

A Study on Effects of Merger and Acquisition on Employee Morale

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Abstract: *With a view to the profitability in their businesses, maximum mergers have located their recognition on financial and political uncertainty, at the same time as ignoring employee morale and health at some stage in the system of transition. Human capital is frequently unnoticed at some stage in and after a merger. It is essential to make certain that employee morale is maintained as encouraged employees make certain productivity that is crucial to the organization's fulfillment following the merger and acquisition system. This paper intends to illustrate how employee morale is essential to the fulfillment of mergers in contemporary-day world. Most mergers or acquisitions bring about dropping key employees, thereby affecting the newly-fashioned company's preferred boom strategy. The retention of key employees is an growing issue of employers. Mergers and acquisitions consequently forget about employee morale at their personal peril. Generally, businesses that merge or which can be received base their fulfillment at the functionality of the concerned employees. This guarantees the company's fulfillment in its ventures going forward. The right control of employees at some stage in a merger outcomes in most beneficial productivity. The present research conducted based on primary data related to Demographic Variables, Personal Satisfaction, Appreciation and Social Status. The primary data collected with various factors from 70 respondents by using convenient sampling techniques. For this analysis purpose, the Simple Percentage Analysis, Anova Techniques applied and the data are analyzed.*

Keywords: Mergers and Acquisitions, Culture, Work Environment, Job Satisfaction, Employee Morale.

1. Introduction

Mergers and acquisitions were crucial equipment of company boom and feature grow to be an appealing method with the aid of using which to develop an enterprise. Over 50% of business acquisitions failed as measured with the aid of using an boom in shareholder value and further research discovered that the human capital detail affects extra so than the economic factoring most of the root reasons of merger and acquisition failure. As researchers constricted their recognition at the troubles surrounding the human capital effect on M&A achievement, new data is being advanced within side the place of employee morale and turnover purpose and the effect those elements have on employees' dedication to the brand new organization. Exploring how an acquisition affects the employees of the received organization is contributory to an knowledge of ways human capital affects the achievement or failure of the acquisition.

With the improved M&A pastime over the last years there were increasingly more research performed which have checked out received employees' reactions to a merger or acquisition using diverse

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complementary lenses. This study recognized an added lens through which the idea of employee dedication can be considered as a pivotal issue of employee morale and turnover purpose. In this research work, the major aim to explore the work place environment and job satisfaction on employee morale.

2. REVIEW OF LITERATURE

Farjana et al (2021) ¹, investigated that the connections and morale levels among workers and administrators in an enormous service industry. An open-ended questionnaire created based on literature was made to survey assurance and inspiration, support, impetus, work environment climate, method of inspiration, and occupation fulfillment. The review was managed to utilize an online overview device and replied by an example of 44 respondents. Helpless worker resolves and negative mentalities toward their positions were accounted for. Impacting factors included negligible compensation and hours, absence of inspiration, understaffed and incompetent work, high actual responsibility, and helpless oversight. Supervisor input showed representatives had an absence of comprehension of organization mission and vision yet, in addition, exhibited an expected detach at the specialist and administrator levels. Potential mediations, for example, expanding representative director association, advancing acceptable conduct, offering non-financial advantages, preparing, wage rate and worker choice consistency, work upgrade, and so on were prescribed to the board for execution to work on existing conditions.

Aiswarya & Velmurugan (2020) ², has studied the morale as a worker's standpoint toward various partners of a substance. Worker confidence is a mental situation concerning satisfaction, balance, and goal. Subsequently, it very well may be saying that the presentation of an association relies upon an assurance of representatives. In specific cases, worker assurance is viewed as a gathering marvel and mentality as an individual wonder. The present examination covered the variables which are affecting the resolve of representatives and attempted to build up the connection between worker morale and mentality. The investigation has led to an example review among Assistant Professors of Self-financing Colleges in Thiruvananthapuram and Kollam District. The investigation found that resources of self-financing college think that it's hard to change with the working hours and Working conditions and they are working in the current status of the derisory arrangement of Job Security, Safety and government assistance. The study likewise shows that the greater part of oneself financing universities resources were not getting adequate compensation and substantial responsibility is fundamentally impacting their resolve.

