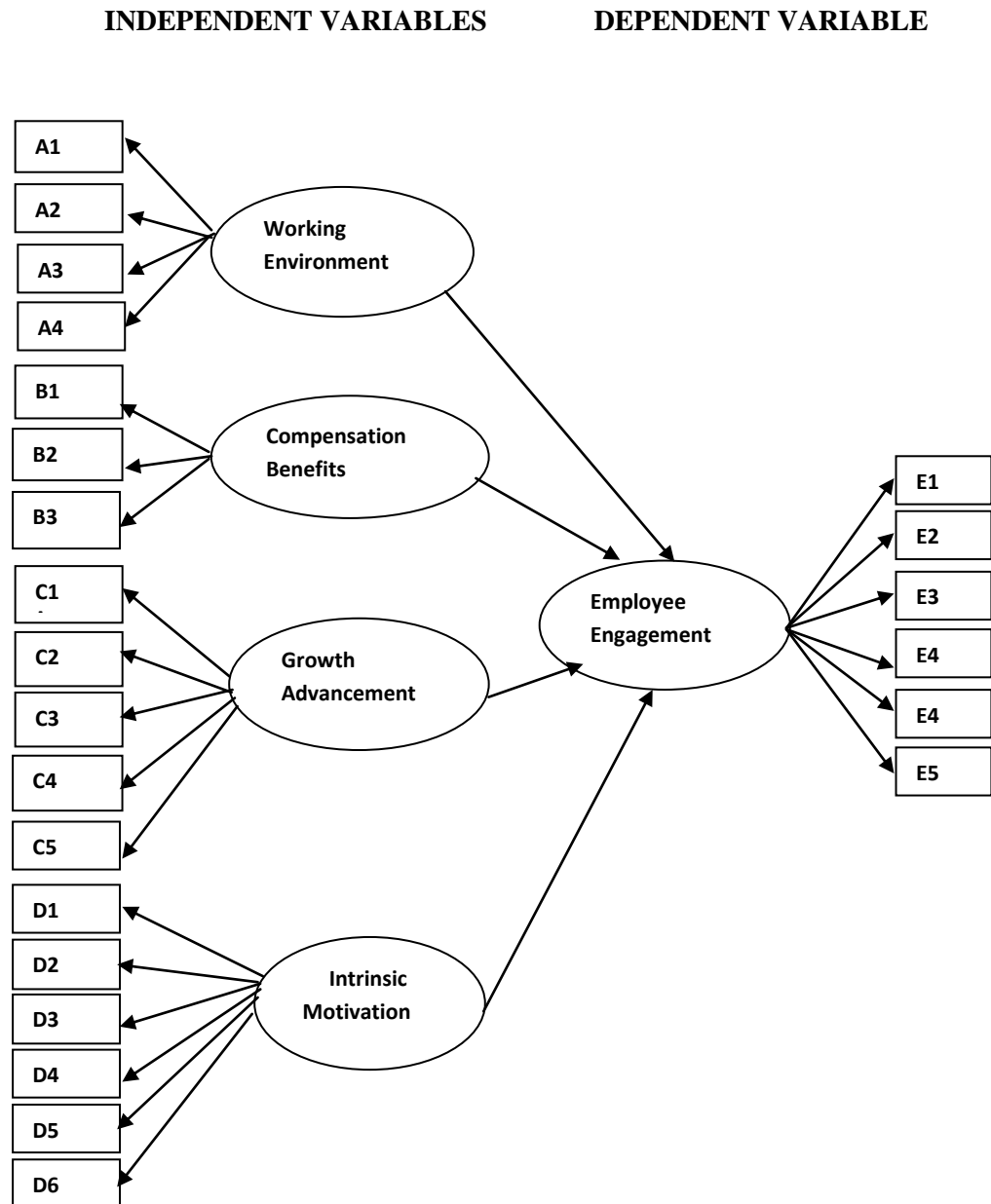


Fig. 5.2: Path Diagram in Structural Equation Modeling



## **5.8 THE PILOT SURVEY**

It is important, if time permits, to organize and carry out a pilot study to pre-test the questionnaire on a small population. This enables the researcher to ascertain whether there are gaps in the questionnaire that may compromise the desired quality of information obtained. A pilot study fulfils two purposes: the first is to develop the “instruments and procedures where the pilot is a step on the way towards the final design”. The second purpose is the “rehearsal of instruments and procedures, where the aim is to fine-tune a design”. The pilot testing helps to “refine the questionnaire so that respondents will have no problems in answering the questions and there will be no problem in recording the data”. This further argue that it will allow the researcher to evaluate the strength and dependability of the data gathered through the questionnaire. The researcher can also involve experts to look into the appropriateness of the questions as well as the composition of the questionnaire before pilot testing. This will assist the researcher to make the necessary changes as well as ascertain the dependability of the questionnaire theme before pilot testing. This pilot testing could be administered to the group of individuals that are more like the final population in the sample. The number of people selected for pilot testing must be enough to capture any serious changes that may influence the responses. Thus, a pilot study helps to ascertain the following:

- The time it will take to complete the questionnaire.
- The clearness of instructions as well as identifying those questions, if any, which are not clear.
- Those questions, if any, that the respondents feel uncomfortable answering them.
- Whether there was any serious topic that was left out.

- Whether the design was understandable and eye-catching, and
- Any other possible observations.

The pilot study for the research was conducted on a sample of 60 employees of the acquired banks, to check for the errors as well as to see whether the questionnaire was understandable. They all clearly understood the questions posed in the questionnaire. Data analysis was done to check the accuracy of the responses and hence there was therefore, a need to make some amendments to the questionnaire to ascertain that the final information obtained is accurate and complete.

## **5.9 BENEFITS AND LIMITATIONS OF QUESTIONNAIRE SURVEY**

Surveys are normally used for statistical purposes by gathering information. Most surveys use questionnaires for a base of their research. Surveys can help decide what needs changing, where money should be spent, what products to purchase, what problems there might be, or lots of other questions you may have at any time. There are a number of benefits and limitations associated with the questionnaire survey method.

- The cost of administering surveys is relatively low, and respondents have time to think about their answers.
- Surveys promote anonymity and confidentiality, provide access to widely dispersed respondents, and minimize the potential for interviewer bias.
- Questionnaires can be standardized, tested and validated producing large amounts of data from sample populations.

- These can be analyzed by applying rigorous and sophisticated statistical techniques, and inferences can be made for a wider population.
- Numerous questions can be asked about a subject, giving extensive flexibility in data analysis. With survey software, advanced statistical techniques can be utilized to analyze survey data to determine validity, reliability, and statistical significance, including the ability to analyze multiple variables. In this sense, quantitative data gathered through questionnaire survey research is regarded as relatively accurate (Gable, 1994)<sup>23</sup>.

There are, however, a number of limitations including the potential for poor response rates, lack of opportunities to probe and lack of interviewer control.

- Structured surveys normally use closed ended questions which makes opinions limited.
- Can be time consuming and hard to structure at times.
- If it is an anonymous survey people may not give a valid answer.
- The researcher must ensure that a large number of the selected sample will reply.
- Some people may not be willing to answer the questions. They might not wish to reveal the information or they might think that they will not benefit from responding perhaps even be penalised by giving their real opinion.
- Respondents may not be fully aware of their reasons for any given answer because of lack of memory on the subject, or even boredom.

- Questionnaires also invite people to lie and answer the questions very vaguely which they would not do in an interview. Data errors due to question non-responses may exist. The number of respondents who choose to respond to a survey question may be different from those who chose not to respond, thus creating bias.
- You forget to ask a question, you cannot usually go back to respondents, especially if they are anonymous<sup>24</sup>.

Surveys can be useful in some cases when the questions asked are specific and if the questions asked affect them. A systematic method of gathering information from a target population, a survey makes use of statistical techniques mainly used in quantitative research. Sometimes surveys and questionnaires are not taken seriously leading the participant to write anything to make it less time consuming. If the survey/questionnaire is very long most people decide to ignore it which would make it useless.

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## **Chapter 6**

# **DATA ANALYSIS AND INTERPRETATION**

### **6.1 INTRODUCTION**

In Chapter 5 the research methodology used for this study was described. This chapter presents the analysis of the demographic information and the outcomes of the study that was conducted to assess the causal relationship between the variables under study. The prime objective of the present research had been to explore the employee engagement from the lenses of individual differences like age, gender, marital status, formal position, educational qualification and length of service of employees, and factors influencing EE post merger.

The analysis was done to reveal the following:

- To compile the profile of respondents and examine its association with Employee Engagement.
- To identify the general causes of Employee Engagement and their relative propensity post merger in banking industry.
- To examine the effects on Employee Engagement post merger in banking industry.
- To study behavioral patterns exhibited at the work place post merger in banking industry.



## **6.2 THE SAMPLE POPULATION**

In conducting a research project, it is not always possible to cover the entire population. In such cases, a subsection of the population is used and the findings thereof get estimated to the entire population. The sample universe of this study was so big that it could not be covered in its entirety. It was therefore necessary to select a representative sample that was more manageable. The representative sample consisted of 250 employees of the acquired banks at different managerial levels. The size of the sample was such that it provided sufficient data that could be extrapolated to the entire population. The other critical thing about the sample size was that it was not extremely time consuming and unpleasant. Convenience sampling design was preferred for the present research study.

## **6.3 RESPONSE RATE**

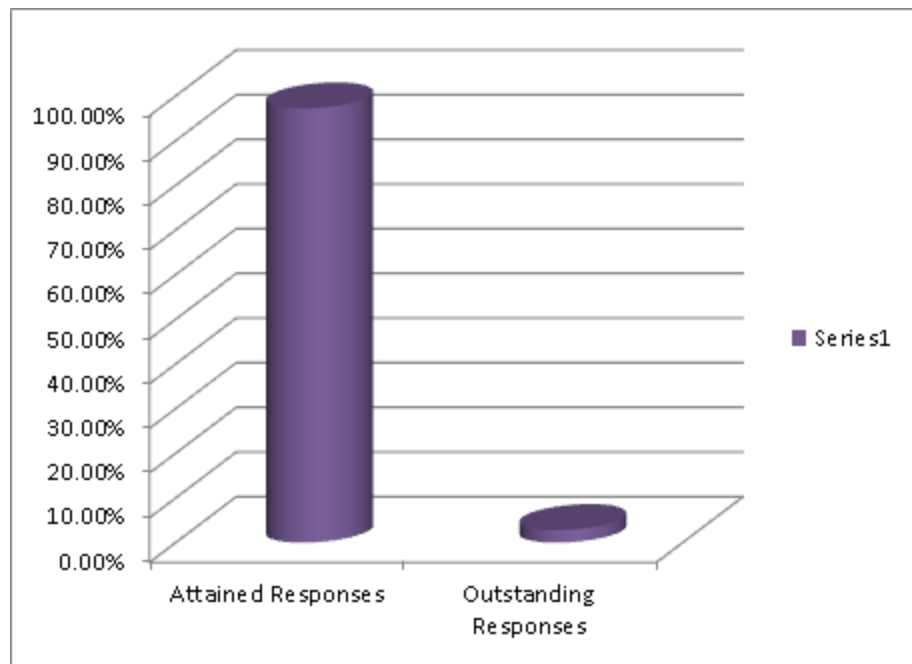
Of the total representative sample of 250 respondents, 243 responses were attained, thus translating into 97.2 per cent of the responses to be valid and usable. The responses that were not received therefore constituted only 2.8 per cent of the sample with incomplete and ambiguous data. The overall response rate is depicted in Table 6.2 and Fig. 6.1 below.

**Table 6.1: Statistics of Responses**

|                | <b>Age</b> | <b>Gender</b> | <b>Marital Status</b> | <b>Formal Position</b> | <b>Educational Qualification</b> | <b>Length of Service</b> |
|----------------|------------|---------------|-----------------------|------------------------|----------------------------------|--------------------------|
| <b>Valid</b>   | 243        | 243           | 243                   | 243                    | 243                              | 243                      |
| <b>Missing</b> | 0          | 0             | 0                     | 0                      | 0                                | 0                        |

**Table 6.2: Overall Response Rate**

| RESPONSE RATE         |                    |            |
|-----------------------|--------------------|------------|
| REPOSES               | RESPONSE FREQUENCY | PERCENTAGE |
| Attained Responses    | 243                | 97.2%      |
| Outstanding Responses | 7                  | 2.8%       |
| <b>TOTAL</b>          | 250                | 100%       |



**Fig. 6.1: Response Rate**

*Source: Table 6.2 converted to a Chart*

## **6.4 DESCRIPTIVE ANALYSIS OF DEMOGRAPHIC INFORMATION**

Table 6.3 gives the descriptive analysis of demographic data. All the 250 respondents selected for the study were the employees of the acquired banks under study. In section A of the questionnaire, the demographic information about the respondents was collected along with the scale which included the questions age, gender, marital status, educational level, formal position and length of service.

**Table 6.3: Descriptive Analysis of Demographic Data**

| <b>Section</b> | <b>Variables</b>  | <b>No. of Items</b> |
|----------------|---|---------------------|
| <b>A</b>       | <b>Respondent's Profile</b>   | <b>6</b>            |
|                | <ul style="list-style-type: none"><li>• Age</li><li>• Gender</li><li>• Marital Status</li><li>• Formal Position in the Organization</li><li>• Educational Qualification</li><li>• Length of Service</li></ul> |                     |

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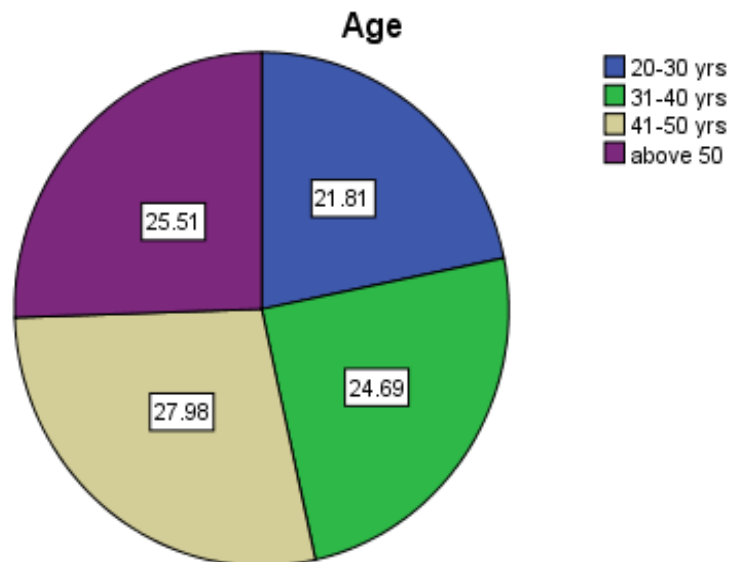
### **6.4.1 DISTRIBUTION OF AGE**

The respondents were asked to indicate their age according to the distribution criteria mentioned in the questionnaire. Table 6.4 shows that the majority of respondents 28 per cent who participated in the survey were between the ages of 41-50 years. 25 per cent were above 50 years whilst 24.7 per cent were between ages 31-40 years and there were 21.8 percent respondents between 20-30 years of age.

**Table 6.4: Frequency distribution of Age**

|       | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-----------|---------|---------------|--------------------|
| Valid | 20-30 yrs | 53      | 21.8          | 21.8               |
|       | 31-40 yrs | 60      | 24.7          | 46.5               |
|       | 41-50 yrs | 68      | 28.0          | 74.5               |
|       | above 50  | 62      | 25.5          | 100.0              |
|       | Total     | 243     | 100.0         | 100.0              |

*Source: Results obtained from overall analysis of survey responses*



**Fig. 6.2: Frequency distribution of Age**

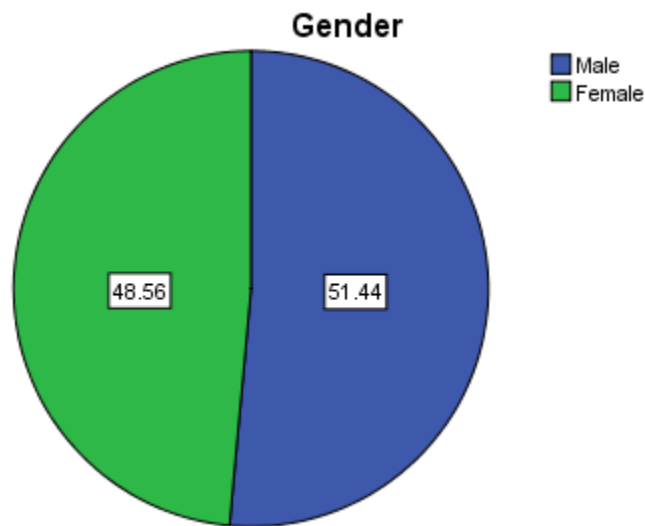
*Source: Table 6.4 converted to a Chart*

#### **6.4.2 DISTRIBUTION OF GENDER**

The respondents were asked to indicate their gender according to the distribution criteria mentioned in the questionnaire. Table 6.5 shows the composition of respondents by gender, where 51.4 percent were males and 48.6 per cent were females.

**Table 6.5: Frequency distribution of Gender**

|       |        | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|--------|-----------|---------|---------------|--------------------|
| Valid | Male   | 125       | 51.4    | 51.4          | 51.4               |
|       | Female | 118       | 48.6    | 48.6          | 100.0              |
|       | Total  | 243       | 100.0   | 100.0         |                    |



**Fig. 6.3: Frequency distribution of Gender**

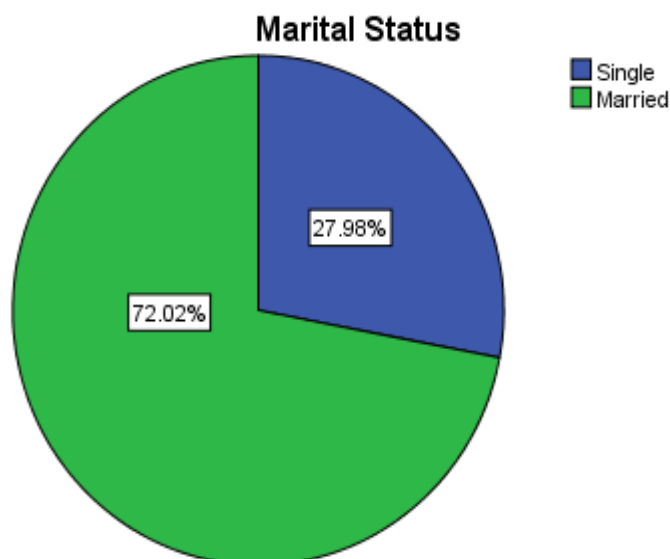
*Source: Table 6.5 converted to a Chart*

### 6.4.3 DISTRIBUTION OF MARITAL STATUS

The respondents were requested to indicate their marital status according to the distribution criteria mentioned in the questionnaire. Table 6.6 shows that 72 percent of respondents who participated in the survey were married and 28 per cent were single.

**Table 6.6: Frequency distribution of Marital Status**

|               | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------------|-----------|---------|---------------|--------------------|
| Single        | 68        | 28.0    | 28.0          | 28.0               |
| Valid Married | 175       | 72.0    | 72.0          | 100.0              |
| Total         | 243       | 100.0   | 100.0         |                    |



**Fig. 6.4: Frequency distribution of Marital Status**

*Source: Table 6.6 converted to a Chart*

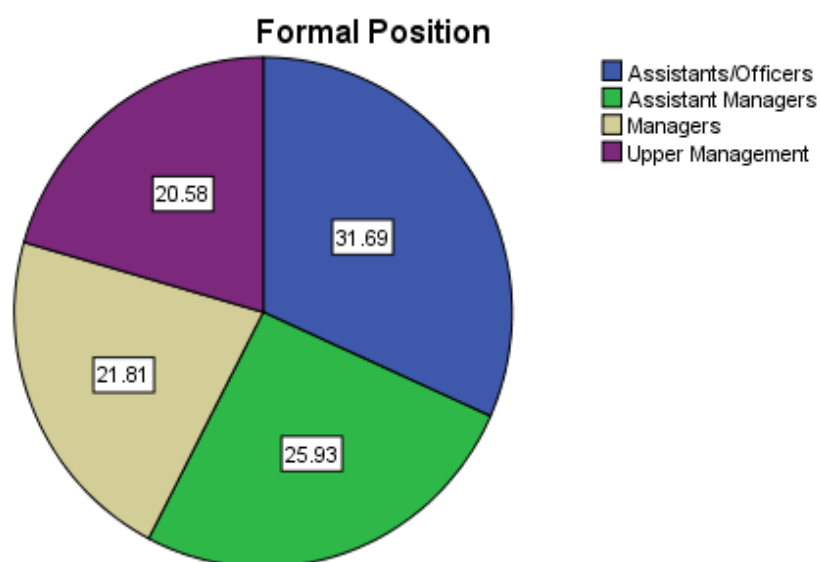
#### **6.4.4 DISTRIBUTION OF FORMAL POSITION**

The response levels were also compared according to the formal position of employees where the respondents were working. The results recorded 31.7 per cent response rate at Assistants/Officers level, 25.9 per cent respondents were Assistant Managers, 21.8 percent were Managers and 20.6 percent respondents held the upper management positions.

Table 6.7 and Chart 6.5 below illustrate this.

**Table 6.7: Frequency distribution of Formal Position**

|                     | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------------------|-----------|---------|---------------|--------------------|
| Assistants/Officers | 77        | 31.7    | 31.7          | 31.7               |
| Assistant Managers  | 63        | 25.9    | 25.9          | 57.6               |
| Valid Managers      | 53        | 21.8    | 21.8          | 79.4               |
| Upper Management    | 50        | 20.6    | 20.6          | 100.0              |
| Total               | 243       | 100.0   | 100.0         |                    |



**Fig. 6.5: Frequency distribution of Formal Position**

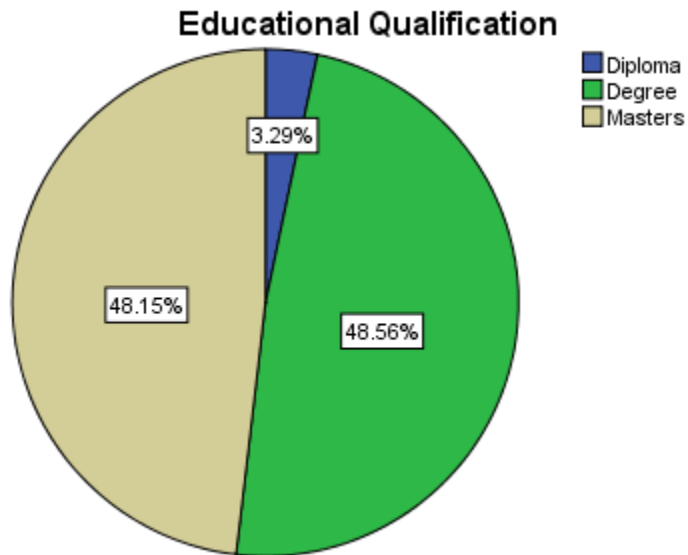
*Source: Table 6.7 converted to a Chart*

#### **6.4.5 DISTRIBUTION OF EDUCATIONAL LEVEL**

Respondents were requested to indicate their qualifications. Table 6.8 Shows that 48.1 percent of the respondents had done their masters, 48.6 percent were degree holders whilst only 3.3 percent had done diploma. None of the respondents were under the secondary level qualification.

