

Post-merger Employee Satisfaction in Commercial Banks of Nepal: *Findings from Employee Satisfaction Index*

Eliza Shrestha, Niranjana Devkota,
Udaya Raj Paudel and Seepata Parajuli
Quest International College, Pokhara University, Nepal

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Abstract

Various mergers and acquisitions started in in Nepalese banking sector, since 2011 when Nepal Rastra Bank issued the merger by-law. This paper, therefore, aims to explore post-merger employee satisfaction of commercial banks in Nepal. Employees of Nepalese commercial banks are considered as population of the study. Hence, the sample of 310 commercial bankers is taken for the study. Result of the study revealed that employees of commercial banks (50 percent) are moderately satisfied, and post-merger and lack of effective communication were found to be the major challenges faced by most (65.16 percent) of the employees. However, 23 percent of the employees believed that if they were provided with proper training and development opportunities, they could mitigate challenges arising from post-merger activities. Therefore, the study concludes that banks should identify needs of employees and provide such an environment where they can work flexibly in the post-merger period.

1. Introduction and Study Objects

Merger and acquisition are recurring global phenomena and are considered as the useful strategies for the growth of the business in the corporate world (Rahman, Ali, & Jebran, 2017). Each association embraces various methods and instruments to argue its benefit and can have the option to get regarding the quickly developing business sector (Malik, Anuar, Khan, & Khan, 2014). The thinking behind mergers and acquisitions (M&A) is that two organisations together are more important than two separate organisations that creates synergy, growth and expansion of the business and these types of activities mostly occurs in banking sectors (Madininos, Theriou, & Demetriades, 2009). Because of rapid development, numerous organisations embraced merger & acquisition strategies for growing their business and around 4,000 transactions are recorded every year in the business world (Malik et al., 2014).

M&As were still uncommon in Asia in the early 1990s, as these organisations tended to focus on internal development (Rao-Nicholson, Salaber, & Cao, 2016). The greater part of the examinations in mergers and acquisitions are discussed in financial sectors which can be evaluated in terms of total assets, bonds, and net worth to know whether the merger is effective or not. But it is equally important to analyse, whether the merger and acquisition are effective in terms of HR working in the organisation or not (Soundarya, Lavanya, & Hemalatha, 2018). The 1980s and 1990s were described with M&A waves that have changed banking industries on the worldwide scene and have influenced the careers of millions of employees (Iankova, 2014). The majority of employees feel bereft, resentful, and dissatisfied at work, and their reactions can increase to M&A disappointment. (Appelbaum, Lefrancois, Tonna, & Shapiro, 2007).

The crucial human resource framework issue in merger movement are human resource planning, remuneration, turnover, performance evaluation framework and worker relations (Sambu, Wanza, & Campus, 2018). When merger fails, productivity decreases with 50 percent, administration steady loss takes off 47 percent inside 3 years, employee satisfaction drops with 14 percent, workers start to feel that top administration thinks more about financials than employees with 80% and at this stage, HR issues like planning of execution groups, making of new structure, holding of key employees and persuading them, change the executives and communication with stakeholders probably surfaces (Soundarya et al., 2018; Paudel, Parajuli, Devkota & Mahapatra 2020).

In Nepal, M & A was a new phenomenon until Nepal Rastra Bank (NRB) issued merger by-laws in 2011 (Raju et al., 2015). According to the report of Nepal Rastra Bank (2015) 85 BFIs merged to make 35 BFIs in Nepal and M & A process has rapidly increased. Commercial banks required to increase their paid-up capital to Rs.8 billion from Rs. 2 billion, national level development banks needed to increase to Rs.2.5 billion from Rs.640 million, and national level finance companies needed to increase to Rs.800 million from Rs.200 million respectively (Sharma, 2018) that resulted to plunge in BFIs in Nepalese market. To address this issue, the Nepal Rastra Bank (NRB) has advised banking institutions to go through the merger and acquisition process. Although previous explorations show that the M&A system improves the funds of banks through cooperative energy, there are inadequate examinations that are based around the mergers and acquisitions venture arranging and the executives segment, particularly in business banks where the assurance and consequences of workers are affected by debates brought about by varieties in the way of life and developments of consolidated banks (Appelbaum et al., 2007). Accordingly, even though NRB cleared a structure for M&A exercises, the purposes for the banks' choice to go for M&A have not been the subject of study. These reasons and opportunities have not been examined adequately. Without a good understanding of how M&As effect workers' minds, the negative consequences of M&As on worker behaviour cannot be anticipated or mitigated. There is currently insufficient

data on the degree of occupation fulfilment among bank employees who have experienced a merger and acquisition to determine how they influence representative psychology. Henceforth, to address these issues, this study work planned to analyse job satisfaction of employees working in commercial banks' post-merger situation. As there is little previous study on the effect of merger and acquisition on employees' satisfaction, this study wants to find answers to the following questions: Are employees satisfied after M&A in Nepalese commercial banks? What are the challenges/problems faced by employees after M&A? What can be the solution to solve challenges of employee satisfaction in post-merger situation? Hence, this study sought to answer the questions raised above. It will help to know about the present status of merger and acquisition in Nepalese Banking sectors because Newman and Krzystofiak (1993) and most of other scholars found that more than half of the problems are related with the people and HR management issues due to cultural shock.

