

MERGERS AND ACQUISITIONS AND ITS IMPACT ON EMPLOYEE

PERFORMANCE: A CASE OF INDIAN BANK

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DOI: <https://doic.org/10.10399/APER.2025986212>

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OF THE REQUIREMENTS FOR THE MARKS OF A MAJOR PROJECT OF
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DECLARATION

This research project is my original work and has not been presented for a Bachelor's degree award in any other university.

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This research project report has been submitted for examination with my approval as the candidate's supervisor.

CERTIFICATE

This is to certify that this Major Project is submitted by Digvijay Singh Thakur Registration Number 21BBA100 of VIT Business School, Bhopal in partial fulfillment of the requirements for the degree of Bachelor of Business Administration is a bonafide record of work carried out by him under my supervision. The contents of this report, in full or in parts, have not been submitted in any form to any other institute or university for the award of any degree or diploma.

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ACKNOWLEDGEMENT

This project would not have been possible without the guidance and the help of several individuals who in one way or another contributed and extended their valuable assistance in the preparation and completion of this proposal. I forthwith pay gratitude to my supervisor Dr. Manisha Singh for her guidance in the research project. I also wish to thank her for support, patience and understanding throughout the research period. My sincere gratitude also goes to the VIT Bhopal University for providing me such a great opportunity. They were ready to assist where their assistance was sought during the development of this document. They have shared valuable insights in the relevance of the study. I further acknowledge the support of my family and my study colleagues who have stood by me throughout my studies and particularly for their unending support.

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ABSTRACT

In the dynamic landscape of the global economy, mergers and acquisitions (M&A) have become strategic tools for organizations aiming to achieve growth, competitiveness, and synergy. This research focuses on the Indian bank, where M&A activities have witnessed a notable upswing in the past 4 years. The study investigates the implications of M&A on employee performance, taking into consideration the unique challenges and opportunities presented by the amalgamation of two banks (Indian Bank and Allahabad Bank). The research employs a mixed approach of quantitative analysis. The data is collected through primary and secondary sources. Primary data is collected through surveys administered to employees of an Indian bank branch situated in Ashta. The survey sample is in questionnaire form including 40 likert scale questions based on 4 variables (Employee performance, work culture, sense of ownership & belonging and leadership). The target population for this research is the lower level management staff. The secondary data is collected through internet findings, research paper's and through other web sources. The study analyzes the impact of merger and acquisition on employee performance. The findings of this research contribute to a deeper understanding of the multifaceted impact of M&A on employee performance. The study acknowledges the potential disruption and uncertainty associated with M&A but also identifies opportunities for enhanced employee engagement and performance. Factors such as communication strategies, leadership styles, cultural integration, and work culture are explored to assess their role in shaping employee reactions and outcomes during the M&A process.

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CHAPTER ONE

INTRODUCTION & BRIEF LITERATURE REVIEW

Mergers and acquisition are having both the aspects of the strategic management's corporate finance and management dealing with the buying, selling, dividing and combining the different companies of similar entities.

After the merger the result is to transact the ownership and a control of a firm to another. M&A is defined as a restructuring of the result in some entity reorganization with having the aim to provide growth or positive value. The consolidation of an industry or the sector that occurs when the wide spread M&A activity concentrates the resources of many small companies into a few larger ones such as occurred with the automotive industry between 1910 to 1940.

1.1 Background of the Study

1.1.1 What is Merger & Acquisition?

Mergers and Acquisitions are business transactions in which the ownership of companies, business organizations are transferred to or consolidated with another company or business organization. The M&A transactions can involves different methods and structures such as:

- A merger is an agreement that unites two existing companies into one new company.
- Mergers are commonly done to expand a company's reach , expand into new segments, or gain market share.
- All of these are done to please shareholders and create value.
- Merger is regulated/covered by the companies Act, 1856.
- Mergers are referred to by finding acceptable partners, determining upon how to pay each other and also ultimately creating a new company, which is a combination of both the companies.

The M&A transactions can involve different methods and structures such as:

- Stock purchase: The acquirer buys the majority of the target company shares, thereby gaining control over its operation.
- Asset Purchase: The acquirer buys specific assets and liabilities of the target company rather than its shares. This approach allows the acquirer to choose the assets it wants to acquire and avoid assuming certain liabilities.

- Tender offer: The acquirer offers to buy a certain number of shares directly from the target company's shareholders at a specified price, often above the market price. This approach can be hostile if the target company's management opposes the offer.
- Friendly vs. Hostile: A friendly M&A occurs when the target company's management and board of directors are supportive of the deal. In contrast, a hostile M&A occurs when the target company's management opposes the acquisition.

1.1.2 Types of Mergers

Conglomerate mergers

When two or more companies are engaged in unrelated business activities. After being engaged the firm may operate in different industries or in different geographical regions. Pure conglomerate merger involves two firms that have nothing in common. Mixed conglomerate takes place between organizations that, while operating in unrelated business activities, are actually trying to gain product or market extensions throughout the merger.

Congeneric Mergers

Congeneric merger is also known as Product Extension merger. When the two or more companies operate in the same market or sector with overlapping factors, such as technology, marketing, production process, research & development. A product extension merger is achieved when a new product line from one company is added to an existing product line of the other company.

Market Extension Mergers

When two companies that operate the same products but compete in different markets. Companies that engage into a market extension merger seek to gain access to a bigger market so it is a bigger client base.

Horizontal Mergers

When the two companies are operating into the same industries with two or more competitors offering the same products or services. The goal is to create a larger business with a greater market share and economies of scale since competition among fewer companies tends to be higher.

Vertical Mergers

When the two companies that produce parts or services for a specific finished products merger, the union is referred to as a vertical merger. Vertical merger occurs when the two companies operating at different levels within the same industry's supply chain combine their operations. The objective is to

increase synergies achieved through the cost reduction and which results from merging with one or more supply companies.

1.1.3 Reason for Bank Merger

- A key reason for the bank merger is the weight of mounting bad loans over the years.
- It's creating globally stronger banks that do away with needless overlaps in the operations and infrastructure.
- In economies of scale to bring down costs that have always been at the heart of any consolidation drive.
- They aimed at improving operating efficiency, accountability ,governance and facilitating effective monitoring.
- They also aimed at creating next generation banks with a strong national presence and the global outreach accompanied by enhanced capacity to increase credit to the various important sectors of the economy.

1.1.4 Merits And Demerits of bank merger and Acquisition

Merits of A Bank merger

- A large capital base would help the acquirer banks to offer large loans.
- This merger allows the RBI to have better control on the system and the implementation of policies will become easy.
- It will be easy to penetrate the market.
- Technological upgradation can be considered.
- Recapitalization needs from the government to reduce.
- The cost of operation has been reduced with the help of merger.
- The professional standard has been improved.
- It helps in improving risk management.
- The geographically concentrated region allows the banks to expand their coverage with the help of mergers.
- It provides a better efficiency ratio for the business of operations as well as the banking operation which is beneficial for the economy.
- Service delivery can be improved with the help of merger.
- RBI will be watching banks on its performance , especially in the terms of NPA(Non Performing Asset) otherwise loans which are not recovered.
- Customers will have a wide range of products like mutual funds and insurance to choose from the additional to the traditional loans and deposits.
- If the NPA percentage of the bank is above prescribed norms, it will be asked to merge with a bigger bank to the case where the combined capital of banks will be higher and thereby reducing the NPA percentage.

Demerits Of A Bank Merger

- All different banks have different cultures, systems, processes, procedures and that

- merger will lead to clash of organizational cultures.
- Bank officials and unions of PSBs are against the merger due to the issues with employment, security, tenure , etc.
- There are few large inter-linked banks that can expose the broader economy to enhanced financial risks.
- Employees of the larger bank are not given equal treatment to the employees of the smaller bank into the new and the merged bank.
- The local identity of small banks is not that big.
- There is materialization and the customers feel harassed initially that the banks are working on it.
- It will take some time for the customers to know that their banks are merged. Even though it's mandatory for the banks to inform all their customers about the merger, some customers may miss the communication and panic when their branch board is replaced with the new one.
- Acquiring banks have to handle the burden of weaker banks , resulting in risk exposure.
- It is difficult to manage the culture and people of different banks.
- The idea of decentralization as many banks that have a regional audience to cater to customers often respond very emotionally to the bank's acquisition.
- The large banks are more vulnerable to the global economic crises that bail outs cripple the entire country's economy.
- There Are too many mergers of banks and there are the customers that will have the least choice to bank.
- The governing board of the new bank which could lead to employment issues coping with the staffers disappointment could be another challenge.

