

ORGANIZATIONAL CHANGE AND JOB SATISFACTION AFTER MERGER AND ACQUISITION IN NEPALESE BANKING SECTOR

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CERTIFICATION OF AUTHORSHIP

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled “**Organizational Change and Job Satisfaction After Merger and Acquisition in Nepalese Banking Sector**”. The work of this dissertation has not been submitted previously for the purpose of conferral of any degrees nor it has been proposed and presented as part of requirements for any other academic purposes. The assistance and cooperation that I have received during this research work has been acknowledged. In addition, I declare that all information sources and literature used are cited in the reference section of this dissertation.

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REPORT OF RESEARCH COMMITTEE

Ms. Anjana Adhikari has defended research proposal entitled “**Organizational Change and Job Satisfaction After Merger and Acquisition in Nepalese Banking Sector**” successfully. The research committee has registered the dissertation for further progress. It is recommended to carry out the work as per suggestions and guidance of supervisor Bimala Manandhar Submit the dissertation for evaluation and viva-voce examination.

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APPROVAL SHEET

We, the undersigned, have examined the dissertation entitled “**Organizational Change and Job Satisfaction After Merger and Acquisition In Nepalese Banking Sector**” presented by Anjana Adhikari a candidate for the degree of Master of Business Studies (MBS Semester) and conducted the viva voce examination of the candidate. We hereby certify that the dissertation is worthy of acceptance.

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ABBREVIATIONS

ANOVA	:	Analysis of Variance
BFI	:	Banking and Financial Institutions
EM	:	Employee Motivation
ESM	:	Employee Satisfaction with Merger
i.e	:	That is
M&A	:	Merger and Acquisition
N	:	Nature of Work
O	:	Organizational Climate
OC	:	Organizational Change
PLS	:	Partial Least Squares
PMI	:	Post-Merger Integration
PR	:	Pay/Remuneration
R	:	Recognition
SD	:	Standard Deviation
SEM	:	Structural Equation Modeling
SPSS	:	Statistical Package for Social Sciences
VIF	:	Variance Inflation Factor

ABSTRACT

This study examines the impact of mergers and acquisitions (M&As) on job satisfaction within Nepalese banks, focusing on how organizational changes influence employee satisfaction. Using a descriptive and analytical research design, data was collected from 384 banking staff across six banks involved in recent M&As through surveys and interviews. Employee Motivation, Recognition, and Pay/Remuneration significantly enhance job satisfaction, while Organizational Climate negatively affects it. Organizational Change also plays a crucial role in satisfaction, highlighting the importance of effective management during M&As. The regression analysis reveals that factors such as pay and motivation are the strongest predictors of satisfaction, with the model explaining 91% of the variance. The study concludes that successful management of change, competitive pay, and employee recognition are essential for maintaining satisfaction post-merger, providing valuable insights for banks navigating M&As.

Key words: Organizational Changes, Employee Satisfaction, Merger and Acquisition, Commercial Banks

CHAPTER-I

INTRODUCTION

1.1 Background of the Study

Mergers and acquisitions are periodical global phenomena and regarded beneficial techniques for business growth in the corporate sector (Rehman et al., 2017). Each corporation adopts different method and instruments to increase its benefit and opt to survive in the rapidly increasing commercial sector (Malik et al., 2014). Mergers and acquisitions presently play a significant role in organizational development. For instance, 30,000 M&A exchanges occurred in the last few years (Tamosiuniene & Duksaite, 2009). Over the last three decades, the banking business in the United States has seen significant mergers and acquisitions.

As a result, the overall number of financial institutions (15,084) in 1984 had significantly decreased to 6, 500 in 2005, accounting for a 57 percent fall (Lambkin & Muzellec, 2008). M&As were not as prevalent in Asia in the early 1990s since these companies tended to prioritize internal progress (Rao-Nicholson et al., 2016; Shrestha et al., 2021). Currently, the sub-prime crisis and liquidity problems caused by the global financial crisis in 2008 led to mergers and acquisitions in the banking industry (Lambkin & Muzellec, 2008). There has been an unexpected growth of banks and financial institutions (BFIs) since Nepal's economic liberalization in 1980, which has led to fierce competition between them (Shrestha et al., 2021). Bank and financial institution mergers and acquisitions have increased since the merger bylaw was introduced in May 2011 and Nepal Rastra Bank upgraded its capital using a financial strategy in 2015. (Gautam, 2016). The banking industry in Nepal is now dealing with liquidity issues, the need for more capital in accordance with NRB regulations, and the open money market. Accordingly, in order to address this problem, Nepal Rastra Bank (NRB) has advised banking institutions to undergo mergers and acquisitions (Gurung, 2013; Shrestha et al., 2021).

In addition to the aforementioned concerns, human resource concerns are equally crucial in determining whether or not merger and acquisition is successful in the company (Soundarya et al., 2018). Millions employees' jobs have been impacted by the M&A waves that have transformed banking industries globally during the 1980s and 1990s (Iankova, 2014). Due to the M&A process, the majority of employees

suffer from diminished feelings, resentment, and decreased job satisfaction, which causes them to become distressed.

Following M&A, human resource concerns include employee relations, performance, turnover, compensation, and HR planning (Sambu et al., 2018).

Additionally, job procedures gradually deteriorate, administrative productivity declines, and employee happiness declines when mergers fail. Employees begin to believe that the top management is more concerned with finances than with their work, and HR problems such as organizing execution groups, creating new structures, retaining and influencing key personnel, switching executive roles, and communicating with stakeholders start to surface (Soundarya et al., 2018).

Even though prior research indicates that the merger and acquisition system enhances bank funds through cooperative energy, there are insufficient studies that focus on the executives segment and mergers and acquisitions venture planning, especially in the banking industry where discussions resulting from differences in the consolidated banks' developments and way of life have an impact on employee assurance and consequences (Appelbaum et al., 2007). Representatives' attention is diverted from gainful job to difficulties during the merger and procurement movement (Sambu et al., 2018). As a result, despite the NRB's approval of an M&A transaction structure, the reasons for banks' decision to pursue M&A have not been investigated.

There are several concerns that Nepalese banks look at or different open doors that the BFIs discover while converging with or acquiring other banks (Shrestha et al., 2021). Until today, these causes and opportunities had not been investigated. Without a reasonable grasp of how M&As affect workers' mental states, it is impossible to forecast or minimize the negative impacts of M&As on worker behavior. To evaluate how they affect representative psychology, there is currently insufficient information on the degree of job satisfaction among bank employees who have experienced M&A. (Shrestha et al., 2021).

The Nepalese banking sector has witnessed significant consolidation through mergers and acquisitions (M&A) in recent years. This trend has been primarily driven by regulatory mandates from the Nepal Rastra Bank (NRB), which aims to strengthen the financial stability of banks and reduce the number of smaller, weaker institutions in the market. The NRB's "Merger Bylaws 2011" were a critical turning point, providing

a framework for banks to merge and consolidate their operations to meet higher capital requirements and enhance their competitive edge in a rapidly changing financial landscape (Thapa, 2019).

Mergers and acquisitions in the banking sector are often pursued to achieve various strategic objectives, such as expanding market share, achieving economies of scale, and improving overall financial performance. In Nepal, these activities have resulted in the creation of fewer but stronger banking entities. For instance, by 2023, more than 200 M&A deals had been completed, significantly reducing the number of commercial banks and financial institutions (BFIs) operating in the country (Nepal Rastra Bank, 2023). However, while these strategic moves have generally been seen as beneficial for the financial sector's stability, they have also introduced significant organizational changes that can impact employee job satisfaction.

Organizational changes following M&A activities are often extensive and involve the integration of different corporate cultures, reorganization of departments, and changes in management and operational procedures. Such changes are necessary to realize the expected synergies from the merger, including cost reductions and enhanced market positioning. However, these changes can also lead to challenges, particularly in the context of cultural integration. In Nepal, where banks often have distinct corporate cultures shaped by their historical backgrounds and regional influences, the blending of cultures post-merger has frequently resulted in conflicts, misunderstandings, and resistance to change among employees (Sharma & Bajracharya, 2022).

The impact of these organizational changes on job satisfaction is a critical area of concern. Job satisfaction is influenced by several factors, including job security, work environment, leadership, and the clarity of roles. During and after mergers, employees often experience uncertainty regarding their job security, which can lead to anxiety and reduced morale. The fear of potential layoffs, changes in job roles, and the overall restructuring process can significantly impact employees' job satisfaction levels. For example, studies have shown that mergers in the Nepalese banking sector have led to increased job insecurity, contributing to a decline in job satisfaction among employees (Aryal, 2021).

Moreover, the integration of different corporate cultures can create an environment of confusion and conflict, further diminishing job satisfaction. Employees from merging

organizations may struggle to adapt to new management practices, leadership styles, or operational procedures, leading to dissatisfaction. In the Nepalese context, where personal relationships and long-standing workplace traditions often play a significant role, the disruption caused by mergers can be particularly challenging. This cultural discord can lead to a loss of employee morale, decreased productivity, and, in some cases, increased turnover rates (Upreti & Shrestha, 2020).

Additionally, leadership plays a crucial role in navigating the challenges of organizational change during mergers. Effective leadership can mitigate the negative impacts of these changes by ensuring transparent communication, addressing employee concerns, and fostering a sense of inclusion in the decision-making process. However, when leadership fails to manage the change process effectively, it can exacerbate feelings of uncertainty and dissatisfaction among employees. In many Nepalese banks, the leadership's approach to managing post-merger integration has been a determining factor in whether the merger leads to improved or diminished job satisfaction (Sharma & Bajracharya, 2022).

In conclusion, the wave of mergers and acquisitions in the Nepalese banking sector has brought about significant organizational changes that have profound implications for job satisfaction. While these changes are often necessary for achieving strategic business objectives, they can also lead to decreased job satisfaction if not managed properly. The challenge for Nepalese banks lies in effectively managing the integration process to minimize negative impacts on employees and ensure that the benefits of mergers are fully realized. Therefore, this study investigates other fulfillment sectors and job satisfaction among bank representatives who have experienced M&A.

Using Structural Equation Modeling methods, this study will examine M&As impact on employee satisfaction in Nepal's banking field. Since most other researchers found that over half of the challenges are related to people and HR management concerns as a result of cultural shock experiences, it would be helpful to understand the current condition of merger and acquisition in Nepalese banking sectors (Newman and Krzystofiak, 1993). The next part discusses mergers and acquisitions, employee satisfaction, and the Job Characteristics Theory, which serves as the theoretical basis for research. The study continues with a discussion on theory, a conceptual model,

methodology, a conclusion and an analysis. Finally, suggestions for practice and further analysis are discussed.

1.2 Problem Statement

The Nepalese banking sector has experienced a significant increase in mergers and acquisitions (M&A) over the past decade, largely driven by regulatory directives from the Nepal Rastra Bank (NRB). These consolidations are intended to create stronger financial institutions capable of withstanding economic challenges and contributing to national economic development. However, despite the potential financial and strategic benefits, these mergers have also introduced complex organizational changes that pose significant challenges for employees, particularly regarding job satisfaction (Thapa, 2019).

One of the primary concerns in the aftermath of these mergers is the impact on employee morale and job satisfaction. Mergers typically involve extensive restructuring, cultural integration, and shifts in management, which can create uncertainty and anxiety among employees. The fear of job loss, changes in job roles, and the disruption of established workplace norms can lead to decreased job satisfaction. Moreover, the integration of different corporate cultures often results in conflicts and resistance to change, further exacerbating employee dissatisfaction (Sharma & Bajracharya, 2022).

Given the critical role that job satisfaction plays in overall organizational performance, understanding how these mergers affect employees is essential. If not properly managed, the negative impact on job satisfaction can lead to increased employee turnover, reduced productivity, and ultimately, the failure to achieve the intended synergies of the merger. Despite the growing prevalence of M&A in the Nepalese banking sector, there is a lack of comprehensive research examining the specific factors that influence job satisfaction during these transitions. This study aims to address this gap by exploring the effects of organizational change on job satisfaction following mergers and acquisitions in the Nepalese banking sector, thereby contributing valuable insights for both academics and practitioners (Upreti & Shrestha, 2020).

Mergers and acquisitions have increased considerably during the previous decade, both domestically and globally. The banking industry is one of the service and

knowledge-based industries that has been most affected by mergers and acquisitions. Employees of banks have recently witnessed a high number of mergers and acquisitions, in which several financial organizations with different cultures combine to form a single organization.

The employees should work in a whole new atmosphere, which makes it tough to adjust. Fear of downsizing, role conflict, and uncertainty raise employee stress levels, resulting in discontent, a lack of interest and commitment, and poor performance. As a result, the purpose of this study is to improve knowledge about mergers and how they affect the workers' satisfaction. Therefore, analyzing the effect of mergers and acquisitions on employee satisfaction in Nepalese commercial banks can be considered the study's problem statement.

The study will provide answers to the following questions:

- i. How have mergers and acquisitions affected the organizational structure of Nepalese banks?
- ii. Is there any relationship between Employee Motivation, Recognition, Pay/Remuneration, Nature of work, Organizational Climate, Organizational Change and Employee Satisfaction with merger in Nepalese banking sectors.
- iii. What are the key factors influencing employee job satisfaction in Nepalese banks following mergers and acquisitions?

1.3 Objectives of the Study

The purposes of the study were similar with its research questions. Some of the objectives of the study are mentioned below:

- To access the status of how employee satisfaction in Nepal's banking industry is affected by merger and acquisition.
- To examine the relationship between Employee Motivation, Recognition, Pay/Remuneration, Nature of work, Organizational Climate, Organizational Change and Employee Satisfaction with merger in Nepalese banking sectors.
- To analyze the key factors contributing to job satisfaction or dissatisfaction post-merger.

1.4 Rationale of the Study

To understand the impact of mergers and acquisitions (M&As) on organizational change and job satisfaction in the Nepalese banking sector is crucial for several

reasons. First, the financial health and stability of banks are directly influenced by their ability to manage post-merger transitions effectively. M&As are intended to enhance operational efficiency, market share, and financial performance. However, if not managed properly, they can lead to significant employee dissatisfaction, which undermines the potential benefits of consolidation (Aryal, 2021). This study provides valuable insights into how organizational changes affect employee morale, thus helping banks to address issues proactively and optimize the outcomes of M&As.

The findings of this study are significant for bank management as they highlight the critical areas that require attention during and after mergers. Effective management of organizational change is essential for maintaining employee job satisfaction, which, in turn, influences productivity and organizational performance. By identifying key factors that impact job satisfaction, such as job security, changes in job roles, and cultural integration, this research offers actionable recommendations for improving employee morale and engagement (Sharma & Bajracharya, 2022). This is particularly relevant for Nepalese banks, where cultural and structural differences among merging entities can lead to unique challenges.