**Table 6.8: Frequency Distribution of Educational Qualification**

|         | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------|-----------|---------|---------------|--------------------|
| Diploma | 8         | 3.3     | 3.3           | 3.3                |
| Degree  | 118       | 48.6    | 48.6          | 51.9               |
| Masters | 117       | 48.1    | 48.1          | 100.0              |
| Total   | 243       | 100.0   | 100.0         |                    |



**Fig. 6.6: Frequency distribution of Educational Qualification**

*Source: Table 6.8 converted to a Chart*

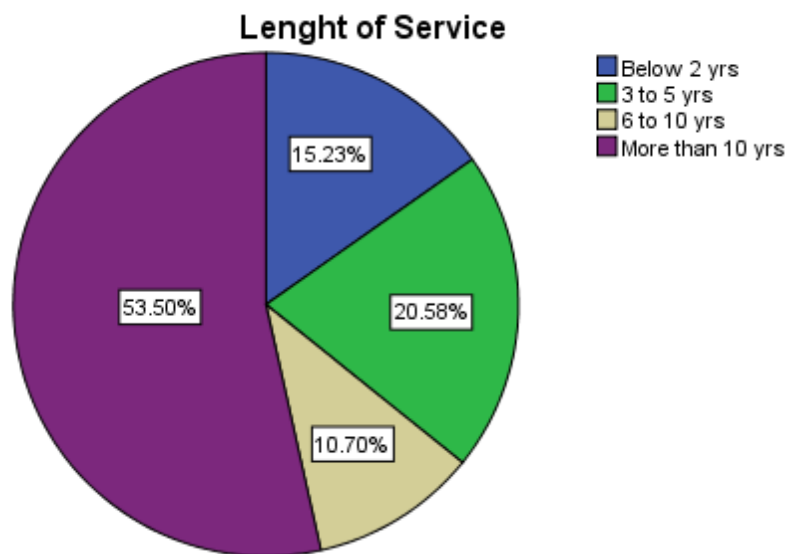
#### **6.4.6 DISTRIBUTION OF LENGTH OF SERVICE**

Respondents were requested to indicate years of service. Table 6.9 illustrates that 53.5 percent of the respondents had been with the Bank for more than 10 years at the time of the change process. 10.7 percent had been with the Bank for a period of between 6 to 10 years, 20.6 percent between 3 to 5 years and 15.2 percent respondents had been with the Bank for a period of less than 2 years.



**Table 6.9: Frequency distribution of Length of Service**

|                   | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------|-----------|---------|---------------|--------------------|
| Below 2 yrs       | 37        | 15.2    | 15.2          | 15.2               |
| 3 to 5 yrs        | 50        | 20.6    | 20.6          | 35.8               |
| Valid 6 to 10 yrs | 26        | 10.7    | 10.7          | 46.5               |
| More than 10 yrs  | 130       | 53.5    | 53.5          | 100.0              |
| Total             | 243       | 100.0   | 100.0         |                    |



**Fig. 6.7: Frequency distribution of Length of Service**

*Source: Table 6.9 converted to a Chart*

The demographical information therefore attained above indicates that an attempt has been made to ensure that all the elements that may influence the respondents' perception of the changes are fairly covered in the research.

## **6.5 RELIABILITY ANALYSIS**

The analysis of data begins with reliability test for the scales through Cronbach's Alpha. Besides that the questions were being coded to enable for analysis using Statistical Packages for the Social Science (SPSS). The Cronbach's Alpha testing is used as it is the most well accepted reliability test tools applied in the area of research to construct reliable measurement scales, to improve existing scales, and to evaluate the reliability of scales already in use. In Cronbach's Alpha reliability analysis, the closer Cronbach's Alpha to 1.0, the higher the internal consistency reliability.

- Reliability means consistency. It is the degree to which an instrument will give similar results for the same individuals at different times.
- Reliability can take on values of 0 to 1.0, inclusive.

As stated earlier in Chapter 5; A commonly-accepted rule of thumb is that an alpha of 0.7 (some say 0.6) indicates acceptable reliability and 0.8 or higher indicates good reliability. Very high reliability (0.95 or higher) is not necessarily desirable, as this indicates that the items may be entirely redundant.

### **6.5.1 RELIABILITY ANALYSIS- SECTION B OF THE QUESTIONNAIRE**

The Section B of the questionnaire constituted of 24 variables describing four independent and one dependent variable. The questionnaire was constructed on five point likert scale ranging from 1 to 5. The reliability analysis was done using SPSS v.21 and following results were obtained.

The alpha value for 24 items in the questionnaire was .644; but the same was increased to .689 if one item C3 (Skills and Abilities) was deleted.

Hence, for further analysis the item was deleted to increase the reliability of the questionnaire. Therefore, the alpha value of .689 is considered acceptable for carrying out further analysis of the data.

**Table 6.10: Cronbach's Alpha for Section B**

| <b>Variables</b>              | <b>No. of Items</b> | <b>Cronbach Alpha</b> | <b>Items Dropped</b> | <b>Cronbach Alpha</b> |
|-------------------------------|---------------------|-----------------------|----------------------|-----------------------|
| Working Environment           |                     |                       |                      |                       |
| Compensation and Benefits     |                     |                       |                      |                       |
| Career Growth and Advancement | 24                  | 0.644                 | 1                    | 0.689                 |
| Intrinsic Motivation          |                     |                       |                      |                       |
| Employee Engagement           |                     |                       |                      |                       |

- *Cronbach's Alpha Results: Alpha = 0.644*
- *If deleting item C3, the Alpha will raise to 0.689*

### **6.5.2 RELIABILITY ANALYSIS- SECTION C OF THE QUESTIONNAIRE**

The Section C of the questionnaire constituted of 10 variables describing the behavioral pattern of the employees exhibited post merger. The questionnaire was constructed on five point likert scale ranging from 1 to 5. The reliability analysis was done using SPSS v.21 and following results were obtained. Table 6.11 shows the Alpha value for the items in Section C.

**Table 6.11: Cronbach's Alpha for Section C**

| Variables | No.of Items | Cronbach Alpha | Items Dropped |
|-----------|-------------|----------------|---------------|
| Q1 to Q10 | 10          | 0.69           | 0             |

- *Cronbach's Alpha Results: Alpha = 0.690*
- *Zero items deleted*

The Alpha value obtained for all the 10 items of the questionnaire equals to .690 which indicates acceptable reliability, therefore, no item was required to be deleted.

## **6.6 FACTORS INFLUENCING EMPLOYEE ENGAGEMENT: WEIGHTED TOTAL AND FREQUENCY DISTRIBUTION OF THE RESPONSES**

This exercise was concerned with investigating the factors influencing employee engagement post merger in the selected organizations. A Questionnaire was circulated in the organizations and the respondents were asked to give their opinion in the appropriate column of the Questionnaire. The options ranged from 5(strongly agree), 4(agree), 3(uncertain), 2 (disagree), and 1 (strongly disagree). The organization wise and overall responses received are summarized in the following pages. A copy of the Questionnaire is enclosed as Annexure.

### **6.6.1 WEIGHTED TOTAL AND RANKING**

Mostly we are familiar with the idea of finding the average, or arithmetic mean, of a series of items. You simply add up all the item values and divide by the total number of items to calculate the average. However, this only works when all the items are weighted equally. Weighted total is an average in which each quantity to be averaged is assigned a weight.

These weightings determine the relative importance of each quantity on the average.<sup>1</sup>

Mean in which each item being averaged is multiplied by a number (weight) based on the item's relative importance. The result is summed and the total is divided by the sum of the weights. Weighted totals are used extensively in descriptive statistical analysis.<sup>2</sup>

There are two main cases where we generally use a weighted average instead of a traditional average. The first is when we want to calculate an average that is based on different percentage values for several categories. One example might be the calculation of a course grade mentioned earlier.

The second case is when we have a group of items that each has a frequency associated with it. In these types of situations, using a weighted average can be much quicker and easier than the traditional method of adding up each individual value and dividing by the total. This is especially useful when we are dealing with large data sets that may contain hundreds or even thousands of items but only a finite number of choices.<sup>3</sup>

A **ranking** is a relationship between a set of items such that, for any two items, the first is either 'ranked higher than', 'ranked lower than' or 'ranked equal to' the second. By reducing detailed measures to a sequence of ordinal numbers, rankings make it possible to evaluate complex information according to certain criteria.<sup>4</sup>

The weighted total for the respondent's opinion on the factors influencing employee engagement post merger was calculated and tabulated below

and hence the variables were ranked in descending order to the weights calculated. Rank one was assigned to the highest rating/weight and so on.

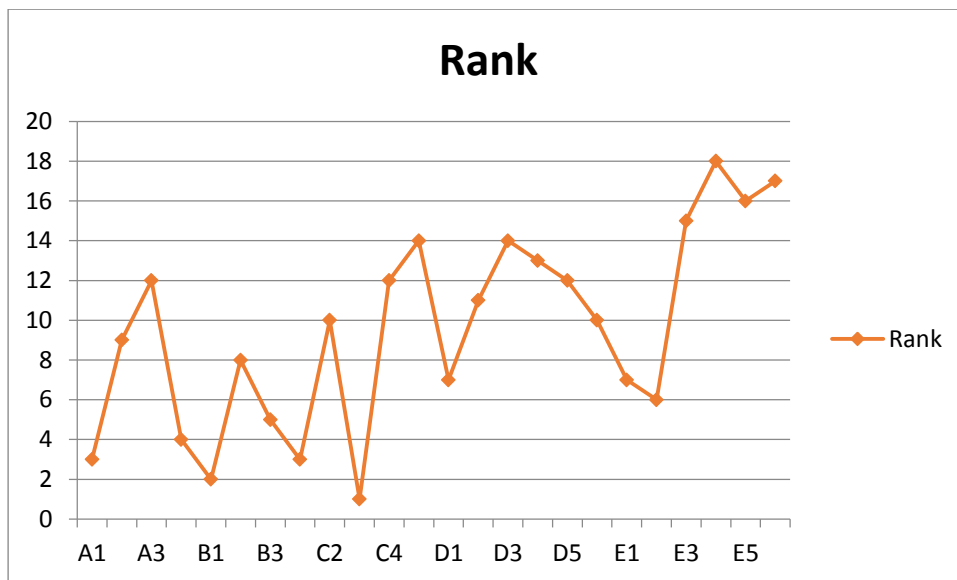
**Table 6.12: Weighted Total and Ranking of Factors related to EE.**

| S. No. | Weights                                      | 1           | 2        | 3         | 4     | 5        | Total | Weighted Total | Rating | Rank |
|--------|--|-------------|----------|-----------|-------|----------|-------|----------------|--------|------|
|        | Factors                                      | S. Disagree | Disagree | Uncertain | Agree | S. Agree |       |                |        |      |
| A1     | Changes communicated prior to implementation | 13          | 19       | 64        | 99    | 48       | 243   | 879            | 3.62   | 2    |
| A2     | Everybody treated fairly                     | 14          | 24       | 62        | 104   | 39       | 243   | 859            | 3.53   | 8    |
| A3     | Performance evaluations are fair             | 23          | 24       | 52        | 101   | 43       | 243   | 846            | 3.48   | 11   |
| A4     | Pressure to finish my work on time           | 20          | 23       | 30        | 131   | 39       | 243   | 875            | 3.60   | 3    |
| B1     | Pay is fair and benefit packages             | 18          | 23       | 29        | 129   | 44       | 243   | 887            | 3.65   | 1    |
| B2     | Reward/ incentive schemes                    | 22          | 26       | 33        | 120   | 42       | 243   | 863            | 3.55   | 7    |
| B3     | Good Retirement and Insurance Plans          | 18          | 25       | 40        | 115   | 45       | 243   | 873            | 3.59   | 4    |
| C1     | Training to perform my job well              | 19          | 23       | 35        | 120   | 46       | 243   | 880            | 3.62   | 2    |
| C2     | Good Job-promotion                           | 20          | 26       | 36        | 132   | 29       | 243   | 853            | 3.51   | 9    |
| C4     | Progress in my Job                           | 23          | 39       | 32        | 97    | 52       | 243   | 845            | 3.48   | 11   |
| C5     | Professional development and Advancement     | 22          | 31       | 46        | 107   | 37       | 243   | 835            | 3.44   | 13   |

| S. No.    | Weights                                     | 1           | 2        | 3         | 4     | 5        | Total | Weighted Total | Rating | Rank |
|-----------|---|-------------|----------|-----------|-------|----------|-------|----------------|--------|------|
|           | Factors                                     | S. Disagree | Disagree | Uncertain | Agree | S. Agree |       |                |        |      |
| <b>D1</b> | Teamwork and cooperation                    | 15          | 23       | 55        | 110   | 40       | 243   | 866            | 3.56   | 6    |
| <b>D2</b> | Balance between work and personal life      | 23          | 22       | 50        | 106   | 42       | 243   | 851            | 3.50   | 10   |
| <b>D3</b> | No unreasonable amount of stress in my life | 28          | 24       | 43        | 109   | 39       | 243   | 836            | 3.44   | 13   |
| <b>D4</b> | Regular information of mission and goals    | 21          | 21       | 52        | 120   | 29       | 243   | 844            | 3.47   | 12   |
| <b>D5</b> | Care about as a person                      | 26          | 23       | 45        | 107   | 42       | 243   | 845            | 3.48   | 11   |
| <b>D6</b> | Treated with Respect                        | 18          | 25       | 51        | 112   | 37       | 243   | 854            | 3.51   | 9    |
| <b>E1</b> | Continue my career                          | 23          | 32       | 30        | 103   | 55       | 243   | 864            | 3.56   | 6    |
| <b>E2</b> | Recommend employment to a friend            | 16          | 35       | 32        | 112   | 48       | 243   | 870            | 3.58   | 5    |
| <b>E3</b> | Better ways to do my Job well               | 27          | 34       | 36        | 101   | 45       | 243   | 832            | 3.42   | 14   |
| <b>E4</b> | I feel proud                                | 21          | 44       | 56        | 92    | 30       | 243   | 795            | 3.27   | 17   |
| <b>E5</b> | I enjoy working                             | 26          | 37       | 51        | 98    | 31       | 243   | 800            | 3.29   | 15   |
| <b>E6</b> | Committed and emotionally attached          | 30          | 32       | 53        | 96    | 32       | 243   | 797            | 3.28   | 16   |

*Source: Questionnaire*

The ranking of the above mentioned factors is presented in the form of a line graph.



**Fig. 6.8: Ranking of factors influencing EE**

**Table 6.13: Percentage distribution of the responses**

| S. No. | Factors                                      | S. Disagree/ Disagree | Uncertain | Agree/ S.Agree | Total |
|--------|--|-----------------------|-----------|----------------|-------|
| A1     | Changes communicated prior to implementation | 13.17%                | 26.34%    | 60.49%         | 100%  |
| A2     | Everybody treated fairly                     | 15.64%                | 25.51%    | 58.85%         | 100%  |
| A3     | Performance evaluations are fair             | 19.34%                | 21.40%    | 59.26%         | 100%  |
| A4     | Pressure to finish my work on time           | 17.70%                | 12.35%    | 69.96%         | 100%  |
| B1     | Pay is fair and benefit packages             | 16.87%                | 11.93%    | 71.19%         | 100%  |
| B2     | Reward/ incentive schemes                    | 19.75%                | 13.58%    | 66.67%         | 100%  |
| B3     | Good Retirement and Insurance Plans          | 17.70%                | 16.46%    | 65.84%         | 100%  |



| S. No.    | Factors                                     | S. Disagree/ Disagree | Uncertain | Agree/ S.Agree | Total |
|-----------|---|-----------------------|-----------|----------------|-------|
| <b>C1</b> | Training to perform my job well             | 17.28%                | 14.40%    | 68.31%         | 100%  |
| <b>C2</b> | Good Job- promotion                         | 18.93%                | 14.81%    | 66.26%         | 100%  |
| <b>C4</b> | Progress in my Job                          | 25.51%                | 13.17%    | 61.32%         | 100%  |
| <b>C5</b> | Professional development and Advancement    | 21.81%                | 18.93%    | 59.26%         | 100%  |
| <b>D1</b> | Teamwork & cooperation                      | 15.64%                | 22.63%    | 61.73%         | 100%  |
| <b>D2</b> | Balance between work and personal life      | 18.52%                | 20.58%    | 60.91%         | 100%  |
| <b>D3</b> | No unreasonable amount of stress in my life | 21.40%                | 17.70%    | 60.91%         | 100%  |
| <b>D4</b> | Regular information of mission and goals    | 17.28%                | 21.40%    | 61.32%         | 100%  |
| <b>D5</b> | Care about as a person                      | 20.16%                | 18.52%    | 61.32%         | 100%  |
| <b>D6</b> | Treated with Respect                        | 17.70%                | 20.99%    | 61.32%         | 100%  |
| <b>E1</b> | Continue my career                          | 22.63%                | 12.35%    | 65.02%         | 100%  |
| <b>E2</b> | Recommend employment to a friend            | 20.99%                | 13.17%    | 65.84%         | 100%  |
| <b>E3</b> | Better ways to do my Job well               | 25.10%                | 14.81%    | 60.08%         | 100%  |
| <b>E4</b> | I feel proud                                | 26.75%                | 23.05%    | 50.21%         | 100%  |
| <b>E5</b> | I enjoy working                             | 25.93%                | 20.99%    | 53.09%         | 100%  |
| <b>E6</b> | Committed and emotionally attached          | 25.51%                | 21.81%    | 52.67%         | 100%  |

Analysis shows that the weighted total of the factor B1 i.e “My pay is fair and I am satisfied with the organization’s benefit packages”, is the highest 887. This concludes that most of the employees of the acquired banks have agreed upon this factor. Hence rank 1 can be assigned to the factor as a total of 71.19% of the employees agree, 11.93% are uncertain and 16.87% disagree to the factor. The last rank is given to E4 i.e “I feel proud to be a part of this organization”, which has the weighted total of 795. This shows that 26.75% of the employees disagree to the factor, 23.05% are uncertain and only 50.21% agree to the factor which is the least as compared to all other factors under study.

#### **6.6.2 DESCRIPTIVE STATISTICS AND GRAPHICAL REPRESENTATION OF THE VARIABLES UNDER STUDY:**

Statistics is a set of procedures for describing, synthesizing, analyzing and interpreting quantitative data. Descriptive statistics gives the brief idea of the below mentioned values about the data:<sup>5</sup>

**N -** This is the number of valid observations for the variable. The total number of observations is the sum of N and the number of missing values i.e 243 for the study.

**Minimum -** This is the minimum, or smallest, value of the variable; the code 1.

**Maximum -** This is the maximum, or largest, value of the variable; the code 5.

**Mean -** This is the arithmetic mean across the observations. It is the most widely used measure of central tendency. It is commonly called the average.

**Std. Deviation** - Standard deviation is the square root of the variance. It measures the spread of a set of observations. The larger the standard deviation is, the more spread out the observations are.

The following section of the study demonstrates the descriptive statistics for each of the independent variables under study using SPSS v.21 and Microsoft Excel.

### 1. WORK ENVIRONMENT

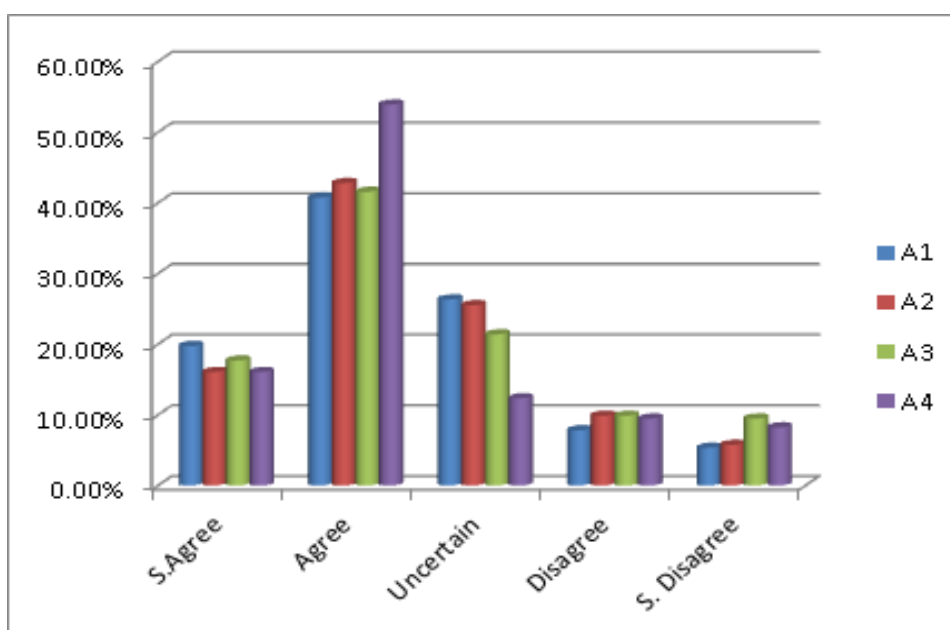
**Table 6.14: Descriptive Statistics-Work Environment (WE)**

|                    | N   | Minimum | Maximum | Mean   | Std. Deviation |
|--------------------|-----|---------|---------|--------|----------------|
| Good Communication | 243 | 1.00    | 5.00    | 3.6173 | 1.05511        |
| Equity             | 243 | 1.00    | 5.00    | 3.5350 | 1.05715        |
| Perf.Eva Fair      | 243 | 1.00    | 5.00    | 3.4691 | 1.16157        |
| Pressure           | 243 | 1.00    | 5.00    | 3.6008 | 1.11763        |
| Valid N (listwise) | 243 |         |         |        |                |

- All variables are evaluated based on a 5-point scale. The results show that the mean on Pressure (3.60) and Equity (3.53) are fair, while mean for Good Communication is strong (3.61) which suggest least number of respondents have disagreed to the factor whereas mean of Perf.Eva Fair (3.46) is weak as most of the respondents disagreed to the factor.

**Table 6.15: Percentage wise distribution of responses for WE**

| Work Environment | Strongly Agree | Agree  | Uncertain | Disagree | Strongly Disagree | Total |
|------------------|----------------|--------|-----------|----------|-------------------|-------|
| A1               | 19.75%         | 40.74% | 26.34%    | 7.82%    | 5.35%             | 100%  |
| A2               | 16.05%         | 42.80% | 25.51%    | 9.88%    | 5.76%             | 100%  |
| A3               | 17.70%         | 41.56% | 21.40%    | 9.88%    | 9.47%             | 100%  |
| A4               | 16.05%         | 53.91% | 12.35%    | 9.47%    | 8.23%             | 100%  |



**Fig. 6.9: Percentage wise distribution of respondents on the factors defining WE.**

- A total of 69.96% Agree/Strongly agree to A4, which states that there is always a pressure to finish the work on time and a minimum of 58.85 % Agree/Strongly agree to A2 viz. everybody is treated fairly in the organization.

- Only 13.17% of the respondents Disagree/Strongly disagree to A1 concluding that the changes were mostly communicated to them prior to implementation and a maximum of 19.35% Disagree/Strongly disagree to the factor that the performance evaluations are fair in the organization (A3).

## 2. COMPENSATION AND BENEFITS

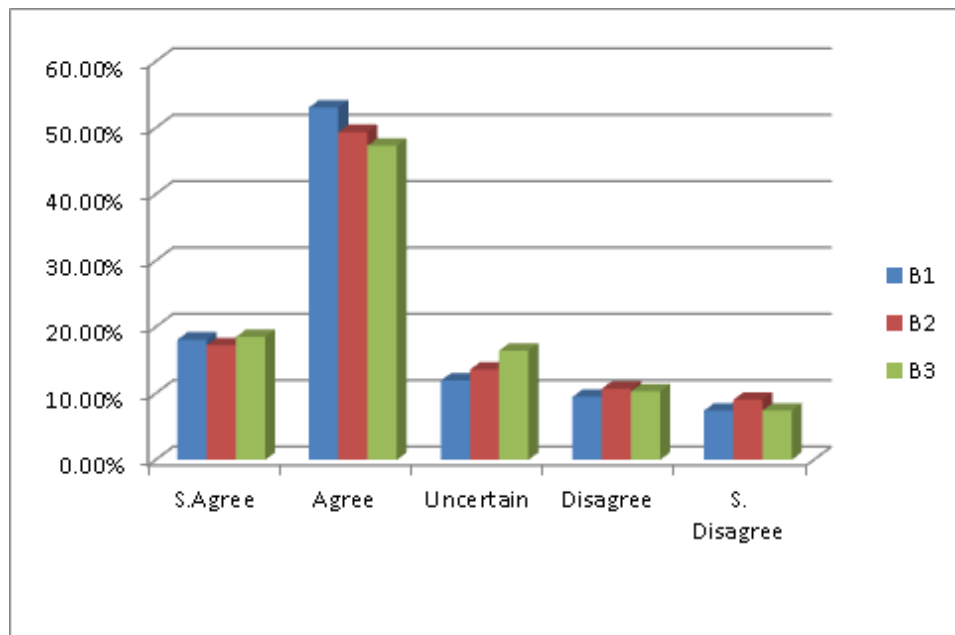
**Table 6.16: Descriptive Statistics-Compensation and Benefits (CB)**

|                    | N   | Minimum | Maximum | Mean   | Std. Deviation |
|--------------------|-----|---------|---------|--------|----------------|
| Salary             | 243 | 1.00    | 5.00    | 3.6502 | 1.10832        |
| Incentives         | 243 | 1.00    | 5.00    | 3.5144 | 1.13309        |
| Plans and Pay      | 243 | 1.00    | 5.00    | 3.5926 | 1.12571        |
| Valid N (listwise) | 243 |         |         |        |                |

- All variables are evaluated based on a 5-point scale. The results show that the mean values on Plans and Pay (3.59) and Incentives (3.51) are fair, while mean for Salary is strong (3.65).