1.2 Overview

The present research study is about the impact of merger and acquisition on employee's performance of Indian banks, and it has been nearly Four years. A merger is another method for combining two commercial firms that do not share ownership. Bank merger occurs when two or more formerly independent banks combine to become one institution. When an independent bank loses its charter and merges with another bank to form a neighborhood bank with a single headquarters and shared branch network, this is known as a merger. The act of one company (the "target") being purchased by another is referred to as an acquisition, sometimes known as a takeover or a transaction. There are pleasant and hostile sales. In today's society, the merger and acquisition process were crucial. Government agencies in India were the first to introduce the concept of Merger and acquisition, along with a few recognized financial institutions. Organizations also made the necessary changes to the business sector. The merger of ten nationalized banks into four was announced on August 30, 2019, by the Ministry of Finance of the Government of India. This change required the merger of Indian Bank and Allahabad Bank into a single

organization, and the new bank that resulted from the merger had to begin conducting business on April 1, 2020. With thousands of branches and workers, merging two very different banks within a given time frame would be challenging enough in normal circumstances, but the arrival of COVID-19 and the accompanying national lockdown in March 2020 made the task even more difficult. The difficult duty of managing the amalgamation process was handed to Padmaja Chunduru, Managing Director (MD) and Chief Executive Officer (CEO) of Indian Bank. In the case study, the integration procedure is described in detail. Therefore, it remained to be seen whether merging the two Indian Public Sector Banks would be beneficial for the future growth of Indian Banks. The present Research is done after nearly Four years passed the merger of the Allahabad Bank and Indian Bank and to study about the bank Employee's current situation such as work culture, Employee performance, Sense of ownership and belonging, and Leadership .

1.3 Statement of the Problem

The concept of merger and acquisition has increased from merger and acquisition of big companies to small units and subsidiaries. This M&A brings growth, profitability, expansions, layoffs, departmental expansion, segmentation and overall market expansion reaching more and more customers but in between these companies forget about their lower staff who all are into this from the start and their performance matters for the company's profitability. This mergers sometimes leads to big layoffs to transfer and from employees perspective its really difficult to adopt new changes and environment, sometimes they resist which cause poor performance and thus lower the profitability of the company.

That's why this study is specifically done to show the impact of merger and acquisition on employee performance and how it leads to different consequences.

1.4 Need of the Study

The need of the study is to establish the influence of mergers and acquisitions on employee performance: A case study of Indian Bank.

1.5 Objectives of the Study

The study sought to achieve the following objectives

- i. To establish the impact of work culture on employee performance in the Indian Bank.
- ii. To examine the degree on which sense of ownership and belonging affects the employee performance in Indian Bank.
- iii. To establish the role of mergers and acquisitions on the performance of employees working in Indian Bank.
- iv. To determine the relationship between leadership and the performance of employees working in Indian Bank.

1.6 Significance of the Study

The potential shareholders would always want to invest in a company whose objective is to maximize their wealth and therefore before investing in a merged company they would need adequate information before making investment decisions in the merger company. The primary data used in this study might help them make sound investment decisions. This would involve looking at the human side of mergers and acquisitions to enhance employee performance during mergers and acquisitions.

It was also hoped that investment consultants would benefit specifically in advising their firm whether the employees performance aspects are addressed in the mergers and acquisitions and the appropriate type of merging. On the other hand management consultants would benefit from the study findings hence equip them with the relevant advice for already merged firms on how to structure their management in order to enhance employee performance. This information is critical to ensure success of the merger company if not it may perform poorly.

The study will be of great use to candidates applying for jobs in merged companies, as this study gives a little insight on how things are to be carried after merger and acquisition. And let them know how they are going to be affected by this. This study helps them make rational decisions before applying for a job in a merged company.

It would help the Top authorities of the company's who are planning for merger and acquisition or are already merged. This study includes primary data which is collected from employees of the bank. Help them make rational decisions in their further planning

and execution.

It would contribute to the broader realm of business and academic research in business through its recommendation, the study would add value to better academia, and the study would be of significance to the academic research in the broader area of project management and planning and provide a foundation for future studies.

1.7 Delimitation of the Study

This study was on the influence of mergers and acquisitions on employee performance in India. This study was limited to Indian Bank where special focus was on the Branch of Indian bank located in Ashta. This involved collecting information from the Middle and Lower level management staff in the Bank. This was relevant in collecting the data required as time and distance are the limiting factors that inhibit collecting the data from all the Bank branches.

1.8 Basic Assumptions of the Study

The study assumed that the respondents would be honest, cooperative, objective and trustworthy in their response to the research instruments and would be available to respond to the research instruments in time. It was also the assumption of the study that the authority in the Bank would grant the required permission to collect data from employees. The study further made the assumptions that there would be no serious changes in the composition of the target population that would affect the effectiveness of the study sample.

1.9 Definition of Significance Terms

Acquisition is a business transaction that occurs when one company purchases and gains control over another company.

Merger is an agreement that unites two existing companies on equal terms into one new legal entity.

Employee performance is defined as how well a person executes their job duties and responsibilities.

Work Culture the beliefs, customs, and behavior of a group of people within a work environment.

Leadership The action of leading a group of people or an organization.

Sense of ownership and belonging is the feeling of security and support when there is a sense of acceptance, inclusion, and identity for a member of a certain group.

1.10 Organization of the Study

The study is organized in five chapters. Chapter one covers the background of the problem, problem statement, purpose of the study, objectives, significance of the study, basic assumptions, delimitations of the study and finally organization of the study.

Chapter two covers literature reviewed from works that have been done in the same area of study. It reviews what other scholars in the field have found out. Chapter three spells out the research methodology. This includes introduction, research design, target population, sample size and sample selection, research instruments, data collection procedures and data analysis procedures. Chapter four covers data presentation, processing and interpretation, while chapter five covers summary and recommendations.

CHAPTER TWO LITERATURE REVIEW

2.1 Introduction

Mergers and acquisitions are increasing in the world as organizations try to expand their operations and increase their competitive advantage. Despite optimistic expectations, mergers and acquisitions frequently fail or succeed, in part because of the little attention given on the project planning and management part of it and the great neglect of human resource issues, which are rarely considered until serious problems arise. This is against the conception that the success of any merger or acquisition is as much about people and culture as it is about the financials. As such, organizations that recognize the link between people and performance make it their business to understand how to shape employee behavior

during and after the mergers. However, there has been some attention in the management and finance literature devoted to assessing the consequences of mergers and

acquisitions, while there has been little analysis of the effects of such events on employees. Much of the empirical work on this topic of mergers and acquisitions has been based on non-representative samples of corporate control changes and companies.

This chapter deals with the available literature that has been reviewed for the study. The literature is mainly on the influence of mergers and acquisitions on employee performance. The specific areas covered include concept of mergers and acquisitions, influence of mergers and acquisitions on employee performance, work culture, sense of ownership & belonging, and Leadership.

2.2 Concept of Mergers and Acquisitions

A major obstacle faced by organizations seeking to merge or acquire others has been that of identifying the business area in which a firm should participate in order to maximize its long-term profitability. A merger and acquisition is normally one of the most important strategies that a company will embark on. Mergers and acquisitions may lead to financial deficiency. For example, firms may diversify their earnings by acquiring other firms or their assets with dissimilar earning streams. Earnings diversification within firms may lessen the variation in their profitability, reducing the risk of bankruptcy and its attendant costs. Khemani (1991) states that there are multiple reasons, motives, economic forces and institutional factors that can be taken together or in isolation, which influence corporate decisions to engage in M&As. It can be assumed that these corporate decisions prove to be beneficial for the company's long term profitability. However one cannot be assured of these decisions to be profit making as these are to be affected by multiple statistical measures and future consequences. The "free cash flow" theory developed by Jensen (1988) provides a good example of intermediate objectives that can lead to greater profitability in the long run. This theory assumes that corporate shareholders do not necessarily share the same objectives as the managers. The conflicts between these differing objectives may well intensify when corporations are profitable enough to generate "free cash flow," i.e., profit that cannot be profitably re-invested in the corporations. Under these circumstances, the corporations may decide to make acquisitions in order to use these liquidities. It is therefore higher debt levels that induce managers to take new measures to increase the efficiency of corporate operations. According to Jensen, long term profit comes from the re-organization and restructuring made necessary by takeovers.