In order to improve employee performance and satisfaction throughout the process, it will be necessary to concentrate on the human aspects of mergers and acquisitions. The study aims to support investment advisors in guiding their firms on addressing employee satisfaction factors during mergers and acquisitions and determining the suitable merging approach. Management consultants, on the other hand, could gain valuable insights from the study's conclusions, enabling them to guide already-merged companies on structuring their management to improve employee satisfaction. Without this information, the merged company could underperform, making it crucial for its success. By providing insightful recommendations, the study will advance academic research as well as the corporate sector. It will enhance academic knowledge and be significant to research in management and planning, providing a foundation for future studies.

Furthermore, the study's insights into communication and leadership strategies during M&A's are crucial for developing best practices in managing organizational change. Effective communication and strong leadership are critical in reducing uncertainty and fostering a positive work environment. This research underscores the importance

of these elements in ensuring a smooth transition and sustaining employee satisfaction throughout the merger process (Upreti & Shrestha, 2020).

Overall, this study contributes to the academic literature on M&As by providing a focused analysis of the Nepalese banking sector, a context that has not been extensively explored. It also offers practical implications for policymakers, bank executives, and HR professionals involved in managing mergers and acquisitions, helping them to better understand and mitigate the impacts of organizational change on job satisfaction.

1.5 Limitations of the Study

Nothing is perfect in this world; some limitations have always existed in every human endeavor. As a result, each research project has its own boundaries. In this study, as well, some attempts were not made during the research process for a variety of reasons. As a result, this study was completed within specific parameters, which will provide scope for future researchers. The limitations of this study are as follows:

- i. The major limitation of this study is its inability to incorporate a large number of organizations from the country.
- ii. This analysis focused solely on Nepalese Commercial Bank.
- iii. This study was conducted in banks, so its findings may not be applicable to other financial and non-financial organizations other than banks.
- iv. The study's conclusions could alter over time if employee practices change. As a result, the findings of this study may not be applicable in the long run.
- v. A larger sample size was not used for the study due to time and cost constraints. Thus, the findings of this study may not be representative of the entire population.

CHAPTER II

LITERATURE REVIEW

Mergers and acquisitions (M&A) are business transactions in which firms, business organizations, or their operating divisions are acquired by or merged with another company or business organization. This could occur via direct absorption, merger, tender offer or hostile takeover. M&A, as a form of strategic management, can enable businesses to expand or contract, as well as changing the nature of their business or competitive position.

Technically, a merger is the legal consolidation of two commercial entities into one, whereas an acquisition occurs when one entity acquires another entity's share capital, equity, or assets. From a legal and financial point of view, both mergers and acquisitions typically end in the consolidation of assets and liabilities into a single corporation, and the line between the two is not always clear.

This chapter presents a review of various books and previous research studies on organizational changes and job satisfaction after merger and acquisitions. It contains separate sections on theoretical review and review of previous studies. Various books were reviewed to learn about the theories related to the research topic and previous research studies were examined because research articles provide the most up-to-date information on the subject under consideration and frequently cover topics not found in books.

Literature reviews were conducted to identify variables, establish a conceptual framework, ensure the type of data requires for the study, determine the collection procedurs, tools for data collection and analysis, and identify research gaps.

2.1 Theoretical Review

2.1.1 Employees' Satisfaction and Bank Merger

Employee satisfaction is another subject that appears simple to grasp but complex to describe. According to Gregson (1987), employee satisfaction is the pleasant emotional state that results from an individual's evaluation of their work or experience. Numerous studies have shown that limited opportunities for growth and advancement is a significant factor that determines the level of employee satisfaction with their jobs.

Understanding employee sentiments generally is crucial to explaining their reactions to a merger. Employee attitudes can serve as indications or "markers" to track the chance that workers would engage in the activities necessary to bring about the desired improvements, according to Armenakis and Bedeian (1999). Based on this logic, the current study anticipates that employees who have good opinions will be more inclined to support their newly merged company, whilst those who have negative attitudes will be more likely to be unhappy with the merger.

This research evaluates the emotional aspect of attitudes following merger, commonly termed as employee satisfaction after merger.

It is impossible to explain employee attitudes toward mergers without considering their overall attitudes first. Attitudes are powerful because they have a significant impact on an individual's behaviour and actions. Individual perception, information processing, and behavior is shaped by attitude (Pratkanis, 1989). Eagly and Chaiken (1993), said that attitude is "a psychological inclination manifested by judging a particular entity with some degree of favor or dislike." Extending this logic to the current study, employees are likely to feel encouraged with their newly merged organization if they have a positive attitude, whereas those with negative attitudes are inclined to be discouraged.

2.1.2 Mergers and Acquisitions are Linked to Human Issues

According to research, mergers and acquisitions have a detrimental influence on people, mainly in the form reduction in attitudes, such as decreased dedication. Mergers and acquisition are a sign of change, and the expectations surrounding them are frequently ambiguous and impacted by rumors, Davy et al. (1988). Employees that have unfavorable expectations and attitudes are expected to be involved in impotent activity, that significantly lead to lower levels of satisfaction and job security, as well as more negative attitudes toward management (Covin, Sightler, Kolenko, & Tudor, 1996). The loss of identity is a major issue for employees following a merger (Cartwright & Cooper, 1992; Covin et al., 1996). Employees relate their job roles, colleagues, daily tasks, application of personal skills, job performance and career goals (Covin et al., 1996). Employees must adjust with new roles, responsibilities, supervisor and peer relationships after merger and acquisition, though. Most of the employees, even those who do not move employment, feel a

tremendous feeling of loss when these strong links are altered or eliminated. As a result, job expectations may shift (Covin et al., 1996). Assessing employees' attitudes toward or contentment with a merger might help one understand how they feel about their experiences after the merger.

2.1.3 The Impact of M & A on Job Security

Employees perceive a considerable threat to their job security in both pre and post-merger environment. Employees may have traits and abilities that suit more for the other positions or organizations than the current one. (Ashford, Lee, and Bobko) (1989) empirically found that more changes in an organization increases more job insecurity among employees. Job satisfaction, organizational commitment, faith and work performance are all negatively correlated with perceived uncertainty. A merger or acquisition encourages individuals who are poorly matched to their job roles try to find suitable work elsewhere either on their own initiative or after being laid off. The ability to locate a better match boosts overall quality of the match among employees who leave the organization. The quality of the match between employees' skill and the job is influenced by their income in the competitive labour market. Negative responses result in unfavourable attitudes toward management as well as lower the job satisfaction and security levels. A reduction in commitment level, investing their energy in managing anxiety and confusion, or seeking new employment opportunities is often noticed in the employees. A study conducted by Davy et al. (1988) at a large company, focused on the impact of mergers on employee attitudes, work performance, and behavioural intentions over time. The survey questionnaires were completed by 216 employee participants on two different occasions; less than a month after the sale and again after three months. They found that employees' attitudes and intentions to be absent or leave the organization worsened between the first and second surveys. A feeling of work uncertainty rise dramatically, which is consistent with the reality that layoffs occurred over 3 month interval in the midst of surveys. Furthermore, organizational responsibility decreases dramatically, while desire to depart and be absent increases. Since the organizational duties fall down, employees prefer to hunt for another occupations, which divert them from their recent work; hence, a clear link between changes in attitudes and intents is appeared. In addition, workers performance ratings shifted, with respondents reporting that their

performance in the recent three months was poorer than it had been in their entire career.

2.1.4 The Theory of Free Cash Flow

Fundamentally, the free cash flow theory is based in a concept that managers and shareholders often have conflicting interests. Managers may use the firm's resources to benefit themselves instead of acting in the best interest of shareholders (Thanatawee, 2011). It is suggested by free cash flow theory that cash-rich mature companies with limited investment opportunities are tend to over investing. Therefore, an increase in dividend announcement is expected to be met with a positive stock market reaction, since it signals that management will not waste company cash flow (Buusa, 2015).

Obligating the managers themselves, they could redirect the free cash flows away from dividends by issuing debts. This idea emphasizes the importance of improving organizations' financial performance through M&A. Return on shareholders (Knickerbocker, 1973) therefore if two firms merge in an oligopolistic industry, others follow suit (Cantwell, 1992) regardless of whether shareholders gain or lose. This behaviour can initiate a series of mergers, explaining an empirical patterns of mergers occurring in waves. The numerous sector participants from petroleum corporations in the country Kenya, engaged in mergers and acquisitions to boost financial performance. As a result, rival corporations are participating in M&A deals dealing with their contender so as to accomplish the monopolistic ambitions (Mboroto 2012).

2.1.5 The Research Based Firm Theory

Beena (2011) stated that the theory based on research is likely the most essential theory for understanding why corporations choose to combine or acquire. According to the principle, a firm's effectiveness is typically judged by its superior performance with certain resources. Barney (1991) developed a realistic and thorough framework for identifying the features of business resources that are required to achieve long-term advantages with rivals. These characteristics include whether resources are valued, distinctive, non substitutable and scarce among current potential competitors in terms of their ability to take advantage of opportunities or mitigate the risks. The resources like company assets, organizational attributes, procedures, capabilities,

information and knowledge are described as the specific assets by Barney. The resources with four special characteristics like rarity, imperfect imitability, value and non-substitutability allow businesses to craft strategies for improved performance. This resource is a major reason for corporations to go for mergers and acquisitions, since it is highly challenging to attain these resources in parts; thus they opt for complete acquisition. The extension of integration requirement can have a direct impact on the time required and the cost savings for the integration operation. If there are too many discrepancies between the two firms, the time and expense would be considerable. If the level of integration can be reduced by changing one firm's processes and systems, it becomes easier, however the opposition from the other firm may also be significant. This level of incorporation could be minimized by combining the best for both in the process of integration.

2.1.6 The Agency Theorem

Financial economics is an essential perspective in acquisition and merger research. The goal of financial economics is to increase wealth for both the overall economy and stockholders. This is based on agency theory. When one or more principals (for example, an owner) hire another individual to act as their agent (or steward) and perform a service on their behalf, an agency relationship is formed. The agent gains some decision-making authority as a result of providing this service. The principal's delegation of responsibility, as well as the resultant division of labor, contribute to promote a proficient economy. Nevertheless, such delegacy requires the principal to believe an agent to operate in the principal's primary interest. According to a simple agency model, principals lack reasons to trust their agents due to information asymmetries and self-interest, and will seek to address these concerns by implementing mechanisms to align agents' interests with principals and reduce the scope for information asymmetries and opportunistic behavior. Agents' motivations are likely to differ from those of chiefs. The factors such as financial incentives, labor market opportunities, and relationships with non-principals may influence the agents. As a result, agents may be more optimistic about an entity's economic performance or its achievement below a contract than the implication of reality. In comparison to principals agents are risk averse. Agents may have an incentive to manipulate the flow of information due to these conflicting objectives. The head may also be

concerned about asymmetries of information, which occur when agency hold knowledge to which principals do not have access.

2.1.7 The Theory of Transaction Cost

Transaction costs refer to vertical mergers and acquisitions that try to reduce uncertainty or the cost of acquiring specific components of production. The transaction cost theory of Coase (1937) is used by the firms to evaluate the relative cost associated with different governance structures like short-term and long-term contracts, spot market transactions, vertical integration for managing transactions. The expenses involved in gathering and processing information regarding the quality of inputs, relevant prices, the supplier's reputation and other related factors is termed as transaction costs. As the expenses are incurred to negotiate the terms of the contract, monitor the performance of the contracting party and enforce the engagements, contractual agreements are costly. In an unpredictable world where contractual agreements are prohibitively expensive, firms consolidate to reduce transaction costs.

2.1.8 The Modigliani – Miller Theory

In perfect capital markets, repackaging a firm's securities does not create or destroy value as long as the total cash flows of the firms remain consistent as per Modigliani-Miller theorem. Similarly, a merger or acquisition that doesn't affect the post cash flow of the firm will neither create nor diminish the value.

It shows that to create a value for M&A, the merged firm's after-tax cash flows must exceed the total of the individual firms' before-merger cash flows.

2.1.9 A Hubris Theory of Management

On the basis of hubris theory of management, as the managers aim to increase the firm's worth, the value of what they buy may be overestimated due to hubris (Roll, 1986), which is caused by overconfidence among managers. When management blindly follows market trends and shifts their stance on conglomeration vs strategic focus, or when a number of bidders compete for the same target this is particularly obvious. Also the managers may overestimate their abilities to control a larger organization or undervalue the expense of postmerger integration. Thus, a thoughtful transaction to benefit the acquirer actually becomes a poor strategic decision where the costs are underestimated and advantages are overestimated.

2.1.10 The Financial Synergy Theory

Mergers and acquisitions are often driven by financial theories. A company with insufficient liquid assets or financial slack becomes unable to pursue all the valuable investment opportunities due to asymmetric information in the financial market (Myers & Majluf, 1984). The firm can increase its value by merging with a financially rich company if the information asymmetry between two firms is less than that of a poor firm and outside investors. Therefore, takeovers serve as a method to bridge the information gaps in generation of financial synergies. Either as targets or acquirer, companies facing financial difficulties but with attractive investment opportunities tend to participate in M&A activities.

2.1.11 Equity Theory

Equity Theory examines how perceptions of fairness and justice in the workplace influence employee satisfaction (Adams, 1965). According to this theory, employees compare their input-output ratios with those of others. In the aftermath of a merger, if employees perceive inequities in how they are treated compared to their peers, it can lead to dissatisfaction and reduced morale.

2.2 Empirical Review

2.2.1 Review of Journal/Articles

Shrestha et al. (2021) researched on numerous M&A that have taken place in Nepal's banking sector since 2011, when Nepal Rastra Bank adopted the merger by-law. Thus, the purpose of this article was to investigate post-merger staff satisfaction at Nepalese commercial banks. The study's population included employees from Nepalese commercial banks. As a result, the study used a sample of 310 commercial bankers. According to the study's findings, 50 percent of commercial bank employees are averagely satisfied, while lagging communication with post-merger were identified as important difficulties for the majority (65.16 percent). But, 23% of staffs stated that if sufficient training and employment opportunities were given, they would be able to alleviate the obstacles associated with post-merger operations. In conclusion, the study indicated that banks should recognize their workers' needs and create an atmosphere in which they can work flexible hours in the post-merger period. Cartwright and Cooper (2018) examined the potentiality to expand market share and enhance profitability through M&A remained a more attractive and immediate alternatives for an organization in comparison to those relying solely on organic

growth. The human dimensions of merger and acquisitions and the impact of change on employee health and well-being, has been the subject of limited research. This article presents the findings from a study conducted by participants of 157 middle managers involved in the merger of 2 U.K building societies. Mergers is indicated to be a stressful life events even in cases where the partnering organizations share higher cultural compatibility.