2. Literature Review

Looking to the merger and acquisition in the world scenario, it is one of the oldest issues but in Nepal it is one of the emerging issues in the banking sector (Dwa & Shah, 2017). Mergers today are happening all the more regularly as a method of gaining competitive advantage (Sambu et al., 2018). Kalra, Gupta, & Bagga, (2013) how far does the empirical evidence support this notion? An examination of the existing literature suggested no conclusive evidence about the impact of M&A on corporate performance. Therefore, this article investigates the mergers in the Indian Banking industry to find out whether Indian banks have achieved performance efficiency during the post-merger period namely in the areas of profitability, liquidity, shareholders wealth and share price volatility. Basically, two methods are employed to compare pre-post merger performance, of Indian banks from 2000 to 2011. First, paired sample t-test determines the significant differences in financial performance before and after the merger activity, and second, a standard event study approach examines the announcement effect of mergers and acquisitions on share price volatility (event window of 120 days; Jensen, (1986) a relationship fraught with conflicting interests. Agency theory, the analysis of such conflicts, is now a major part of the economics literature. The payout of cash to shareholders creates major conflicts that have received little attention.' Payouts to shareholders reduce the resources under managers' control, thereby reducing man-agers' power, and making it more likely they will incur the monitoring of the capital markets which occurs when the firm must obtain new capital (see M. Rozeff, 1982; F. H. Easterbrook, 1984 argue that the impact in productivity of an organisation increased and also found that financial associations altogether improved their benefit effectiveness positioning after mergers rather than performing individually in the market. According to Covin, Koleno, Sighthler & Tudor (1997), merger increases uncertainty among employees leading stress, dissatisfaction, dishonesty, and irresponsiveness towards organisation. If the administrators and workers of the two associations

associated with a M&A concur on the favoured method of cultural assimilation, at that point the various societies are perfect (Rottig et al., 2014). These kinds of conflict and job dissatisfaction in the employees may leads to stressful life event within employees. Employees will probably get concerned about a large number of issues following merger and acquisition (Holmes & Rahe, 1967). Employees are generally reluctant to disclose themselves in the post-merger therefore organisation should try to understand and cope with employees in such environment (Rasheed, Khan and Ramzan, 2013).

Covin et al. (1997) stated that leadership style does not impact employee satisfaction in the post-merger situation. Likewise, Covin et al. (1996) urged that considering different needs of employee's satisfaction post-merger, particularly union membership, and salary influence attitude of employees. Manager of any organisations should provide proper and frequent information to their employees when merger and acquisition happen (Covin et al., 1997; Zhu et al., 2004). Sambu et al., (2018) and Akhimien & Kadiri, (2017) suggest that organisations should implement fair pay system to their employees and promotion policy should be made equitable between them so that it can increase employees' engagement in rebuilding peaceful organisational culture. Open and early communication are important for the employees who are involved in merger and acquisition process because when the management is straight forward to their employees then employees will give effective return or levels of performance in their organisations (Seo & Hill, 2005).

Employees will probably get concerned about a large number of issues following merger and acquisition which include conflict and job dissatisfaction in the employees may lead to stressful life event within employees (Holmes & Rahe, 1967). Zhu et al. (2004) revealed that post-merger job satisfaction was lower than that of pre-merger satisfaction and this dissatisfaction mainly results because employees are not getting proper information that should be communicated carefully and purposefully among the employees. On the other hand, Cartwright & Cooper (1993); Akhimien and Kadiri (2017) urged employees are satisfied with their job, communication, co-workers but they are less satisfied with promotion opportunities, benefits and pay, and with the nature of the work. Sambu et al., (2018) and Akhimien & Kadiri (2017) suggest that organisations should implement fair pay system to the employees and promotion policy should be made equitable between them so that it will increase employees' engagement in rebuilding peaceful organisational culture.

3. Research Methods

This section presents the methodology adopted in this study.