P Akhil Bhan1 has made an attempt to study the insight into the motives and benefits of the mergers in the Indian banking sector .This is done by examining the eight merger deals of the banks in India during the period of reforms from 1999 to 2006 . Through the empirical methods by applying t-test and EVA value calculations the potential of the mergers has been evaluate to study the efficiencies or benefits achieved due to the merger .Through this paper and the sample taken for analysis it has been concluded that the mergers in the banking sector in the post reform period possessed considerable gains which was justified by the EVA of the banks in the post merger period. This study significantly means that mergers and acquisitions lead to gain and profitability in the banking sector and it is also believed that merger in the banking sector leads to more stability. But with RBI (Reserve Bank of India) reforms, policy and new regulations and due to some unpredictable consequences one cannot say to rely on this sector financially or make future investment decisions. Egl Duksait and Rima Tamosiunien (2009)³ described the most common motives for companies' decision to participate in mergers and acquisitions transactions. The reason is growth, synergy, access to intangible assets, diversification, horizontal and vertical integration and so on arises from the primary company's motive to grow. Most of the motivations for mergers and acquisitions feature serve as means of reshaping competitive advantage within their respective industries. However, it may be that some of the motives identified affect some industries more than others, and in that sense they can be expected to be associated with a greater intensity of mergers and acquisitions in certain sectors rather than others. The assumption of this study states that the motivation for one industry to grow due to merger cannot be the same for the other; it differs with the location and situation. Ms. Astha Dewan (2007)⁴ focussed on the post merger financial performance of the acquirer companies in India and performance of firms going through mergers in Indian industry. The merger cases for the year 2003 have been taken for the analysis. The financial data has been collected for six years from 2000-06. Pre-merger and post-merger financial ratios have been examined using paired sample t tests. The results of the analysis reveal that there is a significant difference between the financial performance of the companies before and after the merger. Further, it has been found that the type of industry does seem to make a difference to the post-merger operating performance of acquiring firms. This study focuses on the financial change after the merger by examining pre and post merger financial ratios using paired sample t tests. The difference in companies financial performance could differ from pre and post merger, before merger

company could be less profitable, narrow, not so financially strong and after it may be profitable, broad and financially strong but it could be opposite of it as the power is also to be distributed equally on certain terms and conditions. Mital Menapara et al 5 evaluated the impact of mergers and acquisitions on financial Performance of Indian Corporate Sectors and examined the impact of merger and acquisitions on Return on Investment, Profitability and Liquidity position of selected companies. The authors concluded that emerging from the point of view of financial evaluation is that the merging Companies were taken over by companies with reputed and good management. And therefore, it was possible for the merged firms to turn around successfully in due course. Merged companies can be overtaken by companies with reputed and good management. A company which has existed in a market for more than 20 years has gained more reputation and financial stability as compared to those recently merged.

From the above stated lines of different authors and researchers we can understand how the concept of merger differs from industry to industry and how significant its impact could have on the economy of a country or on its own financial and operating performances. The reasons, motives, and different economical and institutional factors also vary from industry to industry. We have seen the studies are conducted on how merger is impacted by motives, reasons , and different institutional and economical factors and how it is impacted by shareholders. What its impact on the Indian banking sector and on companies financial and operational performance. But there are very few studies which have really focused on its impact on employee performance and what are the possible factors that create impact on employee performance. Most of the study covers the rational and numerical side of merger and acquisition while neglecting the emotional and psychological side of it. In this study we mainly focused on the impact of merger and acquisition on employee performance of Indian banks. We have collected data from employees of the bank to understand their perspective and point of view. We have used primary and secondary data to give you a better understanding of what this research paper means and indicates. In company the employee performance affects the profitability and sales growth and if their interest is neglected during merger and acquisition. This will affect them psychologically or may lead to poor performance of the company in the longer run and may also not be good for companies financial health.

2.3 Impact of Mergers and Acquisitions on Employee Performance Cartwright, Sue, and Cary L. Cooper. "The psychological impact of merger and acquisition on the individual: A study of building society managers." *Managerial, Occupational and Organizational Stress Research*. Routledge, 2018. 429-450. Employee's performance means effective behaviors, actions, motivations, and decisions that capture the full spectrum of job activities. In the context of employees, managerial performance means he/she is solving most day to day problems, monitoring competitive behavior, attempting to meet performance objectives and carrying out company policies. Organizational performance can be assessed on the bases of managerial performance, subordinates performance, strategy pursued by the organization and market conditions. Employee performance is the main key factor for any organization success, the performance of employees is affected by any other different factors like job remuneration, work culture, job security and sense of ownership and belonging it's also affected by the performance of their superior and subordinates as their work orders and delegation has direct influence on employees way of work performance. Organizations strategic policy and top authority decisions also affect employee performance at larger scale and if any action is taken without acknowledging them it will lead to chaos, dilemma, miss performance and misunderstanding which will move the company in the wrong direction.

Mergers and acquisitions lead to substantial downsizing or even mass layoffs, usually basing their conclusions on data from a small number of large, publicly-traded corporations. Such layoffs have been alleged to have a traumatic, lasting negative impact on workers who are fired and also on survivors, or those who remain with the firm in the aftermath of the layoff (Brockner et al. (1987), Brockner (1988). This will definitely have a longer run impact on organization overall performance, as these layoffs also cause psychological impact to the existing employees in the company regarding their job security. It becomes important for the company to educate the reason behind their actions to employees, in order to insure the existing employee trust in the company.

The organizations should be focused on small-small things during such big events like merger and acquisition because during this period many rumors, competitors actions and workplace tension increase, which could lead to misunderstanding and lack of trust.

Organizations should take certain steps to avoid such kinds of consequences by giving clarity on every small action of organization. Thus, it will sustain the employee performance in the organization.

2.4 Impact of Mergers and Acquisitions on Sense of Ownership and Belonging There are contrasting views on the impact of mergers and acquisitions on employees. Mergers and acquisitions constitute a transfer of wealth from workers to shareholders.

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This occurs because acquirers do not honor implicit contracts with employees concerning wages and benefits (Jovanovic and Rousseau, 2004). Thus, in their view, the abolition of these commitments enables the new owners of the company to use the deal as a mechanism for enhancing the profitability of the firm, and ultimately, shareholder wealth, at the expense of workers.

During mergers and acquisitions activity, rumor mills are overly active, leading to more anxiety and counterproductive behaviors (Buono and Bowditch, 1989). Often based on fears rather than reality, these rumors can significantly exacerbate employee anxiety, tension and stress. Further, the repetitive nature of rumors tends to strengthen people's belief in them (Rosnow and Fine, 1976), and therefore, subsequent management attempts to deny well-developed rumors that possess even a grain of truth can easily compromise employees' faith in management's honesty (Rosnow, 1988). Thus, it seems the only way for management to deal with the anxiety that follows a merger or acquisition announcement is to communicate with employees as soon as possible about all the anticipated effects of the change.

If not dealt with, the uncertainty and anxiety can lead to such dysfunctional outcomes as stress, job dissatisfaction, low trust in the organization and commitment to it, and increased intentions to leave the organization. These dysfunctions can, in turn, diminish productivity and increase turnover and absenteeism which turn my lead to company loss and increased operating cost. It is well accepted that mergers and acquisitions often create significant trauma for the employees and managers of both acquiring and acquired firms that result in attitudinal and productivity problems as well as turnover of valued personnel. Buono and Bowditch (1989) note that negative reactions may lead to significantly lower levels of job satisfaction and job security and less favorable attitudes toward management. Employees often cope with the uncertainty surrounding a merger by

reducing levels of commitment and instead use energy either to cope with anxiety and confusion or to try to find new employment opportunities (Fulmer and Gilkey, 1988).