**Table 6.17: Percentage wise distribution of responses for CB**

| Compensation | Strongly Agree | Agree  | Uncertain | Disagree | Strongly Disagree | Total |
|--------------|----------------|--------|-----------|----------|-------------------|-------|
| B1           | 18.11%         | 53.09% | 11.93%    | 9.47%    | 7.41%             | 100%  |
| B2           | 17.28%         | 49.38% | 13.58%    | 10.70%   | 9.05%             | 100%  |
| B3           | 18.52%         | 47.33% | 16.46%    | 10.29%   | 7.41%             | 100%  |



**Fig. 6.10: Percentage wise distribution of respondents on the factors defining CB**

- A maximum of 71.20% Agree/Strongly agree to B1, which concludes that most of the employees agree that the pay and benefit packages are fair in the organization and a minimum of 65.85 % Agree/Strongly agree to B3 viz. good retirement and incentive plans of the organization.
- Only 16.88% of the respondents Disagree/Strongly disagree to B1 and a maximum of 19.75% Disagree/Strongly disagree that the reward and incentive schemes are good in the organization (B2).

### 3. CAREER GROWTH AND ADVANCEMENT

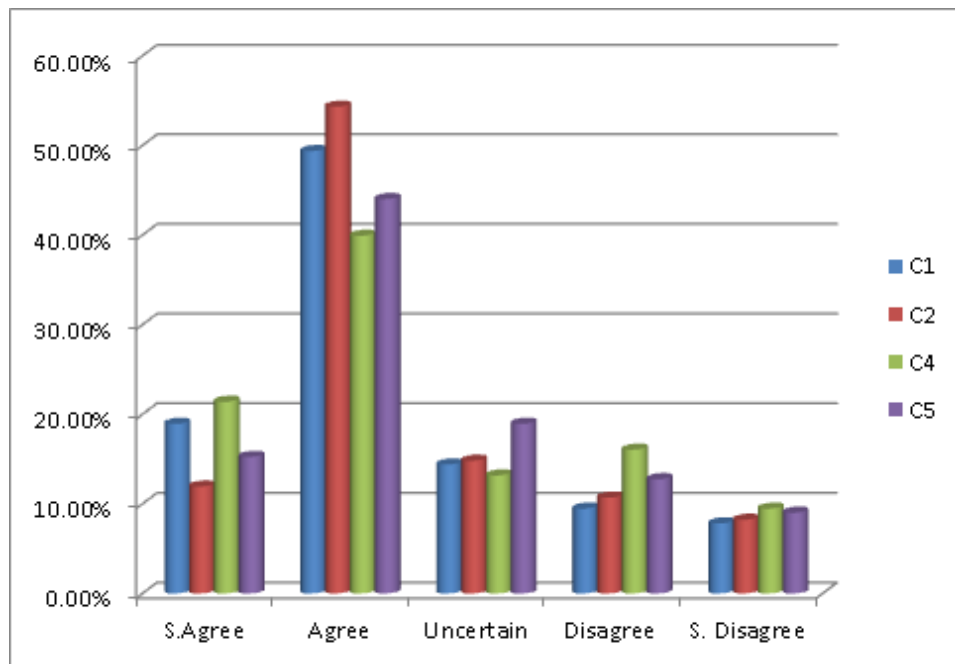
**Table 6.18: Descriptive Statistics- Career Growth and Advancement (CGA)**

|                      | N   | Minimum | Maximum | Mean   | Std. Deviation |
|----------------------|-----|---------|---------|--------|----------------|
| Training             | 243 | 1.00    | 5.00    | 3.6214 | 1.13029        |
| Promotion            | 243 | 1.00    | 5.00    | 3.5103 | 1.09606        |
| Skills and Abilities | 243 | 1.00    | 5.00    | 3.6749 | 1.10468        |
| Progress             | 243 | 1.00    | 5.00    | 3.4938 | 1.26743        |
| Professional Dev.    | 243 | 1.00    | 5.00    | 3.4362 | 1.16378        |
| Valid N (listwise)   | 243 |         |         |        |                |

- All variables are evaluated based on a 5-point scale. The results show that the mean of Progress (3.49) and Professional Dev. (3.43) are fair, while mean for Promotion is good (3.51) and mean value for Training (3.62) and Skills and Abilities (3.67) are strong.

**Table 6.19: Percentage wise distribution of responses for CGA**

| Career & Growth | Strongly Agree | Agree  | Uncertain | Disagree | Strongly Disagree | Total |
|-----------------|----------------|--------|-----------|----------|-------------------|-------|
| C1              | 18.93%         | 49.38% | 14.40%    | 9.47%    | 7.82%             | 100%  |
| C2              | 11.93%         | 54.32% | 14.81%    | 10.70%   | 8.23%             | 100%  |
| C4              | 21.40%         | 39.92% | 13.17%    | 16.05%   | 9.47%             | 100%  |
| C5              | 15.23%         | 44.03% | 18.93%    | 12.76%   | 9.02%             | 100%  |



**Fig: 6.11: Percentage wise distribution of respondents on the factors defining CGA**

- A maximum of 68.31% Agree/Strongly agree to C1, which concludes that most of the employees agree that the organization provides as much training as and when needed to perform the job well; and a minimum of 59.26 % Agree/Strongly agree that their manager is actively interested in their professional development and advancement (C5).
- Only 17.28% of the respondents Disagree/Strongly disagree to the factor that the organization provides them training to perform their job well-C1 and a maximum of 25.52% Disagree/Strongly disagree that they are able to progress in their jobs (C4).



#### 4. INTRINSIC MOTIVATION

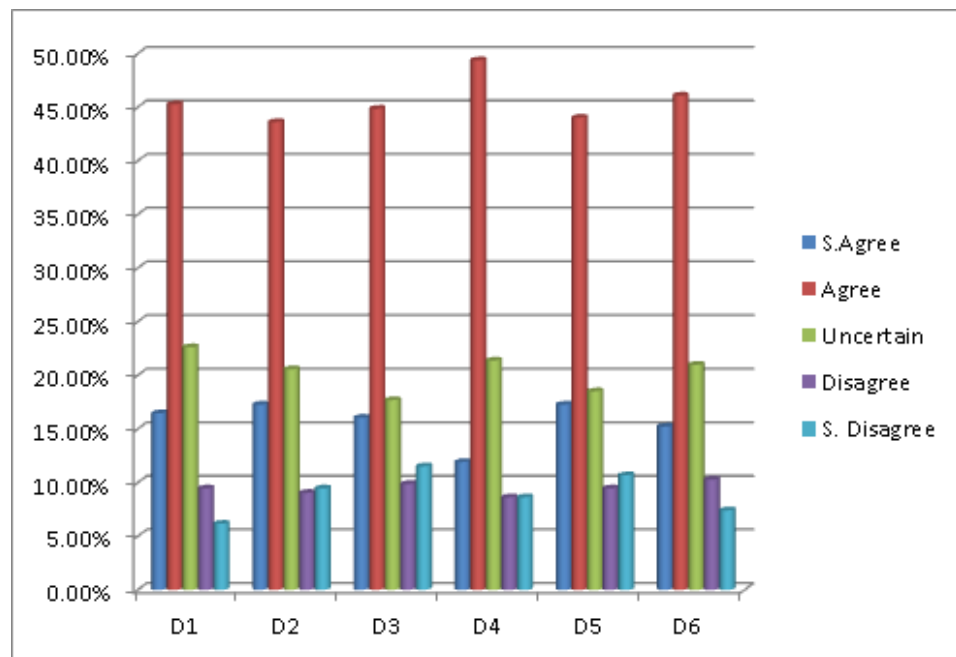
**Table 6.20: Descriptive Statistics-Intrinsic Motivation (IM)**

|                     | N   | Minimum | Maximum | Mean   | Std. Deviation |
|---------------------|-----|---------|---------|--------|----------------|
| Team work           | 243 | 1.00    | 5.00    | 3.5638 | 1.06748        |
| Balance             | 243 | 1.00    | 5.00    | 3.5021 | 1.16198        |
| Stress              | 243 | 1.00    | 5.00    | 3.4403 | 1.20927        |
| Mission             | 243 | 1.00    | 5.00    | 3.4733 | 1.08821        |
| Caring              | 243 | 1.00    | 5.00    | 3.4774 | 1.19680        |
| Treats with respect | 243 | 1.00    | 5.00    | 3.5144 | 1.09977        |
| Valid N (listwise)  | 243 |         |         |        |                |

- All variables are evaluated based on a 5-point scale. The mean values show that Stress (3.44), Mission (3.47) and Caring (3.47) are fair, while mean for Balance (3.50) and Treats with respect (3.51) are good and mean value for Team work (3.56) is strongest in all the factors.

**Table 6.21: Percentage wise distribution of responses IM**

| Intrinsic Motivation | Strongly Agree | Agree  | Uncertain | Disagree | Strongly Disagree | Total |
|----------------------|----------------|--------|-----------|----------|-------------------|-------|
| D1                   | 16.47%         | 45.27% | 22.63%    | 9.47%    | 6.17%             | 100%  |
| D2                   | 17.28%         | 43.62% | 20.58%    | 9.05%    | 9.47%             | 100%  |
| D3                   | 16.05%         | 44.86% | 17.70%    | 9.88%    | 11.52%            | 100%  |
| D4                   | 11.93%         | 49.38% | 21.40%    | 8.64%    | 8.64%             | 100%  |
| D5                   | 17.28%         | 44.03% | 18.52%    | 9.47%    | 10.70%            | 100%  |
| D6                   | 15.23%         | 46.09% | 20.99%    | 10.29%   | 7.41%             | 100%  |



**Fig. 6.12: Percentage wise distribution of respondents on the factors defining IM**

- Most of the employees 61.74% Agree/Strongly agree to D1, which suggests that they agree that there is a strong feeling of teamwork and cooperation in this organization; and a minimum of 60.90 % Agree/Strongly agree to D2, that the environment in this organization supports a balance between work and personal life.
- Only 15.64% of the respondents Disagree/Strongly disagree to D1 and a maximum of 21.49% Disagree/Strongly disagree that the job does not cause unreasonable amount of stress in their life (D3).

## 5. EMPLOYEE ENGAGEMENT

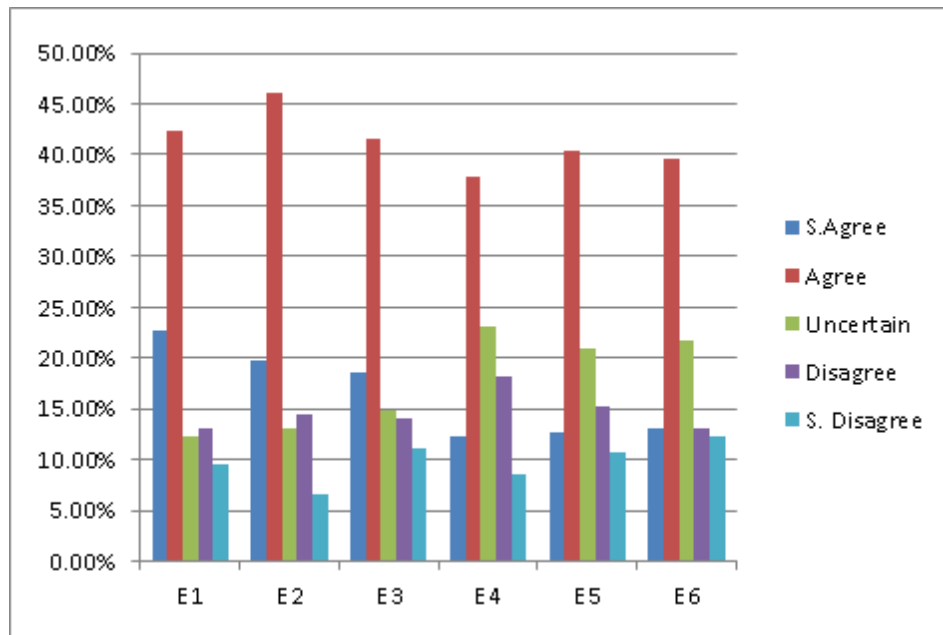
**Table 6.22: Descriptive Statistics-Employee Engagement(EE)**

|                    | N   | Minimum | Maximum | Mean   | Std. Deviation |
|--------------------|-----|---------|---------|--------|----------------|
| Continue Career    | 243 | 1.00    | 5.00    | 3.5556 | 1.23983        |
| Recommend          | 243 | 1.00    | 5.00    | 3.5802 | 1.15205        |
| Better ways        | 243 | 1.00    | 5.00    | 3.4239 | 1.25201        |
| Proud              | 243 | 1.00    | 5.00    | 3.2716 | 1.15364        |
| Enjoy              | 243 | 1.00    | 5.00    | 3.2922 | 1.18923        |
| Commt. Attached    | 243 | 1.00    | 5.00    | 3.2798 | 1.21453        |
| Valid N (listwise) | 243 |         |         |        |                |

- All variables are evaluated based on a 5-point scale. The mean values for Proud (3.27), Enjoy (3.29) and Commt. Attached (3.27) are fair, while mean for Better ways (3.42) is good and mean values for Continue Career (3.55) and Recommend (3.58) are strong.

**Table 6.23: Percentage wise distribution of responses EE**

| Employee Engagement | Strongly Agree | Agree  | Uncertain | Disagree | Strongly Disagree | Total |
|---------------------|----------------|--------|-----------|----------|-------------------|-------|
| E1                  | 22.63%         | 42.39% | 12.35%    | 13.17%   | 9.47%             | 100%  |
| E2                  | 19.75%         | 46.09% | 13.17%    | 14.40%   | 6.58%             | 100%  |
| E3                  | 18.52%         | 41.56% | 14.81%    | 13.99%   | 11.11%            | 100%  |
| E4                  | 12.35%         | 37.86% | 23.05%    | 18.11%   | 8.64%             | 100%  |
| E5                  | 12.76%         | 40.33% | 20.99%    | 15.23%   | 10.70%            | 100%  |
| E6                  | 13.17%         | 39.51% | 21.81%    | 13.17%   | 12.35%            | 100%  |



**Fig. 6.13: Percentage wise distribution of respondents on the factors defining EE**

- Most of the employees 65.84% Agree/Strongly agree to E2, which suggests that they agree to recommend employment at the company to a friend. A minimum of 50.21 % Agree/Strongly agree to E4, that they feel proud to be a part of the organization.
- Only 20.98% of the respondents Disagree/Strongly disagree to E2 and a maximum of 25.93% Disagree/Strongly disagree to E5 which states that they enjoy working with the team members.

### **6.7 WEIGHTED TOTAL AND RANKING OF THE BEHAVIORAL PATTERN EXHIBITED:**

The section C of the questionnaire constituted of ten questions based on five point likert scale depicting the behavioural pattern of the employees exhibited post merger in the organization. The weighted total for the respondent's opinion on the factors demonstrating the behavior of the employees post merger was calculated and tabulated below and hence the

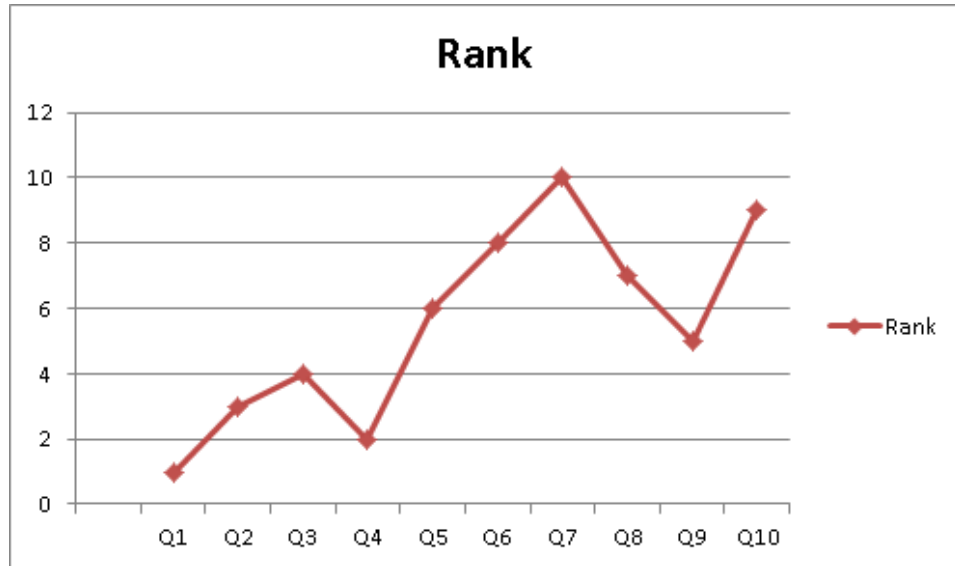
variables were ranked in descending order to the weights calculated. Rank one was assigned to the highest rating/weight and so on.

**Table 6.24: Weighted Total and Ranking of Factors related to Behavioural Pattern (BP).**

| S. No. | Weights                              | 1           | 2        | 3         | 4     | 5        | Total | Weighted Total | Rating | Rank |
|--------|--------------------------------------|-------------|----------|-----------|-------|----------|-------|----------------|--------|------|
|        | Factors                              | S. Disagree | Disagree | Uncertain | Agree | S. Agree |       |                |        |      |
| Q1     | Take situation as an opportunity     | 0           | 16       | 16        | 113   | 98       | 243   | 1022           | 4.21   | 1    |
| Q2     | Try to solve problems                | 0           | 30       | 18        | 163   | 32       | 243   | 926            | 3.81   | 3    |
| Q3     | Direct to other work                 | 0           | 31       | 50        | 129   | 33       | 243   | 893            | 3.67   | 4    |
| Q4     | Cool down myself                     | 0           | 16       | 33        | 113   | 81       | 243   | 988            | 4.07   | 2    |
| Q5     | Seek company of friends and family   | 17          | 21       | 60        | 110   | 35       | 243   | 854            | 3.51   | 6    |
| Q6     | Get irritated and react aggressively | 19          | 80       | 48        | 80    | 16       | 243   | 723            | 2.98   | 8    |
| Q7     | Leave work and go home               | 66          | 97       | 0         | 80    | 0        | 243   | 580            | 2.39   | 10   |
| Q8     | Take immediate actions               | 0           | 49       | 65        | 129   | 0        | 243   | 809            | 3.33   | 7    |
| Q9     | Accept the situation                 | 0           | 48       | 50        | 80    | 65       | 243   | 891            | 3.67   | 5    |
| Q10    | Dont care, high migration value      | 33          | 32       | 114       | 64    | 0        | 243   | 695            | 2.86   | 9    |

*Source: Questionnaire*

The ranking of the above mentioned factors is presented in the form of line graph.



**Fig. 6.14: Ranking of factors influencing BP**

**Table 6.25: Percentage distribution of the responses for BP**

| S. No. | Factors                              | S. Disagree/ Disagree | Uncertain | Agree/ S.Agree | Total |
|--------|--------------------------------------|-----------------------|-----------|----------------|-------|
| Q1     | Take situation as an opportunity     | 6.58%                 | 6.58%     | 86.83%         | 100%  |
| Q2     | Try to solve problems                | 12.35%                | 7.41%     | 80.25%         | 100%  |
| Q3     | Direct to other work                 | 12.76%                | 20.58%    | 66.67%         | 100%  |
| Q4     | Cool down myself                     | 6.58%                 | 13.58%    | 79.84%         | 100%  |
| Q5     | Seek company of friends and family   | 15.64%                | 24.69%    | 59.67%         | 100%  |
| Q6     | Get irritated and react aggressively | 40.74%                | 19.75%    | 39.51%         | 100%  |

| S. No. | Factors                          | S. Disagree/ Disagree | Uncertain | Agree/ S.Agree | Total |
|--------|----------------------------------|-----------------------|-----------|----------------|-------|
| Q7     | Leave work and go home           | 67.08%                | 0.00%     | 32.92%         | 100%  |
| Q8     | Take immediate actions           | 20.16%                | 26.75%    | 53.09%         | 100%  |
| Q9     | Accept the situation             | 19.75%                | 20.58%    | 59.67%         | 100%  |
| Q10    | Don't care, high migration value | 26.75%                | 46.91%    | 26.34%         | 100%  |

Analysis shows that the weighted total of Q1 i.e “I take the situation as an opportunity” is the highest 1022. This concludes that most of the Employees of the acquired banks have agreed that post merger they take the situation as an opportunity. Hence rank 1 can be assigned to the factor as a total of 86.83% of the employees agree, 6.58% are uncertain and 6.58% disagree to the factor. The last rank is given to Q7 with a weighted total of 580 concluding that most of the employees do not leave their work and go home earlier. This shows that 67.08% of the employees disagree to the factor, 0.00% are uncertain and only 32.92% agree to the factor which is the least as compared to all other factors under study.

**REFERENCES**

- 1) Investopedia <http://www.investopedia.com/terms/w/weightedaverage.asp#ixzz3rDMWa3r0>
- 2) <http://www.businessdictionary.com/definition/weighted-average.html#ixzz3rDNBwOqm>
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## Chapter 7

# HYPOTHESIS TESTING

### 7.1 INTRODUCTION

In this chapter, the hypothesis testing together with analysis and interpretation of survey results will be subjected. This will help in establishing whether there is, indeed, some link between the independent and dependent variables under study as well as the association between demographic dimensions and employee engagement. Therefore, the chapter attempts to examine various dimensions of Employee Engagement post merger in banking industry as well as analyze and interpret the demographic details of the respondents. Based on the research problem and objectives, the following hypotheses were formulated.

- H0:** No relationship exists between the independent and dependent variables.
- H1:** There is no association between Age factor and Employee Engagement post merger in banking industry.
- H2:** There is no association between Gender and Employee Engagement post merger in banking industry.
- H3:** There is no association between Marital Status and Employee Engagement post merger in banking industry.

- H4:** There is no association between the Formal Position of the incumbent and Employee Engagement post merger in banking industry.
- H5:** There is no association between Educational Level and Employee Engagement post merger in banking industry.
- H6:** There is no association between Length of Service and Employee Engagement post merger in banking industry.

The analysis of data was done using the statistical package AMOS v.20. This study aims to achieve the research objectives as well as intends to verify the hypotheses made in chapter one. According to Greenfield 1996 (as cited in Zweni, 2004, p. 78)<sup>1</sup>, “statistics has long suffered from bad press in two regards. One is the view that it can bend the facts to suit any purpose. And the second is that it is a tedious and boring subject”. The first criticism stems from the fact that facts can be manipulated to mislead people who are statistically inexperienced. This will invariably lead to the distorted findings of the research due to improper use of the statistical methods. It is therefore important to be ethical and not manipulate the facts, for this could distort the findings of the study. The second criticism had a gem of truth in the olden days when mechanical numerical manipulations were carried out by hand. With the advanced information technology available nowadays, this criticism is no longer valid.