Sample and Research Area

Kathmandu valley is taken as study area (figure 1) comprising Kathmandu, Lalitpur and Bhaktapur districts (Shrestha et al., 2020). As Kathmandu is the capital city of Nepal, maximum business organisations are in this area. Nepal

Rastra Bank has listed 27 commercial banks and their headquarters located in Kathmandu valley (Parajuli et al., 2020). Therefore, employees of several banks in the valley can provide accurate information, which is beneficial to this study. Employees working in both merged and acquired commercial banks of Kathmandu valley are considered as population for this study. As per the report of Nepal Rastra Bank (2019) as of mid-January 2019, 33,429 people were employed by commercial banks. To conduct the study, probability sampling was used. Purposive sampling was utilised to achieve the study's purpose. Kothari (2004) expressed that purposive sampling can be beneficial to an investigation when researchers need to get to their target quickly and study it, and proportionality is not a major concern. Following Singh & Masuku (2014) and Paudel et al. (2020), the following formula is used for the determination of sample size: $n = z^2pq/l^2$ where, n = sample size required for the study, standard tabulated value for 5% level of significance (z) = 1.96, p = prevalence rate of employee satisfaction on merger and acquisition 50 percent = 0.5, allowable error that can be tolerated (e) = 6%. In calculation, $n = (1.96)^2 \times 0.5 \times 0.5 / (0.06)^2$ that results total 266.78 respondents. We also added non-response error 6 percent, i.e., $266.78 \times 6/100$ (i.e., 13.34). Thus, adding all this results, the representative sample should be $(266.78 + 13.34) = 280.12 (\approx 280)$. In fact, this research intended to collect 403 respondents to achieve the acceptable error of 5%, however owing to time constraints, the study only covered 310 people. As the number of respondents are sufficient with the 6 percent observed error, this study focuses on 310 bank employees in Kathmandu, Nepal.

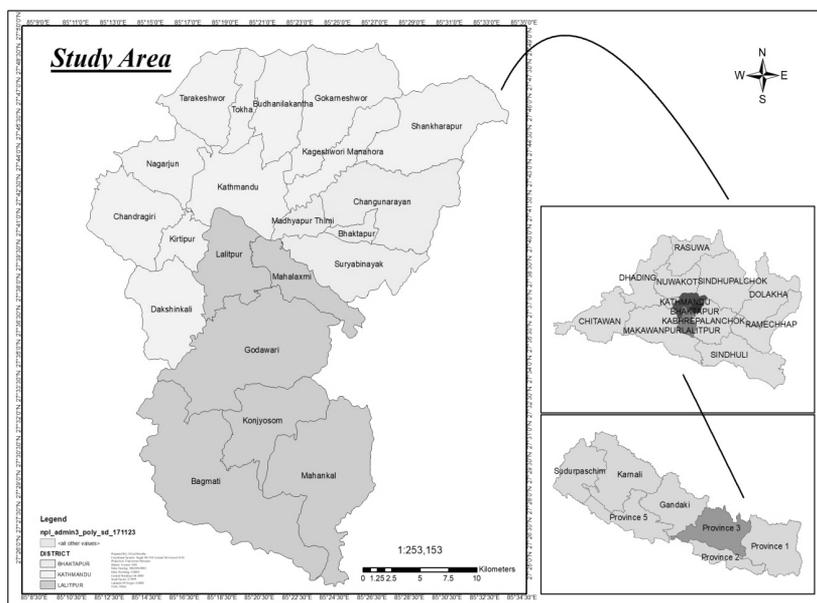


Figure 1: Study Area

Research Instruments

This study employs a descriptive research design. Expert opinion and survey questionnaire using KoBo Toolbox, and observation during survey period are the key instruments used for the data collection. Expert opinions were taken into considerations before the study commenced, to know the relevance of this topic in Nepalese sectors. They were also consulted during objective and questionnaire setting to know about its significance in Nepalese sectors. Using KoBo toolbox, the questionnaire is maintained and was surveyed to employees of the commercial banks located in Kathmandu valley. Before an actual survey, a pre-test was done to total 5 percentage of the total sample size determination.

4. Data Analysis and Discussion

After all data collection, data were analysed by using descriptive analysis. The major result analysis for this study is developing an employee satisfaction index; identifying challenges and barriers faced by employees after merger and acquisition; and identifying proper managerial solution for promoting post-merger employee satisfaction in commercial banks in Nepal.