Acquired firm employees, finding themselves sold as a commodity, may suffer from feelings of worthlessness, and may feel inferior because of loss of autonomy and status. The imbalance of power inherent in the acquirer/acquired relationship has also been shown to affect behavioral outcomes. Schweiger, Ivancevich and Power (1987) found that 58% of managers in an acquired firm are gone within 5 years or less of an acquisition.

It becomes necessary for companies to keep an eye on every small activity during such events and have a strong communication channel which could provide details of merger to all 3 levels of the organization , avoiding misconception. These actions by the company also strengthen the trust bond between employees and organization and give them confidence in the company's doing with a sense of belonging and ownership towards the company. This improves goodwill of the company in the market thus increasing its share value in the market.

2.5 Impact of Mergers and Acquisitions on Leadership Depending on the size of a company, merging segments may take months or even years. Proper planning is required for a merger to go smoothly. The key to a successful integration is allowing time to make adjustments to your merger plans, including contingencies. In general, merging company segments involve a high level of coordination, communication amongst all involved parties, and making tough choices such as reduction of staff. The issue of cultural compatibility between merging firms has long been proposed as an important determinant of the realization of potential synergies. In this leadership role , leaders should follow a chain of command. Majority of the merging firms do not develop a chain of command which communicates merger details, including regular updates regarding the progress and completion of various tasks along the flow chart. It is important to note that conglomerates and companies executing roll-up strategies sometimes take a different approach and delegate merger integration issues down the chain of command.

One unfortunate consequence of mergers and acquisitions is that employees are often required to take on additional workloads. Accordingly, Leaders/Managers should have conversations with employees about their potential new roles to guide and support them to

be effective in that new role. Further, due to the merger low level employees find themselves reporting to several managers or supervisors creating some sort of conflict where the staff is caught between the two. Here, leaders should set up a one way chain of command between one manager or supervisor and employee avoiding confusion and overlapping of work.

Leadership of managers at lower and middle level becomes very important during merger and acquisition as they are the one who is in charge of communicating orders directly to employees from top authority. They act like a median or like a chain of a Command which connects the two top authorities and employees and workers. The Employees of the organization are majorly influenced by the act of their superior so it's their responsibility if any wrong or misconception happens during merger it's important for them to have close communication and weekly meetings with their employees about the necessary changes the organization is going to bring. It will become easier for them to resolve any kind of issue at the moment. It's also important for top authority to have concern for their employees. For a moment they should focus on employees' good as they will be with the company in the longer run, they should make decisions based on financial and operational aspects concerning employees.

2.6 Impact of Mergers and Acquisitions on Work culture

Culture is a factor that is extremely important in change in mergers. In order to fully understand culture's importance in a change context, it is important to understand what culture truly is and how it relates to leadership and change. Edgar H. Schein in his *Organizational Culture and Leadership* does a very thorough job of explaining the power and importance of an organization's culture and the influence that leadership has on an organization's culture. An organization's culture is one of the most important characteristics of an organization that shapes the organization and gives it its own identity. Culture is what makes an entity unique and what attracts the members of the Organization.

Mergers and acquisitions (M&A) can have a significant impact on work culture within the organizations involved. The impact can be both positive and negative, and it largely depends on how well the integration process is managed and the cultural fit between the

companies. M&A can affect work culture in various ways like; cultural clash, uncertainty and anxiety, communication challenges, leadership changes, loss of identity, cultural integration effort, retention & turnover, and Creativity. When two organizations merge different people from different places with their different identity, attitude, language, culture and tradition, and if we see from an organizational point of view they came up with different skills, knowledge, experience and level of positions which can create fear of loss of identity and position to existing employees of the organization. It sometimes also creates a sense of insecurity to employees and it has a long term impact which cannot be easily cope-up.

The impact of M&A on work culture is complex and multifaceted. It requires careful planning, open communication, and strategic efforts to align cultures and manage change effectively. Companies that prioritize cultural integration and employee well-being during the M&A process are more likely to experience positive outcomes and long-term success.

2.7 Theoretical Framework

This study is grounded on human capital theory regarding cross-level effects of mergers and acquisitions on employee performance. Human capital theory suggests that education or training raises the productivity of workers by imparting useful knowledge and skills, hence raising workers' future income by increasing their lifetime earnings (Becker, 1994). The theory postulates that the firm's strategies and structures will be dependent upon environmental conditions, the more varied the environment the more differentiated the structure. The human capital approach is often used to explain occupational wage differentials. Human capital can be viewed in general terms, such as the ability to read and write, or in specific terms, such as the acquisition of a particular skill with a limited industrial application. Human capital theory has since become a dominant means of understanding how wages are determined. It holds that earnings in the labor market depend upon the employees' information and skills.

Bratton, John, et al. *Human resource management*. Bloomsbury Publishing, 2021. Emphasizing that employees are critical to achieve sustainable competitive advantage, human resource practices need to be integrated with the corporate strategy and this helps the HR specialist to make employees adapt to changes quickly to meet both efficiency and

equity objectives. Ju, Boreum. "The roles of the psychology, systems and economic theories in human resource development." *European Journal of Training and Development* 43, no. 1/2 (2019): 132-152. This theory is concerned with the manner in which the employees interact with the environment and with each other. The post merger effects on employees can easily be identified if we had an idea about their behavior and personality as these events in the company affect many things with that individual employee psychology. His personality and behavioral action takes a change shift within the workplace which can be easily observed by the leading manager who has a good knowledge of organizational behavior.. The first relevant concept from the theory of human capital is the notion of a fit or match between plants and firms and their owners. This idea was first applied in the theory of labor turnover or job separation proposed by Jovanovic (1979), who asserted that some workers are particularly well-suited to a given job or establishment. According to Jovanovic (1979), if a worker is employed in the right job or organization, a good match will result and he or she will experience higher wage growth than a similar worker. On the other hand, a worker may instead be a bad match for a given task or a particular organization, with negative consequences for both the organization and the employee's career.

Jovanovic and Rousseau (2002) also conjectured that there is a positive association between high quality projects and high quality employees. In their theoretical framework, mergers and takeovers allow for the diffusion of new technologies and the reallocation of capital to more efficient uses and to better managers.

2.8 Conceptual Framework

Mergers and acquisitions have become more often associated with lowered morale, job dissatisfaction, unproductive behavior, increased turnover and absenteeism, rather than with increased financial performance as expected. Therefore, the underlying causes of employee non-performance need to be studied carefully because their understanding has the potential of improving merger planning and outcomes. Identifying the various ways in which mergers and acquisitions influence employee performance can have long-term implications for economic development of individuals, organizations and nations in general. From the literature review, the various aspects of mergers and acquisitions that influence employee performance form the conceptual framework in this study. A conceptual framework is a basic structure that consists of certain abstract blocks which

represent the observational, the experiential and the analytical/ synthetic aspects of a process or system being conceived. The independent variables in this study are work culture, sense of ownership and belonging, and leadership while the dependent variable is employee performance. The moderating variable is employee motivation while the extraneous variable in the study is the company policy forming the undernoted diagram.

INDEPENDENT VARIABLES

Work Culture- Work culture is about the cultural environment of the company which makes the image of the company it consist of code of conduct, dress code, Standard working hours, benefits & facilities provided by the company. The working culture is independent of its own as it has existed in the company for years and top authority decisions can only change it, this may not be affected by any other variables other than some uncertainties. Working culture in a company has a direct influence on the manager, employees and workers working in the company, in ways it benefits and restricts them for the company's benefit. But sometimes it may have an adverse effect on employees which the company needs to deal with wisely or it may lead to heavy losses and at the time of merger or such big hierarchical changes in the company, they should wisely take decisions on working culture change.

Sense of ownership and belonging- Sense of ownership and belonging from the employees perspective means company's concern towards them and their hard work and care towards company's growth. In psychological way it means employees feeling of belonging and care towards company and company's concern and care towards employees, the harmony between the two but in financial way it means the employees hardwork and dedication towards achieving their target, goal to increase company's profit

while for company it is providing facilities and benefits for their growth performance, the deal between two. In whatever way it is necessary for both employee and company for their survival if it is not their employee may lose their interest and sense of dignity which may result in resignation and low retention numbers which affects the companies profitability and performance. Companies should fulfill their duty towards their employees while employees should be hardworking, honest, loyal and dedicated towards the company.