Cindy Kangetta and Margaret Kirai (2017) ³, explored that the study on effect of Merger on employee morale in insurance company and found that merger has greater impact on employee morale it was also found that there is a strong relationship between work environment and job satisfaction of employees.

Chinta Mani Gautam (2016) ⁴, has compared employee job satisfaction before and after merger and measured association of employee satisfaction with merger and the result revealed that employee issues are most important and if not handled properly it will lead to dissatisfaction among employees.

Tripti Vijaywargia (2016) ⁵, has studied the impact of merger and acquisition on employee job motivation and job satisfaction, psychological and behavioral impact and the result witnessed unsatisfying level of job security and motivation among workers post-merger and acquisition.

Mira Bekenova (2015) ⁶, explored that the main evidence of a merger success is the satisfaction of the employees of a merged company and to identify the reasons of merger in higher education sector and also find its motives, benefits and consequences.

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(Sharma, 2015)⁷, explored the problems related to the increase in employee stress in the merged organization. He observed that the mergers of the firms put the employees in the stressful situation, which duly affects the behavior and attitude of the staff and ultimately hampers the productivity as well. He explored several factors responsible for stress such as threat of job loss, changes in power and status, working hours, insecurity, changed working hours, workload, uncertainty. Proper management committee should be developed for taking decisions related to assigning jobs and responsibilities to the staff keeping in concern about their comfort zones and their job type. Stress management programme can be arranged to help employees tackle their anxieties and improve their performances.

Plemons (2014)⁸, investigated that the companies to discover subject matters among maintain staff in decided on Registrar's Offices within side the Southeastern region of the United States. The researcher requested contributors to speak about their perceptions on recent morale stages within side the workplace and the way unique farm duties have an effect on morale. Since the Office of the Registrar is prime to the institution, the researcher additionally requested contributors how the workplace's perceived morale affected the achievement of the workplace's mission.

Islam, Mohajan & Datta, (2011)⁹, carried out a study of the economic banks in Bangladesh. They have a look at decided that morale and activity pleasure performs an essential position in universal overall performance of the employees within side the workplace. They have a look at additionally decided that social status, supportive colleagues and feeling stable approximately the activity have been the top high-quality motives for operating within side the banks. It became additionally decided that pay, selection making authority, and promotional coverage have been the top priorities for enhancing the work environment.

Mah, Okechukwu E,(2009)¹⁰, investigated that the job satisfaction has a direct negative relationship with turnover intention. These effects suggest that the effect of job satisfaction on turnover can be more effective in ways; particularly while employees find out congruence amongst their work and their self – identification and while involvement in such jobs enhances their living satisfaction. These research monitor the significance of the research. The element of universal lifestyles enjoyment became now no longer taken into consideration on this research.

Objectives of the Study

1. To find out the effects of work place environment on employee morale after mergers and acquisitions.
2. To analyze the effects of job satisfaction on employee morale after mergers and acquisition

3. METHODOLOGY

The present research work conducted based on primary as well as secondary data. The primary data are collected from the selected 70 respondents by using convenient sampling techniques related to Demographic Variables, Personal Satisfaction, Appreciation and Social Status. The questionnaire had prepared and distributed to all the respondents and then the filled questionnaire data was collected. Then questionnaire had analyzed by using the Simple Percentage, Descriptive analysis in Likert's five-point scale and Anova- single factor analysis are obtained the following results. Then the final results were noted and discussed.

4. DATA ANALYSIS AND INTERPRETATION

In this section the researcher interested to analyze the primary data responses obtained from respondents of M&A. Organizations to determine the employee morale activities like Demographic Variables, Personal Satisfaction, Appreciation and Social Status using the Simple Percentage and Anova Techniques analysis and also the test results are obtained and then final data results are interpreted.