The purpose of this study is to assess employee satisfaction by asking respondents to answer yes or no to 20 questions that reveals how satisfied an employee is regarding post-merger employment. Total 20 questions are received from five dimensions of satisfaction that includes extrinsic rewards (4), supervisory support (4), autonomy (3), affinity (3) and development (3). As a result, if an individual received yes or accurate answers to more than 15 questions, he or she could be considered very satisfied at their workplace following M&E. Similarly, if respondents answer no or incorrectly to fewer than ten questions, M&E may be seen as unsatisfactory. Following Paudel et al. (2020), the general form to identify satisfaction level of employees is presented as:

$$Y (\text{Satisfaction}) = \begin{cases} Y = 0, & \text{If } 1\% < \text{Scale Score} < 50\% \\ Y = 1, & \text{If } 50\% < \text{Scale Score} < 75\% \\ Y = 2, & \text{If } \text{Scale Score} > 75\% \text{ above} \end{cases}$$

Socio-demographic Statistics

Socio-demographic statistic generally deals with the personal characteristics of the respondents such as: age, sex, level of education and work experience. Questionnaire survey was conducted among 310 respondents in each of the three districts: Kathmandu, Bhaktapur and Lalitpur. It is presented in table 1.

There are altogether 44.84 percent men and 55.16 percent women respondents, respectively. The ratio of men and women shows the balanced gender inclusion in the banks. There is no gender biasness in the results. However, Baker (2009) found male employees comprised 25.3 percent of the respondents, while female employees comprised 74.7 percent, indicating that many females are active in the banking sector's merger and acquisition process. Majority (47.75 percent) of

respondents lie between age group of 20-40 years which shows that considerable number of the youths are attracted to the banking sector either they may be men or women. Only 0.64 percent of total respondents belonged to intermediate level whereas 40 percent belonged to bachelor's level and 0.59 percent belonged to masters and above level. It reveals that the majority of bank personnel are postgraduates, followed by graduates and very low numbers of the respondents are from intermediate level. Leepsa and Mishra (2016) in their study also found similar results that 49.43 percent belong to the higher education level and 37.26 percent belong to bachelor level and remaining 13.31 percent belong to the intermediate level.

Table 1
Socio-demographic Characteristics

Variables	Number	Percentage
Sex		
Male	171	55.16
Female	139	44.84
Age		
Below 20	1	0.32
20-29	148	47.75
30-39	148	47.75
39-49	13	4.2
Education		
Intermediate	2	0.64
Bachelors	124	40
Masters	184	59.36
Working Experience		
1-3 years	97	31
4-6 years	112	36
7-9 years	62	20
10-12 years	33	11
Above 13 years	6	2

Note. Researchers' calculation from field data

Working experience of an individual shows his/her knowledge, skills, and abilities on a particular sector. It gives an overview of how strong employees' abilities are and what knowledge they gain from their works. The results show that most of the respondents (36 percent) had work experience of 4-6 years. Most of the employees have shorter tenure in the organisation. Whereas Baker (2009) found that 20.1 percent of employees belong to the 13 years above tenure 21.8 percent belong to 10-12 years, 23.6 percent belong to 7-9 years 24.9 percent belong to 4-6 years and 9.6 percent belong to 1-3 years. This shows that around half of the respondents have more experience comparing to the other employees in the category.

Post-merger Employee Satisfaction

This section illustrates post-merger employee satisfaction in terms of five dimensions such as extrinsic rewards, supervisory support, autonomy, affinity, and development. The satisfaction as per dimension is mentioned in table 2.

Extrinsic Rewards: Intrinsic rewards describe how many respondents are satisfied with the extrinsic rewards provided by the organisations as well as how many of them have presented their disagreement in it. From the table 2 we can see that there are several factors under extrinsic rewards. In the table 2, 69 percent of the respondents they argued that their salary matches their abilities whereas 31 percent they were not satisfied with their salary. The proportion of 61 percent of the respondents said that management rewards equally to their works, whereas 39 percent of them feel that management does not reward equally. Very low proportion of the respondents (25 percent) are satisfied with their overtime pay however, 75 percent of them are not satisfied with it. 41 percent of them found that their salary is on par with other banks whereas 59 percent of them are dissatisfied on it. In overall context, employees are not satisfied with their extrinsic rewards they receive from the organisation after merger and acquisition. Hence, this shows that employees are not equally satisfied in the post-merger due to unequal monetary benefits.

Supervisory Support: Supervisory support basically means the help and assistance that people get from their supervisor (Park & Jang, 2013). Without proper support of supervisor, no employees can perform their work efficiently. From table 2, It is predicted that most of the respondents are satisfied with the fact that supervisors are always there to listen all the job related problems, i.e., 63 percent and they receive support from the supervisor who treats them equally, i.e., 66 percent however, some of them said that supervisors are not available to listen all the job related problems and they do not receive support from them which leads to the situation that they are not getting equal treatment which creates the nepotism environment in the organisation. 26 percent of respondents do not feel easy to interact with their supervisor. In overall, 64.19 percent of respondents are satisfied with the supervisory support they receive from the organisation however remaining 33.81 percent of them feel they could not get support from their supervisor. Kivuti (2013) found that 58.16 percent of the respondents stated that they do receive good amount of support from their supervisor in need. This shows that their findings support this study's results as well.