The sense of ownership and belonging comes from inside. Hence it is not dependable on any other factor or variable, it's the decision of an individual which lies with him only no

other can decide it.

Leadership- A leader in a company is an individual who holds a position of authority, responsibility, and influence within the organization. Leaders are tasked with guiding, directing, and inspiring their team or the entire organization to achieve its goals and objectives. They are responsible for making important decisions, setting the company's direction, and fostering a positive work environment.

Mainly managers and top authorities hold this position with certain power. In changing or difficult situations it's their responsibility to guide their team in the right direction while not avoiding their interest and expectations. A leader should have a strong communication skills, strategic thinking, the ability to motivate and empower their team, leading individual should possess a strong influential image in front of its team so they resist less but he/she should not be strict or rigid but taking rational decision in behalf of company's good by listening every member point of view.

Leadership is a variable independent in an organization, the leader is one who assumes to be on top he who holds the majority of power to dictate or direct his team members to achieve a specific goal or target. He is the one who sets rules, policy and governs the team or department under him, his action may be affected by his senior leader but not dependent on any other.

DEPENDENT VARIABLE

Employee Performance- Employees work under managers in the middle and mainly in lower level departments. They have so many things superior to them which they need to follow and about most of the things in big organizations they are unaware of. Employees work is dependent on superior orders and strategy accordingly they have to work. Above 3 variables are independent of their own but we can see in all those employees are to be included and they are the who majorly got affected by them, hence they are dependent on them.

As they are dependent variables, no organization has nothing to do with them. Their actions affect the whole organization's performance, they are at bottom means the whole foundation builds on it if the bottom shakens there's fear of a total collapse or destruction. That's why every company should take utmost care of their employees to improve their performance

From the above conceptual framework we can understand on which all variables this research paper is dependent, and this all being focused on the main context of merger and acquisition as how they impact these variables. Although from the foregoing review, there have been many studies on mergers and acquisitions on various perspectives. However, year after year many mergers and acquisitions are found to fail due to challenges related to planning. Much as there have been voluminous articles on mergers and acquisitions, there is a dearth on the influence of mergers and acquisitions on employee performance in financial organizations. And in developing countries like India where the financial sector is one of the most influenced sectors by mergers and acquisition is the matter of concern. And on these few reasons of failure behind planning shown in this research paper.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

Research methodology is a general approach to studying a research topic. It is the framework underlying the strategy of a research. This chapter presents the methodology, which was used to carry out the study. It further describes the type and source of data, the target population and sampling methods and the techniques that were used to select the sample size. It also describes how data was collected and analyzed. The suitable methodology in this study gives the guidelines for information gathering and processing.

3.2 Definitions of Variables

In a research paper, the term "variables" refers to the factors or characteristics that are being studied, measured, manipulated, or analyzed in a research study. Variables are central to the research process as they help in understanding the relationships between different elements, make comparisons, and draw conclusions based on specified data. They are used to quantify and measure the concepts under investigation.

The two main types of variables studied in this research: independent variables and dependent variables.

Independent Variables: These are the factors that manipulate or control in an experiment. They are considered the potential causes or influences that might affect the dependent variable. Independent variables are often denoted as "X" and are deliberately altered to observe their effects on the dependent variable. In this research paper the independent variables are work culture, sense of ownership and belonging, and leadership.

Dependent Variables: These are the outcomes or responses that researchers measure in relation to the changes in the independent variables. They are denoted as "Y" and are expected to change as a result of changes in the independent variables. The dependent variable in this research is employee performance which is to be affected by the independent variables.

3.3 Research Hypothesis

- There is a significant relationship among Age, and Gender of the Bank employees and their perception of workload after the merger.
- There is a significant relationship among Age, and Gender of the Bank employees and their level of satisfaction of working environment after the merger of Indian Bank and Allahabad Bank in India

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3.4 Research Design

Research design is the basic plan that indicates an overview of the activities that are necessary to execute the research project. Research design provides an operational frame within which the facts are placed, processed through analyzing procedures and the valuable research output is produced. According to Saunders, et al. (2012), the definition of research design is a plan aimed at answering a specific research question. This research design definition concerns proper research data management and brings together several components, strategies, and methods to collect data and analyze it. A research design, also

called a research strategy, is a plan to answer a set of questions (McCombes, 2019).

This research problem was studied through the use of a survey descriptive research design. According to Cooper and Schindler (2003), a descriptive study is concerned with finding out the what, where and how of a phenomenon. This study therefore was able to

generalize the findings to all the enterprises. The main focus of this study was quantitative. However some qualitative approach was used in order to gain a better understanding and possibly enable a better and more insightful interpretation of the results from the quantitative study. This method concerns the intense investigation of problem solving situations in which problems are relevant to the research problem. Indian Bank is the focus of the study which provided a natural setting on which data was collected.

3.5 Target Population

Target population is the specific population about which information is desired. A population is a collection of objects and individuals who share a trait that the researcher is interested in analyzing. Also, the validity of the results of a study cannot be assured without choosing the appropriate sample and population for research (Asiamah, Mensah & Oteng-Abayie, 2017). Accordingly this research is carried on the responses of the staff of Indian Bank. In this research the target population is lower level management. The lower level staff of Indian Bank is from a branch Ashta, Madhya Pradesh, India. The research is carried out in a sample survey form by circulating a questionnaire among staff of the Indian bank branch, the survey is conducted with due permission of the branch manager. The target population can be divided as per age, gender and departmental level.

As per Age from 25 year old to 45 year old responded to the questionnaire and as per gender there is one woman and other men, the ratio therefore unbalanced. As per departmental level, from 4 departments we got response (distribution, customer service, Human resource, administrative and sales). But the responses validity and reliability cannot be assured as these were taken from the small branch of town Ashta where merger effect is very less compared to tier 1 and 2 cities. But we have tried to analyze and identify the employee performance with the help of responses.

3.6 Sampling Procedure

Creswell (2014) suggests being purposeful in identifying participants that might provide insight into your research question. Purposeful sampling involves selecting participants because you believe that they might contribute something to your analysis. Sampling should be meaningful to the objective and should provide an honest review which is not manipulated. Sampling techniques provide a range of methods that facilitate the reduction

of the amount of data needed to collect by considering only data from a sub-group rather than all possible cases or elements. At the time of conducting research, it is often impossible, impractical, or too expensive to collect data from all the potential units of analysis included in the research problem. A smaller number of units, a sample, are often chosen in order to represent the relevant attributes of the whole set of units, the population. Since the samples are not perfectly representative of the population from which they are drawn, the study cannot be confident that the conclusions generalize the entire population (Shahidul and Sheikh, 2006). Ngechu (2004) emphasizes the importance of selecting a representative sample through making a sampling frame. A population frame is a systematic list of subjects, elements, traits, firms or objects to be studied. From the population frame the required number of subjects, respondents, elements, firms are selected in order to make a sample.

From above we can understand what sampling and sampling procedure is meant by different authors. And how we can create an accurate sample. In this research study, the sampling procedure is followed by a survey to lower level staff of Indian Bank, Ashta. And accordingly the responses were collected. The sampling survey was not too big because of the small sample size.

3.7 Data Collection Methods and Instruments

According to Ngechu (2004) there are many methods of data collection. The choice of a tool and instrument depends mainly on the attributes of the subjects, research topic, problem question, objectives, design, expected data and results. This is because each tool and instrument collects specific data. Data may be collected by a wide variety of methods. Primary data is gathered and generated for the project at hand. Primary data is information gathered directly from respondents and for this study the study used questionnaires. Secondary data is the data gathered for other purposes and used in the recent project. Usually the secondary data is found inside the company, libraries, research centers, internet, etc. Secondary data involved the collection and analysis of published material and information from other sources such as annual reports, published data.