Ismail, Baki and Omar (2018) researched on the knowledge gaps in merger and acquisition (M&A) research lies in exploring the perspective of human resources, particularly the extent to which organizational culture and organizational justice influence employee group cohesion. This study examines the impact of organizational culture and justice elements in selected Malaysian M&A organizations group cohesion. The Person-Environment (P-E) Fit Theory serves as the foundation of this research. This study included 219 participants from M&A organizations in the Klang Valley region, who were identified using the cluster random sample approach. Structural Equation Modeling (SEM) was used to evaluate the collected data. Insights on the philosophy and practice of human resource management in mergers and acquisitions is reflected in this study.

Sung et al. (2017) explored the authors compared 3 conceptual models based on the logic of social identity theory (SIT) and exchange theory to explain employees' merger responses using pre-post-merger data from 599 employees experiencing a major corporate merger . The focus is on how perceived changes in employees' job roles and perceived change in their organization's status and appropriateness, affect the evolving organizational identification attitudes and turnover. The results generated using latent difference score (LDS) modeling in an SEM framework and survival analysis, reveal an emergent of fourth model that combines the first and second models: Although change in organizational identification during the merger mediates the relationship between change in personal status and organizational valence and change in attachment, there is a direct and unmediated relationship between change in personal valence and attachment. This model has significant implications for both M&A theory and practice.

Bansal (2017) considered equality as a key characteristic to attain social integration in the literature on mergers and social justice. The idea behind this paper is that employees who experience fair and courteous interactions, equal resource

distribution, and respect for each other's policies and procedures during mergers and acquisitions (M&As) are more likely to feel in control and be less socially isolated, which means they are more likely to be positively impacted by the M&A process. Therefore, the aim of this article is to investigate the connection between employee feelings of alienation during post-M&As and perceived organizational justice. There has been use of a cross-sectional survey research design. A sample of 315 workers from five Indian companies participated in this study. Both univariate and bivariate analyses were performed on the numeric data, while relational content analysis was performed on the qualitative data. Multiple correlational and hierarchical regression analysis were used to examine the relationship between various aspects of justice and alienation. Numerous correlational investigations showed a strong inverse relationship between all aspects of alienation and perceived organizational justice. But according to the findings of the hierarchical regression analysis, the two main factors that predicted alienation during M&As were distributive justice and interactional justice. Aside from quantitative research, qualitative analysis offered intriguing insights specific to each firm.

Meral, et al (2016) researched on mergers are used by companies to expand their market share and growth. Contrary to predictions, the financial success rate is less than 50%. The primary cause of this is management's preference for financial data over human considerations. Employee identification with the newly merged company, as well as job satisfaction, are essential variables in merger success. The ambition of this study is to examine the impacts of trust on job satisfaction, as well as to examine the mediatory role of new identification. The bootstrap technique was employed to analyze this in this study, which included 143 employees from the new 'merged bank' formed by the merging of Fortis and TEB banks. The findings demonstrated that trust possesses a favorable effect on job satisfaction and employees' new identities following the merger. The new identification formed as a result of the merger serves as a bridge between the relationships of job satisfaction and trust.

Bansal (2016) researched on employee trust dynamics during organizational change: a context of mergers and acquisitions. The challenges companies face in combining organizations in merger and acquisition process, presents a model that explores the potential determinants of success in the company blending process. The model examines how the impact of employee-level factors and perceptions of managerial

behaviours affect things during the M&A process. The authors tested for managerial guided, direct and indirect impacts on employee-level dynamics (job satisfaction and organizational citizenship behaviours) which are believed to affect the successful co-mingling of two previously independent organizations utilizing data from 254 employees that recently experienced M&A. The authors emphasize the key role that employee identification with the newly consolidated organization plays, particularly in terms of organizational citizenship behaviour. Lastly, the author highlights the importance of management's perceived competence and procedural justice toward influencing employee-level factors. The article concludes with specific managerial suggestions for enhancing M&A acculturation outcomes.

Pak, et al. (2015) examined the most existing studies related to the human side of M&A present a negative perspective on organizational change resulting from post-M&A integration, considering it to be an important factor in job dissatisfaction for acquired employees. In this paper, we challenge this negative viewpoint and focus instead on the positive effects of organizational change resulting from post-M&A integration on employee satisfaction in the Korean context. We investigate the moderating mechanisms underlying effective participation on the part of employees and their trust in management. A survey was conducted of employees from 15 Korean companies that had been acquired by foreign companies. Based on the responses from 263 respondents, we found an inverted U-shaped relationship between the degree of restructuring that takes place after M&A and the job satisfaction of acquired employees, indicating that Korean employees do not necessarily reject change. Also, trust and participation during the integration process positively moderate the relationship between restructuring and acquired employees' job satisfaction. A discussion of the results and some managerial implications are also provided.

Sanda and Adjei-Benin (2011) conducted a study the implementation of market-driven business reforms in various developing economies has led to the emergence of growth drivers, increased investor interest, increased competition in local markets and a growing desire for firms to merge. The findings revealed that HR issues are the critical aspects of mergers, that if not handled properly, it impacts negatively on employee satisfaction leading to reduction in productivity and merger failure. In conclusion, by establishing an effective two-way communication system and using participatory methods in job redesigning process, an improvement in employee

satisfaction with the organizational changes can be achieved. This implies that changes induced by merger has challenges associated with human factors which merging firms need to address and understand.

The relationships between various dimensions of information adequacy and job satisfaction in an organization newly formed through the acquisition of one Chinese Internet company by another, Zhu, May, Rosenfeld (2004).The importance of addressing differences between former employees of the acquired company vs those of acquiring company while communicating with newly formed organization highlighted the findings. Information adequacy is not always linked to employee satisfaction, there should be communication only when the information is thoughtfully designed and delivered with a purpose. A merger need to vary its openness based on the nature of information, the organization's goal, employees concern, expectations and requirements according to acquiring and acquired firms.

Mainly, the variables of employees' perceptions of the effectiveness of HR initiatives, communication, and cultural convergence were studied. Using a mixed method of research, quantitative data were gathered through questionnaires, and qualitative insights were obtained by asking detailed open-ended questions. From the data obtained from 117 respondents with an experience of M&A within past 2-3 years, analysis was done. Using SPSS, univariate and bivariate analysis were conducted. A significant positive relationship among the variables under investigation is resulted by this study. The study found that poor management of underlined processes and practices during PMI negatively affect employees' trust in the organization.

Naveed, et al. (2011) suggested that in order to achieve a competitive advantage M&As has become a strategic option for organizations. The process of M&A is increasing even without any economic performance to support it. A phenomenal transformation has been observed Pakistan's banking industry in recent years, driven by liberal reforms executed by the State Bank of Pakistan and the effective reorganization of banks. The impact of M&A process on occupational and skill profiles of job in Pakistan is illustrated by this framework. Based on the perspectives from authors, a conceptual framework is developed which is supported by a questionnaire. It is suggested that this framework provides a new insight on explaining the impact of merger and acquisition on employee's job satisfaction and security. This framework examined the impact of M&A on the employee's job

motivation and job satisfaction having both pre -and post- M&A job experience as well as those having only post M&A experience.

Shah (2009) examined the same topic but excludes the variable of job loss resulting from change in culture following the past research done in the topic job satisfaction and its correlation with organizational change. The specific hypothesis this paper will research is that workers will not be dissatisfied with the organization if the organizational changes does not result in job loss. To test this hypothesis a survey will be conducted among the employees of 2 organizations that recently underwent a merger without any layoffs and that went through restructuring. To assess the level of job satisfaction among participants, the responses to each questions will be analyzed.

Table 1

Meta Table

Author(s)	Article Title	Objective	Methodology	Findings
Shrestha et al. (2021)	Post-merger Staff Satisfaction in Nepalese Commercial Banks	To investigate post-merger staff satisfaction at Nepalese commercial banks.	Sample of 310 employees from Nepalese commercial banks; quantitative survey.	50% of employees were averagely satisfied. Lagging communication post-merger was a challenge for 65.16%. 23% suggested that sufficient training and opportunities could mitigate post-merger issues. Suggests banks offer flexible hours.
Cartwright & Cooper (2018)	Impact of M&A on Employee Health and Well-being in U.K. Building Societies	To examine the stress and impact of mergers on employee health and well-being.	Participants: 157 middle managers involved in M&A of two U.K. building societies; qualitative and quantitative analysis.	M&As are stressful events, even when cultural compatibility is high.
Ismail et al. (2018)	The Role of Organizational Culture and Justice in Employee Cohesion in Malaysian M&A Organizations	To explore how organizational culture and justice impact group cohesion in M&As in Malaysia.	Sample of 219 participants from M&A organizations in Klang Valley; Structural Equation Modeling (SEM).	Organizational culture and justice significantly influence employee cohesion in M&A settings.

Sung et al. (2017)	Social Identity and Employee Responses to Corporate Mergers	To compare models explaining employee responses to mergers using social identity and exchange theory.	Pre-post merger data from 599 employees; Latent Difference Score (LDS) modeling, SEM, survival analysis.	Emerged a fourth model that combines organizational identification and personal status change; personal status directly affects attachment.
Bansal (2017)	Employee Alienation and Organizational Justice in M&A	To investigate the relationship between employee alienation and perceived organizational justice during post-M&As.	Sample of 315 workers from 5 Indian companies; cross-sectional survey, quantitative and qualitative analysis (correlational, hierarchical regression).	Strong inverse relationship between alienation and perceived organizational justice. Key predictors: distributive and interactional justice.
Meral et al. (2016)	Trust, Job Satisfaction, and Employee Identification Post-Merger in a New Bank	To examine the impact of trust on job satisfaction and the mediating role of new identification after a merger.	Sample of 143 employees from merged Fortis and TEB banks; Bootstrap analysis.	Trust positively affects job satisfaction and identification. Identification mediates the relationship between trust and satisfaction.
Bansal (2016)	Employee Trust Dynamics and Organizational Change in M&A	To explore the impact of employee trust and managerial behaviors during M&A on employee-level dynamics like job satisfaction and organizational citizenship behavior.	Sample of 254 employees who experienced M&A; quantitative survey analysis.	Employee identification, trust, and perceptions of managerial competence and procedural justice affect organizational citizenship and job satisfaction.
Pak et al. (2015)	Positive Effects of Organizational Change Post-M&A on Job Satisfaction in Korean Acquired Employees	To explore positive effects of post-M&A organizational change on acquired employees' job satisfaction.	Survey of 263 employees from 15 Korean companies acquired by foreign firms; data analysis of restructuring impact on job satisfaction.	Inverted U-shaped relationship between restructuring and job satisfaction; trust and participation positively moderated job satisfaction.
Sanda & Adjei-	HR Issues and Employee	To explore how HR issues impact	Literature review on HR	Poor management of HR issues

Benin (2011)	Satisfaction in M&A in Developing Economies	employee satisfaction and merger success in developing economies.	issues in mergers; insights drawn from case studies.	reduces productivity and employee satisfaction, contributing to merger failure. Effective communication and participatory methods can improve satisfaction.
Zhu et al. (2004)	Employee Perceptions of Communication and Job Satisfaction in Post-M&A Chinese Internet Companies	To examine the impact of communication adequacy on employee satisfaction in a merger context.	Mixed methods: quantitative (survey) and qualitative (open-ended questions); 117 respondents.	Effective communication design is crucial for employee satisfaction; information should be tailored to employee concerns and expectations. M&A impacts employee motivation and satisfaction; framework provides new insights on the subject.
Naveed et al. (2011)	M&A in Pakistan's Banking Sector: Impacts on Employee Job Motivation and Satisfaction	To develop a framework explaining M&A's impact on employee job satisfaction and security in Pakistan's banking sector.	Conceptual framework supported by questionnaire; focus on job motivation and satisfaction pre- and post-M&A.	M&A impacts employee motivation and satisfaction; framework provides new insights on the subject.
Shah (2009)	Job Satisfaction and Organizational Change in M&A (Excluding Job Loss)	To examine job satisfaction in M&As when there are no layoffs involved.	Survey of employees from 2 organizations that underwent mergers without layoffs; analysis of job satisfaction levels.	Job satisfaction was not negatively impacted by organizational changes if no layoffs occurred.

Source: Computed by Researcher (2024)

2.2.2 Review of Thesis

Suryanarayana (2023) investigated the effects of Organization Culture (OC) and 'Person-Job-Fit' (P-J-F) on 'Resistance to Change (RTC). The primary purpose of the study is to examine the predictability of different dimensions of OC on RTC while also examining the mediating effect of P-J-F on the above relationships and the moderating effect of 'Employee Status' (ES) on the mediated relationships keeping select commercial banks as its domain for study. Adopting quantitative methodology with questionnaires as a tool, the researcher collected 355 usable samples. The study found that dimensions of OC negatively and significantly predicted RTC except

relationships involving three dimensions viz., (i) communication dimension of OC and affective resistance, (ii) social cohesion dimension of OC, and (iii) behavioral resistance and social cohesion dimension of OC and cognitive resistance. Further, all except the relationships involving three sets of factors were not mediated by 'Needs-Supplies Fit' (N-S-F) and 'Demands-Abilities Fit' (DA-F). The result of 'moderated mediation' showed that ES moderates the mediated relationship when N-S-F is the mediator but not when D-A-F is the mediator involving communication and affective resistance, social cohesion and both behavioral and cognitive resistance relationships. Implications of research are also discussed.

Gautam (2022) conducted a study on most financial institution mergers overlook the human component, such as employee justice, satisfaction, and work conduct. However, the success of the new company following a merger and acquisition (M&A) is primarily dependent on how actively and innovatively their workers operate in the new working environment. As a result, the goal of this research is to investigate how Nepalese financial institutions initiate cultural integration in the merger and acquisition process. Furthermore, it seeks to investigate how cultural integration start affects employee satisfaction and work behavior. This study used an inductive-deductive strategy, with variables or issues predominantly generated and data examined using quantitative approaches. Based on organizational justice and social identity theory, 234 responses were collected from employees working in new organizations after M&As, both large and small, and at the managerial and non-managerial levels. The data were analyzed using descriptive statistics. The study's findings demonstrated a lack of cultural integration initiated by top management during M&A transactions. Employees' irregular work conduct is being driven by a growing sense of workplace unfairness. This study focuses on the critical need for organizational justice and boosting the social identity of individuals working in all M&A firms. The implications of poor cultural integration initiation in terms of organizational justice and social identity contribute to these theories' comprehensive framework.