Autonomy: Autonomy of an employee is the capacity or an ability of employee to make an informed, un-coerced decision in the working environment. It basically means that staff are given a lot of flexibility. In such cases, autonomy has been shown to boost job satisfaction. Observing to the table 2, we can see that the scheduling of the work is not flexible and is flexible to the equal number of respondents which indicates they are not satisfied with scheduling of the work, i.e., 48 percent and 52 percent, respectively. However, most of the respondents,

Table 2
Post-merger Employee Satisfaction

		Yes	%	No	%
Extrinsic Rewards This part describes how many respondents are satisfied or disagree with the extrinsic rewards provided by their organisations.	My salary matches my abilities and contributions	215	0.69	95	0.31
	My management equally rewards work efficiency	189	0.61	121	0.39
	I am satisfied of getting overtime pay	76	0.25	234	0.75
	My salary is on par with other banks.	128	0.41	182	0.59
Average Satisfaction		152	0.49	158	0.51
Supervisory Support This part describes how many respondents are satisfied or disagree with supervisory support (basically means the help and assistance that people get from their supervisor).	My supervisor is always available to listen to all job-related problems	196	0.63	114	0.37
	I receive much support from your supervisors	204	0.66	106	0.34
	My supervisor treats everyone equally	167	0.54	143	0.46
	I feel easy to interact with my supervisor in need	229	0.74	81	0.26
Average Satisfaction		199	0.64	111	0.36
Autonomy Autonomy of an employee is the capacity or an ability of employee to make an informed, un-coerced decision in the work environment.	My scheduling of the work is flexible	150	0.48	160	0.52
	I feel flexible in performing the work	212	0.68	98	0.32
	My management is open towards employees' suggestions	165	0.53	145	0.47
Average Satisfaction		176	0.56	134	0.44
Affinity Affinity group in the organisation means the employees having similar backgrounds or interests that can have a powerful influence in the workplace. It shows the understanding and co-ordination among employees.	When things are bad at work, I know I can count on my co-workers for support	283	0.91	27	0.09
	I feel comfortable to talk with your colleagues in need	294	0.95	16	0.05
	My co-workers are always willing to listen to any concerns I have about my job	237	0.76	73	0.24
Average Satisfaction		271	0.87	39	0.13
Development This part of the study reveals the understanding of the employees related to their career development opportunities on the organisation.	I am satisfied with the career development opportunities	187	0.60	123	0.40
	Organisation provides effective learning environment for me to grow	204	0.66	106	0.34
	There are plenty of opportunities for my personal growth	190	0.61	120	0.39
Average Satisfaction		194	0.62	116	0.38

Note. Researchers' calculation from field data

i.e., 68% they feel flexible while performing in the organisation. Similarly, half of the respondents, i.e., 47 percent also feel that management is not open towards employees' suggestions which need to be improved. This shows that employees should be given the space to give their view to the organisation because many of them might be creative on their ideas which can be beneficial to the organisation. Kivuti (2013) found that, 54 percent of the respondents feel that M&A affects the autonomy level among the employees whereas 46 percent of the respondents argued that M&A does not affect their autonomy level in the organisation.

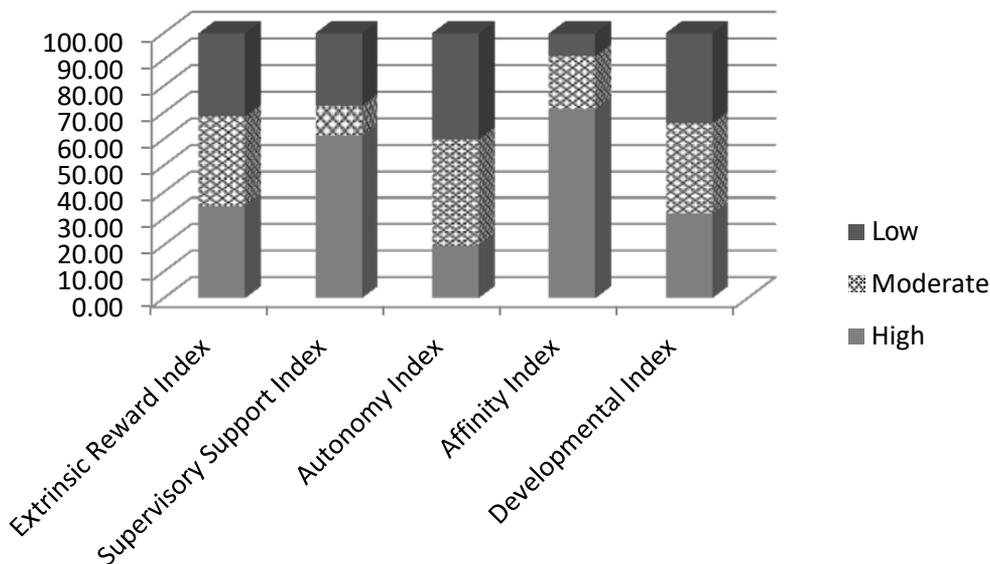
Affinity: Affinity group in the organisation means the employees having similar backgrounds or interests that can have a powerful influence in the workplace. It shows the understanding and co-ordination among employees. The table 2 illustrates that many of the employees i.e., 95 percent of them feel comfortable to talk with their employees and 91 percent feel that whenever in need they can get help from their co-workers. This shows that employees are satisfied with their understanding and relationships with their co-workers. This shows that whenever in need they can rely on their colleagues in need. This shows that organisation should create a kind of milieu that can create mutually beneficial relationships between their employees.