The study made use of a survey questionnaire administered to each member of the sample population. The questionnaire had likert scale questions. These questions are easy to answer and can gather more information. It is used in measuring either positive or negative

response to a statement. We have included 40 likert scale questions which are based on four variables: employee performance, sense of ownership and belonging, Work culture and Leadership. The limitation of this questionnaire design is language which only includes English language which causes trouble for other employees to answer the questions, and may result in less number of responses. The questionnaire was not tested for further improvements because of lack of time.

Secondary data was also collected for this study. This data was useful for generating additional information for the study from already documented data or available reports. Cooper and Schindler (2003) further explain that secondary data is a useful quantitative technique for evaluating historical or contemporary confidential or public records, reports, government documents and opinions. Mugenda and Mugenda (2003) add that, numerical records can also be considered a subcategory of documents and that such records include figures, reports and budgets. This basically implies the incorporation of valuable statistical data in the study.

3.8 Data Collection Procedure

The study administered the questionnaire individually to all respondents of the study. The study exercised care and control to ensure all questionnaires issued to the respondents were received and to achieve this, the study maintained through google form which register, which questionnaires were sent, and which were received.

CHAPTER FOUR

DATA PRESENTATION, PROCESSING AND INTERPRETATION

4.1 Introduction

The purpose of this research was to establish the influence of mergers and acquisitions on employee performance: A case of Indian Bank. This chapter focuses on data analysis, interpretation and presentation. As such the study sought to establish the influence of merger and acquisition on employee performance in the Indian Bank; to examine the influence of sense of ownership and belonging on the performance of employees; to establish the influence of Work culture on the performance of employees and to determine the influence of Leadership on the performance of employees. The data was gathered from a questionnaire as the research instrument. The questionnaire was designed in line with the objectives of the study. The study employs various statistical tools for extracting information on the influence of mergers and acquisitions on employee performance.

4.2 Questionnaire Return Rate

The study sampled 10 respondents from the target population in collecting data with regard to the influence of mergers and acquisitions on employee performance of Indian Banks. The questionnaire return rate results are shown in Table 4

PRIMARY DATA

4.3 Distribution of the Respondents by Gender

In this study the respondents sampled were expected to comprise both male and female staff. As such, the study required the respondents to indicate their gender by ticking on the spaces provided in the questionnaire. Table 4.2 shows the distribution of the respondents by gender.

Gender
7 responses

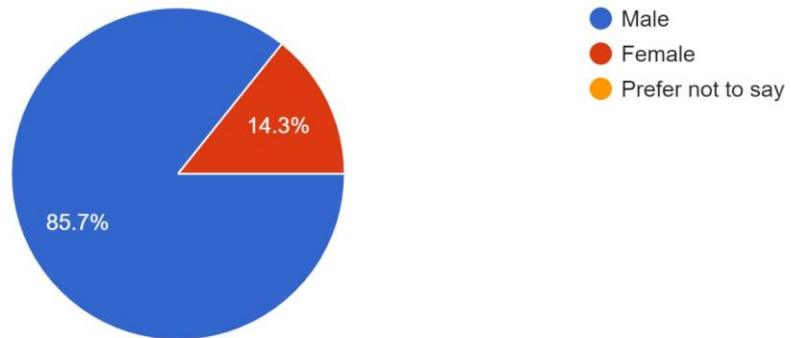


Table 4.2

Table 4.5: Gender of the Respondents

Gender Frequency Percent Male 85.7% Female 14.3%

The findings show that the institution studied has both male and female members; however the majority of them are males. The findings imply that the views expressed in these findings are gender sensitive and can be taken as representative of the opinions of both genders as regards to influence of mergers and acquisitions on employee performance of Indian Banks.

4.4 Working Experience in the Bank

The length of service/working in an organization determines the extent to which one is aware of the issues sought by the study. The study therefore sought to establish the length of time that the respondents had been working in the Bank. The results on this question are presented in Table 4.3

Job Experience
7 responses

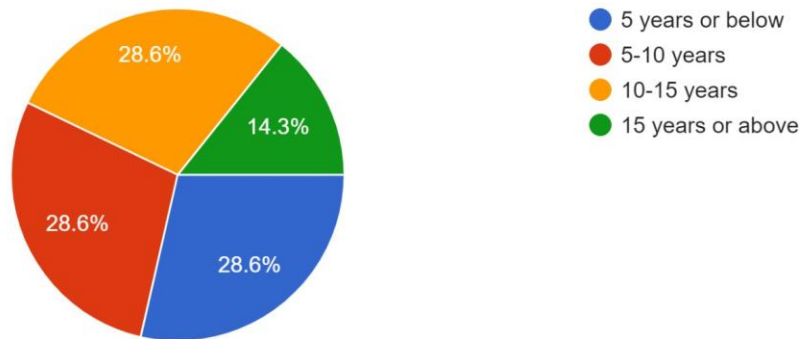


Table 4.3

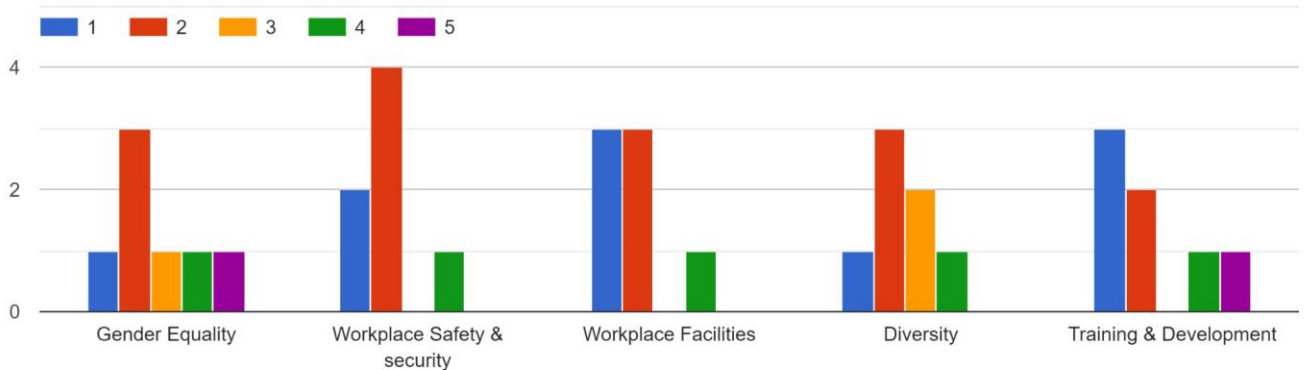
Table 4.3: Duration Worked in Indian bank

Duration in Years Frequency Percentage 0-5 yrs 28.6%, 5-10 yrs 28.6%, 10-15 yrs 28.6%, Over 15 yrs 14.3%

The study results depicted in table 4.3 reveal that 28.6% of the respondents indicated that they had an experience of 5-15 years in the Bank, while 14.3% of the respondents indicated that they had an experience of over 15 years. This shows that the majority of respondents had enough work experience in Indian banks. The respondents are conversant with the influence of mergers and acquisitions on employee performance.

4.5 Influence of Mergers and Acquisitions on Employee Performance The main purpose of this study was to establish the influence of mergers and acquisitions on employee performance. This section therefore involves an analysis of the various aspects of mergers and acquisitions that influence employee performance in Indian Bank. As such the study sought to establish whether the merger & acquisition affect employee performance in the Bank.

To what extent do the following aspects of the job; affect the performance of employees? Use a scale of 1 to 5 where 1= Strongly agree, 2= Agree, 3= Neutral, 4= Disagree, 5 = Strongly disagree.

