

# IMPACT AND ANALYSIS OF MERGER AND ACQUISITION ON EMPLOYEE ENGAGEMENT

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**Abstract:-** Extending the theories of employee incentives and inalienability of human capital, we look into the relationship between a firm's engagement in employee issues and the returns to shareholders about mergers and acquisitions (M&As). We discover that stronger employee-engagement particularly in phrases of financial benefits, with the aid of using the obtaining company is definitely associated with shareholder returns in home deals, however this tremendous impact is attenuated in cross-border deals, while team of workers diversity, training and development, or fitness and protection do now no longer have an effect on shareholder value. During an approaching the team of workers can also additionally all of sudden experience disengaged ensuing in absenteeism or employees quitting their jobs. When M&A takes place there are extract numerous consequences for employees like stress, Job loss, competitiveness and disengagement. The present research conducted based on primary data related to Demographic Variables, Working Environment, Compensation & Benefits and Career Growth & Advancement. The primary data collected with various factors from 62 respondents by using convenient sampling techniques. For this analysis purpose, the Simple Percentage and Descriptive Statistics applied and the data are analyzed.

**Keywords—:** Mergers and Acquisitions, Employee Engagement, Employee Stress and Working Environment.

## I. INTRODUCTION

The author of this research will explore the significance of employee engagement and become aware of the function of Human Resource professionals in retaining employee engagement for the duration of mergers and acquisitions. Hereafter the researcher will discuss with mergers & acquisitions as M&A. A purpose of this research is to observe if the involvement of HR professionals from the start making plans degrees of mergers and acquisitions contributes to the achievement of those considerable alternate initiatives. A further purpose of this research is to make recommendations for HR professionals to go after in order to maintain employee engagement levels during M&As. Organizations that enjoy global opposition with a purpose to live on were compelled to make operational adjustments. Ideally, mergers should set off accessible operations and have a similar culture. However, frequently cultural styles of conduct may be damaged while a merger or acquisition takes place which could create unsure operating surroundings for employees.

For the past years, if asked leaders of large organizations to express their ideal traditions, you would hear the word “employee engagement” in their response as a step toward a better culture at work environment. Employee engagement (EE) has generated a great deal of interest in the past two decades because of its significant impact on organizational performance. In this research work, the major aim to explore the influence of change management on employee engagement factors with employee satisfaction.

## II. REVIEW OF LITERATURE

**Louis Babu & Chandra Mohan (2020)** <sup>1</sup>, explored and stated that employee engagement advantages to the business have been exhibited in numerous examinations. Connected with employees will be working more enthusiastically than others, would be energetic entertainers of their positions and give the additional exertion for the association. They will be dynamic and give the best outcomes to the business. Consequently, study the variables that affect representative commitment, and Organizational Culture supposedly has a significant effect on how the workers feel drew in about the work. Consequently, this investigation is

centered around Culture and its impact on representative commitment. Further, the segment of human exertion is more in a help association when contrasted with an assembling association, thus the impact of Employee commitment will be quickly felt by the business. Henceforth the center was additionally examining the effect of culture on worker commitment in the accommodation industry, explicitly in a lodging. The investigation adopted a distinct strategy to comprehend the social variables to recognize the main parts of culture that sway Employee commitment and has come out with a model of the effect that had been approved with an overview instrument. Investigation of the gathered information uncovers that the elements, Communication, cooperation, individual articulation, and regard for partners had acquired the greatest consideration of the administration, whereas criticism and client-centered quality had been given lower consideration, which is discovered to be significant for compelling representative commitment. The examination reasons that however the administration has zeroed in on a very much imparted culture, the way of life additionally needs to zero in on client center and input to improve with the business.

**Daniel Cross (2019)**<sup>2</sup>, the paper tried to determine the impacts of association empowering influence on the development and survey the idea of the connection between the board change and authoritative adequacy. The wellsprings of information for the investigation were essential and auxiliary. Change Management is likewise used to characterize the way toward following the adjustment of the robotized framework, logging best practices, or framework redesigns. The auxiliary wellspring of the information age, which contains the utilization of course readings composed by various writers on the topic, diaries, magazines, data from the web, and other distributed and unpublished materials appropriate to the work. The investigation presumes that change is inescapable and supervisors everywhere in the world are adjusting to changing economic situations and simultaneously confronting the requirement for making a proactive instead of a receptive administrative framework.