Development: This part of the study reveals the understanding of the employees related to their career development opportunities on the organisations. To keep employees satisfied, skill enhancement, growth and development are all in all important. Looking to the table 2, the overall proportions of 62.47 percent of the employees are satisfied with the development they receive from the organisation. However, 37.53 percent of them are not satisfied. Most of the respondents are satisfied with the development opportunities of the organisation and they are also given effective learning environment which give them plenty of opportunities for their personal growth. However, some of the respondents are not satisfied with their career development opportunities and organisation also does not provide effective learning opportunities for them. For those employees who are not satisfied with development opportunities, they should be given proper learning environment which help them to grow their personality. In contrary, Stahl & Mendenhall (2006) mentioned that because new positions and opportunities are frequently generated after M&A when people opt to leave the newly merged bank, the respondents may have expressed increased satisfaction with their career progression.

Employees' satisfaction index shows satisfaction level of employees after merger and acquisition (figure 2). Satisfaction was measured with the variables like: extrinsic rewards, supervisory support, autonomy, affinity and development index. According to the findings, 31.29 percent of all respondents are unsatisfied with extrinsic rewards. Employees who were moderately satisfied and highly satisfied was found to be 33.87 percent and 34.84 percent, respectively.

Additionally, supervisory support basically means the help and assistance that people get from their supervisor. The result shows that among total respondents, 61.29 percent of them are highly satisfied with the support they receive from the supervisors. Employees are given a great level of discretion when it comes to the autonomy index. In the case of employees, autonomy has been shown to improve job satisfaction. Among total number of respondents, 40% of them are equally less and moderately satisfied with the autonomy they receive from the organisation. However, only 20 percent of them are found that they are highly satisfied with the autonomy they receive from the organisation.

Likewise, affinity shows the understanding and co-ordination among employees. It also shows how well the relationship is going on among the co-workers. It shows that most (71.29 percent) of the employees are highly satisfied with the support and co-ordination they get from their co-workers. This also shows that they can have trust on their co-workers and when in need they can also help to other employees for the assistance. Development index reveals the understanding of the employees related to their career development opportunities on the organisation. The result shows 33.87 percent are less satisfied with the career development opportunities they get in the organisation. Likewise, 34.19 percent of the employees are found to be moderately satisfied with the career development opportunities whereas 31.94 percent are highly satisfied with the career development opportunities they get from the organisation.



Note. High, Moderate and Low Level of Satisfaction Faced by Employees of Commercial Banks Post-merger

Note. Researchers' Calculation from Field Data

Figure 2: Satisfaction Level

Table 3 depicts the overall satisfaction level of employees in Nepalese banking sectors. It shows that 21.94 percent of the total respondents are dissatisfied. The proportion of respondents highly satisfied was found to be quarter of total respondents i.e., 28.06 percent. Similarly, 50 percent of employees are moderately satisfied, according to the results of the employee satisfaction index. Thus, employees in overall context are not satisfied with the monetary benefits that organisations are offering to the organisation.