Shrestha, and Parajuli (2020) examined the impact of M&A practices on job stress of employees and to suggest some policies to manage such job stress. This uses both descriptive and analytical approaches to research. A set of a self-administered questionnaire used to explore the impact of M&A practice on the job stress of

employees. A total of 500 questionnaires (125 in each merged bank) were distributed to all level managers, branch managers, and other staff of various departments of the commercial banks involved in big M&A practice in Nepal. Only 351 (70.20%) of total distributed questionnaires were returned as a source of data. A five-point Likert scale is used for measuring responses. This study uses analytical statistical tools such as mean, standard deviation, regression analysis, and ANOVA test for analyzing data. The results indicate that individual-related problems, policies & procedure-related problems, job-related problems, and organization related problems are the key stressors in M&A practice. The results also reveal that all these problems have a significantly positive impact on employee job stress after M&A practice. This study also suggests several policies for managing and reducing the job stress of employees after M&A practices.

Febriani and Yancey (2019) researched on mergers and acquisitions are commonly employed to promote long-term business growth and competitive advantage. Unfortunately, mergers and acquisitions are rarely successful. In a study of two Indonesian companies that were combining, 101 employees were polled following the merger to find out how they felt about the company's culture both now and in the past, how well human resources handled the merger, and how engaged and committed they were to the company. According to the findings, employees who experienced a preservation strategy reported less culture change during the merger and higher levels of organizational commitment and employee engagement following the merger than those who received a transformational approach. Although greater cultural change was associated with lower organizational commitment, when human resources activities were effective, there were no significant connections between culture change, organizational commitment, or employee engagement.

Grigorios (2018) explored that how the perception of employees change in regard to organizational culture and whether these cultures are affected by their motivation, acceptance and knowledge for successful M&As. The data from two different companies were gathered for this study. A questionnaire was distributed to the employees and qualitative analysis was performed in order to examine the above. There were a total of 112 respondents employed for the research. The necessary data for the research was collected by distributing a structured questionnaire with 21 items, which sent via e-mail to all the respondents. Additionally, factor and reliability

analysis was conducted with other statistical methods to test hypothesis taken from literature review. The result indicated that on the basis of employees' opinion the major reason for a merger is to enhance the value of shareholders followed by dominance and lastly aims to achieve synergies. In addition, employees believe that merger was necessary but to a moderate extent. Lastly, an important finding is that there was no resistance to change from employees at Aegean and Olympic Air Company. However, there is significant difference in the existing culture between employees in Aegean and Olympic Air Company. At last, a smoother combination of employees into new corporate culture was observed. There has been no further research on the Aegean-Olympic Air, mainly from the view point of corporate culture and its impact on employees. The results indicated that in order to address the cultural gap, more attention should be given.

Gupta and Singla (2016) examined the organizational change has been an increasingly major aspect of strategic development for modern organizations. Successful organizational change is important for the competitiveness and long-term organizational success. The existing theory suggested that to maintain a competitive advantage equal importance to job satisfaction and organizational trust should be recognized. Therefore this study targets to find the relationship between 3 variables: organizational change, organizational trust and job satisfaction to analyze the mediating role of organizational trust on job satisfaction and organizational change. Primary and secondary data was applied to analyze the results. 150 respondents of an IT company were provided three standardized questionnaires in the process of collecting primary data. Correlation and regression analysis was made to test hypothesis from the collected data. A positive and significant relationship between organizational trust and job satisfaction ($r=0.62$), organizational trust and organizational change ($r=0.74$), and organizational change and job satisfaction ($r=0.52$) were resulted from correlation analysis. Furthermore, the regression analysis demonstrates that organizational trust has a mediating effect on the relationship of organizational change and job satisfaction ($\beta=.264$; $p<.01$; Adjusted $R^2=.112$). It concludes that organizational change should be implemented to enhance job satisfaction and overall effectiveness. It further results to the development of a connection between the organization and its employees, which in turn, contributes to job satisfaction.

Ehsan and Fatima (2015) researched on the impact of employee satisfaction on organizational commitment with a merger and acquisition of Royal Bank of Scotland with Faysal Bank in Pakistan was investigated by this study. The study employed a structured 7 point likert scale questionnaire that was distributed to 250 employees at various managerial posts in the multiple branches of Faisal bank in Lahore. Out of 250 questionnaires were distributed 183 has been received and simultaneously tested. Various statistical tools like: Pearson correlation, chi-square, Cronbach's alpha and multiple Ordinary Least Square regression was used to assess the connection among the variables under investigation. The study revealed that employee satisfaction has a direct and positive impact with both affective and normative organizational commitment. The results indicated that following M&A, the Royal Bank of Scotland and Faysal Bank in Pakistan, revised the policies and brought changes in top management. The new management might be in a better condition to propose improved job security and opportunities for personal development, increased employment and organize regular meetings to keep employees will-informed. These actions taken by organizational leaders contribute to increase the level of satisfaction that in turn, improved both effective and normative commitment. The change of top management brought about by merger is one of the primary reason for this.

Bansal (2015) researched on the post-integration mechanisms used in 5 multinational (M & A) business in India. It is based on the concept of people integration and task integration as distinct goals for acquiring companies. A descriptive research design was used by this study. Qualitative data with management from acquiring corporations and the employees' participants from acquired firms through interviews was collected. An interview routine was created for the managers that included queries on the organization's succession plan following M&A integration (PMI), while an interview schedule was created for the employees to study their behaviours to organizational change. The findings demonstrate that higher commitment among the employees were observed in the organizations focusing on human integration, while employees developed negative emotions where task integration was prioritized over human integration mechanisms.

Goksoy (2014) presented the impact of employee perception of human resource management practices on employee readiness for change during pre-mergers and acquisitions. A total of 235 employees from the three largest food companies in

Istanbul participated in the study. The data was analyzed using correlation and regression analysis. The results show that employees' positive perceptions of the company's career development, compensation, and communication practices positively affect their readiness for mergers and acquisitions.

Kyei-Poku and Miller (2013) conducted a study on the impact employee post-merger satisfaction has on employee organizational commitment and turnover intentions. Employees of a Canadian Financial Institution (N=70) completed surveys approximately seven months after a merger between two comparably sized banks. Partial Least Squares (PLS) approach to structural equation modeling (SEM) provided evidence for the relationship between satisfaction with a merger and the affective and normative components of organizational commitment. Support was also found for the hypotheses that proposed that affective and normative commitments are negatively correlated with turnover intentions. We discuss the implications for theory and practice in organizational change.

Martin and Roodt (2008) a merger can be takes as a significant life event and an experience for both the organization and its employees. The way individuals adjust and respond to M&A has a direct impact to performance in short term. In this context, perceptions of a territory institutions post-merger were identified. A predictive model for turnover intentions was developed for South Asian tertiary employees that had recently gone M&A determining the most effective among 15 predefined models. Utilizing various techniques, including SEM and stepwise linear regression, a systematic model-build process was conducted. The variance of 47 percentage in turnover intentions was predicted by this model. On the contrary to expectations, a weaker correlation with turnover intentions was illustrated with commitment.

2.3 Research Gap

Despite significant research on mergers and acquisitions (M&As) and their impacts on organizational performance, there remains a notable research gap concerning their specific effects on employee satisfaction within the Nepalese banking sector. Existing studies largely focus on financial outcomes and strategic benefits of M&As, with limited attention given to the nuanced impacts on employee experiences and satisfaction (Thapa, 2019). This gap is particularly evident in the context of Nepal, where cultural and organizational dynamics may differ from those in other regions.

One major gap is the lack of comprehensive studies exploring how the specific structural and cultural changes resulting from M&As affect employee job satisfaction in Nepalese banks. While there is substantial literature on organizational change theory and its general implications for employee satisfaction (Lewin, 1951; Kotter, 1996), fewer studies investigate how these theories apply specifically to the Nepalese banking sector post-merger. The unique challenges faced by banks in Nepal, such as distinct organizational cultures and regulatory requirements, create a context that is not fully addressed by existing research (Sharma & Bajracharya, 2022).

Furthermore, there is limited research on how cultural integration during mergers impacts employee morale in Nepalese banks. Cultural Integration Theory provides a framework for understanding the challenges of merging different organizational cultures (Schein, 1990), but its application to the specific context of Nepalese banks remains underexplored. This includes understanding how cultural differences and integration efforts influence employee satisfaction and organizational commitment in this unique setting.

Additionally, while theories like Social Exchange Theory and Expectancy Theory offer insights into employee satisfaction (Blau, 1964; Vroom, 1964), their application to the post-merger context in Nepalese banks is sparse. There is a need for empirical studies that examine how changes in job roles, job security, and management practices, as influenced by M&As, affect employees' perceptions and satisfaction.

Addressing these research gaps will contribute to a more nuanced understanding of employee satisfaction in the context of M&As within the Nepalese banking sector, providing valuable insights for both practitioners and scholars.

CHAPTER III

RESEARCH METHODOLOGY

3.1 Research Design

Based on a descriptive and analytical research design, the study framework includes review of previous journals, books, annual reports and relevant schedules. Also, it incorporates consultations and analyzes both qualitative and quantitative data aligned with specified objectives. To achieve the study's aims, it focuses on determining the impact of M&As on employee satisfaction in Nepalese banking sector.

3.2 Population, sample, and sampling design

Describing the Nepalese economy there are different variables in finance, but only some of them are selected for the study due to time and value limit for the homogeneity of the data employing the purposive sampling method, often referred to as judgmental, selective, or subjective sampling, is a type of non-probability sampling in which researchers pick study participants from the public using only their own discretion. Before using this sampling technique, researchers must be aware of the goal of their study in order to choose and contact suitable people. Purposive sampling is used in this study by the researchers since Global IME Bank, Nepal Investment Mega Bank Limited, Himalayan Bank Limited, NIC Asia Bank Limited, Nabil Bank Limited, Kumari Bank Limited are a good fit because they amalgamated four years before to the study's conduct and all the necessary data are readily available.

3.3 Nature, sources of data, and the instrument of data collection

The study has been collecting both quantitative and qualitative data. Quantitative data has been measuring job satisfaction and organizational changes, while qualitative data has been capturing descriptive insights from employee interviews. Primary data has been obtained through surveys and interviews with employees of banks that have undergone M&As.

The study has been using structured questionnaires for surveys and semi-structured interview guides. Surveys have been assessing job satisfaction and organizational impacts, while interviews have been exploring personal experiences and cultural integration. The implementation of the five-point Likert Scale questionnaire was a strategic decision aimed at gathering precise primary data which presents respondents

with a diversified range of five options where the scale labels '1' as an indication of strong disagreement, contrasted against '5' which signifies strong agreement, thus offering a clear range of responses.

- Strongly Disagree
- Disagree
- Neither Agree nor Disagree (Neutral)
- Agree
- Strongly Agree

3.4 Methods of Analysis

Various statistical techniques were employed to analyze the primary data collected, including mean, percentage, frequency distribution, and correlation analysis. The responses from the distributed questionnaires were coded for easy access, resulting in a prepared coded file. To derive meaningful results from the primary data, data analysis was performed using SPSS (Statistical Package for Social Sciences) and Microsoft Excel. These data analysis techniques, such as mean, percentage, frequency distribution, and correlation analysis, were utilized to examine and interpret the collected data.

Data analysis plays a crucial role in organizing findings from different sources of data collection. Therefore, the obtained data was analyzed using descriptive and graphical statistical methods. The data was coded, tabulated, and analyzed using SPSS. Descriptive analysis involves utilizing tools like frequencies, percentages, mean, and standard deviation (SD) to analyze the data. Additionally, a pie chart was utilized for analysis purposes.

The research conducted in this study involved gathering data from primary sources. Specifically, the data was collected from male and female employees in Lalitpur and Kathmandu districts. Once the data was collected, it was separated and analyzed to fulfill the research objectives. The main focus of the research work was to present and analyze the collected data. The data was initially presented in tabular forms and then analyzed using statistical tools to achieve the research objectives.

For the analysis of the primary data, descriptive statistics were utilized. These statistics provided a summary of the data obtained from the questionnaire survey.

Mean, standard deviation, and percentage were used as descriptive statistical tools to describe the results. Additionally, ANOVA Test, linear regression, and correlation were employed to examine the relationship between dependent and independent variables. The data was presented in tables, which facilitated easier analysis and comprehension.

3.4.1 Descriptive Analysis

Mean: The mean is the average value obtained by summing all the given numbers and dividing the sum by the number of values provided. The arithmetic mean is the most often used and straightforward measure of central tendency. It is determined by summing all of the data points in a population and dividing the sum by the number of points. In this study, the mean is used to calculate the average value of the responses provided by participants to numerous questions on different variables in Likert scale questions. The mean value of the responses in Likert scale questions is calculated across both male and female samples.

$$\text{Mean} = \frac{\sum X}{n}$$

Where, X= Value of responses of each independent or dependent variable

N= Number of statements

Standard Deviation: Standard deviation serves as a metric for measuring the extent of dispersion or variation within a given set of data values. It is essentially the square root of variance, providing a positive value. A smaller standard deviation suggests that the data points are closely clustered around the mean of the dataset, whereas a larger standard deviation implies that the data points are more widely dispersed across a broader range of values. In the context of this study, standard deviation is calculated for all samples, as well as separately for male and female respondents, based on their Likert scale responses.

The formula for standard deviation is as follow:

$$\sigma = \sqrt{\frac{(X - \bar{X})^2}{N - 1}}$$

Where, X= Value of responses of each dependent or independent variable

\bar{X} = Mean value of responses of each dependent or independent variable

N= Number of responses

3.4.2 Correlation Analysis

Correlation serves as a statistical tool that is utilized to assess the strength of the relationship between two variables. It proves valuable as it shows a predictive connection that is to be effectively utilized. The degree and nature of the connection of two or more variables tend to differ together on a specific time period. The value of correlation ranges from -1 to +1. A high degree of positive correlation value is close to +1, while a high degree of negative correlation value is close to -1. In this particular research, the correlation is computed based on the responses given in a Likert scale so as to determine the extent of the relationship between both dependent and independent variables taken for the entire sample.

$$r = \frac{n \sum xy - \sum x \sum y}{\sqrt{n \sum x^2 - (\sum x)^2} \sqrt{n \sum y^2 - (\sum y)^2}}$$

Where, n= Number of responses

x= Value of independent variable

y= Value of dependent variable

3.4.3 Regression Analysis

A statistical calculation that aims to examine the strength of the connection between a single variable that is dependent and a series of other variables that change (also known as independent) is termed as regression. It includes a variety of strategies for modeling and evaluating many variables in order to understand their interactions. In this study, regression is used to determine the direction of the association between the independent and dependent variables for all samples using Likert scale responses. The equation below expresses the theoretical model for this relationship.