## **7.2 TESTING THE NULL HYPOTHESIS**

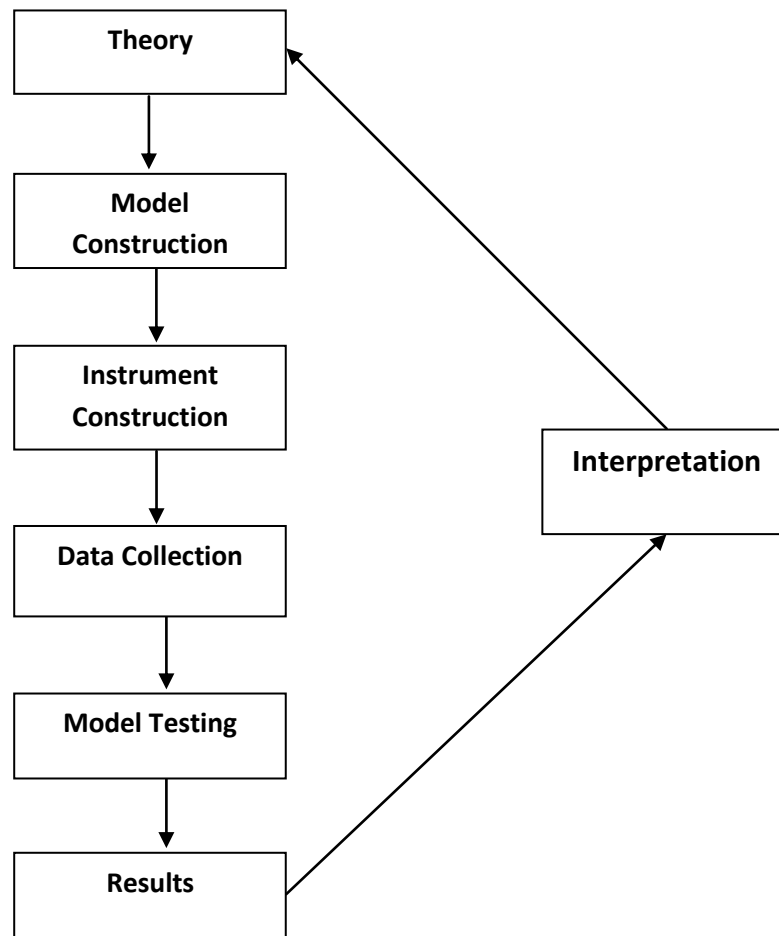
**H0:** *No relationship exists between the independent and dependent variables.*

With the help of the software chosen for this analysis, AMOS, the hypothesis was successfully tested using path analysis.

### **7.2.1 STRUCTURED EQUATION MODELING**

IBM SPSS Amos implements the general approach to data analysis known as structural equation modeling (SEM), also known as analysis of covariance structures, or causal modeling. Amos integrates an easy-to-use graphical interface with an advanced computing engine for SEM. The numeric methods implemented in Amos are among the most effective and reliable available. IBM SPSS Amos goes well beyond the usual capabilities found in other structural equation modeling programs. When confronted with missing data, Amos performs state-of-the-art estimation by full information maximum likelihood instead of relying on ad-hoc methods like list wise or pair wise deletion, or mean imputation. The program can analyze data from several populations at once. It can also estimate means for exogenous variables and intercepts in regression equations.

Tests of measurement model fit first were conducted to ensure the reliability and validity of the multiple indicators used. Reliability refers to the internal consistency exhibited by the manifest indicators of each construct in SEM. Validity, on the other hand, reflects the degree to which these indicators represent the constructs they purport to measure. Confirmatory factor analysis is a technique frequently used to determine the construct validity of indicators in SEM. Its purpose is to assess the degree to which manifest indicators represent the constructs they are intended to measure. The basic approach to performing a SEM analysis is as follows<sup>2</sup>:



**Fig. 7.1: Approach to SEM**

*Source: James L.A, 2011, 'IBM SPSS AMOS 20 User's Guide*

IBM SPSS Amos accepts a path diagram as a model specification and displays parameter estimates graphically on a path diagram. Path diagrams used for model specification and those that display parameter estimates are of presentation quality. For causality analysis, a Path diagram is drawn to establish relationship between the independent variables and the dependent variable. The latent variables assume to underlie the observed variables in the study. *Endogenous or observed* variables are directly measured by researchers, while *latent or unobserved exogenous* variables are not directly measured but are inferred by the relationships or correlations among measured variables in the analysis.

Independent variables (Exogenous unobserved): Work Environment, Compensation and Benefits, Career Growth and Advancement, and Intrinsic Motivation.

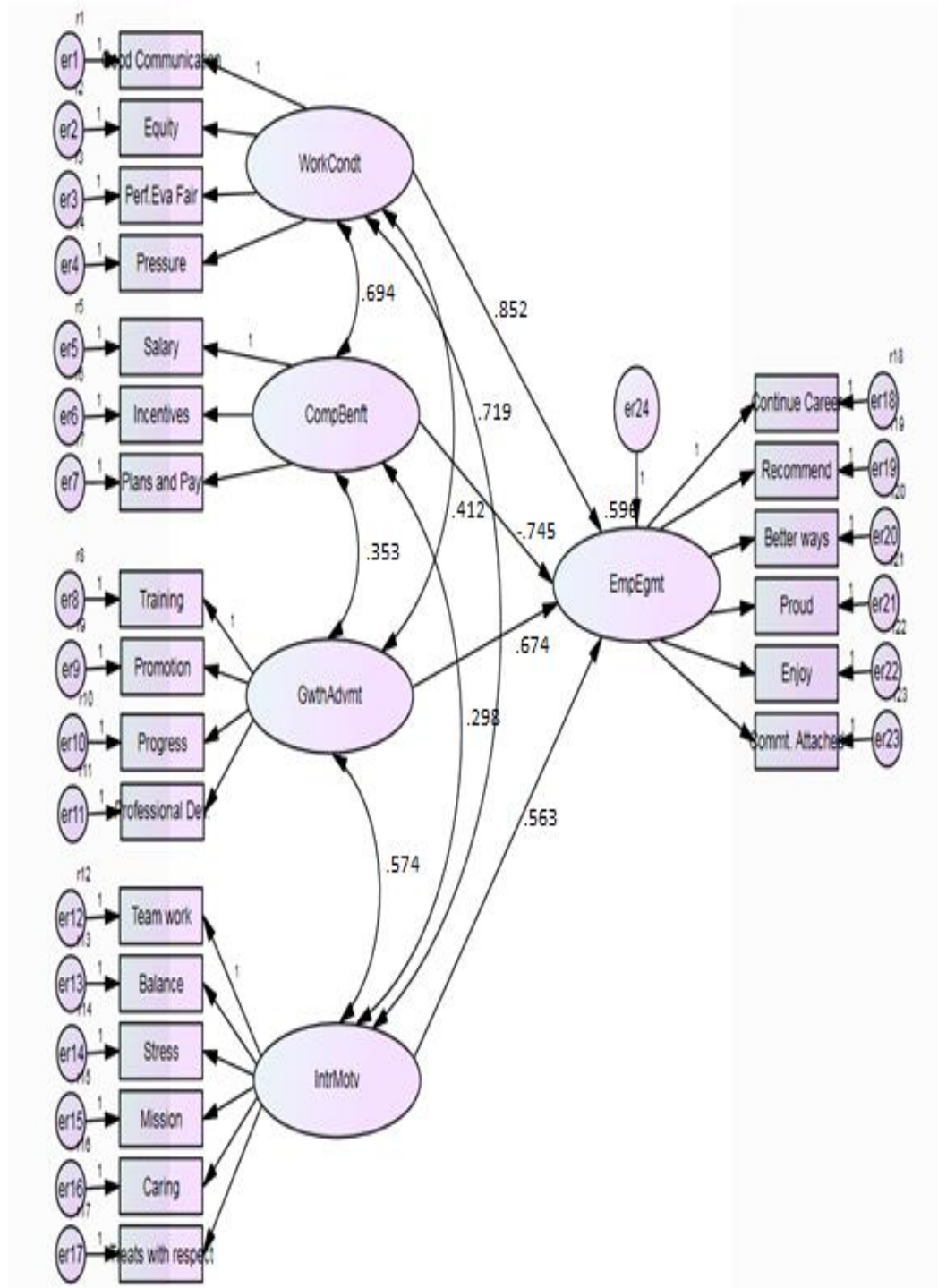
Dependent variable (Exogenous unobserved): Employee Engagement.

**Table 7.1: List of the input variables (SEM)**

| <b>Variable name</b>          | <b>Description</b>  |
|-------------------------------|---|
| Employee Engagement           | Exogenous (Unobserved) Variable defined by six endogenous observed variables.   |
| Work Environment              | Exogenous (Unobserved) Variable defined by four endogenous observed variables.  |
| Compensation and Benefits     | Exogenous (Unobserved) Variable defined by three endogenous observed variables. |
| Career Growth and Advancement | Exogenous (Unobserved) Variable defined by four endogenous observed variables.  |
| Intrinsic Motivation          | Exogenous (Unobserved) Variable defined by five endogenous observed variables.  |

Four ellipses in the figure below are labeled WorkCond. (Work Environment), CompBenft. (Compensation and Benefits), GwthAdvmt. (Career Growth and Advancement), IntrMotv. (Intrinsic Motivation) and EmpEgmt. (Employee Engagement). They represent unobserved variables (Latent) that are indirectly measured by subsets of observed variables defining the same. Thus, the portion of the model that specifies how the

latent variables are related to each other is sometimes called the structural model.



**Fig. 7.2: AMOS-Path Diagram in SEM**

*Regression with unobserved variables; Employee Engagement of Acquired Banks*

The portion of the model that specifies how the observed variables depend on the unobserved, or latent, variables is sometimes called the measurement model. The current model has five distinct measurement sub models.

### 7.2.2 OUTPUT

The researcher can test various modifications of a model by carrying out a separate analysis for each potential modification, but this approach is time-consuming. Modification indices allow evaluating many potential modifications in a single analysis and suggest ways of improving a model. They provide suggestions for model modifications that are likely to pay off in smaller chi square values. The output for the present study was obtained by modifying the model to get a superior goodness of fit.

#### Minimum was achieved

Chi-square = 231.022  
Degrees of freedom = 189  
Probability level = 0.20

**Table 7.2: Regression Weights: (Group number 1 - Default model)**

|                                  | Estimate | S.E  | C.R    | P    | Label |
|----------------------------------|----------|------|--------|------|-------|
| EmpEngagement <--- WorkCond      | 1.432    | .390 | 3.669  | ***  |       |
| EmpEngagement <--- CompSal       | -.002    | .107 | -0.121 | .199 |       |
| EmpEngagement <--- GrowthAdv     | .245     | .059 | 2.544  | .048 |       |
| EmpEngagement <--- IntMotivation | .490     | .180 | 2.718  | .007 |       |

**Table 7.3: Standardized Regression Weights:  
(Group number 1 - Default model)**

|                                  | Estimate |
|----------------------------------|----------|
| EmpEngagement <--- WorkCond      | .852     |
| EmpEngagement <--- CompSal       | -.745    |
| EmpEngagement <--- GrowthAdv     | .674     |
| EmpEngagement <--- IntMotivation | .563     |

**Table 7.4: Squared Multiple Correlations:  
(Group number 1 - Default model)**

|               | Estimate |
|---------------|----------|
| EmpEngagement | .596     |

**Table 7.5: Correlations:  
(Group number 1 - Default model)**

|                              | Estimate |
|------------------------------|----------|
| WorkCond <--> CompSal        | .694     |
| CompSal <--> GrowthAdv       | .353     |
| GrowthAdv <--> IntMotivation | .574     |
| WorkCond <--> GrowthAdv      | .412     |
| WorkCond <--> IntMotivation  | .719     |
| CompSal <--> IntMotivation   | .298     |



**Table 7.6: Model Fit Summary**

| Model              | NFI    | RFI  | IFI    | TLI  | CFI   |
|--------------------|--------|------|--------|------|-------|
|                    | Delta1 | rho1 | Delta2 | rho2 |       |
| Default model      | .605   | .472 | .994   | .931 | .974  |
| Saturated model    | 1.000  |      | 1.000  |      | 1.000 |
| Independence model | .000   | .000 | .000   | .000 | .000  |

| Model              | RMSEA | LO 90 | HI 90 | PCLOSE |
|--------------------|-------|-------|-------|--------|
| Default model      | .041  | .026  | .087  | .255   |
| Independence model | .149  | .133  | .165  | .000   |

### 7.2.3 INTERPRETATIONS

The overall model fit appears quite good. The chi square ( $\chi^2$ ) test yields a value of 231.022 which has a corresponding p-value of .20. This p-value  $> 0.05$ , is too high to reject the null of a good fit. Additionally the RMSEA is .041, well below the .05 cut-off and CFI  $> 0.95$ . Thus, the tests suggest that the model is a good fit to the data.

We can observe that all the items related to the latent factor (Employee Engagement) indicate good loading values. For working environment (WorkCond) the loading is .852, for career growth and advancement (GrowthAdv) has a strong loading of .674 whereas for intrinsic motivation (IntMotivation) it is .563. However, the loading for compensation and benefits (CompSal) is negative i.e -0.745, with p value .199. In other words, the regression weight or the loading associated with CompSal is not significantly different from zero as the p value is greater than .05. Thus, these independent variables are strong predictors or they

show a strong direct effect on Employee engagement in the structural equation modeling.

Theoretically, there could be a perfect positive correlation between two variables, which is represented by 1.0 (plus 1), or a perfect negative correlation which would -1.0 (minus 1). While correlation could range between -1.0 and +1.0, the researcher need to know if any correlation found between two variables is significant or not (i.e.; if it has occurred solely by chance or if there is a high probability of its actual existence). As for the information, a significance of  $p=0.05$  is the generally accepted conventional level in social sciences research. This indicates that 95 times out of 100, the researcher can be sure that there is a true or significant correlation between the two variables, and there is only a 5% chance that the relationship does not truly exist.

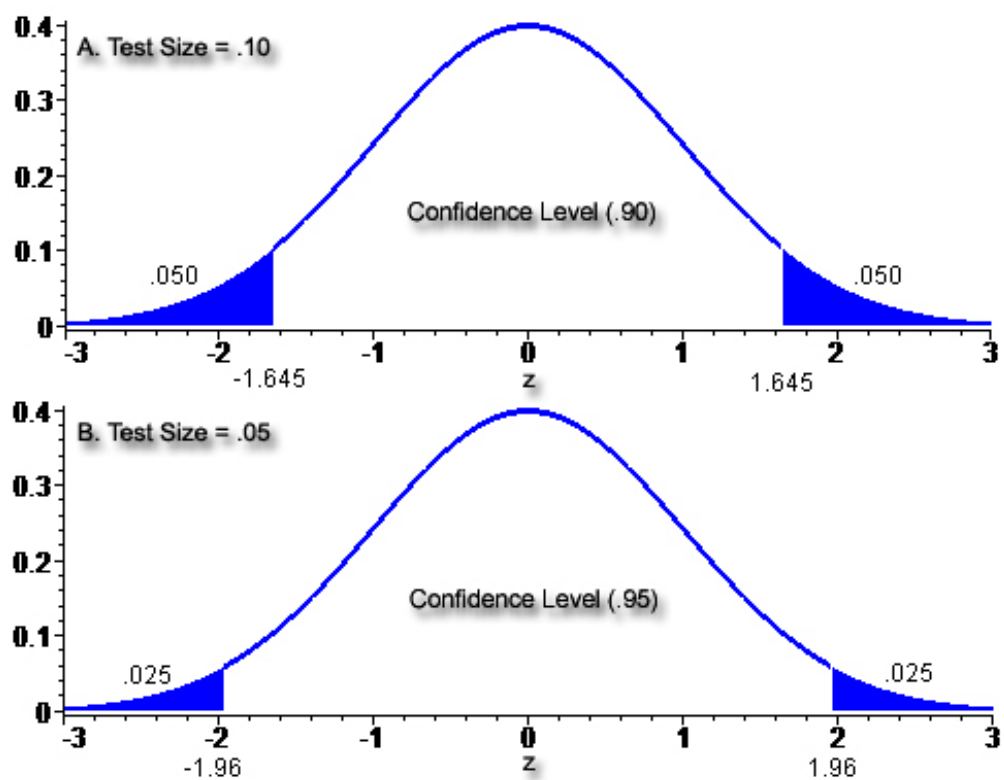
Additionally, the four independent latent factors (WorkCond, CompSal, GrowthAdv and IntMotivation) are moderately correlated with values ranging from 0.298 to 0.719. The squared multiple correlation table shows that the R-square value for the model is .596. This means that 59.6 percent of the variation in Employee engagement (dependent variable) can be explained from the independent variables.

**So, we can reject the null hypothesis that no relationship exists between the independent and dependent variables.**

### **7.3 CHI SQUARE TEST**

The *chi-square* ( $\chi^2$ ) test is used to determine whether there is a significant difference between the expected frequencies and the observed frequencies in one or more categories. Based on the outcome of the chi-square test we will either reject or fail to reject the null hypothesis.

A *p value* is used in hypothesis testing to help us support or reject the null hypothesis. The *p value* is the evidence against a null hypothesis. *P values* are expressed as decimals although it may be easier to understand what they are if we convert them to a percentage. For example, a *p value* of 0.0254 is 2.54%. When we run a hypothesis test, we compare the *p value* from our test to the alpha level we selected when we ran the test. Alpha levels can also be written as percentages<sup>3</sup>. Graphically, the *p values* can be represented as:



**Fig. 7.3: P-Value Graph**

Source:<http://blog.minitab.com/blog/adventures-in-statistics/understanding-hypothesis-tests-significance-levels-alpha-and-p-values-in-statistics>

Therefore, when we run the hypothesis test, the test will give us a value for *p*. This value is compared to our chosen alpha level. For example, let's say we chose an alpha level of 5% (0.05). If the results from the test give us:

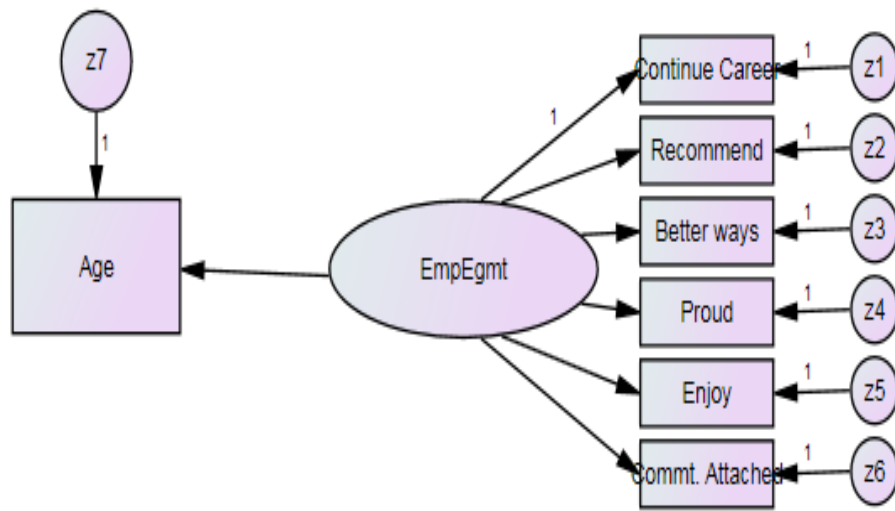
- A small  $p (\leq 0.05)$ , reject the null hypothesis. This is strong evidence that the null hypothesis is invalid.
- A large  $p (> 0.05)$  means the alternate hypothesis is weak, so we do not reject the null.

So, considering the above mentioned assumptions for a research study, the testing of hypotheses was done using AMOS with the three alpha levels (1%, 5% and 10%) chosen by the researcher to run the test and interpreting the results of the analysis.

**Hypothesis 1:** There is no association between Age factor and Employee Engagement post merger in banking industry.

**Table 7.7: List of input variables (Age Vs EE):**

| <b>Variables</b>    | <b>Description</b>            |
|---------------------|-------------------------------|
| Employee Engagement | Unobserved Exogenous Variable |
| Continue career- E1 | Observed Endogenous variable  |
| Recommend- E2       | Observed Endogenous variable  |
| Better ways- E3     | Observed Endogenous variable  |
| Proud- E4           | Observed Endogenous variable  |
| Enjoy- E5           | Observed Endogenous variable  |
| Commt.Attached- E6  | Observed Endogenous variable  |
| Age                 | Observed Endogenous variable  |



**Fig. 7.4: Path Diagram for Age \* Employee Engagement**

**Table 7.8: Age \* Employee Engagement  
Result (Default model)  
Minimum was achieved**

|                         |        |
|-------------------------|--------|
| Chi-square ( $\chi^2$ ) | 21.277 |
| Degrees of freedom      | 12     |
| Probability level       | .046   |

Table Value at 5% Level of Significance is 21.026

### Result

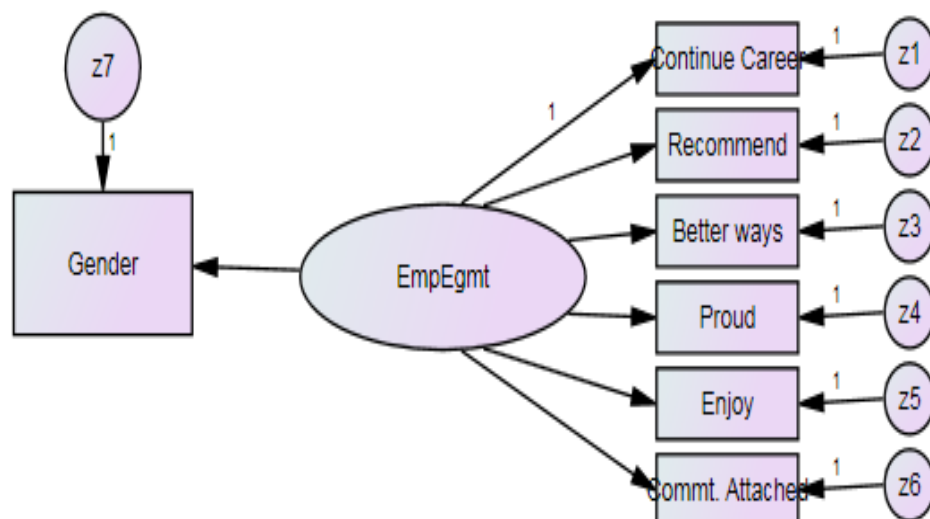
Since the calculated  $\chi^2$  value is higher than the table value hence; H1 is rejected.

Or we can also state that the p value .046 is less than .05, the hypothesis is rejected and it can be concluded that there is an association between age of the respondent and employee engagement post merger in banking industry.

**Hypothesis 2:** There is no association between Gender and Employee Engagement post merger in banking industry.

**Table 7.9: List of input variables (Gender Vs EE):**

| Variables           | Description                   |
|---------------------|-------------------------------|
| Employee Engagement | Unobserved Exogenous Variable |
| Continue career- E1 | Observed Endogenous variable  |
| Recommend- E2       | Observed Endogenous variable  |
| Better ways- E3     | Observed Endogenous variable  |
| Proud- E4           | Observed Endogenous variable  |
| Enjoy- E5           | Observed Endogenous variable  |
| Commt.Attached- E6  | Observed Endogenous variable  |
| Gender              | Observed Endogenous variable  |



**Fig. 7.5: Path Diagram for Gender \* Employee Engagement**

**Table 7.10: Gender \* Employee Engagement  
Result (Default model)  
Minimum was achieved**

|                         |        |
|-------------------------|--------|
| Chi-square ( $\chi^2$ ) | 10.375 |
| Degrees of freedom      | 11     |
| Probability level       | .497   |

Table Value at 10% Level of Significance is 17.275

**Result**

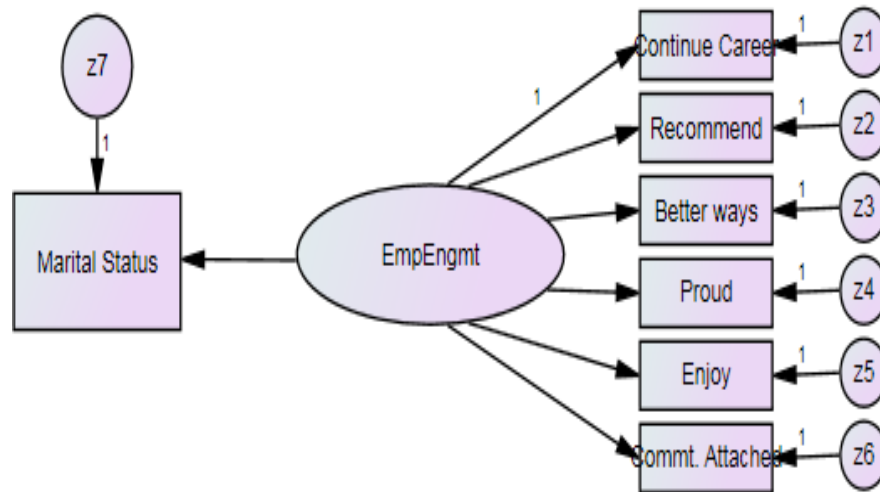
Since the calculated  $\chi^2$  value is less than the table value hence; do not reject H2.