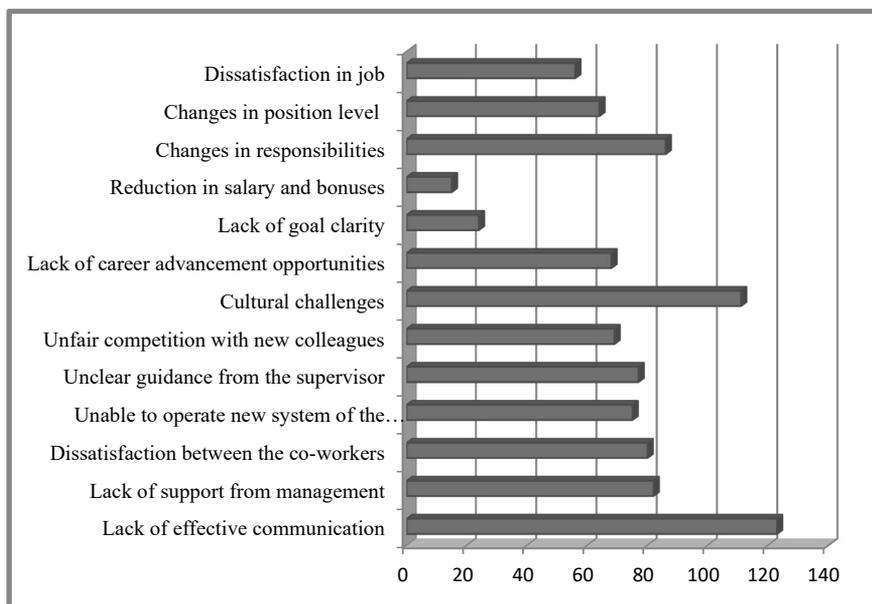
Table 3
Overall Satisfaction Index of Bank Employees

Overall satisfaction level	No. of respondents	In Percentage (%)
Less satisfied	68	21.94
Moderately satisfied	155	50.00
Highly satisfied	87	28.06
Total	310	100.00

Note. Researchers' Calculation from Field Data

Challenges and Barriers Faced by Employees after M&A

The challenges employees face after merger and acquisition are lack of communication and support from management, dissatisfaction among co-workers, cultural challenges, lack of career development opportunities etc. Most



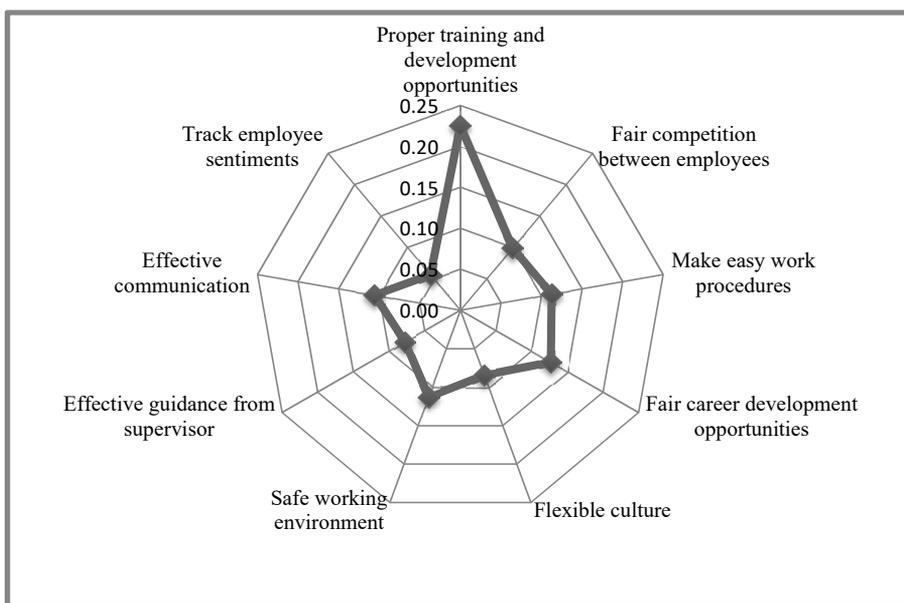
Note. Researchers' Calculation from Field Data

Figure 2: Post-merger Challenges Faced by Employees

of the employees (65.16 percent) face challenges after merger and acquisition however some of the employees (34.84%) agreed that they did not face any kinds of challenges after merger and acquisition. This figure clearly shows during the merger and acquisition process, an organisation needs to identify the challenges employees face because employees are the ones who make the organisation, and the organisation needs to support them as well. After merger and acquisition, employees may face different challenges which must be solved for gaining satisfaction. Some of the challenges faced by employees during merger and acquisition are:

Managerial Solution on Employee Satisfaction

Human resource managers in both acquiring and acquired firms face greater issues because of the merger activity. Employees' satisfaction is the core way to maintain organisation's good position. Job satisfaction is a factor that incites the workers to work in the long haul positions (Ijigu & Ijigu, 2015). Different problems are associated with the employee satisfaction, however, some of them are avoidable and some of them are unavoidable. In such case, how to manage such problems response of the respondents were analysed and found that why those were not manageable. However, in this scenario, different respondents provided different suggestions related to the ways to enhance employee satisfaction so in this context those suggestions are only considered to be realistic or effective to the organisation.