Multiple linear regression is a statistical analysis method employed to shape the connection between a dependent variable and two or more independent variables. It expands upon the concept of simple linear regression, which focuses solely on one independent variable, to encompass situations where multiple factors may impact the dependent variable. The objective of multiple linear regression is to formulate a mathematical equation that fits the data best by taking into account the collective

influence of the independent variables on the dependent variable. The equation for multiple linear regression takes the form:

$$ES = \beta_0 + \beta_1 \cdot EM + \beta_2 \cdot R + \beta_3 \cdot PR + \beta_4 \cdot N + \beta_5 \cdot OC + \beta_6 \cdot OCC$$

Where,

ESM= Employee Satisfaction after Merger

β_0 = Intercept

Where,

EM = Employee Motivation

R = Recognition

PR = Pay/Remuneration

N = Nature of work

OC = Organizational Change

O = Organizational Climate

β_1 = Coefficient of Employee Motivation

β_2 = Coefficient of Recognition

β_3 = Coefficient of Pay/Remuneration

β_4 = Coefficient of Nature of work

β_5 = Coefficient of Organizational Change

β_6 = Coefficient of Organizational Climate

3.5 Research Framework and Definition of Variables

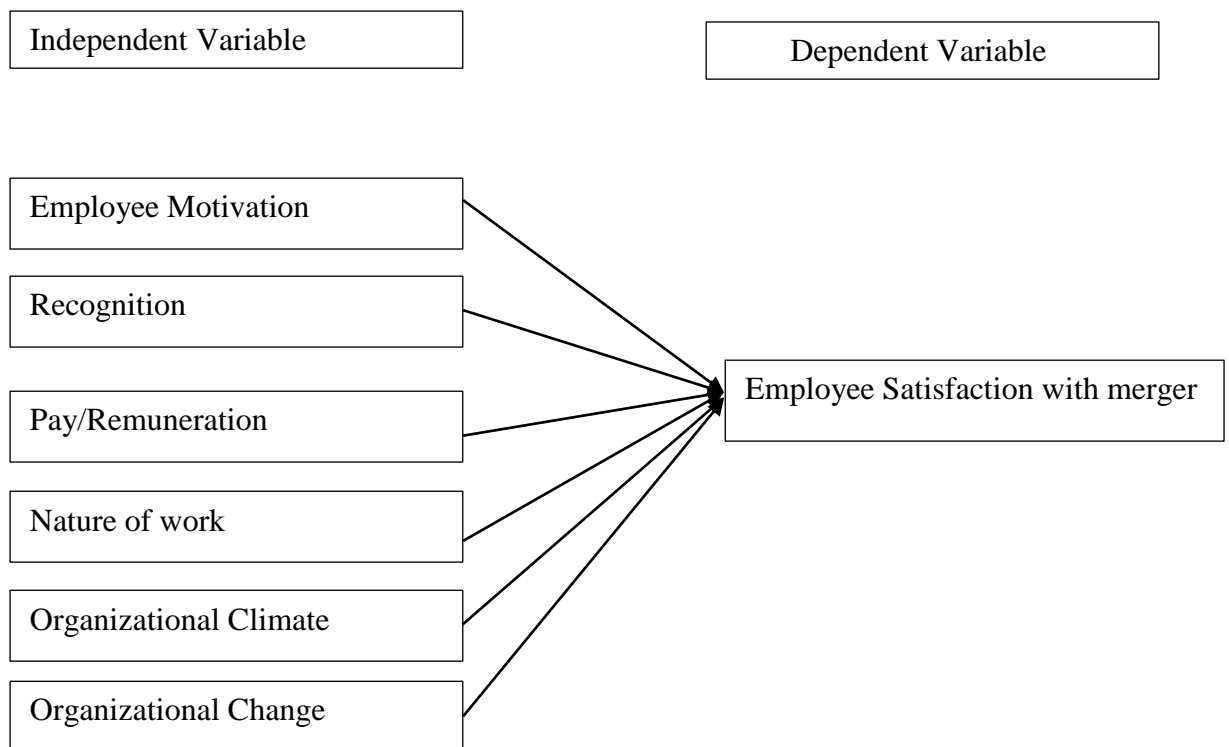


Figure 1: Research Framework

(Source: Devkota, et al. 2023)

Definition of Variables

Employee Motivation: Employee motivation refers to the internal drive or external stimuli that lead employees to act in a certain way to achieve organizational goals. It encompasses the psychological forces that determine the direction of an individual's behavior in an organization, the intensity of effort, and the level of persistence despite challenges. Motivated employees tend to be more productive, show higher levels of engagement, and are more likely to stay with the company, reducing turnover rates.

Recognition: Recognition in the workplace refers to improving the value of employees' efforts. It recognizes employees' achievements (Ogonda et al., 2015). Akali (2010) discovered that remuneration, advancement recognition, and work environment all influence employee satisfaction and performance. This study makes use of recognition techniques such as praise, promotion opportunities, presents, benefit packages, and prizes and rewards.

Pay/Remuneration: Remuneration is the cash or other monetary compensation given to an employee in exchange with their services. A variety of supplemental benefits, in

addition to salary, are becoming increasingly common reward systems. Remuneration is a component of reward management.

Nature of Work: Remuneration is a component of reward management. This can relate to the basic everyday duties performed as part of a work, as well as any required non-routine tasks (Devkota et al., 2022). The nature of an employee's work is determined by the combination of the task characteristics. The employee's title is a good way to describe the type of work they do.

Organizational Climate: According to certain authors and academics, organizational climate refers to a wide range of values, convictions, and personal conduct norms that shape the organization's central character (Schultz et al., 2015). Clear objectives, justice, democracy, faith in coworkers, supervisor's support, corporate value, and career developing programs are a few observable variables employed in this study to influence employee satisfaction.

Organizational Change: The process through which an organization undergoes alterations in its structure, operations, or culture to adapt to internal or external pressures. This change can be incremental or transformative and involves modifications to various aspects of the organization, including its hierarchy, workflows, strategies, and employee roles. The goal of organizational change is often to improve performance, enhance efficiency, and respond to new challenges or opportunities.

Employee Satisfaction with Merger: Job satisfaction is the result of a person's analysis and judgment of her/his activities influenced by a form of requirement, qualities, and aspirations that individual regard as significant to them (Bekenova, 2015). Merger exercises create a unique set of problems for HR managers in both acquired and acquiring firms. When determining employee satisfaction after merger, elements like compensation, a supportive supervisor, job, coworker relationships, and opportunities for career growth are taken into account.

CHAPTER-IV

RESULTS AND DISCUSSION

This chapter covers a variety of topics, including and not limited to the systematic presentation, interpretation, and analysis of primary data. In order to accomplish the purpose of the investigation, this chapter elaborates on a number of statistical and regression models. It is referred to as "data analysis" when an answer to a question is generated through the process of analyzing and interpreting data. This chapter should be broken down into two parts. Descriptive statistics, a correlation matrix, and regression tables are included in the first section, which also includes the display and analysis of the primary data from the study. In the second part of this chapter, we will discuss the essential conclusions that can be drawn from the findings of the primary data analysis. Several concerns regarding the organizational change and job satisfaction after merger and acquisition in Nepalese Banking sector in Kathmandu and Lalitpur district are addressed in this chapter through the presentation and analysis of primary data in a methodical manner.

4.1 Data Presentation and Analysis

This study is primarily based on primary data and addresses qualitative factors of job satisfaction in merged and acquisitioned Nepalese commercial banks. This section seeks to examine and provide the primary data received from a questionnaire survey administered to various employees of banks. The collected data are presented in tables so that it can be easily understood.

The questionnaire survey was designed to understand the views of employees regarding the factors affecting the satisfaction level with the scale of 1 to 5 in each items provided. Various statistical tools and analytical techniques like frequency, oercentage, mean, standard deviation, correlation, regression have been employed to derive the results and conclusions.

4.1.1 Response Rate

As shown in Table 1, questionnaires were distributed to 480 respondents (85 in each bank) from the merged and acquisitioned banks selected for sample, and 384 responded, accounting for 75.29 percent of the total questionnaire distribution.

According to Avishag Gordon, Technician at the Israel Institute of Technology, a response rate of 50% or higher is considered acceptable in social science surveys.

Table 2

Response rate

S.N	Bank Name	Questionnaire	Response rate
1	Global IME Bank	85	65
2	Nepal Investment Mega Bank Limited	85	70
3	Himalayan Bank Limited	85	63
4	NIC Asia Bank Limited	85	60
5	Nabil Bank Limited	85	68
6	Kumari Bank Limited	85	58
	Total	510	384
		100%	75.29%

(Source: Field survey, 2024)

4.1.2 Respondents Profile

The respondent's profile reveals the personal characteristic of respondents combined on the basis of different personal characteristics such as gender, age group, academic qualification, job position and work experience. Demographic characteristic plays a significant role in understanding behavior of the employees. This section therefore describes the demographic characteristics organizational change and job satisfaction after merger and acquisition in Nepalese banking sector. The demographic characteristics of the respondents are presented in the Table 2.

Table 3*Demographic characteristics of respondents*

Respondents character	Number of responses	Percentage
Gender		
Male	271	70.57
Female	113	29.43
Total	384	100.00
Age group (in years)		
Below 20	7	1.82
20-29	119	30.99
30-39	178	46.35
40 and Above	80	20.83
Total	384	100.00
Academic Qualification		
Intermediate	7	1.82
Bachelor's degree	189	49.22
Master's degree	188	48.96
Total	384	100.00
Job position		
Junior Assistant	49	12.76
Assistant Level	107	27.86
Officer Level	198	51.56
Managerial Level	30	7.81
Total	384	100.00
Work Experience		
1-3 years	135	35.16

4-6 years	112	29.17
7-9 years	78	20.31
10-12 years	43	11.20
Above 13 years	16	4.17
Total	384	100.00

(Source: Field Survey, 2024)

The demographic characteristics of respondents from the Nepalese banking sector following mergers and acquisitions are summarized in Table 2. A total of 384 individuals participated in the survey, with a majority of 70.57% being male (271 respondents) and 29.43% female (113 respondents). This indicates a male-dominated workforce in the sector, reflecting the prevalent gender distribution in the industry.

In terms of age, the largest proportion of respondents, 46.35%, falls within the age group of 30-39 years (178 respondents). This suggests that the sector is largely composed of mid-career professionals, who may have established positions within their organizations. The second-largest group, making up 30.99% (119 respondents), is between 20-29 years, indicating a notable presence of younger professionals. Those aged 40 and above represent 20.83% (80 respondents), while a small fraction, 1.82% (7 respondents), are below the age of 20, showcasing a predominantly experienced workforce.

Academic qualifications show a well-educated group, with the majority holding either a Bachelor's degree (49.22%) or a Master's degree (48.96%). This reflects the growing emphasis on higher education within the banking sector. Only 1.82% of respondents have intermediate-level qualifications, highlighting a trend towards professional and academic advancement in the industry.

Job positions are spread across various levels, with more than half (51.56%) being in officer-level positions, suggesting that the sample includes individuals with significant responsibility within the banks. Assistant-level employees make up 27.86%, while managerial-level positions account for 7.81%, indicating a smaller proportion of higher-level management in the sample.

Regarding work experience, the majority of respondents have between 1-3 years of experience (35.16%), followed by those with 4-6 years (29.17%). A smaller group,

20.31%, has 7-9 years of experience, while those with over 13 years of experience represent only 4.17%. This data reflects a relatively young workforce with a balance of experience and emerging talent. Overall, the demographic data highlights a diverse range of respondents in terms of gender, age, education, job position, and work experience in the Nepalese banking sector post-merger.

4.1.3 Reliability Analysis

Reliability analysis is a statistical method used to assess the consistency or stability of a set of measurements or a test over time. In the context of research, particularly in fields like psychology, business, and social sciences, it measures how consistently a questionnaire, test, or scale produces similar results under consistent conditions.

There are different forms of reliability analysis, but the most common is Cronbach's Alpha. This metric evaluates internal consistency, indicating how closely related a set of items are as a group. A high Cronbach's Alpha (typically above 0.7) suggests that the items on a test or survey measure the same underlying concept and are reliable for drawing conclusions.

In the context of organizational change and job satisfaction after a merger and acquisition in the Nepalese banking sector, reliability analysis would ensure that any instruments or questionnaires used to measure factors like employee satisfaction or organizational climate produce consistent results across respondents.

Table 4

Reliability Analysis

Variables	No. of questions	Cronbach's Alpha
Employee Satisfaction with Merger	5	0.765
Employee Motivation	5	0.749
Recognition	5	0.753
Pay/Remuneration	5	0.862
Nature of work	5	0.874
Organizational Change	5	0.742
Organizational Climate	5	0.834
Overall	35	0.917

(Source: SPSS output)

Table 4 provides Cronbach's Alpha values for various variables, indicating internal consistency. Employee Satisfaction after Merger has a Cronbach's Alpha of 0.765, suggesting good reliability. Employee Motivation (0.749) and Recognition (0.753) also show acceptable reliability. Pay/Remuneration (0.862) and Nature of Work (0.874) demonstrate strong internal consistency. Organizational Change (0.742) and Organizational Climate (0.834) both reflect reliable measurements. The overall reliability score of 0.917 for all 35 items signifies excellent internal consistency, making the survey highly reliable for analyzing employee satisfaction and related factors.

4.1.4 Descriptive Analysis

Descriptive analysis is a fundamental component of data analysis and research that aims to provide a comprehensive and detailed summary of a dataset or a set of observations. Its primary purpose is to uncover and present the essential characteristics, patterns, and trends within the data, allowing researchers and analysts to gain a clear understanding of the information at hand.

Furthermore, descriptive analysis may involve creating visual aids like histograms, bar charts, scatterplots, and tables to illustrate the data's key features. This method plays a crucial role in providing an initial overview of the data, facilitating the identification of noteworthy trends or unusual patterns, and guiding further, more advanced analyses. Ultimately, descriptive analysis serves as a foundational step in any data-driven inquiry, offering valuable insights into the characteristics and nature of the information under scrutiny.

Employee Motivation

Employee motivation refers to the internal drive or external stimuli that lead employees to act in a certain way to achieve organizational goals. It encompasses the psychological forces that determine the direction of an individual's behavior in an organization, the intensity of effort, and the level of persistence despite challenges.

In the context of mergers and acquisitions, employee motivation can be critical, as organizational changes may lead to uncertainty, affecting employees' morale and productivity. High levels of motivation result in employees being more engaged, committed, and willing to contribute towards achieving the organization's new goals post-merger or acquisition. The five statements related to Employee Motivation are:

EM1: Motivated to work harder after the merger.