Or we can also state that the p value .497 is higher than .10, the hypothesis is accepted; hence, it can be concluded that there is no association between gender of the respondent and EE post merger in banking industry.

**Hypothesis 3:** There is no association between Marital Status and Employee Engagement post merger in banking industry.

**Table 7.11: List of input variables (Marital Status Vs EE):**

| <b>Variables</b>    | <b>Description</b>            |
|---------------------|-------------------------------|
| Employee Engagement | Unobserved Exogenous Variable |
| Continue career- E1 | Observed Endogenous variable  |
| Recommend- E2       | Observed Endogenous variable  |
| Better ways- E3     | Observed Endogenous variable  |
| Proud- E4           | Observed Endogenous variable  |
| Enjoy- E5           | Observed Endogenous variable  |
| Commt.Attached- E6  | Observed Endogenous variable  |
| Marital Status      | Observed Endogenous variable  |



**Fig. 7.6: Path Diagram for Marital Status \* Employee Engagement**

**Table 7.12: Marital Status \* Employee Engagement  
Result (Default model)  
Minimum was achieved**

|                         |        |
|-------------------------|--------|
| Chi-square ( $\chi^2$ ) | 31.921 |
| Degrees of freedom      | 14     |
| Probability level       | .004   |

Table Value at 1% Level of Significance is 29.141

### Result

Since the calculated  $\chi^2$  value is higher than the table value hence; H3 is rejected.

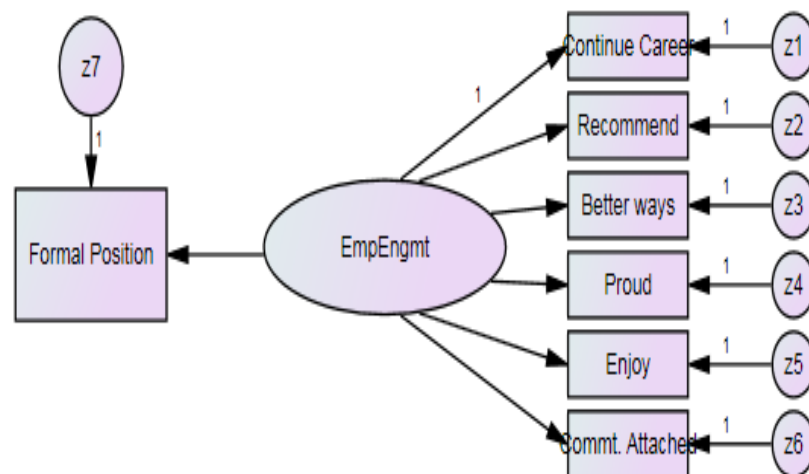
Or we can also state that the p value .004 is less than .01, the hypothesis is rejected and it can be concluded that there is an association between the marital status of the respondent and EE post merger in banking industry.

**Hypothesis 4:** There is no association between the Formal Position of the incumbent and Employee Engagement post merger in banking industry.



**Table 7.13: List of input variables (Formal Position Vs EE)**

| Variables           | Description                   |
|---------------------|-------------------------------|
| Employee Engagement | Unobserved Exogenous Variable |
| Continue career- E1 | Observed Endogenous variable  |
| Recommend- E2       | Observed Endogenous variable  |
| Better ways- E3     | Observed Endogenous variable  |
| Proud- E4           | Observed Endogenous variable  |
| Enjoy- E5           | Observed Endogenous variable  |
| Commt.Attached- E6  | Observed Endogenous variable  |
| Formal Position     | Observed Endogenous variable  |



**Fig. 7.7: Path Diagram for Formal Position \* Employee Engagement**

**Table 7.14: Formal Position \* Employee Engagement  
Result (Default model)  
Minimum was achieved**

|                         |        |
|-------------------------|--------|
| Chi-square ( $\chi^2$ ) | 16.126 |
| Degrees of freedom      | 12     |
| Probability level       | .186   |

Table Value at 10% Level of Significance is 18.549

**Result**

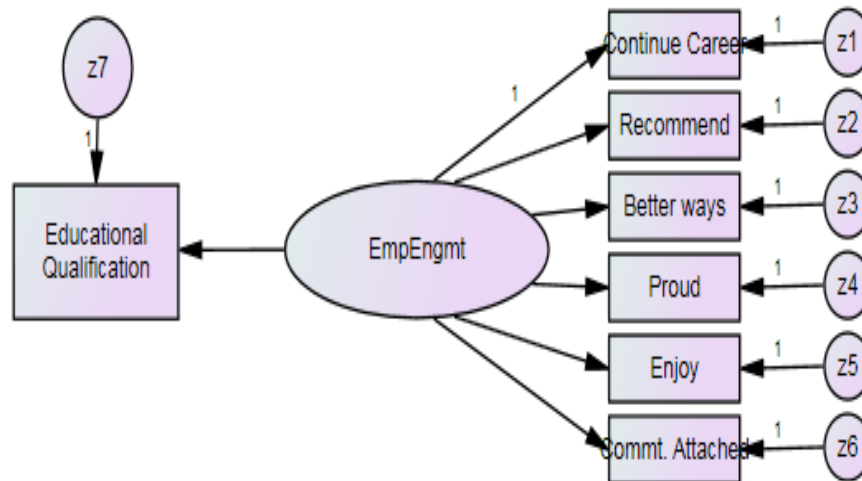
Since the calculated  $\chi^2$  value is less than the table value hence; do not reject H4.

Or we can also state that the p value .186 is higher than .10, the hypothesis is accepted, therefore it can be concluded that there is no association between the formal position of the respondent and EE post merger in banking industry.

**Hypothesis 5:** There is no association between Educational Level and Employee Engagement post merger in banking industry.

**Table 7.15: List of input variables  
(Educational Qualification Vs EE):**

| <b>Variables</b>          | <b>Description</b>            |
|---------------------------|-------------------------------|
| Employee Engagement       | Unobserved Exogenous Variable |
| Continue career- E1       | Observed Endogenous variable  |
| Recommend- E2             | Observed Endogenous variable  |
| Better ways- E3           | Observed Endogenous variable  |
| Proud- E4                 | Observed Endogenous variable  |
| Enjoy- E5                 | Observed Endogenous variable  |
| Commt.Attached- E6        | Observed Endogenous variable  |
| Educational Qualification | Observed Endogenous variable  |



**Fig. 7.8: Path Diagram for Educational Qualification \* Employee Engagement**

**Table 7.16: Educational Qualification \* Employee Engagement Result (Default model)**  
Minimum was achieved

|                         |        |
|-------------------------|--------|
| Chi-square ( $\chi^2$ ) | 23.688 |
| Degrees of freedom      | 14     |
| Probability level       | .050   |

Table Value at 10% Level of Significance is 21.064

### Result

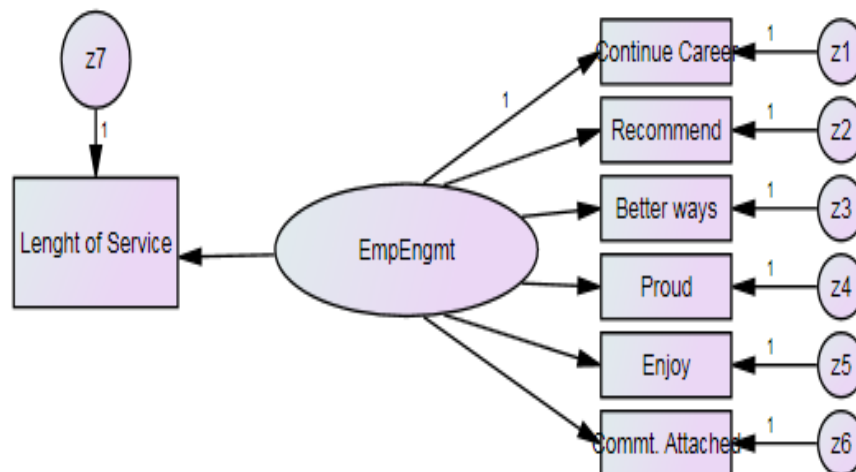
Since the calculated  $\chi^2$  value is higher than the table value hence; H5 is rejected.

Or we can also state that the p value .050 is less than .10, the hypothesis is rejected concluding there is an association between educational qualification of the respondent and EE post merger in banking industry.

**Hypothesis 6:** There is no association between Length of Service and Employee Engagement post merger in banking industry.

**Table 7.17: List of input variables (Length of Service Vs EE)**

| <b>Variables</b>    | <b>Description</b>            |
|---------------------|-------------------------------|
| Employee Engagement | Unobserved Exogenous Variable |
| Continue career- E1 | Observed Endogenous variable  |
| Recommend- E2       | Observed Endogenous variable  |
| Better ways- E3     | Observed Endogenous variable  |
| Proud- E4           | Observed Endogenous variable  |
| Enjoy- E5           | Observed Endogenous variable  |
| Commt.Attached- E6  | Observed Endogenous variable  |
| Length of Service   | Observed Endogenous variable  |



**Fig. 7.9: Path Diagram for Length of Service  
\* Employee Engagement**

**Table 7.18: Length of Service \* Employee Engagement  
Result (Default model)  
Minimum was achieved**

|                         |        |
|-------------------------|--------|
| Chi-square ( $\chi^2$ ) | 30.193 |
| Degrees of freedom      | 13     |
| Probability level       | .004   |

Table Value at 1% Level of Significance is 27.688

**Result**

Since the calculated  $\chi^2$  value is higher than the table value hence; H<sub>0</sub> is rejected.

Or we can also state that the p value .004 is less than .01, the hypothesis is rejected; it can be concluded that there is an association between length of service of the respondent and EE post merger in banking industry.

**7.4 CONCLUSION**

The purpose of the chapter was to highlight the outcomes of the study by the application of statistical tools for testing the hypothesis. A wide spectrum of researches on employee engagement provides a good combination of theoretical and practical insight into various tenants of individual differences. The findings have significant bearing for both organizations and for employees also. On one hand organizations would be able to develop loyalty and longevity among employees and on other hand employees' needs and aspirations could be catered in better way.

Employee engagement is a complex concept and is influenced by many factors like workplace culture, organizational communication and managerial styles to trust and respect, leadership and company reputation. From the above analysis, with the help of structured equation modeling all the four constructs are studied for variations and it is concluded that all the constructs are related to employee engagement; and working environment was found to have the most influence on EE.

Thus, these factors could be considered to draft appropriate policies to decrease alienation of the employees of acquired banks.

The Chi Square Analysis helped to interpret the association between the demographic data of the respondents and EE. The present study provides a good explanation of variation in engagement level based on gender, age, marital status, formal position, experience and qualification of the employees in Indian settings. Thus, an organization can accommodate these factors to have equally engaged employees

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## **Chapter 8**

# **FINDINGS, RECOMMENDATIONS AND CONCLUSION**

### **8.1 INTRODUCTION**

In chapter 6 & 7, the analysis of the data was done and results were interpreted to further discuss the findings of the study. The present chapter explores EE across six parameters as age, gender, marital status, formal position, educational qualification and length of service of the employees. Significant variations are observed across employees of various groups. The chapter also provides the in depth explanation of the four constructs of EE- Work Environment, Compensation and Benefits, Career Growth and Advancement, and Intrinsic Motivation. The chapter also reveals the link between the respondents' behavior and experience of change thus analyzing the extent to which employees attitudes changed post merger.

This chapter in addition to the findings also suggests the recommendations, limitations and discusses the concluding remarks for the study.

### **8.2 MAJOR FINDINGS**

The purpose of the study was to examine post merger influence on Employee Engagement in the Indian Banking Industry; considering four independent variables as well as compile the profile of the respondents of the acquired banks and examine its association with EE. The study also explains the behavior of employees in a period of major organizational



change, such as post merger integration phase. The major findings regarding the influence of mergers on EE are broadly reviewed into the following sections:

1. The objectives of the study.
2. The personal discussion.

### **8.2.1 THE OBJECTIVES OF THE STUDY**

The prime objective of the present research had been to explore the employee engagement from the lenses of individual differences and factors influencing EE post merger. In the following section the results for each objective has been discussed.

#### **Objective 1:**

- To compile the profile of respondents and examine its association with Employee Engagement.

The information regarding the profile of the respondents was gathered considering six variables, i.e. Age, Gender, Marital Status, Formal Position, Educational Qualification and Length of Service of the employees of the acquired bank. Each variable was analyzed individually therefore, presenting the findings as below.

#### **A. THE PROFILE OF THE RESPONDENTS:**

1. Age group: 20-30 yrs- 21.8% , 31-40 yrs- 24.7%, 41-50 yrs- 28%, Above 50- 25.5%.
2. 51.4% of the respondents were male and 48.6% females.
3. 72% were married and 28% single.

4. Designation: Asst./Officers- 31.7%, Asst. Manager- 25.9%, Manager- 21.8%, Upper Management-20.6%.
5. Educational qualification: Masters- 48.1%, Degree- 48.6%, Diploma- 3.3%.
6. Work experience: Below 2 yrs- 15.2%, 3-5 yrs- 20.6%, 6-10 yrs- 10.7%, More than 10 yrs- 53.5%.

**B. ASSOCIATION WITH EE:**

The association between the demographic data and EE was analyzed using the Chi square test. Further while administering questionnaire to employees, it had been ensured that data comes from all category like male, female, highly experienced to less experienced one, aged personnel to fresh recruits, top to lower level management etc.

The findings of the hypothesis testing are summarized in the following table:

**Table 8.1: Chi Square findings**

| <b>Hypothesis</b>   | <b>Chi-square test statistic</b> | <b>Probability Level</b> | <b>Conclusion on Hypothesis</b> |
|---|----------------------------------|--------------------------|---------------------------------|
| There is no association between Age factor and EE post merger in banking industry. (H1) | 21.277                           | .046                     | Rejected at 5% $\alpha$ level   |
| There is no association between Gender and EE post merger in banking industry. (H2)     | 10.375                           | .497                     | Do Not Reject                   |

|   |        |      |                                |
|---|--------|------|--------------------------------|
| There is no association between Marital status and EE post merger in banking industry. (H3)                       | 31.921 | .004 | Rejected at 1% $\alpha$ level  |
| There is no association between the Formal Position of the incumbent and EE post merger in banking industry. (H4) | 16.126 | .186 | Do Not Reject                  |
| There is no association between Educational Level and EE post merger in banking industry. (H5)                    | 23.688 | .050 | Rejected at 10% $\alpha$ level |
| There is no association between Length of Service and EE post merger in banking industry. (H6)                    | 30.193 | .004 | Rejected at 1% $\alpha$ level  |

*Significance Levels ( $\alpha$ ) considered: 1%, 5% and 10%*

Further, the cross tabulation analysis done using SPSS justifies the above conclusion on the hypothesis. The results obtained from crosstabs demonstrate the following findings for the study:

**H1: Age \* Employee Engagement**

- a. *Age \* Continue Career* : The results show that most of the employee of age groups 41-50 & above 50 have agreed to continue their career with the organization as they have less opportunities, whereas the younger age group have more opportunities to shift to other organization rather than continue career in the same organization.

- b. *Age \* Recommend* : The younger age group in comparison to the senior employees as concluded from the analysis, do not agree much on recommending employment at the company to their friends.
- c. *Age \* Better ways*: The results indicate that mostly the senior age group employees agree to look for better ways to doing their job well as compared to the employees of the younger age group.
- d. *Age \* Proud*: Not much variation in the responses was observed for the factor. Most of the employees from every age group were uncertain about feeling proud to work with the organization.
- e. *Age \* Enjoy*: The senior employees as compared to the younger age group have disagreed to the factor concluding that they do not enjoy much working with the organization.
- f. *Age \* Commt.Attached*: Not much variation in the responses was observed for the factor. Most of the employees from every age group were uncertain about being committed and emotionally attached with the organization.

Thus, the findings suggest that out of six variables, variations in responses according to age were observed in four variables. This can be accounted from the fact that the younger age group employees would still be considering 'greener pastures', i.e. better salary, perks, facilities, career advancement opportunities, new experiences etc. whereas, the older age group employees having reached almost the end of what they could get in the particular organization and perhaps given their best, their enthusiasm now seems to wear out. This tends to justify the conclusion of H1.

## **H2: Gender \* Employee Engagement**

From the crosstabs SPSS output, it can be concluded that not much variations in responses between male and female employees were observed for all the six variables defining employee engagement. Therefore, the conclusion for H2 holds true.

## **H3: Marital Status \* Employee Engagement**

- a. *Marital Status \* Continue Career*: The results show that less of the married employees have disagreed to continue their career with the organization as compared to the employees who are single.
- b. *Marital Status \* Recommend*: The single group in comparison to the married employees as concluded from the analysis, do not agree much on recommending employment at the company to their friends.
- c. *Marital Status \* Better ways*: For this factor also more of the married employees agree to look for better ways to perform their job well as compared to the employees who are single.
- d. *Marital Status \* Proud*: Not much variation in the responses was observed for the factor. Most of the employees were uncertain about feeling proud to work with the organization.
- e. *Marital Status \* Enjoy*: Not much variation in the responses was observed for the factor. Most of the employees were uncertain.
- f. *Marital Status \* Commt.Attached*: Most of the employees were uncertain about being committed and emotionally attached with the organization; the percentage of married employees that agreed to the factor is slightly more than the single employees.

It was observed that married employees were by virtue not inclined towards giving the optimal time owing to the family obligations vis a vis their single counterparts. As being married means extra responsibility and stability in job which in turn means lower risk taking appetite to take chances on leap of faith and the uncertainty which it brings along. And as compared to the unmarried employees the above mentioned factors were not observed affecting the employee engagement. As a result of the variations observed in four factors defining employee engagement with respect to marital status of the employees, the conclusion on H3 can be justified.

**H4: Formal Position \* Employee Engagement**

From the crosstabs SPSS output, it can be concluded that not much variations in responses between the formal positions of the employees in the organization were observed for all the six variables defining employee engagement. Therefore, the conclusion for H4 holds true.

**H5: Educational Qualification \* Employee Engagement**

- a. *Educational Qualification \* Continue Career*: The results show that more percentage of the degree holders have agreed to continue their career with the organization as compared to the employees who had done masters.
- b. *Educational Qualification \* Recommend*: The degree holder employees in comparison to the employees who had done masters as concluded from the analysis, do not agree much on recommending employment at the company to their friends.
- c. *Educational Qualification \* Better ways*: For this factor not much variation in the responses was observed, a slight larger percentage of employees with masters degree agreed to look for better ways

to perform their job well as compared to the employees with other educational qualification.

- d. *Educational Qualification \* Proud*: Not much variation in the responses was observed for the factor.
- e. *Educational Qualification \* Enjoy*: A larger percentage of degree holders were uncertain on this factor, whereas the employees with masters degree have disagreed more on the factor as compared to other groups.
- f. *Educational Qualification \* Commt. Attached*: The percentage of degree holder employees that agreed to the factor is more than those with master's degree.

Thus educational qualifications of the employees also found to have significant impact on employee engagement. The findings are in accordance with different aptitude, vision and capabilities of employees with different level of academic achievements. Naturally employees with higher qualification would demand higher level of compensation and career development opportunities. Highly qualified personnel would seek better working environment and workplace wellbeing than desired by relatively less educated ones. These factors could be considered to draft appropriate policies to decrease alienation of highly qualified employees. Thus, the findings suggest that out of six variables, variations in responses according to Educational qualification of employees were observed in five variables. This tends to justify the conclusion of H5.

#### **H6: Length of Service \* Employee Engagement**

- a. *Length of Service \* Continue Career*: The analysis show most of the employees with below two years experience have agreed more to the factor; whereas, not much variation was observed between the other groups.

- b. *Length of Service \* Recommend:* The employees with less than and equal to five years of experience in comparison to the other group of employees as concluded from the analysis, do not agree much on recommending employment at the company to their friends.
- c. *Length of Service \* Better ways:* For this factor the employees with work experience of 6 to 10 years as compared to other groups, do not agree much on finding better ways to perform their job well.
- d. *Length of Service \* Proud:* Most of the employees with length of service 6 to 10 years have agreed to the factor; whereas employees with work experience of 3 to 5 years have least agreed.
- e. *Length of Service \* Enjoy:* Employees with more work experience have less agreed on enjoying their work as compared to employees with less work experience .
- f. *Length of Service \* Commt.Attached:* Most of the employees were uncertain about being committed and emotionally attached with the organization.

The analysis reveals that the engagement levels varied according to the seniority and the length of service of the employees. In consideration to their long term experience, the senior employees felt threatened in the new work atmosphere. The more experience an individual had the lesser were the chances of being engaged. The senior employees of the acquired banks did not feel a sense of commitment and attachment towards the new organization and they were less likely to continue their career with the organization as well as owing to the new job profile they did not consider worth investing themselves fully in their work.



From the above analysis of each factor describing EE, it can be concluded that the responses for most of the factors vary with the length of service of the employees, thereby justifying the conclusion on H6.

**Objective 2:**

- To identify the general causes of Employee Engagement and their relative propensity post merger in banking industry.

The researcher had identified 24 variables or factors for the study through extensive review of past literature and personal discussion with the employees of various branches of the acquired banks so as to capture the influence on Employee engagement post merger in banking industry. The variables were grouped into four broader categories of independent variables, namely, Work Environment, Compensation and Benefits, Career growth & Advancement and Intrinsic Motivation; and one dependent variable namely, Employee Engagement. All the variables were measured using self structured questionnaire and the responses were ranked to study the relative propensity of the variables. According to the results obtained, the findings for each latent variable can be summarized as below:

- **WORK ENVIRONMENT**

**Table 8.2: Ranking of responses for WE**

| <b>Latent Variable</b> | <b>Factors</b>                                    | <b>Weighted Total</b> | <b>Rank</b> |
|------------------------|---|-----------------------|-------------|
| Work Environment (A)   | Changes communicated prior to implementation (A1) | 879                   | 1           |
|                        | Everybody treated fairly (A2)                     | 859                   | 3           |
|                        | Performance evaluations are fair (A3)             | 846                   | 4           |
|                        | Pressure to finish my work on time (A4)           | 875                   | 2           |

The response levels were compared according to the environment where respondents were working. The results from the above table shows that rank 1 is assigned to “Changes communicated prior to implementation” and Rank 4 to “Performance evaluations are fair”. The findings suggest that though most of the employees have agreed that the changes are being communicated to them prior to implementation but, they do not find the performance evaluations fair at the organization.

The work environment should be conducive to achieve organizational goal as well as individual development. It is a win-win situation for both the entities; an employee should be rewarded appropriately for his good work, extra efforts, sincerity and at the same time a lethargic and careless employee should be penalized suitably. A well calibrated reward and motivation scheme by instituting positive and negative rein forcers in the system helps in improving the image of the institution that promotes meritocracy. Management must listen to and communicate with employees and relay accurate and comprehensive information. Communication is of utmost importance in every stage of a merger or acquisition. Management should share as much information as it can with employees before, during, and after the acquisition. This will help reduce or dispel the unfounded rumors which cause negative emotions and unproductive behavior.

- **COMPENSATION AND BENEFITS**

**Table 8.3: Ranking of responses for CB**

| <b>Latent Variable</b>        | <b>Factors</b>                         | <b>Weighted Total</b> | <b>Rank</b> |
|-------------------------------|--|-----------------------|-------------|
| Compensation and Benefits (B) | Pay is fair and benefit packages (B1)  | 887                   | 1           |
|                               | Reward/ incentive schemes (B2)         | 863                   | 3           |
|                               | Good Retirement & Insurance Plans (B3) | 873                   | 2           |

The table above illustrates the composition of the responses by compensation and benefits. The findings suggest that most of the employees find the pay and benefit packages fair but they are not much satisfied with the reward and incentive schemes of the organization.

For strengthening the system of reward and motivation it is essential to include well defined incentive plans and benefit packages in order to encourage performance and good work. This proves to be very critical for the organizations in the long run. Receiving timely recognition and rewards is a key driver of engagement. The degree of formality of such recognition is determined by circumstances and what is appropriate. Salary is important but more of a dis-engager than an engager. Employees need to feel valued and appreciated for the work they do.