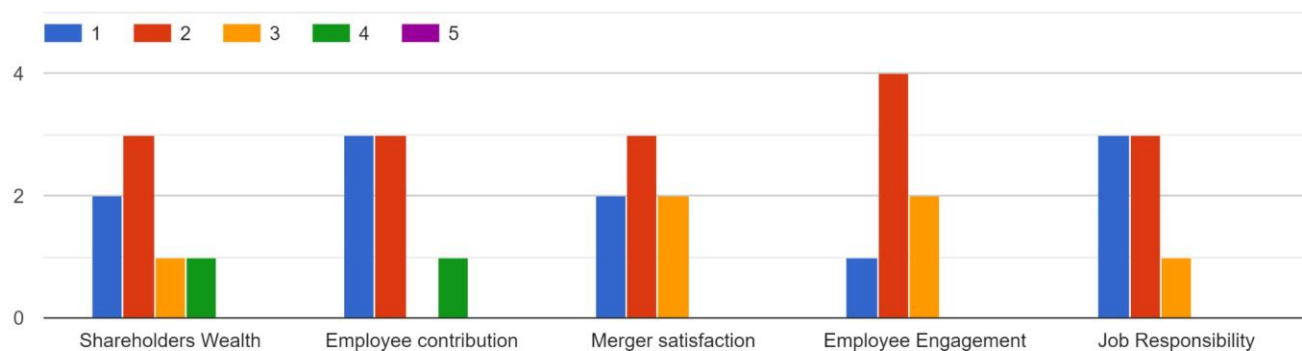


Graph 4.4

4.6 Sense of Ownership and belonging

In order for the study to achieve its main objective the first specific objective of the study was to establish the influence of ownership & belonging on employee performance. Accordingly, the study sought to establish the extent to which the merger setting affects the sense of ownership and belonging among the employees in the Bank.

To what degree do the following aspects of ownership and belonging affect employee performance? Use a scale of 1 to 5 where 1= Strongly Agree, 2= Agree, 3= Neutral, 4= Disagree, 5 = Strongly disagree.

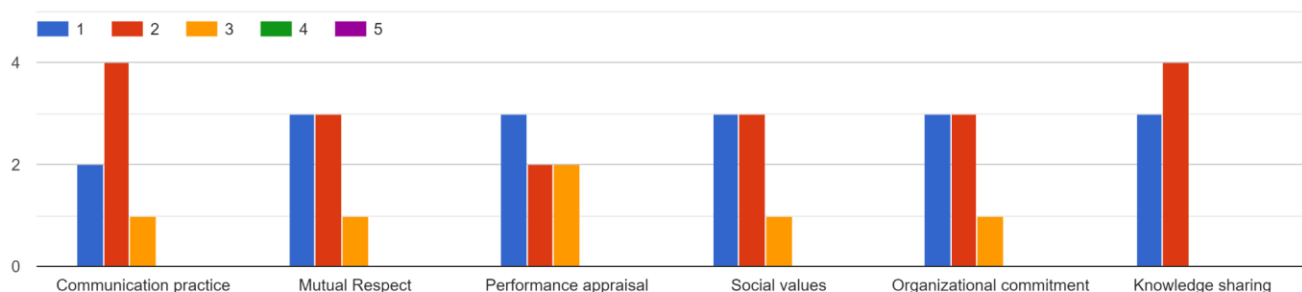


Graph 4.5

4.7 Work Culture

The third specific objective of this study was to establish the influence of work culture on the performance of employees working in Indian Bank. As such the respondents were required to rate the extent to which they felt the various aspects of work culture affected them in a merged bank setting.

To what extent do the following aspects of the work culture; affect the performance of employees? Use a scale of 1 to 5 where 1= strongly agree, 2= agree, 3= Neutral, 4= Disagree, 5 = strongly disagree.

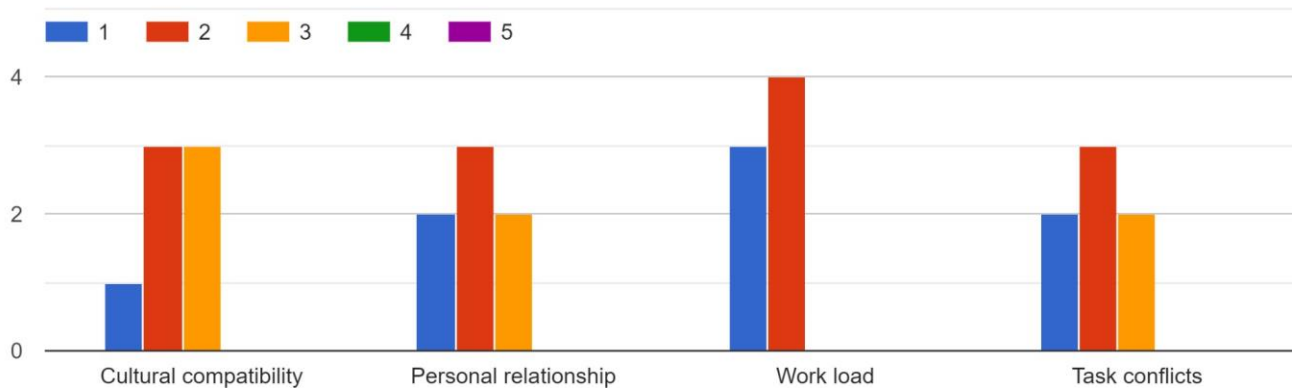


Graph 4.6

4.8 Leadership

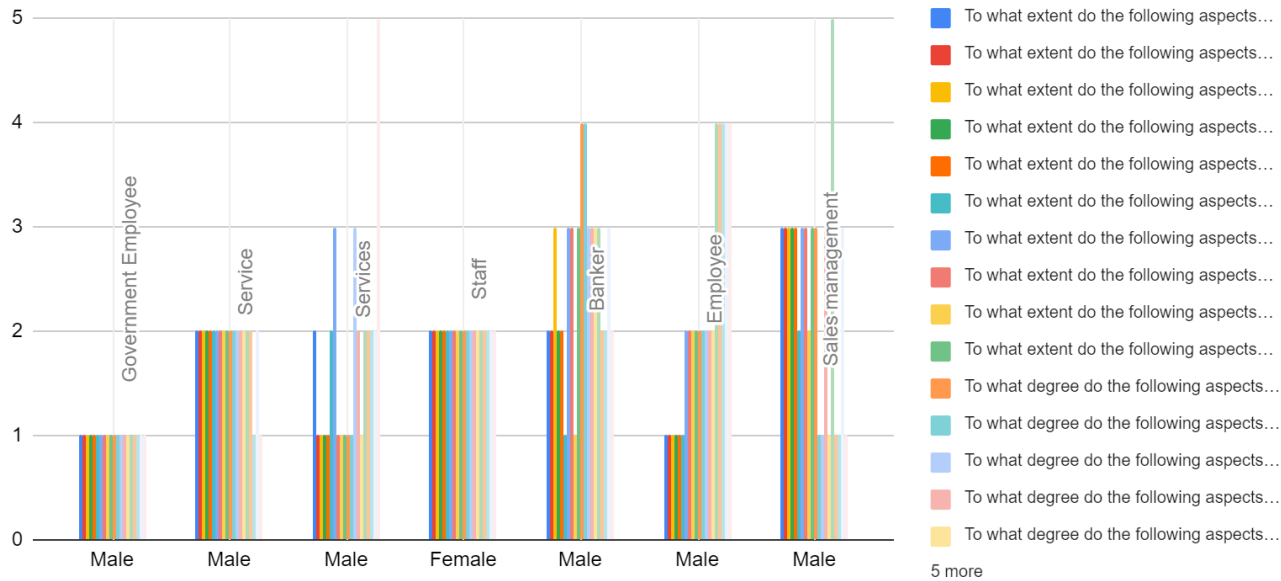
Leadership is another factor that affects performance of employees in a bank that has undergone a merger. Consequently, the fourth objective of the study was to determine the influence of leadership on the performance of employees working in Indian Bank. The study therefore sought to establish the extent to which leadership affects the employees performance in the Bank.

To what extent do the following aspects of the chain of command; affect the performance of employees? Use a scale of 1 to 5 where 1= Strongly ...e, 3= Neutral, 4= Disagree, 5 = Strongly disagree.



Graph 4.7

4.9 Questionnaire Form Data Set (Fig. 4.8)



From figure 4.8 we can understand the wh

ole questionnaire form data set, we have included 40 likert scale questions based on 4 variables (Employee performance, sense of ownership & belonging, Leadership). The answers to all these questions vary from each other, as the respondents are differently questioned.

SECONDARY DATA

4.10 After merger Effect

On 1st April 2020 Allahabad Bank merged into Indian Bank.