EM2: Enthusiasm for my job has increased since the merger.

EM3: Changes introduced after the merger have positively influenced my motivation.

EM4: More committed to achieving organizational goals post-merger.

EM5: New work environment post-merger encourages me to give my best effort.

Table 5

Analysis on Employee Motivation

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
EM1	384	3.46	1.314	-.472	.125	-.970	.248
EM2	384	2.99	1.458	-.073	.125	-1.392	.248
EM3	384	3.28	1.472	-.401	.125	-1.265	.248
EM4	384	3.19	1.366	-.287	.125	-1.264	.248
EM5	384	3.36	1.327	-.459	.125	-1.071	.248

(Source: SPSS output)

Table 5 summarizes the descriptive statistics of employee motivation in relation to mergers and acquisitions in Nepal's banking sector.

A total of 384 responses were analyzed, with each statement measuring different aspects of employee motivation post-merger.

The mean score for each statement indicates the overall level of agreement among employees. EM1, which reflects motivation to work harder after the merger, has a mean of 3.46 with a standard deviation of 1.314, suggesting a moderately positive response but with significant variability among employees. The skewness value (-0.472) indicates a slight negative skew, meaning more respondents agreed with this statement than disagreed. The kurtosis (-0.970) suggests a flatter distribution compared to a normal curve.

EM2, assessing enthusiasm for the job post-merger, has the lowest mean of 2.99, suggesting more neutral or slightly negative responses from employees, indicating that enthusiasm has not significantly increased after the merger. Its skewness (-0.073) shows near symmetry, and the kurtosis (-1.392) implies a wider spread in responses.

EM3, focusing on whether the changes post-merger have positively influenced motivation, has a mean of 3.28 and a standard deviation of 1.472. Both EM3 and EM4 show moderate agreement (means of 3.28 and 3.19), while the skewness and kurtosis values for these items also reflect negatively skewed and flat distributions, suggesting that employees generally feel motivated but not uniformly so.

EM5 has a mean of 3.36, showing a moderately positive response to the new work environment encouraging employees to give their best effort, but the spread of responses suggests variation in experiences.

In conclusion, while there is a generally positive trend in employee motivation post-merger, the data shows variability, indicating that not all employees experience motivation enhancements uniformly, highlighting areas for further organizational support.

Recognition

Employees' efforts are valued more when they are recognized at work. It honors the accomplishments of employees (Ogonda et al., 2015). Akali (2010) found that pay, acknowledgment for promotions, and working conditions all had an impact on employees' job satisfaction and performance. Praise, opportunities for promotion, presents, benefit packages, prizes, and rewards are examples of recognition that are employed in this research.

The five statements related to Recognition are:

R1: My contributions are recognized in the merged organization.

R2: Achievements are acknowledged more frequently after the merger.

R3: Recognition for my work has improved since the merger.

R4: Regular feedback and appreciation for my efforts post-merger

R5: Feel valued by my supervisors and peers for my contributions.

Table 6*Analysis on Recognition*

	N	Mean	Std. Deviation	Skewness	Std. Error	Kurtosis	Std. Error
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic
R1	384	3.27	1.387	-.390	.125	-1.110	.248
R2	384	3.38	1.388	-.328	.125	-1.209	.248
R3	384	3.46	1.318	-.437	.125	-.951	.248
R4	384	2.64	1.284	.378	.125	-1.084	.248
R5	384	3.17	1.399	-.219	.125	-1.314	.248

(Source: SPSS output)

Table 6 provides descriptive statistics on employee recognition following a merger in the Nepalese banking sector. Five statements (R1 to R5) evaluate different aspects of recognition, with responses from 384 employees.

The mean scores reflect the level of agreement with each statement, and the standard deviation indicates the variability in responses. R3, which assesses whether recognition for work has improved since the merger, has the highest mean of 3.46, suggesting that many employees feel their recognition has improved post-merger. However, the skewness (-0.437) indicates a slight negative skew, meaning more respondents agreed than disagreed. The kurtosis (-0.951) shows a flatter distribution, indicating varied responses.

R2 and R1, which measure how frequently achievements are acknowledged and contributions recognized, have means of 3.38 and 3.27, respectively, suggesting moderate levels of recognition after the merger. The negative skewness values for both indicate that employees generally agree that recognition has increased. However, the high standard deviations indicate that this sentiment is not uniform across the employee base.

R5, which focuses on employees feeling valued by their supervisors and peers, has a mean of 3.17, indicating that employees moderately feel valued. The skewness (-

0.219) is closer to zero, meaning the responses are more balanced between agreement and disagreement.

R4, which pertains to regular feedback and appreciation, has the lowest mean (2.64), implying that many employees feel there is a lack of consistent feedback and appreciation after the merger. The positive skewness (0.378) indicates that more employees disagreed with this statement, and the kurtosis (-1.084) reflects a broad spread in responses.

Pay/Remuneration

In contrast to giving (away), donating, or providing, pay or remuneration is the payment or other monetary compensation given for an employee in return to rendered services. In addition to compensation, a variety of supplementary benefits are becoming more and more common forms of compensation. Payment is one of the components of reward management. It includes wages, salaries, bonuses, and benefits like healthcare, retirement plans, and allowances. Remuneration is not just the base salary but encompasses all forms of financial and non-financial rewards provided by an employer. Effective remuneration strategies help attract and retain talent, boost employee satisfaction, and motivate higher productivity by aligning compensation with organizational goals and individual performance. The five statements related to Pay/Renumeration are:

PR1: After the merger and acquisition, I am satisfied with the salary at this bank.

PR2: Mergers and acquisitions have a positive impact on bonuses.

PR3: Appropriate carrier growth strategy following merger and acquisition.

PR4: After mergers and acquisitions, banks now offer non-monetary benefits.

PR5: Pay package has improved after the merger.

Table 7*Analysis on Pay/ Remuneration*

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
PR1	384	3.30	1.446	-.450	.125	-1.185	.248
PR2	384	3.34	1.438	-.471	.125	-1.148	.248
PR3	384	2.97	1.380	-.205	.125	-1.403	.248
PR4	384	3.40	1.460	-.542	.125	-1.074	.248
PR5	384	3.42	1.408	-.559	.125	-1.079	.248

(Source: SPSS output)

Table 7 presents descriptive statistics on employee perceptions of pay and remuneration following a merger and acquisition (M&A) in the Nepalese banking sector. The data provides insight into employee satisfaction regarding salary, bonuses, career growth, non-monetary benefits, and overall pay packages post-merger.

PR5, which measures whether the pay package has improved post-merger, has the highest mean of 3.42, suggesting that many employees perceive a positive change in their overall compensation. The negative skewness (-0.559) indicates that more respondents agreed than disagreed with this statement. PR4, focusing on non-monetary benefits, has a mean of 3.40, also indicating general satisfaction with additional benefits like healthcare or retirement plans after the merger. However, the significant standard deviation (1.460) reflects varying opinions among employees.

PR2, regarding bonuses post-merger, has a mean of 3.34, indicating a generally positive perception of bonus improvements. PR1, which assesses satisfaction with salary post-merger, has a mean of 3.30, showing moderate agreement that salaries have improved since the merger. Both PR1 and PR2 have negative skewness values (-0.450 and -0.471), indicating that most employees feel positively about these aspects of pay. PR3, which evaluates career growth opportunities, has the lowest mean of 2.97, implying a more neutral stance among employees. The slight negative skewness

(-0.205) indicates a balance of responses, while the high standard deviation (1.380) points to substantial variation in how employees view career progression after the merger.

Overall, the data reflects that employees generally feel their pay and remuneration have improved post-merger, particularly regarding non-monetary benefits and overall compensation. However, career growth opportunities seem less universally appreciated. In real life, M&As often involve organizational restructuring, which can lead to changes in compensation packages. While some employees may benefit from enhanced pay and bonuses, others might experience uncertainty or dissatisfaction, particularly if career advancement becomes unclear.

Nature of Work

What an employee performs is the best way to describe the nature of their employment. This can apply to both the standard everyday work performed as part of a job and any additional non-routine chores that might be necessary (Devkota et al., 2022). An employee's work nature is determined by the combination of the task characteristics. An employee's title may be a good way to describe the type of work they do.

The term "Nature of work" refers to the characteristics, responsibilities, and tasks that define a specific job or role within an organization. It encompasses the type of activities performed, the complexity of the tasks, the working conditions, the skills required, and the expectations for performance. The nature of work also includes factors such as the degree of autonomy, interaction with colleagues or customers, and the physical or mental demands of the role. Understanding the nature of work is essential for aligning job roles with employee strengths and organizational goals. The five statements related to Nature of Work are:

N1: Nature of my work has become more engaging after the merger.

N2: Job responsibilities have become more challenging and fulfilling post-merger.

N3: Tasks assigned to me are aligned with my skills and interests after the merger.

N4: Find my work more meaningful since the organizational changes.

N5: Variety of tasks I handle has increased post-merger.

Table 8*Analysis on Nature of work*

	N	Mean	Std. Deviation	Skewness	Std. Error	Kurtosis	Std. Error
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic
N1	384	3.55	1.251	-.668	.125	-.572	.248
N2	384	3.46	1.320	-.437	.125	-.956	.248
N3	384	3.15	1.407	-.130	.125	-1.382	.248
N4	384	3.39	1.391	-.349	.125	-1.207	.248
N5	384	3.46	1.318	-.437	.125	-.951	.248

(Source: SPSS output)

Table 7 presents descriptive statistics on the nature of work following a merger in the Nepalese banking sector. It assesses employees' perceptions of how their job responsibilities, tasks, and engagement have changed post-merger. N1, which measures how engaging the work has become after the merger, has the highest mean (3.55), indicating that many employees feel their work has become more engaging. The skewness value of -0.668 shows a strong negative skew, meaning more employees agree with this statement. The kurtosis of -0.572 suggests a relatively flatter distribution compared to a normal curve, reflecting varying responses.

N2 and N5, which examine the challenge and fulfillment of job responsibilities and the variety of tasks handled post-merger, both have a mean of 3.46. This shows moderate agreement among employees that the merger has made their roles more fulfilling and diverse. The negative skewness values (-0.437 for both) indicate that most employees had a favorable view of these changes, though the standard deviations show some variation in opinions.

N4, focusing on finding work more meaningful since the organizational changes, has a mean of 3.39, suggesting that employees generally find their work meaningful, though not as strongly as N1 or N2. The skewness (-0.349) and kurtosis (-1.207) reflect a moderate level of agreement but with some variability.

N3, which measures whether tasks are aligned with employees' skills and interests, has the lowest mean (3.15), indicating a more neutral or slightly positive response from employees. The skewness value of -0.130 suggests a more balanced response between agreement and disagreement.

In conclusion, the data shows that the nature of work has generally become more engaging, challenging, and varied post-merger. However, the alignment of tasks with employees' skills and interests appears to be an area where the perception is more neutral, pointing to possible opportunities for further aligning job roles with employee strengths.

Organizational Change

The process through which an organization undergoes alterations in its structure, operations, or culture to adapt to internal or external pressures. This change can be incremental or transformative and involves modifications to various aspects of the organization, including its hierarchy, workflows, strategies, and employee roles. The goal of organizational change is often to improve performance, enhance efficiency, and respond to new challenges or opportunities. The five statements related to Organizational Change are:

OC1: Merger was necessary for the organization's growth.

OC2: Organizational changes post-merger have been well-managed.

OC3: Comfortable with the new processes and policies introduced after the merger.

OC4: Merger has resulted in a positive change in the organizational culture.

OC5: Merger has strengthened the organization.

Table 9*Analysis on Organizational Change*

	N	Mean	Std. Deviation	Skewness	Kurtosis		
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
OC1	384	3.36	1.424	-.471	.125	-1.130	.248
OC2	384	3.19	1.491	-.281	.125	-1.379	.248
OC3	384	3.30	1.411	-.424	.125	-1.138	.248
OC4	384	3.14	1.275	-.362	.125	-1.103	.248
OC5	384	3.17	1.508	-.166	.125	-1.441	.248

(Source: SPSS output)

Table 9 presents the descriptive statistics of employee perceptions regarding organizational change following a merger in the Nepalese banking sector. The five statements (OC1 to OC5) assess various aspects of how well the organizational changes, particularly those resulting from the merger, have been managed and their overall impact on the organization and its employees.

OC1, which measures whether the merger was necessary for the organization's growth, has a mean score of 3.36, indicating that many employees moderately agree that the merger was essential. The skewness (-0.471) shows a slight negative skew, meaning that more employees agree than disagree with this statement. The kurtosis (-1.130) suggests a flatter distribution, indicating varied responses.

OC2 and OC3, which examine how well organizational changes were managed and employee comfort with the new processes and policies, have means of 3.19 and 3.30, respectively. This suggests that employees feel relatively neutral to positive about these aspects. The negative skewness values (-0.281 for OC2 and -0.424 for OC3) indicate a slight preference towards agreement, but the high standard deviations show variability in opinions, with some employees likely feeling discomfort with the changes.

OC4, which assesses the perception of a positive change in organizational culture post-merger, has a mean of 3.14, reflecting a slightly positive response but with room for improvement. The skewness value (-0.362) indicates a slight negative skew,

meaning more employees view the cultural change favorably. However, the standard deviation (1.275) reflects significant variability in how employees experience the cultural shift.

OC5, which examines whether the merger has strengthened the organization, has a mean of 3.17, indicating that employees are somewhat positive but not overwhelmingly confident about the long-term impact of the merger on organizational strength. The skewness (-0.166) shows a relatively balanced distribution of responses, with slightly more agreeing than disagreeing.

In summary, the data indicates that employees generally perceive the organizational changes post-merger as moderately positive, particularly regarding the necessity of the merger and their comfort with new processes. However, the variability in responses suggests that not all employees feel equally satisfied with how well the changes were managed, or with the cultural and structural shifts, reflecting the challenges that come with organizational change.

Organizational Climate

From a variety of perspectives, several authors and researchers define organizational climate as referring to a wide range of attributes, values, and personal conduct norms that form the association's core identity (Schultz et al., 2015). A clear goal, justice, democracy, coworkers' trust, supervisor's support, corporate image, and career enhancement programs are some of the observable variables which are used in this study to examine the organizational climate that affects employee satisfaction.

The five statements related to Organizational Climate are:

- O1: Work environment has improved post-merger.
- O2: Organizational climate fosters teamwork and collaboration after the merger.
- O3: Morale of employees has improved in the merged organization.
- O4: Comfortable expressing my ideas and opinions in the new organization.
- O5: Promotes a healthy balance between work and personal life after the merger.