**Kour & Kaur, (2018)**<sup>3</sup>, investigated that the major issue among the employees of the merged banks was the threat of job loss and increased stress since the employees are acing issues getting along with the new working environment. Employees need to tackle with mental health issues and stressful life. It was also found that the employees were opting for leaving the organization due to increased stress. Several factors responsible for increased stress level were changed job structure, post merger integration, shifted working hours, increased expectations, changed procedure and policies.

**(Sharma, 2015)**<sup>4</sup>, 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

**Bedarkar and Pandita (2014)**<sup>5</sup>, Organizations and their employees have their own goals; both rely on the other to meet them. If employees are not given the perfect work-life, their disengagement sense toward the workplace tends to be stimulated and fails to achieve the organizational goals. Organizations should not deal with employee engagement as a one-time activity, but to well integrate such concept in its culture and more particularly during the organizational change such as in merger situation.

**(Georgiades & Georgiades, 2014)**<sup>6</sup>, in their study explored the impact of acquisition on the staff of acquired organization. It concluded that the fear of takeover created a negative impact on the motivation and morale. The threat of survival lead to stress and anxiety. The staff felt difficulty to get comfortable with the new working conditions with new technology and methods, which created huge amount of stress. Also it was found that the during the merger and acquisitions procedure the ownership change was the biggest fear itself that was a building block for stress and insecurity.

**Simeon (2011)**<sup>7</sup>, investigated that the concept of employee engagement is attracting a lot of attention in recent times from researchers and HR business leaders in industry. Employee engagement has evolved from other concepts such as motivation, empowerment, organisational commitment, trust and job satisfaction.

**Hayward (2010)**<sup>8</sup>, has studied the engaged workforce is one where everyone is aligned with the strategic priorities of the organisation and where employees' energy and focus are directed towards the organisation and values.

**(Wallace & Tnka, 2009)**<sup>9</sup>, indicated that the clarify expectations regarding performance, provide frequent feedback, encourage, support, give praise, show interest in employees accomplishments, ask questions that make employees think for themselves, share personal insights, show appreciation and make suggestions A coach should never point out faults or disapprove managers need to be provided with training so they can learn how to be effective coaches and therefore enhance their employees' engagement levels generally and particularly during mergers and acquisitions.

**(Hutchings & De Cieri, 2007)**<sup>10</sup>, Organizations must consider the financial aspects such as the impact of costs, revenue and profits. They must also consider the impact on structures, systems and processes Often this is where the biggest impact is. In

terms of process and systems, separating internet programmes such as either integrating or separating the website or intranet can be an ordeal and very costly. As can changing structures such as payroll systems, IT services hardware. Companies must learn from past efforts and the mistakes of other organisations. Learning from past experience provides competitive advantage. Companies who have systematic approaches to deal making are generally more successful than those who do not. The recognition and attention to human capital and the many people issues that arise during M&A also contributes massively to its success.

### Objectives of the study

1. To evaluate the impact of demographic profiles on employee engagement.
2. To explore the influence of change management on employee engagement factors.

### Limitations of the study

- ❖ Personal bias of the respondents may affect the results of the study.
- ❖ The findings cannot be generalized to the entire universe.

## III. METHODOLOGY

The present research work conducted based on primary as well as secondary data.. The primary data are collected from the selected 62 respondents by using convenient sampling techniques related to Demographic Variables, Working Environment, Compensation & Benefits and Career Growth & Advancement. The questionnaire had prepared and distributed to all the respondents and then the filled questionnaire data was collected. Then all the questionnaire data's were pooled together and analyzed by using the Simple Percentage and Descriptive Statistical tool analysis in Likert's five-point scale and obtained the following results .Then the final data results were noted and discussed.

## IV. 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 engagement activities like Demographic Variables, Working Environment, Compensation & Benefits and Career Growth & Advancement using the techniques of Simple Percentage Analysis and Descriptive Statistical analysis. The test results are obtained and then final data results are interpreted.

### 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 1.

Table – I: Demographic Variables

Factors	Options	Respondents	Percentage
Gender	Male	51	82
	Female	11	18
	<b>Total</b>	<b>62</b>	<b>100</b>
Marital Status	Married	54	87
	Unmarried	8	13
	<b>Total</b>	<b>62</b>	<b>100</b>
Educational Qualification	UG	49	79
	PG	5	8
	Professional	8	13
	<b>Total</b>	<b>62</b>	<b>100</b>

Source: primary data

Out of 62 respondents, the majority 82% of the respondents are male, 87% of the respondents are married and 79 % of the respondents completed their under graduate.