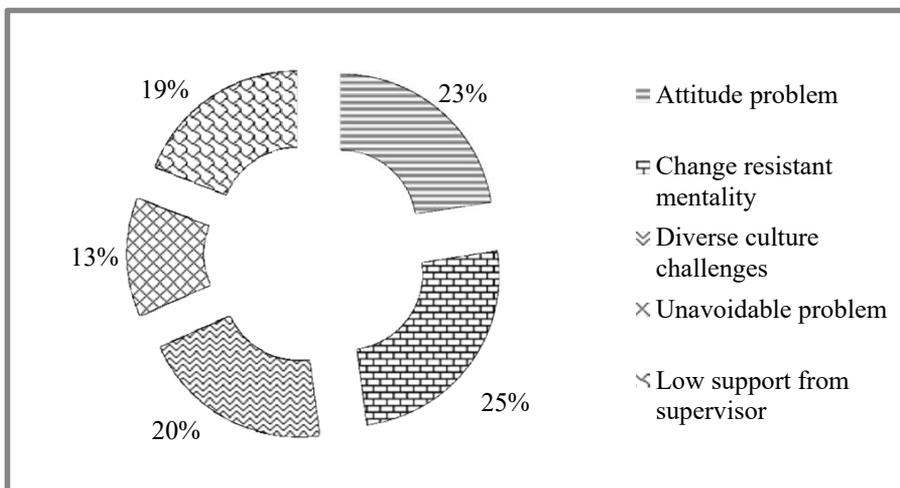


Note. Researchers' Calculation from Field Data

Figure 3: Managerial Solutions for Employee Satisfaction

There are different ways to enhance employee satisfaction and make them fully familiar to the organisation after merger and acquisition. Employee satisfaction is the core to make them work effectively in the organisation. Thus, employee satisfaction becomes most crucial in the managerial aspects. Most of the employees, i.e., 23 percent argued that employees should be given proper trainings and development opportunities, 13 percent of the employees recommended that employees should be given fair career development opportunities. 11 percent of the employees argued that organisation should make easy work procedures, organisation should have flexible culture and there should be effective communication between employees and management. However, 10 percent of the employees are satisfied with the fact that there should be fair competition among employees of the organisation. Whereas 8 percent of the employees feel that there should be flexible culture in the organisation and effective guidelines from the supervisor level. Hence, 6 percent of the employees argued that organisation needs to keep track on the pulse of the employees' sentiments.

There are different ways to manage the problems related to employee satisfaction. In this regard, why those problems are not manageable some of the reasons provided by respondents include 25 percent of the respondents feel that problem is not manageable because of employees' change resistant mentality. Some 23 percent of the employees felt that it was because of attitude problem in the co-workers whereas 20 percent of them feel that it is because of diverse cultural challenges. However, 19 percent argued that it is because of low support from supervisor and 13 percent found that it could not be solved because these kinds of problems would be considered unavoidable to some extent.



Note. Researchers' Calculation from Field Data

Figure 4: Reasons Why Many Problems are not Manageable

5. Conclusions and Implications

In a nutshell, while this paper explored employees' satisfaction in commercial banks of Nepal it was found that they are coping with merger and acquisition since they must agree to it to sustain in their jobs. It can be alleged on the ground that 50 percent employees are moderately satisfied with banks' post-merger situation. The reason for being moderately satisfied can be regarded as challenges arising after the process as revealed by significant (65.16 percent) number of employees. Employees (25 percent) also felt challenges could not be managed because of change resistance nature of human beings. However, 23 percent believed that if proper trainings and development opportunities were given to the employees, they would feel satisfied. Therefore, this study concludes that proper needs and situation of the employees must be identified so that they can work comfortably with better performance in the post-merger situation.

Thus, M&A is a significant key alternative that organisations can use to take fundamental jumps in the serious commercial market. It can assist organisations for achieving a higher piece of the overall industry and a more extensive client base, and access innovation, products and distribution channels. The contribution of the study is that this research analyses the effects of merger and acquisition on employee satisfaction for the first-time using satisfaction index. Despite the efforts put forward in this study, there are several fields that require additional investigation. This study is based only on employees' satisfaction of commercial and development banks. This research does not cover experience of employees who work in "C" and "D" grade monetary institutions categorised in Nepal. The further study can be conducted including all these categories of banks licensed and categorised by NRB. Moreover, the time constraint becomes other issue for this study. Also, this paper only covers the employees' experience of Kathmandu valley. If it would encompass all zones and districts, then it could reflect a further clear picture of employees' satisfaction judgement in Nepal. Future research might include at least one participant from each of Nepal's provinces for more representative results. This would aid in the production of results that are more indicative of the satisfaction levels of various Nepalese employees. Hence, the study covering inferential analysis can be predicted to serve more pertinent to enhance factors affecting post-merger employee satisfaction.

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Conflict of interest

The authors declared having no conflict of interest in the research work.