Table 10*Analysis on Organizational Climate*

	N	Mean	Std. Deviation	Skewness	Kurtosis		
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
O1	384	3.30	1.508	-.450	.125	-1.321	.248
O2	384	3.40	1.398	-.349	.125	-1.217	.248
O3	384	3.46	1.320	-.437	.125	-.956	.248
O4	384	3.21	1.412	-.094	.125	-1.314	.248
O5	384	3.36	1.497	-.494	.125	-1.243	.248

(Source: SPSS output)

Table 10 provides descriptive statistics on employee perceptions of organizational climate post-merger in the Nepalese banking sector. The statements (O1 to O5) assess various aspects of the work environment, including teamwork, morale, openness to expressing ideas, and work-life balance.

O3, which evaluates whether the morale of employees has improved post-merger, has the highest mean score of 3.46. This indicates that many employees perceive a positive shift in morale following the merger. The negative skewness (-0.437) suggests that more employees agree with this statement than disagree, although the standard deviation (1.320) reflects some variation in opinions.

O2, which assesses whether the organizational climate fosters teamwork and collaboration, has a mean of 3.40. The slight negative skewness (-0.349) shows that more employees view teamwork as improved after the merger, though the moderate standard deviation (1.398) indicates differences in employee experiences.

O5, which measures whether the merged organization promotes a healthy work-life balance, has a mean of 3.36. With a skewness of -0.494, more employees agree that the work-life balance has improved, though the standard deviation (1.497) again highlights varying perceptions.

O1, focusing on whether the work environment has improved post-merger, has a mean of 3.30, showing moderate agreement among employees. The skewness (-0.450)

indicates that more respondents agree with this sentiment, but the high standard deviation (1.508) suggests that the improvement is not uniformly felt.

O4, which assesses employees' comfort in expressing ideas and opinions in the new organization, has the lowest mean of 3.21. The near-zero skewness (-0.094) suggests a balanced response between agreement and disagreement, indicating that some employees feel comfortable expressing themselves while others may not. The standard deviation (1.412) reflects diverse experiences in this area.

In summary, the data reveals that employees generally feel positive about aspects of the organizational climate post-merger, particularly in terms of morale, teamwork, and work-life balance. However, the variability in responses indicates that not all employees have experienced the improvements uniformly, particularly when it comes to expressing ideas and the overall work environment. These mixed perceptions may reflect the challenges organizations face when fostering a cohesive and supportive climate during significant transitions like mergers.

Employee Satisfaction with Merger

Job satisfaction results from an individual's observation and evaluation of their activities influenced by certain needs, attributes, and goals that they consider essential (Bekenova, 2015). For the human resource managers of both the acquiring and acquired companies, merger exercises offer a different set of issues. The following variables are taken into account when determining employee satisfaction following a merger: compensation, a supportive supervisor, job, coworker relations, and opportunities for professional progression.

The five statements related to Employee Satisfaction with Merger are:

ESM1: Bank offers me with adequate time.

ESM2: I feel more confident after merger and acquisition.

ESM3: The bank has created an acceptable career strategy for me.

ESM4: I am proud to work for this bank.

ESM5: I feel more valued as an employee since the merger.

Table 11*Analysis on Employee satisfaction with Merger*

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
ESM1	384	3.16	1.429	-.243	.125	-1.296	.248
ESM2	384	3.11	1.424	-.227	.125	-1.255	.248
ESM3	384	3.16	1.290	-.357	.125	-1.077	.248
ESM4	384	3.23	1.585	-.271	.125	-1.548	.248
ESM5	384	2.98	1.365	-.086	.125	-1.312	.248

(Source: SPSS output)

Table 11 descriptive statistics on employee satisfaction after a merger, focusing on five key statements that reflect different aspects of satisfaction. The data encompasses responses from 384 employees.

ESM1, which assesses whether the bank provides enough time for employees, has a mean of 3.16. This indicates a moderate level of agreement that employees feel their time is managed adequately. The negative skewness (-0.243) suggests a slight tendency towards more positive responses, but the standard deviation (1.429) shows some variation in opinions.

ESM2, measuring employees' sense of security in the bank post-merger, has a mean of 3.11. This reflects a similar moderate level of agreement regarding job security. The skewness of -0.227 indicates a generally positive view, though again, the standard deviation (1.424) highlights varied responses among employees.

ESM3, which evaluates the appropriateness of the career plan provided by the bank, also has a mean of 3.16. This suggests that employees are moderately satisfied with their career development opportunities post-merger. The negative skewness (-0.357) indicates a slight tendency towards agreement, but the standard deviation (1.290) shows diversity in responses.

ESM4, assessing whether employees feel proud to be part of the bank, has a mean of 3.23. This statement reflects a moderate level of pride among employees, with a negative skewness (-0.271) suggesting a generally favorable perception. The higher

standard deviation (1.585) indicates that while many employees feel pride, there is considerable variation in this sentiment.

ESM5, which measures whether employees feel more valued since the merger, has the lowest mean of 2.98. This indicates a relatively neutral to slightly negative perception of how valued employees feel post-merger. The skewness of -0.086 suggests a balanced distribution of responses, but the standard deviation (1.365) reflects significant differences in individual experiences.

4.1.5 Correlation Analysis

A statistical tool that is used to measure and interpret the strength and direction of the connection between two or more than two variables is a correlation analysis. It quantifies how the changes in one variable is related with changes in the next one, providing insights into the nature of their connection. The two most popular correlation coefficients are: Spearman's correlation coefficient and Pearson's product-moment correlation coefficient. The correlation coefficient, often represented by Pearson's r value ranges from -1 to 1, where a perfect negative correlation is indicated by -1, and a perfect positive correlation is indicated by +1, and 0 indicates there is no correlation between the variables. This analysis helps in identifying patterns, predicting trends, and understanding the degree to which variables move together. It is crucial for determining whether and how variables are related, although it does not imply causation.

Table 12*Correlation Analysis*

		EM	R	PR	N	OC	O	ESM
EM	Pearson Correlation	1						
	Sig. (2-tailed)							
R	Pearson Correlation	.537**	1					
	Sig. (2-tailed)	.000						
PR	Pearson Correlation	.777**	.599**	1				
	Sig. (2-tailed)	.000	.000					
N	Pearson Correlation	-.001	.563**	-.083	1			
	Sig. (2-tailed)	.992	.000	.106				
OC	Pearson Correlation	.820**	.599**	.934**	-.058	1		
	Sig. (2-tailed)	.000	.000	.000	.260			
O	Pearson Correlation	.653**	.859**	.741**	.401**	.737**	1	
	Sig. (2-tailed)	.000	.000	.000	.000	.000		
ESM_	Pearson Correlation	.823**	.591**	.933**	-.082	.924**	.691**	1
	Sig. (2-tailed)	.000	.000	.000	.109	.000	.000	

** . Correlation is significant at the 0.01 level (2-tailed).

(Source: SPSS output)

Table 12 provides insights into the relationships between Employee Satisfaction after Merger (ESM) and various independent variables, including Employee Motivation (EM), Recognition (R), Pay/Remuneration (PR), Nature of Work (N), Organizational Change (OC), and Organizational Climate (O).

The analysis reveals a strong positive correlation between Employee Satisfaction after Merger (ESM) and Employee Motivation (EM), with a Pearson correlation coefficient of 0.823. This suggests that higher levels of employee motivation are associated with greater satisfaction among employees following the merger. Similarly, Recognition (R) shows a significant positive correlation of 0.591 with ESM, indicating that increased recognition for employees correlates with higher satisfaction post-merger.

Pay/Remuneration (PR) has a notably high positive correlation of 0.933 with ESM. This implies that employees who perceive better pay and remuneration are likely to experience higher satisfaction levels after the merger. On the other hand, Nature of Work (N) has a very weak negative correlation of -0.082 with ESM, suggesting that changes in the nature of work have minimal impact on employee satisfaction.

Organizational Change (OC) shows a substantial positive correlation of 0.924 with ESM. This indicates that positive perceptions of organizational changes contribute significantly to employee satisfaction post-merger. Lastly, Organizational Climate (O) has a strong positive correlation of 0.691 with ESM, demonstrating that a positive organizational climate is associated with higher levels of satisfaction among employees after the merger.

In summary, the analysis highlights that employee satisfaction after a merger is strongly influenced by factors such as motivation, recognition, pay, organizational changes, and climate, while the nature of work has a negligible impact. These findings underscore the importance of addressing these factors to enhance overall employee satisfaction in the post-merger environment.

4.1.6 Regression Analysis

Regression is a statistical calculation that aims to determine the strength of the connection between a single variable that is dependent and a series of other variables that change (also known as independent). It includes numerous strategies for modeling and evaluating several variables in order to find the correlations between them. Regression is conducted for opinion given on a Likert scale to determine the direction of the association between independent factors and the dependent variable for all samples taken for the study. The equation below expresses the theoretical model for this relationship.

Multiple linear regression is a statistical analysis method employed to model the alliance between a dependent variable and two or more independent variables. It expands upon the concept of simple linear regression, which focuses solely on one independent variable, to encompass situations where multiple factors may impact the dependent variable. The objective of multiple linear regression is to formulate a mathematical equation that fits the data best by taking into account the collective influence of the independent variables on the dependent variable. The equation for multiple linear regression takes the form:

$$ES = \beta_0 + \beta_1. EM + \beta_2. R + \beta_3.P/R + \beta_4.N + \beta_5. OC + \beta_6. OCC$$

Table 13

Model Summary of Employee Satisfaction with merger

Model	R	R Square	Adjusted Square	R Std. Error of the Estimate	Durbin-Watson
1	.954 ^a	.910	.909	1.776	2.03

a. Predictors: (Constant), O, N, EM, PR, R, OC

b. Dependent Variable: ESM

(Source: SPSS output)

Table 13 shows the model summary for predicting Employee Satisfaction after Merger (ESM) based on the independent variables: Organizational Climate (O), Nature of Work (N), Employee Motivation (EM), Pay/Remuneration (PR), Recognition (R), and Organizational Change (OC). The model has a high R-squared value of 0.910, indicating that approximately 91% of the variance in employee satisfaction is explained by these predictors. The adjusted R-squared is 0.909, which accounts for the number of predictors in the model. The Durbin-Watson statistic of 2.03 suggests that there is no significant autocorrelation in the residuals.

Table 14*ANOVA*

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12087.161	6	2014.527	638.471	.000 ^b
	Residual	1189.523	377	3.155		
	Total	13276.685	383			

a. Dependent Variable: ESM

b. Predictors: (Constant), O, N, EM, PR, R, OC

(Source: SPSS output)

The ANOVA table assesses the overall significance of the regression model predicting Employee Satisfaction after Merger (ESM). The model's Sum of Squares for the regression is 12,087.161, with 6 degrees of freedom, yielding a mean square of 2,014.527. The F-statistic is 638.471 with a significance level of 0.000, indicating that the regression model is statistically significant. This means that the independent variables (Organizational Climate (O), Nature of Work (N), Employee Motivation (EM), Pay/Remuneration (PR), Recognition (R), and Organizational Change (OC)) collectively provide a significantly better fit for predicting ESM than a model with no predictors.

Table 15*Coefficients*

Model		Unstandardized Coefficients		Standardized Coefficients		Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance VIF
1	(Constant)	-5.344	.570		-9.382	.000	
	EM	1.274	.181	.191	7.026	.000	.323 3.101
	R	1.445	.316	.161	4.578	.000	.191 5.233
	PR	2.827	.245	.540	11.522	.000	.108 9.230
	N	-.370	.203	-.046	-1.826	.069	.379 2.635
	OC	1.364	.230	.286	5.931	.000	.102 9.782
	O	-1.257	.288	-.165	-4.361	.000	.167 6.000

a. Dependent Variable: ESM category

(Sources: SPSS output)

Table 15 presents the results of the regression analysis predicting Employee Satisfaction after Merger (ESM). The Constant term is -5.344, with a significance level of 0.000, indicating that the baseline satisfaction level, when all predictors are zero, is significantly negative.

Employee Motivation (EM) has a positive unstandardized coefficient of 1.274 and a standardized beta of 0.191, with a significance level of 0.000, suggesting that higher employee motivation is associated with increased satisfaction. Recognition (R) also shows a significant positive effect with a coefficient of 1.445 and a beta of 0.161, indicating that increased recognition improves employee satisfaction.

Pay/Remuneration (PR) has the highest positive coefficient of 2.827 and a beta of 0.540, highlighting its strong positive impact on satisfaction. Organizational Change (OC) is positively associated with satisfaction (coefficient of 1.364, beta of 0.286) and is significant. Nature of Work (N), with a coefficient of -0.370 and beta of -0.046, is not statistically significant at the 0.05 level, suggesting a minor or negligible effect. Organizational Climate (O), with a negative coefficient of -1.257 and beta of -0.165, also significantly impacts satisfaction negatively. The VIF values indicate potential multicollinearity issues, especially for Pay/Remuneration (PR) and Organizational Change (OC), suggesting that these predictors may be correlated with each other.

Major Findings

The major findings of the study are as follows:

Employee motivation has a positive and significant impact on employee satisfaction after the merger. The regression analysis shows an unstandardized coefficient of 1.274 and a standardized beta of 0.191, with a significance level of 0.000. This indicates that for each unit increase in employee motivation, employee satisfaction increases by 1.274 units, highlighting its importance in enhancing satisfaction post-merger.

Recognition also positively affects employee satisfaction, with an unstandardized coefficient of 1.445 and a standardized beta of 0.161. The significance level of 0.000 confirms that increased recognition contributes significantly to higher employee satisfaction. This suggests that efforts to acknowledge and reward employees' contributions can substantially improve their satisfaction after the merger.

Pay/Remuneration has the strongest positive impact on employee satisfaction, with an unstandardized coefficient of 2.827 and a standardized beta of 0.540. The significance level of 0.000 indicates that improvements in pay and benefits are highly effective in increasing employee satisfaction. This highlights the critical role of competitive compensation in maintaining employee morale and satisfaction post-merger.

The nature of work has a negative, but not statistically significant, impact on employee satisfaction. With an unstandardized coefficient of -0.370 and a standardized beta of -0.046, and a significance level of 0.069, this variable's effect is minor and suggests that changes in job tasks and responsibilities have limited influence on satisfaction post-merger.

Organizational change has a significant positive effect on employee satisfaction, with an unstandardized coefficient of 1.364 and a standardized beta of 0.286. The significance level of 0.000 confirms that successful management of organizational changes leads to increased employee satisfaction. This indicates that effective handling of changes during a merger is crucial for enhancing overall employee contentment.