## 2. Descriptive Statistical analysis

### 2.1 .Working Environment

The Working Environment factor results are shown in the table -II

**Table – II : Working Environment**

Factors	Mean	Std. Deviation
Changes	4.39	.993
Treated Fairly	4.45	.922
Never a Pressure	4.42	1.005
Work Policies	4.40	1.036
New Environment	4.49	.909

Source: primary data

The working environment construct is intellectualized, in this study, is to excerpt the data related to the working environment under employee engagement. The term workplace is utilized to depict the encompassing conditions where a worker works. The workplace can be made out of states of being like office temperature, or gear, like PCs. It can likewise be identified with components, for example, work cycles or strategies. The construct is measured by 5 items and was measured using a 5-point Likert scale. The results in table -2 show that the means for the items related to the working environment range between 4.39 (0.993) and 4.49 (0.909) for the study sample. The results indicated that the majority of the respondents agree that the working environment activities are highly satisfied after the merger & acquisition made in their respective organizations.

### 2.2 Compensation & Benefits

The Compensation & Benefit factor results are shown in the table -III.

**Table – III: Compensation & Benefits**

Factors	Mean	Std. Deviation
Reward	4.48	.937
Retirement Plans	4.56	.899
Training	4.47	.962
Secured Job	4.42	1.042

Source: primary data

The compensation & benefits construct is intellectualized, in this study, is to excerpt the data related to compensation & benefits under employee engagement. Compensation might be characterized as cash got in the execution of work and numerous sorts of administrations and advantages that an association gives to their representatives in the form of Retirement Plan, Training and Secured Jobs. Remuneration is a methodical methodology of offering financial benefit to representatives in return for work performed. From the above table-iii reveals that, the means for the items related to compensation & benefits range between 4.42 (1.042) and 4.56 (0.899) for the study sample. The results indicated that the majority of the respondents agree

that the compensation & benefits activities are highly satisfied after the merger & acquisition made in their respective organizations.

### 2.3 Career Growth & Advancement

The Career Growth and Advancement factor results are shown in the table IV.

**Table – IV: Career Growth & Advancement**

Factors	Mean	Std. Deviation
Promotion	4.48	.979
Progress Job	4.36	1.094
Professional Development	4.36	1.089
Continue Career	4.44	1.022
Job Satisfaction	4.30	1.134

Source: primary data

The career growth and advancement construct is intellectualized, in this study, is to excerpt the data related to career growth & advancement under employee engagement. Profession advancement includes those individual upgrades that an individual embraces to accomplish an individual career plan and Job Satisfaction. Profession the executives is the way toward planning and carrying out objectives, plans, and techniques to empower the association, to fulfill worker needs while permitting people to accomplish their career objectives. The results in table -iv reveals that the means for the items related to career growth & advancement range between 4.30 (1.134) and 4.48 (0.979) for the study sample. The results indicated that the majority of the respondents agree that the career growth & advancement activities are highly satisfied after the merger & acquisition made in their respective organizations.

## V. FINDINGS AND CONCLUSION

### FINDINGS

- The results indicated that the majority of the respondents agree that the working environment and compensation & benefits activities are highly satisfied after the merger & acquisition made in their respective organizations.
- The majority of the respondents agree that the career growth & advancement activities are highly satisfied after the merger & acquisition made in their respective organizations.

### CONCLUSION

It is concluded from the research results, that the selected respondents agree that the working environment, compensation & benefits and career growth & advancement activities are highly satisfied after the merger & acquisition made in their respective organizations. In many merger & acquisition deals, success hinges on maintaining high levels of employee engagement and retention through each phase of the transaction - from deal announcement and close all the way through integration planning and implementation. An organization, which possesses engaged employees, can outperform its competition. However, without employee engagement two organizations merging cannot hope to align its people with the goals and objectives they set. Employee engagement is crucial for successful execution of strategy and ultimately a successful M &A. It is revealed also that open and honest communication makes employees more trusting of its leadership. It is to be noted

that, if an organization has a strong and integrated culture, employees will be more devoted and work harder to ensure that the organization achieves its goals.

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