4.1. Simple Percentage Analysis- Demographic Variables

The Simple Percentage Analysis is used to identify the demographic variables of respondent' results are shown in the table 1and figure 1

Table 1.: Demographic Variables

Factors	Options	Respondents	Percentage
Gender	Male	61	87
	Female	9	13
	Total	70	100
Educational Qualification	UG	55	79
	PG	8	11
	Professional	7	10
	Total	70	100

Source: primary data

Out of 70 respondents, the majority 87% of the respondents are male and 79 % of the respondents completed their under graduate.

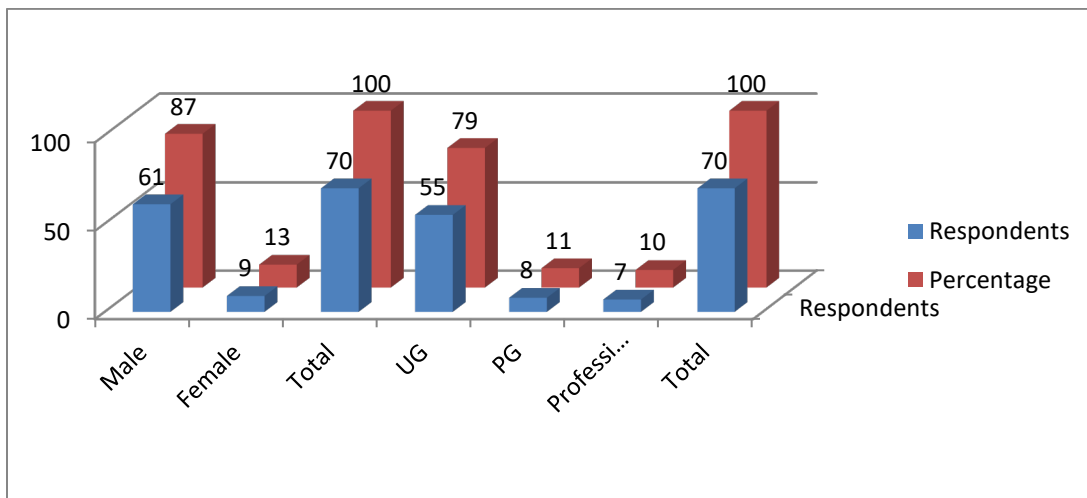


Figure 1.: Demographic Variables of Respondents

4.2. Descriptive Statistical analysis

4.2.1 Employee Morale – Personal Satisfaction

The Personal Satisfaction related factor results are shown in the table -2

Table .2 -Personal Satisfaction

Personal Satisfaction factors	Mean	Std. Deviation
Good Place	4.36	1.094
Accomplishment	4.36	1.089
Information	4.44	1.022
Opportunities	4.30	1.134
Valued	3.57	1.512

The personal satisfaction construct is intellectualized, in this study, is to excerpt the data related to personal satisfaction under employee morale. An emotional assessment, judgment, or mentality communicated by a person regarding the achievement of specific objectives or requirements dependent on his degree of yearning or assumption.

The construct is measured by 5 items and was measured using a 5-point Likert scale. The results in table 4.2.13 show that the means for the items related to personal satisfaction range between 4.44 (1.022) and 3.57 (1.512) for the study sample. The results indicated that the majority of the respondents agree that the personal satisfaction activities are highly satisfied after the merger & acquisition made in their respective organizations.

4.2.2 Employee Morale – Appreciation

The Appreciation related factor results are shown in the table -3

Table .3 – Appreciation Factors

Appreciation factors	Mean	Std. Deviation
Part of the team	3.57	1.503
Recognized	3.68	1.459
Appreciated	3.61	1.484
Opportunity	3.49	1.538
Praise	4.35	1.053

The appreciation construct is intellectualized, in this study, is to excerpt the data related to appreciation under employee morale. Examination shows that workmanship in the work environment diminishes pressure, builds imagination and usefulness, improves responsibility, widens representative enthusiasm for variety, and empowers conversations. The appreciation showed upholds and affirms the organization's picture and corporate personality. The results in table 4.2.14 show that the means for the

items related to appreciation range between 4.35(1.053) and 3.49 (1.538) for the study sample. The results indicated that the majority of the respondents agree that the appreciation activities are highly satisfied after the merger & acquisition made in their respective organizations.