Organizational climate has a significant negative impact on employee satisfaction, as indicated by an unstandardized coefficient of -1.257 and a standardized beta of -0.165, with a significance level of 0.000. This suggests that a deteriorating or poor organizational climate post-merger can negatively affect employees' satisfaction, emphasizing the need for fostering a positive work environment.

The correlation analysis shows a strong positive relationship between Employee Satisfaction after Merger (ESM) and Employee Motivation (0.823), Recognition (0.591), Pay/Remuneration (0.933), Organizational Change (0.924), and Organizational Climate (0.691). Conversely, Nature of Work has a weak negative correlation with ESM (-0.082). These findings emphasize the importance of motivation, recognition, pay, and effective organizational change for enhancing employee satisfaction post-merger.

The model summary indicates that approximately 91% of the variance in Employee Satisfaction after Merger (ESM) is explained by the predictors, with an adjusted R-squared of 0.909. The model is statistically significant ($F = 638.471$, $p < 0.000$), showing that the independent variables (Organizational Climate, Nature of Work,

Employee Motivation, Pay/Remuneration, Recognition, Organizational Change) collectively predict ESM effectively. The coefficients table reveals that Employee Motivation (coefficient = 1.274, beta = 0.191) and Recognition (coefficient = 1.445, beta = 0.161) positively affect satisfaction. Pay/Remuneration has the strongest effect (coefficient = 2.827, beta = 0.540). Organizational Change also positively influences satisfaction (coefficient = 1.364, beta = 0.286). Nature of Work (coefficient = -0.370, beta = -0.046) and Organizational Climate (coefficient = -1.257, beta = -0.165) have minimal and negative effects, respectively. VIF values suggest potential multicollinearity issues with Pay/Remuneration and Organizational Change.

4.2 Discussion

The major findings of this study provide critical insights into the factors influencing employee satisfaction after mergers in the Nepalese banking sector. The results reveal that employee motivation, recognition, pay/remuneration, and effective organizational change are significant predictors of employee satisfaction. These findings are consistent with existing literature on mergers and acquisitions (M&As) which emphasizes the importance of these factors.

The positive impact of employee motivation and recognition on satisfaction aligns with findings from Goksoy (2014), who reported that positive perceptions of career development and compensation significantly affect employees' readiness for change during M&As. Similarly, Suryanarayana (2023) highlighted that organizational culture dimensions influence resistance to change, suggesting that motivating and recognizing employees can mitigate such resistance and enhance satisfaction. Both studies support the notion that acknowledging and rewarding employees fosters greater job satisfaction.

The strong impact of pay/remuneration on employee satisfaction observed in this study corroborates with Ismail, Baki, and Omar (2018), who discussed the significance of organizational justice and culture in group cohesion during M&As. They found that compensation and organizational culture are crucial for maintaining employee morale, which reflects the study's finding that competitive pay is essential for post-merger satisfaction. Gupta and Singla (2016) also support this view by demonstrating that organizational trust and satisfaction are interrelated, with compensation playing a pivotal role in this dynamic.

The positive effect of organizational change on satisfaction is consistent with Gupta and Singla (2016), who found that organizational change positively impacts job satisfaction when trust is maintained. Similarly, Febriani and Yancey (2019) found that effective human resource management during mergers, including managing organizational culture changes, improves employee commitment and engagement, reinforcing the importance of managing organizational changes effectively.

The study's finding that the nature of work has a minor, statistically insignificant impact on satisfaction contrasts with Schraeder and Self (2003), who suggested that organizational culture significantly influences the success of M&As, implying that job roles and tasks could be critical during transitions. However, Shrestha and Parajuli (2020) identified job-related problems as significant stressors, which might suggest that changes in job tasks can affect satisfaction but were not prominently highlighted in this study.

The negative impact of organizational climate on employee satisfaction observed in this study is consistent with Cartwright and Cooper (2018), who noted that a poor organizational culture can contribute to employee stress and dissatisfaction. However, it contrasts with Grigorios (2018), who found that variations in organizational culture did not significantly affect employee integration. This discrepancy may arise from differences in organizational contexts or the specific nature of cultural changes assessed.

CHAPTER-V

SUMAMRY AND CONCLUSION

5.1 Summary

This study examines the impact of organizational change on job satisfaction within Nepalese banks that have undergone mergers and acquisitions (M&As). The primary goal is to evaluate how these significant structural changes affect employee satisfaction. Specific objectives include analyzing the influence of mergers on organizational structure and identifying key factors contributing to job satisfaction or dissatisfaction post-merger.

Utilizing a descriptive and analytical research design, the study incorporates both qualitative and quantitative data collected through surveys and interviews. The sample consists of 384 banking staff from six banks involved in recent M&As. Data sources include primary data from employee surveys and interviews, and secondary data from company reports and industry analyses. Structured questionnaires and semi-structured interview guides are employed to capture both numerical and descriptive insights.

The major findings highlight several critical aspects of employee satisfaction after mergers. Employee Motivation has a positive and significant effect on satisfaction, with a regression coefficient of 1.274 and a beta of 0.191, indicating that increased motivation leads to higher satisfaction. Recognition also contributes positively, with a coefficient of 1.445 and a beta of 0.161, suggesting that acknowledging employee contributions enhances their satisfaction. Pay/Remuneration emerges as the most influential factor, with a coefficient of 2.827 and a beta of 0.540, demonstrating that competitive compensation is crucial for maintaining satisfaction.

Conversely, the Nature of Work shows a minor, negative, but not statistically significant effect on satisfaction (coefficient = -0.370, beta = -0.046), indicating that changes in job tasks have limited impact. Organizational Change positively affects satisfaction with a coefficient of 1.364 and a beta of 0.286, emphasizing the importance of managing change effectively. Organizational Climate, however, has a significant negative effect on satisfaction (coefficient = -1.257, beta = -0.165), highlighting that a deteriorating work environment can detract from employee satisfaction.

Correlation analysis reveals strong positive relationships between satisfaction and factors like Motivation, Recognition, Pay/Remuneration, Organizational Change, and Organizational Climate, while Nature of Work has a weak negative correlation. The regression model explains about 91% of the variance in employee satisfaction, with significant predictors including Pay/Remuneration, Organizational Change, and Employee Motivation. However, VIF values indicate potential multicollinearity issues, particularly with Pay/Remuneration and Organizational Change. Overall, the study underscores the importance of effective management of organizational change, competitive pay, and employee recognition in enhancing job satisfaction following mergers and acquisitions in the Nepalese banking sector.

5.2 Conclusion

The study concludes that mergers and acquisitions significantly impact employee satisfaction in the Nepalese banking sector, aligning with the study's objectives. The analysis confirms that employee satisfaction is deeply influenced by several key factors related to organizational change.

First, the impact of mergers and acquisitions on organizational structure has been evident. The study found that effective management of organizational change is crucial for enhancing employee satisfaction. A positive correlation between Organizational Change and employee satisfaction underscores the importance of successfully navigating and implementing changes during mergers. This aligns with the objective of analyzing the effects of mergers on organizational structure.

Second, key factors contributing to job satisfaction post-merger have been identified. Employee Motivation and Recognition are significant contributors to increased satisfaction, highlighting the need for banks to focus on these areas to maintain high morale and engagement among employees. Pay/Remuneration stands out as the most critical factor, with its strong positive impact on satisfaction, emphasizing the importance of competitive compensation in retaining and satisfying employees. This finding meets the objective of identifying factors leading to job satisfaction or dissatisfaction after mergers.

The study also found that changes in the Nature of Work have a minimal impact on satisfaction, suggesting that while important, adjustments to job roles and responsibilities are less critical compared to other factors. Conversely, a negative

Organizational Climate is detrimental to employee satisfaction, indicating that efforts must be made to foster a positive work environment.

In summary, the study concludes that while organizational changes are necessary, their successful implementation, along with competitive pay, effective recognition, and strong motivation, are essential for achieving high employee satisfaction in the context of mergers and acquisitions. These insights provide valuable guidance for banks undergoing mergers to enhance employee satisfaction and overall organizational effectiveness.

5.3 Implications

The implications of this study are significant for both banking institutions and human resource management professionals involved in mergers and acquisitions. Understanding the impact of organizational change on employee satisfaction provides valuable insights for improving post-merger integration processes and employee retention strategies in the Nepalese banking sector.

- The study underscores the critical role of employee motivation and recognition in ensuring satisfaction after a merger. Banks should implement strategies that foster a motivating work environment and recognize employee contributions effectively. This can include regular feedback, reward programs, and career development opportunities that align with employees' achievements and efforts. By focusing on these aspects, banks can enhance overall job satisfaction and engagement, thereby improving productivity and reducing turnover rates.
- The strong positive impact of Pay/Remuneration on employee satisfaction highlights the need for banks to review and potentially enhance their compensation packages during and after mergers. Offering competitive salaries and benefits can help mitigate the uncertainty and dissatisfaction that often accompanies organizational changes. Banks should ensure that their compensation structures are aligned with industry standards to attract and retain talent, which is crucial for maintaining operational efficiency and employee morale during transitional periods.
- The study emphasizes the importance of effectively managing organizational changes to improve employee satisfaction. Banks should develop comprehensive change management strategies that include clear

communication, employee involvement in decision-making processes, and support systems to help staff navigate the changes. Successful management of these transitions can lead to a smoother integration process and a more positive perception of the merger among employees.

- The negative impact of Organizational Climate on satisfaction suggests that banks must address any adverse work environment issues that arise during mergers. Creating a supportive and inclusive organizational climate is essential for employee well-being and satisfaction. This involves fostering a positive workplace culture, addressing grievances promptly, and ensuring that employees feel valued and supported throughout the merger process.
- While the Nature of Work had a minimal impact on satisfaction, it remains important for banks to consider how changes in job roles and responsibilities are communicated and managed. Ensuring that employees understand and are comfortable with their new roles can contribute to a smoother transition and minimize any potential dissatisfaction related to job tasks.

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Questionnaire

Dear valued respondent,

I am undertaking this research as the requirement of the Master of Business Studies of Tribhuvan University. The title of my dissertation is *Organizational Change and Job Satisfaction after Merger and Acquisition in Nepalese Banking Sector*. As you go through the questionnaire, please pay attention to the statements and choose the right alternative as honestly as possible. I assure you that strict confidentiality will be maintained, and information furnished by you will be used only for the above stated purpose.

Part- I: Demographic Questionnaire

Name (Specify if you want to)

Circle the appropriate responses from the below questions

Gender:

a. Male b. Female

Age

a. Below 20 b.20-29 c. 30-39 d. 40 and above

Educational level:

a. Intermediate b. Bachelor Degree c. Master Level

Designation level:

a. Junior Assistant b. Assistant Level c. Officer Level
d. Managerial Level

Working experience (in years):

a.1-3 b. 4-6 c. 7-9 d. 10-12 e. above 13 years

Part-II: Main Questionnaire

Please indicate the degree of your agreement or disagreement with each statement by checking one of the five alternatives.

(Strongly Disagree=1, Disagree=2, Neutral=3, Agree=4, Strongly Agree =5)

S.N.	Statements	1	2	3	4	5
	Employee Motivation					
1	Motivated to work harder after the merger.					
2	Enthusiasm for my job has increased since the merger.					
3	Changes introduced after the merger have positively influenced my motivation.					
4	More committed to achieving organizational goals post-merger.					
5	New work environment post-merger encourages me to give my best effort.					
	Recognition					
1	My contributions are recognized in the merged organization.					
2	Achievements are acknowledged more frequently after the merger.					
3	Recognition for my work has improved since the merger					
4	Regular feedback and appreciation for my efforts post-merger.					
5	Feel valued by my supervisors and peers for my contributions.					
	Pay/Remuneration					
1	After the merger and acquisition, I am satisfied with the salary at this bank.					

2	Mergers and acquisitions have a positive impact on bonuses.					
3	Appropriate carrier growth strategy following merger and acquisition.					
4	After mergers and acquisitions, banks now offer non-monetary benefits.					
5	Pay package has improved after the merger.					
	Nature of Work					
1	Nature of my work has become more engaging after the merger.					
2	Job responsibilities have become more challenging and fulfilling post-merger.					
3	Tasks assigned to me are aligned with my skills and interests after the merger.					
4	Find my work more meaningful since the organizational changes.					
5	Variety of tasks I handle has increased post-merger.					
	Organizational Change					
1	Merger was necessary for the organization's growth.					
2	Organizational changes post-merger have been well-managed.					
3	Comfortable with the new processes and policies introduced after the merger.					
4	Merger has resulted in a positive change in the organizational culture.					
5	Merger has strengthened the organization.					

	Organizational Climate						
1	Work environment has improved post-merger						
2	Organizational climate fosters teamwork and collaboration after the merger.						
3	Morale of employees has improved in the merged organization.						
4	Comfortable expressing my ideas and opinions in the new organization.						
5	Promotes a healthy balance between work and personal life after the merger.						
	Employee Satisfaction with Merger						
1	Bank offers me with adequate time.						
2	I feel more confident after merger and acquisition.						
3	The bank has created an acceptable carrier strategy for me.						
4	I am proud to work for this bank.						
5	I feel more valued as an employee since the merger.						

Thank you for your participation!!!

ORGANIZATIONAL CHANGE AND JOB SATISFACTION AFTE...

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ORGANIZATIONAL CHANGE AND JOB SATISFACTION AFTER Abstract This research

examines the impact **of mergers and acquisitions on** job **satisfaction in Nepalese**

banks, focusing on how organizational changes influence employee satisfaction. Using a descriptive and analytical research design, data was collected from 384 banking staff across six banks involved in recent M&As through surveys and interviews. Employee Motivation, Recognition, and Pay/Remuneration significantly enhance job satisfaction, while Organizational Climate negatively affects it. Organizational Change also plays a crucial role in satisfaction, highlighting the importance of effective management during M&As. The regression analysis reveals that factors such as pay and motivation are the strongest predictors of satisfaction, with the model explaining 91% of the variance. The study concludes that successful management of change, competitive pay, and employee recognition are essential for maintaining satisfaction post-merger, providing valuable insights for banks navigating M&As. Key words: Organizational Changes, Employee Satisfaction, Merger and Acquisition, Commercial Banks CHAPTER I INTRODUCTION 1.1 Background of the Study Mergers and acquisitions are periodical global phenomena and regarded beneficial techniques for business growth in the corporate sector (Rehman et al., 2017). Each corporation adopts different method and instruments to increase its benefit and opt to survive in the rapidly increasing commercial sector (Malik et al., 2014). Mergers and acquisitions presently play a significant role in organizational development. For instance,

30,000 M&A exchanges occurred in **the last** few **years (Tamosiuniene & Duksaite, 2009**). Over **the**

last three decades, the banking business in the United States has seen significant mergers and acquisitions.