- **CAREER GROWTH AND ADVANCEMENT**

**Table 8.4: Ranking of responses for CGA**

| <b>Latent Variable</b>            | <b>Factors</b>                                | <b>Weighted Total</b> | <b>Rank</b> |
|-----------------------------------|---|-----------------------|-------------|
| Career Growth and Advancement (C) | Training to perform my job well (C1)          | 880                   | 1           |
|                                   | Good Job- promotion (C2)                      | 853                   | 2           |
|                                   | Progress in my Job (C3)                       | 845                   | 3           |
|                                   | Professional development and Advancement (C4) | 835                   | 4           |

Table 8.4 shows the composition of the responses by Career Advancement and Growth. From this table, it can be seen that most of the respondents have agreed that they are provided with training to perform their job well but Rank 4 assigned to “Professional development and

Advancement” suggests the respondents largely disagree that the manager is actively interested in their professional development and advancement.

In addition, growth opportunities, such as learning, research, self development, enhancement of skills, room for innovation, public recognition, etc. are also the determining factors in employee engagement. If an organization does not give chance for growth and personal development it would be very difficult to retain the talented personnel and also to find new talent with experience and skill. Prestigious professional organizations with challenging work environment attract best talents, who in turn reinforce organizational effectiveness through better management as a part of career process.

- **INTRINSIC MOTIVATION**

**Table 8.5: Ranking of responses for IM**

| <b>Latent Variable</b>   | <b>Factors</b>                                   | <b>Weighted Total</b> | <b>Rank</b> |
|--------------------------|--|-----------------------|-------------|
| Intrinsic Motivation (D) | Teamwork and cooperation (D1)                    | 866                   | 1           |
|                          | Balance between work and personal life (D2)      | 851                   | 3           |
|                          | No unreasonable amount of stress in my life (D3) | 836                   | 6           |
|                          | Regular information of mission and goals (D4)    | 844                   | 5           |
|                          | Care about as a person (D5)                      | 845                   | 4           |
|                          | Treated with Respect (D6)                        | 854                   | 2           |

The response rate shown by the above table tends to verify the variables defining intrinsic motivation. According to the results obtained, most of the employees have agreed that there is a spirit of teamwork and cooperation at the organization. On the contrary, rank 6 assigned to the

third factor i.e. “No unreasonable amount of stress in my life”, shows that the employees have mostly disagreed to the factor concluding that their job causes unreasonable amount of stress in their lives.

Quality of work is an important element of job satisfaction and hence there is better engagement by offering challenges that enable an employee to upgrade his knowledge, skills and capabilities. Challenge is the fire that keeps the innovation and the thrill alive. A well accomplished challenging job yields greater satisfaction than a monetary benefit and also boosts the self-confidence leading to a better management. Factors, which decide the quality of work life, include status improvement, recognition and appreciation. Acquiring organizations should try to eradicate any arrogance on the part of their personnel to ensure that acquired employees do not feel inferior and ‘conquered.’ A post M&A atmosphere fostering mutual respect among management groups will facilitate a better understanding of the others’ perspective and make a smoother transition.

- **EMPLOYEE ENGAGEMENT**

**Table 8.6: Ranking of responses for EE**

| Latent Variable         | Factors                                 | Weighted Total | Rank |
|-------------------------|---|----------------|------|
| Employee Engagement (E) | Continue my career (E1)                 | 864            | 2    |
|                         | Recommend employment to a friend (E2)   | 870            | 1    |
|                         | Better ways to do my Job well (E3)      | 832            | 3    |
|                         | I feel proud (E4)                       | 795            | 6    |
|                         | I enjoy working (E5)                    | 800            | 4    |
|                         | Committed and emotionally attached (E6) | 797            | 5    |

Table 8.6 illustrates that with the highest weighted total, rank 1 is assigned to “Recommend employment to a friend” and Rank 6 to “I feel proud”. The findings suggest that though most of the employees have agreed that they would recommend employment at the organization to their friends but, they do not feel proud to work with the organization, as well as rank 5 assigned to “Committed and emotionally attached”, indicates that most of the employees do not feel committed and emotionally attached to the organization.

Employee engagement is a complex concept and is influenced by many factors like workplace culture, organizational communication and managerial styles to care, trust and respect, leadership, work life balance, teamwork, compensation and benefits, and company reputation. Thus EE has emerged as a pivotal business driver for organizational success. An engaged employee is aware of the business context and works with the colleagues to improve performance within the job for the benefit of the organization. Therefore, the organizations must work to develop and nurture engagement which requires a two way relationship between employer and employee.

The overall analysis shows that the weighted total of the factor B1 i.e. “My pay is fair and I am satisfied with the organization’s benefit packages”, is the highest 887. This concludes that maximum number of the Employees of the acquired banks have agreed upon this factor. The last rank is given to E4 i.e. “I feel proud to be a part of this organization”, which has the weighted total of 795 indicating that least number of employees have agreed to this factor in comparison to the other factors under study.

Thus, ranking helps to determine the relative importance of each variable to provide a view and understanding about factors affecting employee engagement. Hence, the findings may shed light into key drivers of

employee engagement and may contribute to the development of HR strategies, bank policies or practices aiming at enhancing the human capital potential and thus individual employee performance outcomes thereby assisting ultimately banks' competitiveness at the time of changes.

**Objective 3:**

- To examine the effects on Employee Engagement post merger in banking industry.

**“H0: No relationship exists between the independent and dependent variables.”**

The researcher had identified 24 variables or factors for the study but since one factor was removed to increase the reliability of the questionnaire, 23 variables were hence considered for the testing of hypothesis. Reliability of data was checked using Cronbach's alpha which was calculated through SPSS. It measured the internal consistency and its value came out to be 0.644, confirming the reliability of data.

The variables were grouped into four broader categories of independent variables, namely, Work Environment, Compensation and Benefits, Career growth & Advancement and Intrinsic Motivation; and one dependent variable namely, Employee Engagement. Since all these variables were not directly observable through the self structured questionnaire; therefore, Structured Equation Modeling was used to study these latent variables and find the correlation between the independent variables as well as their association with the dependent variable.

The results obtained after considering a few modification indices as suggested by SEM in AMOS are as follows:

The output of the path diagram used in the analysis reveals that the model exhibited an overall good fit to the data ( $p = .200$ ). In structural equation modeling, a not significant p-value for a chi-square goodness-of-fit statistic indicates acceptance of the hypothesis and, thus, a good fit between model and data. Additionally the RMSEA being less than .10 as well as IFI, TLI and CFI values are nearing 1; thus, the tests suggest that the overall model is a good fit to the data and such results suggest the model provides a reasonable explanation of the data.

The table below reveals that all the items related to the latent dependent factor (Employee Engagement) indicate good loading values.

**Table 8.7: Loading values of the factors**

| Variables                       | Standardized Regression Weights( $\beta$ ) | P value |
|---------------------------------|--|---------|
| EmpEngagement<--- WorkCond      | .852                                       | ***     |
| EmpEngagement<--- CompSal       | -.745                                      | .199    |
| EmpEngagement<--- GrowthAdv     | .674                                       | .048    |
| EmpEngagement<--- IntMotivation | .563                                       | .007    |

As shown in Table 8.7, Work Environment (WorkCond) resulted in significantly higher loading scores of .852 than the other independent variables with  $p = .000$ . The findings suggest that 85.2 percentage of variance in Employee Engagement is explained by the working conditions at the organization. Thus, considering the analysis among all four variable, Work Environment (WorkCond) development with  $\beta = .852$  is the strongest variable, followed by Compensation and Salary (CompSal) with  $\beta = -.745$ , Career growth and Advancement (GrowthAdv) with  $\beta = .674$  and Intrinsic Motivation (IntMotivation) with  $\beta = .563$ .



The results also show that all the independent variables are significantly correlated to employee engagement with coefficient alpha ( $p$  value)  $< .05$ . However, the loading for Compensation and Benefits (CompSal) is negative i.e  $-.745$ , with  $p$  value  $.199$ . In other words, the regression weight or the loading associated with CompSal is not significantly different from zero as the  $p$  value is greater than  $.05$ . Thus, these independent variables are strong predictors or they show a strong direct effect on Employee engagement in the structural equation modeling.

The correlation matrix between the four independent variables is exhibited in Table below:

**Table 8.8: Correlation Values**

| Variables                   | Correlation estimates |
|-----------------------------|-----------------------|
| WorkCond<--> CompSal        | .694                  |
| CompSal<--> GrowthAdv       | .353                  |
| GrowthAdv<--> IntMotivation | .574                  |
| WorkCond<--> GrowthAdv      | .412                  |
| WorkCond<--> IntMotivation  | .719                  |
| CompSal<--> IntMotivation   | .298                  |

The table reveals that there is a perfect positive correlation between the four independent variables with the values ranging from  $.298$  to  $.719$ . This suggests that the highest correlation of  $71.9\%$  was observed between the work environment of the organization and the intrinsic motivation of the employees; whereas, compensation & salary and Intrinsic motivation were found to be least correlated by  $29.8\%$  only.

Referring to the analysis, the squared multiple correlation (R) shows a substantial correlation between the four independent or predictor variables and the dependent variables which is employee engagement (R= .596). The R-square value identifies the portion of the variance by the independent variable; i.e approximately 59.6% of the variance in the employee engagement is accounted for by Work Environment, Career Growth and Advancement, Compensation and Salary; and intrinsic Motivation. This value indicates that these four factors explained Employee Engagement by 59.6%. It means that there are also some other factors which influence EE and were not considered in the present study.

From the above findings, the analysis concludes that all four independent variables are significantly related to employee engagement. Among all four independent variables, working environment is having the most influence on the employee engagement post merger in banking industry. Conducive work environment requires healthy and cordial relations with peers, superiors, subordinates as also with the customers. Findings suggest employees seek more meaning in their day-to-day work than they do in their personal lives. This implies employers should be seeking to make work meaningful by finding out what matters to their employees, especially since evidence suggests that meaningfulness impacts not only on the individual, but also on the bottom line. Good interpersonal relationship with people at work boosts employee's comfort level and helps in better articulation. Better and positive communication by employees about the organization is an integral part of employee engagement contributing to organizational effectiveness.

In turbulent economic times, when there is great uncertainty about the future viability of business organizations, employees are naturally anxious and value frank dialog with bosses. With a high degree of skepticism for official company communications, direct face-to-face engagement is most effective at establishing trust. It's clear that business leaders need to

provide candid explanations of the challenges facing their respective companies, demonstrate that there is a plan to meet these challenges, and show what role employees can play. This will build employee trust and morale, which will help to retain talent and motivate employees to strive for the high performance needed to survive today and thrive tomorrow.

**Objective 4:**

- To study behavioral patterns exhibited at the work place post merger in banking industry.

Day-to-day perceptions confirm that mergers and acquisitions are highly emotional life events for all those affected. But only after years of ‘merger mania’, combined with high failure rates (about 70 per cent of all mergers fail to reach their initial goals), has the importance of focusing on ‘soft’ issues been acknowledged. Managers’ attitude that they are not able to manage those soft factors, or simply managers’ belief that human factors are not crucial for a successful M&A, lead to a neglect of essential soft factors. The impact of various styles of managerial communication and behaviour on employees’ emotions during the M&A process contribute during phases of major organizational changes. Consequently it is imperative for managers to realize how the organizational change will have impact on the behaviour of employees.

The researcher had identified 10 variables or factors for the study through extensive review of past literature and personal discussion with the employees of various branches of the acquired banks so as to capture the behavioral pattern exhibited post merger in banking industry. The Cronbach’s Alpha value for all the 10 items of the questionnaire obtained was .690 confirming the reliability. The weighted total for the respondent’s opinion on the factors demonstrating the behavior of the employees post merger was calculated and tabulated below and hence the variables were ranked in descending order to the weights calculated. This helped in establishing whether there is, indeed, some link between the

respondents' behavior and experience of change. Thus the study was analyzed to reveal the extent to which employees attitudes changed post merger.

**Table 8.9: Ranking of responses for BP**

| S. No. | Factors                              | Weighted Total | Rank |
|--------|--------------------------------------|----------------|------|
| 1      | Take situation as an opportunity     | 1022           | 1    |
| 2      | Try to solve problems                | 926            | 3    |
| 3      | Direct to other work                 | 893            | 4    |
| 4      | Cool down myself                     | 988            | 2    |
| 5      | Seek company of friends and family   | 854            | 6    |
| 6      | Get irritated and react aggressively | 723            | 8    |
| 7      | Leave work and go home               | 580            | 10   |
| 8      | Take immediate actions               | 809            | 7    |
| 9      | Accept the situation                 | 891            | 5    |
| 10     | Don't care, high migration value     | 695            | 9    |

Table 8.9 tends to measure the behavioral pattern of the employees after the M&A process. An examination of this table reveals that with a weighted total of 1022, rank 1 has been assigned to “Take situation as an

opportunity”, which indicates that the respondents believed that the bank had actually changed for better. Hence the employees had taken the situation as an opportunity to learn and grow. This view can be further reinforced by the fact that instead of getting irritated 79.84% employees agreed that they cool down themselves and get back to work and 80% agreed that they try to solve their problems by consulting others at the organization. Though the majority of the respondents tried to maintain a positive attitude towards the change; however, there were a significant number of respondents who had a relatively high degree of uncertainty. This feeling could stem from the fact that they were not sure about their future within the organization. 46.91% of the respondents were uncertain about their migration values which might have caused by the notion that the employees were not convinced if the change can bring them more opportunities and provide them a better working condition.

The table also reveals that last rank assigned to “leave work and go home earlier” clearly indicates that a majority of the respondents still put an extra effort into their work environments to ensure that the goals and objectives of the bank are achieved and they always look forward to going to work every morning. Thus it can be concluded that there was a fair amount of satisfaction with the M&A process and a significant number of respondents still intended to work with the organization.

### **8.2.2 PERSONAL DISCUSSIONS WITH THE EMPLOYEES**

In the course of direct interaction with the employees who participated in the survey, it was revealed that there was a high degree of skepticism towards the top management of the organization. This can be illustrated by the findings that 18.93 % of the respondents were uncertain and 21.81% disagreed whether the managers were actively interested in their professional development and advancement. The respondents also seemed to be uncertain whether the top management was honest and caring during the process.

There was a fair amount of satisfaction with the communication medium used during the merger process. However, some of the respondents believed that there was consistent communication throughout the process whilst some did not agree. Table 6.13 shows that 60.49% per cent of the respondents agreed that the changes were communicated to them prior to implementation whereas, 26.34% were uncertain and 13.17% completely disagreed.

The responses indicated that the employees were not sure about their future in the organization. They were also not certain about their intention to work for the bank for a long time to come. The findings of the table 6.13 show that 22.63% of the respondents disagreed to continue their career with the organization whereas 12.35% were uncertain. The majority of the respondents felt the changes were not carefully planned before implementation, as they were only informed about the merger and none of their opinions were considered.

The overall assessment indicated that the merger process did not adversely affect the morale and motivation of the majority of the respondents. However, there were a significant number of respondents who were negatively affected particularly regarding matters relating to their working conditions. This is probably why a significant number (25.51 per cent) of them were not sure about equity of treatment of employees and 21.40% were uncertain about performance evaluations being fair and appropriate at the organization.

Most respondents seemed to be uncertain on whether the merger process was good for them. This was probably due to the fact that management did not discuss the benefits of merger to the affected individual employees and they were not given the opportunity to give input into the change process although they were encouraged by their immediate managers to become involved and committed to the organizational change. This can be

further justified from the fact that a majority of the respondents did not enjoy working with their team members; neither had they felt committed and emotionally attached to the organization.

The employees who had been shifted from the acquired bank having a long term experience in that organization felt threatened in the new work atmosphere owing to the new work culture and preconceived notion amounting to the threat of being looked at as second class citizens in the merged organization. This psychological fear played an adverse role affecting the performance of the individual in terms of EE. Also it was further elevated whilst the senior employees of the acquired banks might have to report into the more qualified younger generation with lesser experience in the new work place. Conclusively, it was inevitable that M&As can cause not only a clash of cultures; sparking unhealthy competitiveness and as a result this led to significant levels of insecurity for those involved.

Thus, the findings of personal discussion gave an insight of the impact that the organizational change had on the employees of the acquired banks. It might not cover all challenges and issues that might come up in the process but the aim of this contribution is rather to improve, challenge, and change the conventional view on the M&A process.

### **8.3 STRATEGIC RECOMMENDATIONS**

Since the objectives of the research have been met, the focal point is now on making recommendations based on the research findings. Hence, for future mergers the following strategies can be recommended:

- The need for careful planning in the merger process prior the implementation. Organizations need to involve employees in the M&A process right at the outset.

- Employees should be well informed in advance about the changes in order for them to make prior decisions before accepting the new responsibilities. A realistic merger preview depicting job expectations for the future will allow employees to cope more realistically with new or modified job demands.
- Open and honest communication with employees during changes is vital for a successful M&A in an organization. Face-to-face communication between management and employees is the most effective way of communicating changes within the organization.
- Every attempt should be made by top management to share all the necessary information with the employees accurately and at appropriate times. This will create an atmosphere of trust and commitment amongst employees and will also enhance the integrity and credibility of management and their intentions.
- The management should discuss the benefits of mergers with the employees of acquired bank so that it does not adversely affect the morale and motivation of the employees, ensuring that they enjoy their work and put an extra effort to meet the objectives of the organization.
- The management should adopt training and sustained learning programmes for employees on the basis of need identification. It can then implement programs, such as individual counseling on new career opportunities to alleviate them. Voluntary stress management training can be provided on a group basis to allow employees to share their concerns.
- Flexi time (Flexible working hours) may be introduced in the organization. Work pressure can be minimized by consulting the concerned person to fix deadlines to complete the work.



- The differences in corporate culture might make integration very time consuming and costly, and could create an inefficient new organization. The negative effects of ambiguity must be kept to the minimum; employees must be kept focused, energized and committed to the company. Differences in the two organizational cultures can lead to competition between employee groups and hostile ‘we-they’ attitudes. Managers should try to avoid this situation by carefully amalgamating employees as much as possible at all organizational levels. Both organizations have unique and beneficial cultural elements. Rather than imposing one organization’s culture on the other, the best of both organizations should be integrated into a common corporate culture so that both sides can identify with the same.
- As concluded from the present study the turnover rate of top managers is unusually high after a merger or acquisition, it is important to conduct a talent audit before the change takes place to ascertain the managerial talent required for future success. Steps can then be taken to ensure that organizational talent will be plentiful after the merger.
- The behavior of employees must be changed as needed; the performance of the organization must be sustained at all times. Any layoffs or downsizing should take place as soon as possible to alleviate anxiety, reduce rumors, and allow employees to return to business as usual. The longer fear of the unknown lasts, the more damage will be caused.

#### **8.4 PROBLEMS AND LIMITATIONS**

There were not many problems encountered in the research. All respondents were accessible either physically or via e-mail. However, a small number of respondents did not respond, despite numerous

reminders that delayed the collection of primary data. Taking into account the fact that the response rate in this study was high, at 97.2% per cent, this problem was unlikely to exist. A sufficient number of respondents assisted in completing the questionnaire, ensuring that the data presented is reasonable. Data analysis was done smoothly, with quantitative, qualitative and historical data giving validity to the findings.

- **Geographical constraint:** With the travel constraints due to various reasons, the researcher had tried to gather as much information as possible without compromising on the essence of the mentioned subject. Considering the high percentage of responses it can be said that justice has been served to the viability of the subject.
- **Sample size:** Since the sample size of 243 not being very large, the results can't always be generalized to the entire population. Convenient and purposive sampling was used and hence the results of the sample selected need not to be the true representative of the universe.
- **Lack of experience:** The researcher did not have sufficient knowledge and experience in conducting the research. The researcher found that study on this subject was not an easy task since it required many skills and high level of experience in all stages of research. As a result, to ensure the smooth completion and validity of the findings, learning and application of the data analysis methods was time consuming.

## **8.5 RECOMMENDATIONS FOR FUTURE RESEARCH**

It is the nature of research to often lead to more unanswered questions. Therefore, the need arises to make recommendations for future research. The areas requiring further research that are closely linked to the research

problem were acknowledged during the course of the research. Thus, it would be valuable for future research to consider the following suggestions:

- Since the research was geographically confined and provided only a small portion of idea regarding employee engagement in the context of three banks, HDFC Bank, ICICI Bank and SBI, it would be beneficial for future research to expand the study into other industries as well to enhance the consistency of results.
- There are many other drivers that contribute to employee engagement. Thus, including other variables to measure employee engagement will increase the accuracy of understanding the drivers that could impact the employee engagement post merger. Further other modes of individual differences like income, personality type, and urban-rural background could also be given serious thoughts in this regards.
- Over the course of research, it was observed that there has been obvious gap in the literature at the moment, which is the lack of qualitative data. With a few exceptions, the study on EE has utilized survey methodology with the intention of combining the individual scores into overall trends. Thus, the researcher recommends imbibing qualitative data to offer a greater insight and better understanding of the constituent parts and varied aspects which affect the study. Therefore, it is suggested that future researchers should create and use ‘actionable’ surveys, whereby the results indicate not just levels of engagement, but also where the problem areas lie and what, in an employee’s opinion, should be done to eliminate the barriers to engagement. A further consideration is that employee surveys should be supported by

interviews and contextual analysis in order to gain a more holistic view on engagement and how it is being managed within different organisational settings.

- The findings of the present study reveal that there was a high degree of skepticism towards the top management of the organization. This indicates that as a sub driver of EE, management potentially has the most impact on engagement levels. Hence, a need arises to demonstrate a clear link between the line managers and EE to assess long term outcomes and benefits on the said subject.
- At the same time, it has been unclear exactly the role of managers in engaging employees and what distinguishes an engaging manager from their fellow colleagues. Further research might not identify what these differences are, but potentially reveal what training managers at the time of organizational change could undergo to improve their ability to engage their staff.
- To sum up, future studies in this area should focus on clarifying the M&A performance concept in relation to EE. The researcher personally believes that with insight coupled with smart work on the mentioned subject would contribute to further understanding of the impact of M&As on EE by providing a different way to interpret the inconsistencies of M&A research outcomes.

## **8.6 CONCLUDING REMARKS**

The purpose of this chapter was to conclude the study by re-looking at and resolving the problems stated in Chapter 1. Listing the main findings of the research and relating these to the problems, it was then possible to

make relevant recommendations based on the findings. The four objectives in this study have been achieved whereby the results had shown that the four independent variables are related to employee engagement. Among all the four drivers of employee engagement, work environment of the organization post merger is found to be the strongest drivers of employee engagement in the context of the banking industries.

A wide spectrum of researches on employee engagement provides a good combination of theoretical and practical insight into various tenants of individual differences. The present study provides a good explanation of variation in engagement level based on age, gender, marital status, formal position, educational qualification and length of service of the employees in Indian settings. Practitioners have been suggested with various mechanisms to deal with differences based on individual variables. The findings and suggestions have significant bearing for both organizations and for employees also. On one hand organizations would be able to develop loyalty and longevity among employees and on other hands employees' needs and aspirations could be catered in better way. Depending upon present study future researcher could devote their time and energy on elaborating differences based on individual constructs.

Another aim of this chapter was to discover further possible research opportunities and pertinent M&As strategies were also identified in this research study. A careful application of these strategies will help to enhance the chances of implementing the organizational change process without compromising the morale and motivation of the employees.

The overall analysis explained 59.6% (R square) of employee engagement. This value is considered as acceptable. However, researcher hope that more research will be conducted in the future in order to gain a

whole understanding of employee engagement as other drivers may also contribute to employee engagement post merger in the banking industry .

It can further be concluded that the information depicted might indicate that whilst most respondents clearly understood the rationale for the change, they did not see individual benefits for themselves in the process. To ensure that change initiatives are successful, organizations need to develop a workforce adept at handling change in whatever form it takes. This undertaking requires not only understanding and fostering effective behaviors and attitudes, but also developing a comprehensive organizational process infusing change agility throughout the company. The majority of employees have no control over the change decision. But they need to continue to meet the objectives during and after a change event. To that end, employees may need help creating strategies to overcome natural resistance to change. Most importantly, employees need to be treated as more than passive recipients of change — they need to be involved.