4.2.3 Employee Morale – Social Status

The Social status related factor results are shown in the table -4

Table .4 - Social Status Factors

Social Status Factors	Mean	Std. Deviation
Proud Feeling	4.32	1.115
Proud to be Part	4.33	1.113
Enjoy Team Members	4.39	1.060
Aspect	4.32	1.060
Personal Value	4.27	1.101
Involvement	4.34	1.107

The social status construct is intellectualized, in this study, is to excerpt the data related to social status under employee morale. The societal position identifies with the eminence, regard, and regard that supervisors and representatives get from their partners, subordinates, and bosses. Leaders and directors will profit with higher economic wellbeing than forefront workers as a result of their situation at a higher crosspiece of the notorious stepping stool. The social status factors was measured by using a 5-point Likert scale. The results in table 4 show that the means for the items related to social status range between 4.39(1.060) and 4.27 (1.101) for the study sample. The results indicated that the majority of the respondents agree that the social status activities are highly satisfied after the merger & acquisition made in their respective organizations.

4.3 Statistical analysis of employee morale - One-way ANOVA method

Analysis of variance (ANOVA) technique is used in lots of fields to keep in mind the connection among experimental elements (unbiased variables) and responses. The method is primarily based totally on using sums of squares and the deviation of observations from their respective approach. ANOVA plays speculation checks of importance to decide whether or not factor(s) affect the final results of an experiments. One-Way ANOVA ("evaluation of variance") compares the approach of or greater unbiased companies so as to decide whether or not there's statistical proof that the related populace approach are considerably different.

The one-manner ANOVA take a look at permits us to decide whether or not there's a big distinction in the imply distances thrown through every of the companies. The worker morale associated elements had been statistically analyzed through Anova: Single Factor and the effects are proven with inside the table - 5

.Table .5 - Employee **Morale** Statistical Analysis

Anova: Single Factor

SUMMARY

<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>
Column1 (PERSONAL SATISFACTION)	5	21.03	4.206	0.12888
Column 2 (APPRECIATION)	5	18.7	3.74	0.121
Column 3 (SOCIAL STATUS)	5	21.63	4.326	0.00183

ANOVA

Source of

Variation	SS	df	MS	F	P-value	F crit
Between Groups	0.958253	2	0.479127	5.71046	0.018091*	3.885294
Within Groups	1.00684	12	0.083903			
Total	1.965093	14				

The ANOVA p values suggested in formidable font with an asterisk (*) are much less than 0.05 and significant that a big courting exists among the experimental factor(s) private satisfaction, appreciation and social status It is located that the mentioned elements of morale of employees become greater statistically higher and F- ratio also proves the significant and additionally it affords the bottom p-value for all mentioned factors.

5. CONCLUSION

It is concluded from the research results, that the Merger is the valuable tool for the growth and development of the organization. Mergers and Acquisitions is widely used strategy throughout the world to strengthen their market position it is one of the means to enter into market and incorporate resource and create synergy but at the same time this sort of merger has the potential to create stress and strain in the workforce due to heavy workload, new superiors/ colleagues and change in the system. Many Mergers fail due to negligence towards human resource, there is a need for the management to address various issues with respect to human resource in the organisation such as employee morale, employee satisfaction level, and their performance level after merger take place. The ANOVA one way factor analysis of p values suggested in formidable font with an asterisk (*) are much less than 0.05 and significant that a big courting exists among the experimental factor(s) private satisfaction, appreciation and social status .The study focuses on the carrying few parameters and the findings of the study revealed that there is a strong association between workload, working relationship, autonomy and decision making, professional development and recognition, regard and respect with the employee morale.

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