- Finance minister Nirmala Sitharaman had announced the merger of several public sector banks in Budget 2020 held in March last year.
- The Indian banks announced a share of swap ratio of 115 equity shares of Rs 10 each for every 1,000 shares of Rs 10 each of Allahabad Bank . as per the scheme the Allahabad Bank was amalgamated into Indian Bank along with other nine PSBs merged into four.
- Allahabad Bank was initially headquartered in Uttar Pradesh's Allahabad initially. In

presence of Gwalior district of Madhya Pradesh 45 years ago. Now its headquarters was later shifted to Kolkata after 20 years of establishment.

- Allahabad bank has the largest number of fixed assets as compared with other banks. It has the largest number of 3,230 branches across the country primarily located in UP, Bengal in the second position, Bihar in the third position and Madhya Pradesh at fourth with 150 branches.
- It was announced that a fair equity share exchange ratio of 115 equities of Rs 10 each for every 1000 shares of Rs 10 of Allahabad Bank as a part of the merger of the latter in the bank.
- The board of directors, approved in the meeting that the share exchange ratio, subject to statutory and regulatory approvals.
- A grievance redressal committee headed by the retired judge of Madras High Court, Chitra Venkataraman was formed to be address the grievances of minority of shareholders individually and collectively holding at least one percent of the total paid up equity capital of one of these two banks.

Combined strength			
(₹ in Cr)	INDIAN BANK	ALLAHABAD BANK	MERGED BANK
Total Business	4,29,972	3,77,887	8,07,859
Gross Advance	1,87,896	1,63,552	3,51,448
Deposits	2,42,076	2,14,335	4,56,411
CASA Ratio	34.71%	49.49%	41.65%
Domestic Branches	2,875	3,229	6,104
CET-1 Ratio	10.96%	9.65%	10.36%
CRAR Ratio	13.21%	12.51%	12.89%
Net NPA's	3.75%	5.22%	4.39%
Employees	19,604	23,210	42,814

Source : Indian Bank (March 2019 Financials)

Here are the new rules that existing/new customers should be aware of after the merger:

1. For IFSC codes

Customers that had accounts with the Allahabad bank would now have to get a new Indian Financial System Code (IFSC) as the old one would not be applicable. Failure to do this would result in non-conduction of any monetary transactions. Customers can log into www.indianbank.in/amalgamation and enter the old IFSC code to obtain the fresh code.

An SMS can be sent to 92668 01962 from the registered mobile number in the format IFSC<Space><OLD IFSC> (Eg. IFSC ALLA0210999). Customers are requested to use only Indian Bank's IFSC codes starting with 'IDIB..' from February 15 onwards for remittances (RTGS, NEFT, IMPS)

2. Mobile banking, introduction of IndOASIS app

With regard to mobile banking, customers will be required to install the IndOASIS app on their phones and start using it from February 15, 9 am onwards. The app is available on Google play store and IOS.

3. Net banking services

To avail of internet banking services, customers have to log into <https://indianbank.net.in> from February 15, 9am onwards with their existing log-in credentials.

4. Cheque book and passbook

Customers are allowed to use their existing cheque books till they are exhausted or for another six months, whichever is earlier. New passbooks in line with the Indian Bank format will be issued after February 15. Customers have also been requested to obtain a new passbook of the bank (if not taken already) from their home branch

CHAPTER FIVE

SUMMARY OF THE FINDINGS, DISCUSSIONS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This is the final chapter in this study which gives the summary of the findings, the discussion, conclusions, recommendations of the study based on the objective of the study and suggestions for further findings. It comes after identifying the background, problem at hand and the objectives in chapter one, literature review was done in chapter two, chapter three set out the methodology that the study used to collect data and chapter four analyzed the data obtained from the study. The chapter finally presents the suggestions for further studies. The study sought to establish the influence of merger & acquisition on employee performance in the Indian Bank; to examine the influence of sense of ownership and belonging on the performance of employees working in Bank; to establish the influence of work culture on the performance of employees working in Bank and to determine the influence of Leadership on the performance of employees working in Bank.

5.2 Summary of Findings

Based On the Employee's Perception

- 1) Majority of the respondents fall into the age range of 25 to 45 years.
- 2) Majority of the respondents are males and a smaller number of females.
- 3) From the study it is found that the respondents are predominantly affected by the Mergers of The Allahabad Bank and Indian Bank.
- 4) From the study it is found that employees were affected by the four variables after the merger of Indian bank and Allahabad bank.
- 5) The views of different employees differ from each other. It's difficult to conclude which variable affected them the most.

5.3 Conclusion

The merger between Allahabad Bank and Indian Bank presents a unique opportunity for bank employees to come together and build a stronger, more competitive organization. As with any merger, there will be challenges and changes that employees will need to navigate. However, with the right mindset and approach, employees can play a key role in ensuring the success of the

merger. Bank employees should be open to change, embrace the new culture, and build new relationships with their colleagues. Effective communication, both internally and externally, will be critical in addressing any concerns or questions that may arise. Employees should continue to focus on providing excellent customer service to reassure customers that the quality of service will not be impacted by the merger. Proactively, flexibility, and a focus on skill development are key attributes that employees should adopt to help navigate the changes that come with a merger. Staying informed and engaged with the company's communication channels will help employees stay aligned with the organization's values and goals. By staying positive, maintaining a work-life balance, and celebrating successes along the way, employees can contribute to the long-term success of the merged organization. The merger between Allahabad Bank and Indian Bank presents a unique opportunity for bank employees to come together, collaborate, and build a stronger, more competitive organization. By embracing the challenges and opportunities that come with a merger, employees can play a key role in ensuring the success of the merged organization.

Furthermore, bank employees should also be patient as a merger can take time to fully integrate and settle. They should seek clarity and be flexible in their roles and responsibilities, as well as be open to learning from their colleagues' experiences and perspectives. Embracing diversity and collaborating with their new colleagues can help build trust, foster innovation, and improve overall performance. Bank employees should also maintain confidentiality and be mindful of any sensitive information that needs to be kept confidential during the merger process.

The study concluded how merger and acquisition can influence various variables in the organization and how their impact affects the employee performance. The study concludes that employee pay and remuneration affect employee performance in the merged organization. With this regard, wages and benefits, allowances/bonuses, as well as terms of employment and performance based pay affect the employee performance in the current merger setting. The study concludes that mergers affect the sense of ownership and belonging among the employees in the Bank hence their performance. The study established that employee contributions, employee composition, shareholder wealth and merger satisfaction and communication affect employee performance in the Bank. The study also concludes that work culture affects the employee's performance in the bank. It was also ascertained that communication practice, mutual respect, performance appraisal, social values, organizational commitment, knowledge sharing affects employee performance in merged banks. The study finally deduces that leadership affects the employees' performance in the Bank. It was also ascertained that personal relationship, task conflicts, coordination, workloads, cultural compatibility, management support, working conditions, employees attitudes, strategic rationale, non monetary benefits and employee commitment affects employee performance in the merged Bank.

5.4 Suggestions

The merger of two banks comes along with both positive and negative effects but it's on the leading management and employees to decide in which way to tackle it, in negative or positive. Here are some of the suggestions which can improve the merger setting in banks:

- Communication channel- Strengthening the communication channel between employee's and management at the time of merger is very crucial to avoid uncertain consequences or misunderstandings.
- Performance Appraisal- Appreciating your employee performance in front of his staff is the biggest achievement for him, which also does not come from giving bonuses. During such merger company should keep an keen eye on performance of each department and employee's working in them So at right right time on right place their performance could be appreciated thus boosting their confidence in company and motivating them to work more harder than before.
- Work Load- company should be focusing on reducing workload from staff and managers head and at times of merger sometimes there is duplication of orders which could lead to stress, anxiety and confusion which lead to bad result & performance. Companies should be aware of rules and policies during such mergers and give clarity to organizations from top to lower level.
- Management support- The support of top authority is what makes employee's feel belonging towards the company. Their affection and dedication is very necessary for a company to grow and survive in the long term. As this builds a strong bond of trust between employees and management which gives them strength to fight against difficult situations arise in the company.
- Integration of merger- It means integrating the cultural belief, tradition & work environment of two entities coming together. The integration is the part both organizations should be focused on as it includes from deciding new policies, rules and regulation to changing managerial positions.

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