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## **ANNEXURE 1**

### **Research Title:**

**“An Analysis of Post Merger Effect on Employee Engagement in Select Banks in India: A Causality Analysis”.**

Dear valued respondent,

Thank you for your participation in this research.

I, Shehla Sayeed, a Research Scholar at the Business and Administration Department, University of Kota, Kota, have designed this set of questionnaire to understand the factors that contribute to employee engagement in order to study their influence on employee engagement post merger in the banking industry.

The questionnaire contains three (3) parts which has been designed for ease of completion. I would sincerely appreciate if you could answer the questions carefully as the information you provide will influence the accuracy and the success of this research. It will take no longer than 10 minutes to complete the questionnaire. All answers will be treated with strict confidentiality and shall be used for academic purpose only.

Thank you very much for your time, consideration and cooperation. I appreciate your kind contribution and help in furthering this research endeavor.

Cordially,

Shehla Sayeed

Research Scholar

University of Kota, Kota

## ANNEXURE 2

### Questionnaire for Doctoral Research



The study is being undertaken by Shehla Sayeed, A Doctoral Scholar of the University of Kota, Kota.

She may be contacted at: shehlasayeed16@gmail.com

**SECTION A: Questions below are about your profile. Please tick in the appropriate box [ ].** Please be assured that responses given by you will be kept confidential and will be used only for academic purposes. Thank you for sparing your precious time out of your hard pressed schedule.

#### 1 AGE

|           |     |              |     |
|-----------|-----|--------------|-----|
| 20-30 yrs | [ ] | 31-40 yrs    | [ ] |
| 41-50 yrs | [ ] | Above 50 yrs | [ ] |

#### 2 GENDER

|      |     |        |     |
|------|-----|--------|-----|
| Male | [ ] | Female | [ ] |
|------|-----|--------|-----|

#### 3 MARITAL STATUS

|        |     |         |     |
|--------|-----|---------|-----|
| Single | [ ] | Married | [ ] |
|--------|-----|---------|-----|

#### 4 FORMAL POSITION IN THE ORGANISATION

|                     |     |                    |     |
|---------------------|-----|--------------------|-----|
| Assistants/Officers | [ ] | Assistant Managers | [ ] |
| Managers            | [ ] | Upper Management   | [ ] |

**5 EDUCATIONAL QUALIFICATION**

|           |     |         |     |
|-----------|-----|---------|-----|
| Secondary | [ ] | Diploma | [ ] |
| Degree    | [ ] | Masters | [ ] |

**6 LENGTH OF SERVICE**

|             |     |                  |     |
|-------------|-----|------------------|-----|
| Below 2 yrs | [ ] | 3 to 5 yrs       | [ ] |
| 6 to 10 yrs | [ ] | More than 10 yrs | [ ] |

**SECTION B**

**How do you feel about each of the following specific matters?**

**(Encircle [O] in a single response for each statement below).**

| <b>A</b> | <b>Working Environment</b>  | <b>S.Disagree</b> | <b>Disagree</b> | <b>Uncertain</b> | <b>Agree</b> | <b>S.Agree</b> |
|----------|---|-------------------|-----------------|------------------|--------------|----------------|
| A1       | Changes that may affect me are communicated to me prior to implementation.  | 1                 | 2               | 3                | 4            | 5              |
| A2       | Everybody is treated fairly in this organization.                           | 1                 | 2               | 3                | 4            | 5              |
| A3       | Employee performance evaluations are fair and appropriate.                  | 1                 | 2               | 3                | 4            | 5              |
| A4       | There is never a pressure to finish my work on time.                        | 1                 | 2               | 3                | 4            | 5              |
| <b>B</b> | <b>Compensation and Benefits</b>  | <b>S.Disagree</b> | <b>Disagree</b> | <b>Uncertain</b> | <b>Agree</b> | <b>S.Agree</b> |
| B1       | My pay is fair and I am satisfied with the organization's benefit packages. | 1                 | 2               | 3                | 4            | 5              |
| B2       | I am satisfied with the reward/incentive schemes for good performances.     | 1                 | 2               | 3                | 4            | 5              |

|          |  |                   |                 |                  |              |                |
|----------|--|-------------------|-----------------|------------------|--------------|----------------|
| B3       | The Organization has good Retirement and Insurance Plans and Vacation Pay.                         | 1                 | 2               | 3                | 4            | 5              |
| <b>C</b> | <b>Career Growth and Advancement</b>   | <b>S.Disagree</b> | <b>Disagree</b> | <b>Uncertain</b> | <b>Agree</b> | <b>S.Agree</b> |
| C1       | The organization provides as much training as and when I need to perform my job well.              | 1                 | 2               | 3                | 4            | 5              |
| C2       | I trust if I do a good Job my Company will consider me for a promotion.                            | 1                 | 2               | 3                | 4            | 5              |
| C3       | My Job does make good use of my Skills and abilities.  | 1                 | 2               | 3                | 4            | 5              |
| C4       | I think that I am able to progress in my Job.  | 1                 | 2               | 3                | 4            | 5              |
| C5       | My manager is actively interested in my professional development and advancement.                  | 1                 | 2               | 3                | 4            | 5              |
| <b>D</b> | <b>Intrinsic Motivations</b>   | <b>S.Disagree</b> | <b>Disagree</b> | <b>Uncertain</b> | <b>Agree</b> | <b>S.Agree</b> |
| D1       | There is a strong feeling of teamwork and cooperation in this organization.                        | 1                 | 2               | 3                | 4            | 5              |
| D2       | The environment in this organization supports a balance between work and personal life.            | 1                 | 2               | 3                | 4            | 5              |
| D3       | My job does not cause unreasonable amount of stress in my life.                                    | 1                 | 2               | 3                | 4            | 5              |
| D4       | I have regular information and a good understanding of the mission and goals of this organization. | 1                 | 2               | 3                | 4            | 5              |
| D5       | My supervisor and coworkers care about as a person.  | 1                 | 2               | 3                | 4            | 5              |
| D6       | My manager always treats me with respect.  | 1                 | 2               | 3                | 4            | 5              |

| E  | Employee Engagement   | S.Disagree | Disagree | Uncertain | Agree | S.Agree |
|----|---|------------|----------|-----------|-------|---------|
| E1 | I plan to continue my career with my company for at least 2 more years. | 1          | 2        | 3         | 4     | 5       |
| E2 | I would recommend employment at my company to a friend.                 | 1          | 2        | 3         | 4     | 5       |
| E3 | I constantly look for better ways to do my Job well.                    | 1          | 2        | 3         | 4     | 5       |
| E4 | I feel proud to be a part of this Organization.                         | 1          | 2        | 3         | 4     | 5       |
| E5 | I enjoy working with my team members.                                   | 1          | 2        | 3         | 4     | 5       |
| E6 | I feel committed and emotionally attached to my Organization.           | 1          | 2        | 3         | 4     | 5       |

### SECTION C

Please read the following statements, and circle ( O ) appropriately in the box that best explains your opinion. Circle ( O ) only one number for each statement.

|   | Behavioural Pattern Exhibited  | S.Disagree | Disagree | Uncertain | Agree | S.Agree |
|---|--|------------|----------|-----------|-------|---------|
| 1 | I take the situation as an opportunity to learn and do what is expected of me. | 1          | 2        | 3         | 4     | 5       |
| 2 | I try to solve my problems by consulting others.                               | 1          | 2        | 3         | 4     | 5       |
| 3 | I direct myself to some other work.  | 1          | 2        | 3         | 4     | 5       |
| 4 | I try to cool down myself and get back to work.                                | 1          | 2        | 3         | 4     | 5       |



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|    |  |   |   |   |   |   |
|----|--|---|---|---|---|---|
| 5  | I seek the company of friends and family leaving the situation aside.  | 1 | 2 | 3 | 4 | 5 |
| 6  | I often get irritated and react aggressively to the situation.         | 1 | 2 | 3 | 4 | 5 |
| 7  | I leave the work place and go home early.                              | 1 | 2 | 3 | 4 | 5 |
| 8  | I try to take immediate actions based on the situations.               | 1 | 2 | 3 | 4 | 5 |
| 9  | I accept the situation because there is nothing I can do to change it. | 1 | 2 | 3 | 4 | 5 |
| 10 | I generally don't care because I feel I have a high migration value.   | 1 | 2 | 3 | 4 | 5 |

**Suggestions, If any**

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.....

.....

.....

**THANK YOU FOR YOUR KIND COOPERATION.**

## ANNEXURE 3

### SPSS OUTPUT

**Frequencies [DataSet1] D:\Shehla Data\FINAL.sav**

| Statistics |         |     |        |                |                 |                           |                   |
|------------|---------|-----|--------|----------------|-----------------|---------------------------|-------------------|
|            |         | Age | Gender | Marital Status | Formal Position | Educational Qualification | Lenght of Service |
| N          | Valid   | 243 | 243    | 243            | 243             | 243                       | 243               |
|            | Missing | 0   | 0      | 0              | 0               | 0                         | 0                 |

#### Frequency Table

| Age   |           |           |         |               |                    |
|-------|-----------|-----------|---------|---------------|--------------------|
|       |           | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | 20-30 yrs | 53        | 21.8    | 21.8          | 21.8               |
|       | 31-40 yrs | 60        | 24.7    | 24.7          | 46.5               |
|       | 41-50 yrs | 68        | 28.0    | 28.0          | 74.5               |
|       | above 50  | 62        | 25.5    | 25.5          | 100.0              |
|       | Total     | 243       | 100.0   | 100.0         |                    |

| Gender |        |           |         |               |                    |
|--------|--------|-----------|---------|---------------|--------------------|
|        |        | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid  | Male   | 125       | 51.4    | 51.4          | 51.4               |
|        | Female | 118       | 48.6    | 48.6          | 100.0              |
|        | Total  | 243       | 100.0   | 100.0         |                    |

| Marital Status |         |           |         |               |                    |
|----------------|---------|-----------|---------|---------------|--------------------|
|                |         | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid          | Single  | 68        | 28.0    | 28.0          | 28.0               |
|                | Married | 175       | 72.0    | 72.0          | 100.0              |
|                | Total   | 243       | 100.0   | 100.0         |                    |

| Formal Position |                     |           |         |               |                    |
|-----------------|---------------------|-----------|---------|---------------|--------------------|
|                 |                     | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid           | Assistants/Officers | 77        | 31.7    | 31.7          | 31.7               |
|                 | Assistant Managers  | 63        | 25.9    | 25.9          | 57.6               |
|                 | Managers            | 53        | 21.8    | 21.8          | 79.4               |
|                 | Upper Management    | 50        | 20.6    | 20.6          | 100.0              |
|                 | Total               | 243       | 100.0   | 100.0         |                    |

| Educational Qualification |         |           |         |               |                    |
|---------------------------|---------|-----------|---------|---------------|--------------------|
|                           |         | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid                     | Diploma | 8         | 3.3     | 3.3           | 3.3                |
|                           | Degree  | 118       | 48.6    | 48.6          | 51.9               |
|                           | Masters | 117       | 48.1    | 48.1          | 100.0              |
|                           | Total   | 243       | 100.0   | 100.0         |                    |

| Length of Service |                  |           |         |               |                    |
|-------------------|------------------|-----------|---------|---------------|--------------------|
|                   |                  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid             | Below 2 yrs      | 37        | 15.2    | 15.2          | 15.2               |
|                   | 3 to 5 yrs       | 50        | 20.6    | 20.6          | 35.8               |
|                   | 6 to 10 yrs      | 26        | 10.7    | 10.7          | 46.5               |
|                   | More than 10 yrs | 130       | 53.5    | 53.5          | 100.0              |
|                   | Total            | 243       | 100.0   | 100.0         |                    |

### Reliability

[DataSet2] D:\Shehla Data\FINAL DATA.sav

Scale: ALL VARIABLES

| Case Processing Summary |                       |     |       |
|-------------------------|-----------------------|-----|-------|
|                         |                       | N   | %     |
| Cases                   | Valid                 | 243 | 100.0 |
|                         | Excluded <sup>a</sup> | 0   | .0    |
|                         | Total                 | 243 | 100.0 |

a. Listwise deletion based on all variables in the procedure.

| <b>Reliability Statistics</b> |            |
|-------------------------------|------------|
| Cronbach's Alpha              | N of Items |
| .644                          | 24         |

| <b>Item-Total Statistics</b> |                            |                                |                                  |                                  |
|------------------------------|----------------------------|--------------------------------|----------------------------------|----------------------------------|
|                              | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
| Good Communication           | 80.4733                    | 76.465                         | .288                             | .627                             |
| Equity                       | 80.5556                    | 77.306                         | .241                             | .632                             |
| Perf.Eva Fair                | 80.6214                    | 77.649                         | .191                             | .637                             |
| Pressure                     | 80.4897                    | 74.094                         | .393                             | .616                             |
| Salary                       | 80.4403                    | 76.487                         | .267                             | .629                             |
| Incentives                   | 80.5761                    | 77.080                         | .228                             | .633                             |
| Plans and Pay                | 80.4979                    | 80.011                         | .081                             | .648                             |
| Training                     | 80.4691                    | 71.052                         | .555                             | .598                             |
| Promotion                    | 80.5802                    | 72.253                         | .507                             | .604                             |
| Skills and Abilities         | 80.4156                    | 89.467                         | -.373                            | .689                             |
| Progress                     | 80.5967                    | 81.192                         | .004                             | .658                             |
| Professional Dev.            | 80.6543                    | 72.062                         | .480                             | .605                             |
| Team work                    | 80.5267                    | 80.647                         | .058                             | .649                             |
| Balance                      | 80.5885                    | 71.863                         | .492                             | .604                             |
| Stress                       | 80.6502                    | 71.774                         | .472                             | .605                             |
| Mission                      | 80.6173                    | 77.998                         | .193                             | .636                             |
| Caring                       | 80.6132                    | 79.255                         | .104                             | .646                             |
| Treats with respect          | 80.5761                    | 80.592                         | .056                             | .650                             |
| Continue Career              | 80.5350                    | 73.944                         | .348                             | .619                             |
| Recommend                    | 80.5103                    | 78.177                         | .167                             | .639                             |
| Better ways                  | 80.6667                    | 81.124                         | .009                             | .657                             |
| Proud                        | 80.8189                    | 76.645                         | .244                             | .631                             |
| Enjoy                        | 80.7984                    | 81.104                         | .018                             | .655                             |
| Commt. Attached              | 80.8107                    | 77.278                         | .194                             | .637                             |

| <b>Reliability Statistics</b> |            |
|-------------------------------|------------|
| Cronbach's Alpha              | N of Items |
| .689                          | 23         |

**Reliability****Scale: ALL VARIABLES**

| <b>Case Processing Summary</b> |                       |     |       |
|--------------------------------|-----------------------|-----|-------|
|                                |                       | N   | %     |
| Cases                          | Valid                 | 243 | 100.0 |
|                                | Excluded <sup>a</sup> | 0   | .0    |
|                                | Total                 | 243 | 100.0 |

- a. Listwise deletion based on all variables in the procedure.

| <b>Reliability Statistics</b> |            |
|-------------------------------|------------|
| Cronbach's Alpha              | N of Items |
| .690                          | 10         |

| <b>Item-Total Statistics</b>         |                            |                                |                                  |                                  |
|--------------------------------------|----------------------------|--------------------------------|----------------------------------|----------------------------------|
|                                      | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
| Take situation as an opportunity     | 30.2922                    | 21.092                         | .368                             | .665                             |
| Try to solve problems                | 30.6955                    | 21.386                         | .329                             | .671                             |
| Direct to other work                 | 30.8272                    | 23.714                         | .015                             | .719                             |
| Cool down myself                     | 30.4321                    | 18.660                         | .705                             | .607                             |
| Seek company of friends and family   | 30.9671                    | 18.272                         | .592                             | .617                             |
| Get irritated and react aggressively | 31.5144                    | 21.805                         | .153                             | .707                             |
| Leave work and go home               | 32.1111                    | 23.174                         | -.002                            | .743                             |
| Take immediate actions               | 31.1687                    | 19.885                         | .579                             | .633                             |
| Accept the situation                 | 30.8354                    | 18.229                         | .564                             | .622                             |
| Dont care, high migration value      | 31.6379                    | 19.893                         | .441                             | .650                             |

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**Descriptives Statistics**

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|                    | N   | Minimum | Maximum | Mean   | Std. Deviation |
|--------------------|-----|---------|---------|--------|----------------|
| Good Communication | 243 | 1.00    | 5.00    | 3.6173 | 1.05511        |
| Equity             | 243 | 1.00    | 5.00    | 3.5350 | 1.05715        |
| Perf.Eva Fair      | 243 | 1.00    | 5.00    | 3.4691 | 1.16157        |
| Pressure           | 243 | 1.00    | 5.00    | 3.6008 | 1.11763        |
| Valid N (listwise) | 243 |         |         |        |                |

|                    | N   | Minimum | Maximum | Mean   | Std. Deviation |
|--------------------|-----|---------|---------|--------|----------------|
| Salary             | 243 | 1.00    | 5.00    | 3.6502 | 1.10832        |
| Incentives         | 243 | 1.00    | 5.00    | 3.5144 | 1.13309        |
| Plans and Pay      | 243 | 1.00    | 5.00    | 3.5926 | 1.12571        |
| Valid N (listwise) | 243 |         |         |        |                |

|                      | N   | Minimum | Maximum | Mean   | Std. Deviation |
|----------------------|-----|---------|---------|--------|----------------|
| Training             | 243 | 1.00    | 5.00    | 3.6214 | 1.13029        |
| Promotion            | 243 | 1.00    | 5.00    | 3.5103 | 1.09606        |
| Skills and Abilities | 243 | 1.00    | 5.00    | 3.6749 | 1.10468        |
| Progress             | 243 | 1.00    | 5.00    | 3.4938 | 1.26743        |
| Professional Dev.    | 243 | 1.00    | 5.00    | 3.4362 | 1.16378        |
| Valid N (listwise)   | 243 |         |         |        |                |

|                     | N   | Minimum | Maximum | Mean   | Std. Deviation |
|---------------------|-----|---------|---------|--------|----------------|
| Team work           | 243 | 1.00    | 5.00    | 3.5638 | 1.06748        |
| Balance             | 243 | 1.00    | 5.00    | 3.5021 | 1.16198        |
| Stress              | 243 | 1.00    | 5.00    | 3.4403 | 1.20927        |
| Mission             | 243 | 1.00    | 5.00    | 3.4733 | 1.08821        |
| Caring              | 243 | 1.00    | 5.00    | 3.4774 | 1.19680        |
| Treats with respect | 243 | 1.00    | 5.00    | 3.5144 | 1.09977        |
| Valid N (listwise)  | 243 |         |         |        |                |

|                    |     |      |      |        |         |
|--------------------|-----|------|------|--------|---------|
| Continue Career    | 243 | 1.00 | 5.00 | 3.5556 | 1.23983 |
| Recommend          | 243 | 1.00 | 5.00 | 3.5802 | 1.15205 |
| Better ways        | 243 | 1.00 | 5.00 | 3.4239 | 1.25201 |
| Proud              | 243 | 1.00 | 5.00 | 3.2716 | 1.15364 |
| Enjoy              | 243 | 1.00 | 5.00 | 3.2922 | 1.18923 |
| Commt. Attached    | 243 | 1.00 | 5.00 | 3.2798 | 1.21453 |
| Valid N (listwise) | 243 |      |      |        |         |

### Crosstabs

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### Cross tabulation Age: Case Processing Summary

|                       | Cases |         |         |         |       |         |
|-----------------------|-------|---------|---------|---------|-------|---------|
|                       | Valid |         | Missing |         | Total |         |
|                       | N     | Percent | N       | Percent | N     | Percent |
| Age * Continue Career | 243   | 100.0%  | 0       | 0.0%    | 243   | 100.0%  |
| Age * Recommend       | 243   | 100.0%  | 0       | 0.0%    | 243   | 100.0%  |
| Age * Proud           | 243   | 100.0%  | 0       | 0.0%    | 243   | 100.0%  |
| Age * Commt. Attached | 243   | 100.0%  | 0       | 0.0%    | 243   | 100.0%  |

|       |           | Continue Career   |          |           |       |                | Total |
|-------|-----------|-------------------|----------|-----------|-------|----------------|-------|
|       |           | Strongly Disagree | Disagree | Uncertain | Agree | Strongly Agree |       |
| Age   | 20-30 yrs | 5                 | 7        | 4         | 26    | 11             | 53    |
|       | 31-40 yrs | 2                 | 8        | 12        | 28    | 10             | 60    |
|       | 41-50 yrs | 11                | 7        | 10        | 19    | 21             | 68    |
|       | above 50  | 5                 | 10       | 4         | 30    | 13             | 62    |
| Total |           | 23                | 32       | 30        | 103   | 55             | 243   |

|       |           | Recommend         |          |           |       |                | Total |
|-------|-----------|-------------------|----------|-----------|-------|----------------|-------|
|       |           | Strongly Disagree | Disagree | Uncertain | Agree | Strongly Agree |       |
| Age   | 20-30 yrs | 4                 | 9        | 9         | 24    | 7              | 53    |
|       | 31-40 yrs | 6                 | 9        | 7         | 19    | 19             | 60    |
|       | 41-50 yrs | 3                 | 12       | 6         | 39    | 8              | 68    |
|       | above 50  | 3                 | 5        | 10        | 30    | 14             | 62    |
| Total |           | 16                | 35       | 32        | 112   | 48             | 243   |

|       |           | Proud             |          |           |       |                | Total |
|-------|-----------|-------------------|----------|-----------|-------|----------------|-------|
|       |           | Strongly Disagree | Disagree | Uncertain | Agree | Strongly Agree |       |
| Age   | 20-30 yrs | 3                 | 10       | 16        | 18    | 6              | 53    |
|       | 31-40 yrs | 7                 | 6        | 13        | 28    | 6              | 60    |
|       | 41-50 yrs | 2                 | 18       | 15        | 21    | 12             | 68    |
|       | above 50  | 9                 | 10       | 12        | 25    | 6              | 62    |
| Total |           | 21                | 44       | 56        | 92    | 30             | 243   |

|       |           | Commt. Attached   |          |           |       |                | Total |
|-------|-----------|-------------------|----------|-----------|-------|----------------|-------|
|       |           | Strongly Disagree | Disagree | Uncertain | Agree | Strongly Agree |       |
| Age   | 20-30 yrs | 4                 | 9        | 12        | 21    | 7              | 53    |
|       | 31-40 yrs | 9                 | 5        | 15        | 24    | 7              | 60    |
|       | 41-50 yrs | 7                 | 11       | 16        | 23    | 11             | 68    |
|       | above 50  | 10                | 7        | 10        | 28    | 7              | 62    |
| Total |           | 30                | 32       | 53        | 96    | 32             | 243   |

|       |           | Enjoy             |          |           |       |                | Total |
|-------|-----------|-------------------|----------|-----------|-------|----------------|-------|
|       |           | Strongly Disagree | Disagree | Uncertain | Agree | Strongly Agree |       |
| Age   | 20-30 yrs | 6                 | 12       | 7         | 20    | 8              | 53    |
|       | 31-40 yrs | 4                 | 6        | 19        | 27    | 4              | 60    |
|       | 41-50 yrs | 11                | 13       | 12        | 20    | 12             | 68    |
|       | above 50  | 5                 | 6        | 13        | 31    | 7              | 62    |
| Total |           | 26                | 37       | 51        | 98    | 31             | 243   |

|       |           | Better ways       |          |           |       |                | Total |
|-------|-----------|-------------------|----------|-----------|-------|----------------|-------|
|       |           | Strongly Disagree | Disagree | Uncertain | Agree | Strongly Agree |       |
| Age   | 20-30 yrs | 5                 | 10       | 7         | 18    | 13             | 53    |
|       | 31-40 yrs | 7                 | 8        | 13        | 20    | 12             | 60    |
|       | 41-50 yrs | 4                 | 8        | 8         | 35    | 13             | 68    |
|       | above 50  | 11                | 8        | 8         | 28    | 7              | 62    |
| Total |           | 27                | 34       | 36        | 101   | 45             | 243   |



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**Cross tabulation Gender: Case Processing Summary**

|                          | Cases |         |         |         |       |         |
|--------------------------|-------|---------|---------|---------|-------|---------|
|                          | Valid |         | Missing |         | Total |         |
|                          | N     | Percent | N       | Percent | N     | Percent |
| Gender * Continue Career | 243   | 100.0%  | 0       | 0.0%    | 243   | 100.0%  |
| Gender * Recommend       | 243   | 100.0%  | 0       | 0.0%    | 243   | 100.0%  |
| Gender * Better ways     | 243   | 100.0%  | 0       | 0.0%    | 243   | 100.0%  |
| Gender * Proud           | 243   | 100.0%  | 0       | 0.0%    | 243   | 100.0%  |
| Gender * Enjoy           | 243   | 100.0%  | 0       | 0.0%    | 243   | 100.0%  |
| Gender * Commt. Attached | 243   | 100.0%  | 0       | 0.0%    | 243   | 100.0%  |

|        |        | Continue Career   |          |           |       |                | Total |
|--------|--------|-------------------|----------|-----------|-------|----------------|-------|
|        |        | Strongly Disagree | Disagree | Uncertain | Agree | Strongly Agree |       |
| Gender | Male   | 12                | 15       | 17        | 53    | 28             | 125   |
|        | Female | 11                | 17       | 13        | 50    | 27             | 118   |
| Total  |        | 23                | 32       | 30        | 103   | 55             | 243   |

|        |        | Recommend         |          |           |       |                | Total |
|--------|--------|-------------------|----------|-----------|-------|----------------|-------|
|        |        | Strongly Disagree | Disagree | Uncertain | Agree | Strongly Agree |       |
| Gender | Male   | 7                 | 20       | 14        | 62    | 22             | 125   |
|        | Female | 9                 | 15       | 18        | 50    | 26             | 118   |
| Total  |        | 16                | 35       | 32        | 112   | 48             | 243   |

|        |        | Better ways       |          |           |       |                | Total |
|--------|--------|-------------------|----------|-----------|-------|----------------|-------|
|        |        | Strongly Disagree | Disagree | Uncertain | Agree | Strongly Agree |       |
| Gender | Male   | 13                | 19       | 20        | 50    | 23             | 125   |
|        | Female | 14                | 15       | 16        | 51    | 22             | 118   |
| Total  |        | 27                | 34       | 36        | 101   | 45             | 243   |

|        |        | Proud             |          |           |       |                | Total |
|--------|--------|-------------------|----------|-----------|-------|----------------|-------|
|        |        | Strongly Disagree | Disagree | Uncertain | Agree | Strongly Agree |       |
| Gender | Male   | 10                | 21       | 29        | 48    | 17             | 125   |
|        | Female | 11                | 23       | 27        | 44    | 13             | 118   |
| Total  |        | 21                | 44       | 56        | 92    | 30             | 243   |

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|        |        | Enjoy             |          |           |       |                | Total |
|--------|--------|-------------------|----------|-----------|-------|----------------|-------|
|        |        | Strongly Disagree | Disagree | Uncertain | Agree | Strongly Agree |       |
| Gender | Male   | 14                | 21       | 21        | 51    | 18             | 125   |
|        | Female | 12                | 16       | 30        | 47    | 13             | 118   |
| Total  |        | 26                | 37       | 51        | 98    | 31             | 243   |

|        |        | Commt. Attached   |          |           |       |                | Total |
|--------|--------|-------------------|----------|-----------|-------|----------------|-------|
|        |        | Strongly Disagree | Disagree | Uncertain | Agree | Strongly Agree |       |
| Gender | Male   | 17                | 16       | 26        | 51    | 15             | 125   |
|        | Female | 13                | 16       | 27        | 45    | 17             | 118   |
| Total  |        | 30                | 32       | 53        | 96    | 32             | 243   |

### Cross tabulation Marital Status: Case Processing Summary

|                                  | Cases |         |         |         |       |         |
|----------------------------------|-------|---------|---------|---------|-------|---------|
|                                  | Valid |         | Missing |         | Total |         |
|                                  | N     | Percent | N       | Percent | N     | Percent |
| Marital Status * Continue Career | 243   | 100.0%  | 0       | 0.0%    | 243   | 100.0%  |
| Marital Status * Recommend       | 243   | 100.0%  | 0       | 0.0%    | 243   | 100.0%  |
| Marital Status * Better ways     | 243   | 100.0%  | 0       | 0.0%    | 243   | 100.0%  |
| Marital Status * Proud           | 243   | 100.0%  | 0       | 0.0%    | 243   | 100.0%  |
| Marital Status * Enjoy           | 243   | 100.0%  | 0       | 0.0%    | 243   | 100.0%  |
| Marital Status * Commt. Attached | 243   | 100.0%  | 0       | 0.0%    | 243   | 100.0%  |

|                |         | Continue Career   |          |           |       |                | Total |
|----------------|---------|-------------------|----------|-----------|-------|----------------|-------|
|                |         | Strongly Disagree | Disagree | Uncertain | Agree | Strongly Agree |       |
| Marital Status | Single  | 5                 | 12       | 7         | 35    | 9              | 68    |
|                | Married | 18                | 20       | 23        | 68    | 46             | 175   |
| Total          |         | 23                | 32       | 30        | 103   | 55             | 243   |

|                |         | Recommend         |          |           |       |                | Total |
|----------------|---------|-------------------|----------|-----------|-------|----------------|-------|
|                |         | Strongly Disagree | Disagree | Uncertain | Agree | Strongly Agree |       |
| Marital Status | Single  | 7                 | 9        | 10        | 28    | 14             | 68    |
|                | Married | 9                 | 26       | 22        | 84    | 34             | 175   |
| Total          |         | 16                | 35       | 32        | 112   | 48             | 243   |

|                |         | Better ways       |          |           |       |                | Total |
|----------------|---------|-------------------|----------|-----------|-------|----------------|-------|
|                |         | Strongly Disagree | Disagree | Uncertain | Agree | Strongly Agree |       |
| Marital Status | Single  | 6                 | 15       | 8         | 23    | 16             | 68    |
|                | Married | 21                | 19       | 28        | 78    | 29             | 175   |
| Total          |         | 27                | 34       | 36        | 101   | 45             | 243   |

|                |         | Proud             |          |           |       |                | Total |
|----------------|---------|-------------------|----------|-----------|-------|----------------|-------|
|                |         | Strongly Disagree | Disagree | Uncertain | Agree | Strongly Agree |       |
| Marital Status | Single  | 4                 | 12       | 18        | 29    | 5              | 68    |
|                | Married | 17                | 32       | 38        | 63    | 25             | 175   |
| Total          |         | 21                | 44       | 56        | 92    | 30             | 243   |

|                |         | Enjoy             |          |           |       |                | Total |
|----------------|---------|-------------------|----------|-----------|-------|----------------|-------|
|                |         | Strongly Disagree | Disagree | Uncertain | Agree | Strongly Agree |       |
| Marital Status | Single  | 6                 | 11       | 16        | 30    | 5              | 68    |
|                | Married | 20                | 26       | 35        | 68    | 26             | 175   |
| Total          |         | 26                | 37       | 51        | 98    | 31             | 243   |

|                |         | Commt. Attached   |          |           |       |                | Total |
|----------------|---------|-------------------|----------|-----------|-------|----------------|-------|
|                |         | Strongly Disagree | Disagree | Uncertain | Agree | Strongly Agree |       |
| Marital Status | Single  | 9                 | 9        | 16        | 28    | 6              | 68    |
|                | Married | 21                | 23       | 37        | 68    | 26             | 175   |
| Total          |         | 30                | 32       | 53        | 96    | 32             | 243   |

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**Cross tabulation Formal Position: Case Processing Summary**

|                                   | Cases |         |         |         |       |         |
|-----------------------------------|-------|---------|---------|---------|-------|---------|
|                                   | Valid |         | Missing |         | Total |         |
|                                   | N     | Percent | N       | Percent | N     | Percent |
| Formal Position * Continue Career | 243   | 100.0%  | 0       | 0.0%    | 243   | 100.0%  |
| Formal Position * Recommend       | 243   | 100.0%  | 0       | 0.0%    | 243   | 100.0%  |
| Formal Position * Better ways     | 243   | 100.0%  | 0       | 0.0%    | 243   | 100.0%  |
| Formal Position * Proud           | 243   | 100.0%  | 0       | 0.0%    | 243   | 100.0%  |
| Formal Position * Enjoy           | 243   | 100.0%  | 0       | 0.0%    | 243   | 100.0%  |
| Formal Position * Commt. Attached | 243   | 100.0%  | 0       | 0.0%    | 243   | 100.0%  |

|                 |                     | Continue Career   |          |           |       |                | Total |
|-----------------|---------------------|-------------------|----------|-----------|-------|----------------|-------|
|                 |                     | Strongly Disagree | Disagree | Uncertain | Agree | Strongly Agree |       |
| Formal Position | Assistants/Officers | 3                 | 8        | 13        | 34    | 19             | 77    |
|                 | Assistant Managers  | 7                 | 7        | 5         | 35    | 9              | 63    |
|                 | Managers            | 8                 | 10       | 6         | 13    | 16             | 53    |
|                 | Upper Management    | 5                 | 7        | 6         | 21    | 11             | 50    |
| Total           |                     | 23                | 32       | 30        | 103   | 55             | 243   |

|                 |                     | Recommend         |          |           |       |                | Total |
|-----------------|---------------------|-------------------|----------|-----------|-------|----------------|-------|
|                 |                     | Strongly Disagree | Disagree | Uncertain | Agree | Strongly Agree |       |
| Formal Position | Assistants/Officers | 7                 | 14       | 10        | 32    | 14             | 77    |
|                 | Assistant Managers  | 3                 | 4        | 11        | 31    | 14             | 63    |
|                 | Managers            | 1                 | 10       | 6         | 26    | 10             | 53    |
|                 | Upper Management    | 5                 | 7        | 5         | 23    | 10             | 50    |
| Total           |                     | 16                | 35       | 32        | 112   | 48             | 243   |

|                 |                     | Better ways       |          |           |       |                | Total |
|-----------------|---------------------|-------------------|----------|-----------|-------|----------------|-------|
|                 |                     | Strongly Disagree | Disagree | Uncertain | Agree | Strongly Agree |       |
| Formal Position | Assistants/Officers | 13                | 7        | 13        | 27    | 17             | 77    |
|                 | Assistant Managers  | 2                 | 15       | 11        | 23    | 12             | 63    |
|                 | Managers            | 4                 | 9        | 4         | 24    | 12             | 53    |
|                 | Upper Management    | 8                 | 3        | 8         | 27    | 4              | 50    |
| Total           |                     | 27                | 34       | 36        | 101   | 45             | 243   |

|                 |                     | Proud             |          |           |       |                | Total |
|-----------------|---------------------|-------------------|----------|-----------|-------|----------------|-------|
|                 |                     | Strongly Disagree | Disagree | Uncertain | Agree | Strongly Agree |       |
| Formal Position | Assistants/Officers | 9                 | 8        | 22        | 26    | 12             | 77    |
|                 | Assistant Managers  | 2                 | 13       | 12        | 32    | 4              | 63    |
|                 | Managers            | 4                 | 16       | 11        | 12    | 10             | 53    |
|                 | Upper Management    | 6                 | 7        | 11        | 22    | 4              | 50    |
| Total           |                     | 21                | 44       | 56        | 92    | 30             | 243   |

|                 |                     | Enjoy             |          |           |       |                | Total |
|-----------------|---------------------|-------------------|----------|-----------|-------|----------------|-------|
|                 |                     | Strongly Disagree | Disagree | Uncertain | Agree | Strongly Agree |       |
| Formal Position | Assistants/Officers | 8                 | 12       | 9         | 41    | 7              | 77    |
|                 | Assistant Managers  | 5                 | 7        | 20        | 21    | 10             | 63    |
|                 | Managers            | 9                 | 12       | 15        | 13    | 4              | 53    |
|                 | Upper Management    | 4                 | 6        | 7         | 23    | 10             | 50    |
| Total           |                     | 26                | 37       | 51        | 98    | 31             | 243   |

|                 |                     | Commt. Attached   |          |           |       |                | Total |
|-----------------|---------------------|-------------------|----------|-----------|-------|----------------|-------|
|                 |                     | Strongly Disagree | Disagree | Uncertain | Agree | Strongly Agree |       |
| Formal Position | Assistants/Officers | 13                | 6        | 23        | 23    | 12             | 77    |
|                 | Assistant Managers  | 3                 | 10       | 9         | 36    | 5              | 63    |
|                 | Managers            | 8                 | 11       | 10        | 14    | 10             | 53    |
|                 | Upper Management    | 6                 | 5        | 11        | 23    | 5              | 50    |
| Total           |                     | 30                | 32       | 53        | 96    | 32             | 243   |

### Cross tabulation Educational Qualification: Case Processing Summary

|   | Cases |         |         |         |       |         |
|---|-------|---------|---------|---------|-------|---------|
|   | Valid |         | Missing |         | Total |         |
|   | N     | Percent | N       | Percent | N     | Percent |
| Educational Qualification * Continue Career | 243   | 100.0%  | 0       | 0.0%    | 243   | 100.0%  |
| Educational Qualification * Recommend       | 243   | 100.0%  | 0       | 0.0%    | 243   | 100.0%  |
| Educational Qualification * Better ways     | 243   | 100.0%  | 0       | 0.0%    | 243   | 100.0%  |

|   |     |        |   |      |     |        |
|---|-----|--------|---|------|-----|--------|
| Educational Qualification * Proud           | 243 | 100.0% | 0 | 0.0% | 243 | 100.0% |
| Educational Qualification * Enjoy           | 243 | 100.0% | 0 | 0.0% | 243 | 100.0% |
| Educational Qualification * Commt. Attached | 243 | 100.0% | 0 | 0.0% | 243 | 100.0% |

|                           |         | Continue Career   |          |           |       |                | Total |
|---------------------------|---------|-------------------|----------|-----------|-------|----------------|-------|
|                           |         | Strongly Disagree | Disagree | Uncertain | Agree | Strongly Agree |       |
| Educational Qualification | Diploma | 1                 | 0        | 3         | 3     | 1              | 8     |
|                           | Degree  | 13                | 13       | 12        | 56    | 24             | 118   |
|                           | Masters | 9                 | 19       | 15        | 44    | 30             | 117   |
| Total                     |         | 23                | 32       | 30        | 103   | 55             | 243   |

|                           |         | Recommend         |          |           |       |                | Total |
|---------------------------|---------|-------------------|----------|-----------|-------|----------------|-------|
|                           |         | Strongly Disagree | Disagree | Uncertain | Agree | Strongly Agree |       |
| Educational Qualification | Diploma | 1                 | 1        | 2         | 3     | 1              | 8     |
|                           | Degree  | 9                 | 15       | 19        | 53    | 22             | 118   |
|                           | Masters | 6                 | 19       | 11        | 56    | 25             | 117   |
| Total                     |         | 16                | 35       | 32        | 112   | 48             | 243   |

|                           |         | Better ways       |          |           |       |                | Total |
|---------------------------|---------|-------------------|----------|-----------|-------|----------------|-------|
|                           |         | Strongly Disagree | Disagree | Uncertain | Agree | Strongly Agree |       |
| Educational Qualification | Diploma | 0                 | 1        | 0         | 5     | 2              | 8     |
|                           | Degree  | 12                | 19       | 19        | 50    | 18             | 118   |
|                           | Masters | 15                | 14       | 17        | 46    | 25             | 117   |
| Total                     |         | 27                | 34       | 36        | 101   | 45             | 243   |

|                           |         | Proud             |          |           |       |                | Total |
|---------------------------|---------|-------------------|----------|-----------|-------|----------------|-------|
|                           |         | Strongly Disagree | Disagree | Uncertain | Agree | Strongly Agree |       |
| Educational Qualification | Diploma | 1                 | 2        | 1         | 2     | 2              | 8     |
|                           | Degree  | 10                | 23       | 26        | 47    | 12             | 118   |
|                           | Masters | 10                | 19       | 29        | 43    | 16             | 117   |
| Total                     |         | 21                | 44       | 56        | 92    | 30             | 243   |

|                           |         | Enjoy             |          |           |       |                | Total |
|---------------------------|---------|-------------------|----------|-----------|-------|----------------|-------|
|                           |         | Strongly Disagree | Disagree | Uncertain | Agree | Strongly Agree |       |
| Educational Qualification | Diploma | 0                 | 1        | 0         | 7     | 0              | 8     |
|                           | Degree  | 10                | 15       | 32        | 44    | 17             | 118   |
|                           | Masters | 16                | 21       | 19        | 47    | 14             | 117   |
| Total                     |         | 26                | 37       | 51        | 98    | 31             | 243   |

|                           |         | Commt. Attached   |          |           |       |                | Total |
|---------------------------|---------|-------------------|----------|-----------|-------|----------------|-------|
|                           |         | Strongly Disagree | Disagree | Uncertain | Agree | Strongly Agree |       |
| Educational Qualification | Diploma | 2                 | 1        | 5         | 0     | 0              | 8     |
|                           | Degree  | 11                | 16       | 21        | 58    | 12             | 118   |
|                           | Masters | 17                | 15       | 27        | 38    | 20             | 117   |
| Total                     |         | 30                | 32       | 53        | 96    | 32             | 243   |

### Cross tabulation Length of Service: Case Processing Summary

|                                     | Cases |         |         |         |       |         |
|-------------------------------------|-------|---------|---------|---------|-------|---------|
|                                     | Valid |         | Missing |         | Total |         |
|                                     | N     | Percent | N       | Percent | N     | Percent |
| Length of Service * Continue Career | 243   | 100.0%  | 0       | 0.0%    | 243   | 100.0%  |
| Length of Service * Recommend       | 243   | 100.0%  | 0       | 0.0%    | 243   | 100.0%  |
| Length of Service * Better ways     | 243   | 100.0%  | 0       | 0.0%    | 243   | 100.0%  |
| Length of Service * Proud           | 243   | 100.0%  | 0       | 0.0%    | 243   | 100.0%  |
| Length of Service * Enjoy           | 243   | 100.0%  | 0       | 0.0%    | 243   | 100.0%  |
| Length of Service * Commt. Attached | 243   | 100.0%  | 0       | 0.0%    | 243   | 100.0%  |

|                   |                  | Continue Career   |          |           |       |                | Total |
|-------------------|------------------|-------------------|----------|-----------|-------|----------------|-------|
|                   |                  | Strongly Disagree | Disagree | Uncertain | Agree | Strongly Agree |       |
| Length of Service | Below 2 yrs      | 2                 | 6        | 3         | 18    | 8              | 37    |
|                   | 3 to 5 yrs       | 4                 | 6        | 8         | 26    | 6              | 50    |
|                   | 6 to 10 yrs      | 1                 | 3        | 5         | 10    | 7              | 26    |
|                   | More than 10 yrs | 16                | 17       | 14        | 49    | 34             | 130   |
| Total             |                  | 23                | 32       | 30        | 103   | 55             | 243   |

|                   |                  | Recommend         |          |           |       |                | Total |
|-------------------|------------------|-------------------|----------|-----------|-------|----------------|-------|
|                   |                  | Strongly Disagree | Disagree | Uncertain | Agree | Strongly Agree |       |
| Length of Service | Below 2 yrs      | 3                 | 6        | 8         | 15    | 5              | 37    |
|                   | 3 to 5 yrs       | 4                 | 9        | 6         | 17    | 14             | 50    |
|                   | 6 to 10 yrs      | 3                 | 3        | 2         | 11    | 7              | 26    |
|                   | More than 10 yrs | 6                 | 17       | 16        | 69    | 22             | 130   |
| Total             |                  | 16                | 35       | 32        | 112   | 48             | 243   |

|                   |                  | Better ways       |          |           |       |                | Total |
|-------------------|------------------|-------------------|----------|-----------|-------|----------------|-------|
|                   |                  | Strongly Disagree | Disagree | Uncertain | Agree | Strongly Agree |       |
| Length of Service | Below 2 yrs      | 4                 | 6        | 5         | 15    | 7              | 37    |
|                   | 3 to 5 yrs       | 2                 | 8        | 11        | 15    | 14             | 50    |
|                   | 6 to 10 yrs      | 6                 | 4        | 4         | 8     | 4              | 26    |
|                   | More than 10 yrs | 15                | 16       | 16        | 63    | 20             | 130   |
| Total             |                  | 27                | 34       | 36        | 101   | 45             | 243   |

|                   |                  | Proud             |          |           |       |                | Total |
|-------------------|------------------|-------------------|----------|-----------|-------|----------------|-------|
|                   |                  | Strongly Disagree | Disagree | Uncertain | Agree | Strongly Agree |       |
| Length of Service | Below 2 yrs      | 3                 | 6        | 9         | 15    | 4              | 37    |
|                   | 3 to 5 yrs       | 3                 | 7        | 16        | 18    | 6              | 50    |
|                   | 6 to 10 yrs      | 4                 | 3        | 4         | 13    | 2              | 26    |
|                   | More than 10 yrs | 11                | 28       | 27        | 46    | 18             | 130   |
| Total             |                  | 21                | 44       | 56        | 92    | 30             | 243   |

|                   |                  | Enjoy             |          |           |       |                | Total |
|-------------------|------------------|-------------------|----------|-----------|-------|----------------|-------|
|                   |                  | Strongly Disagree | Disagree | Uncertain | Agree | Strongly Agree |       |
| Length of Service | Below 2 yrs      | 3                 | 6        | 6         | 16    | 6              | 37    |
|                   | 3 to 5 yrs       | 3                 | 9        | 12        | 21    | 5              | 50    |
|                   | 6 to 10 yrs      | 4                 | 3        | 8         | 10    | 1              | 26    |
|                   | More than 10 yrs | 16                | 19       | 25        | 51    | 19             | 130   |
| Total             |                  | 26                | 37       | 51        | 98    | 31             | 243   |



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|                   |                  | Commt. Attached   |          |           |       |                | Total |
|-------------------|------------------|-------------------|----------|-----------|-------|----------------|-------|
|                   |                  | Strongly Disagree | Disagree | Uncertain | Agree | Strongly Agree |       |
| Length of Service | Below 2 yrs      | 3                 | 6        | 11        | 12    | 5              | 37    |
|                   | 3 to 5 yrs       | 8                 | 6        | 10        | 22    | 4              | 50    |
|                   | 6 to 10 yrs      | 2                 | 2        | 6         | 11    | 5              | 26    |
|                   | More than 10 yrs | 17                | 18       | 26        | 51    | 18             | 130   |
| Total             |                  | 30                | 32       | 53        | 96    | 32             | 243   |

## **ANNEXURE 4**

### **Articles Published**

1. “Merger and Acquisition: A Strategic Move towards Change and HR Challenges” (Professional Panorama: An International Journal of Applied Management and Technology, July-Dec 2014).
2. “The Elements of Technology and the Alchemy of Human Resource Evolution” (ASM’s International E-Journal on Ongoing Research in Management and IT, January 2015).
3. “The Repercussions of Organizational Change and the Eminence of Employee Engagement” (Commonwealth Journal of Commerce and Management Research, July 2015).
4. “A Study on Post Merger Effect on Employee Engagement in Select Banks in India: A Causality Analysis” (Journal of Business Management and Information Systems- QTanalytics, July-Dec 2015).

## **ANNEXURE 5**

### **Conferences and Workshop**

1. International Conference on Ongoing Research in Management & IT, organised by ASM group of Institutes, Pune (10 & 11<sup>th</sup> January 2015).

#### **Articles Presented:**

- The Elements of Technology and the Alchemy of Human Resource Evolution”
  - The Repercussions of Organizational Change and the Eminence of Employee Engagement
2. UGC Sponsored National Conference Organised by Department of Management Studies Jai Narain Vyas University, Jodhpur. THEME: Emerging Trends & Challenges in Management (Date: 27th & 28th February 2015)

#### **Article Presented:**

- The New HR Landscape: Tech Tools to Win the War for Talent

3. **Workshop:**

FDP on ‘Research Methodology and Data Analysis Using SPSS’, at Dayal Singh College (University of Delhi), 16-23rd November 2015.