Chapter 8

FINDINGS, RECOMMENDATIONS AND CONCLUSION

8.1 INTRODUCTION

In chapter 6 & 7, the analysis of the data was done and results were interpreted to further discuss the findings of the study. The present chapter explores EE across six parameters as age, gender, marital status, formal position, educational qualification and length of service of the employees. Significant variations are observed across employees of various groups. The chapter also provides the in depth explanation of the four constructs of EE- Work Environment, Compensation and Benefits, Career Growth and Advancement, and Intrinsic Motivation. The chapter also reveals the link between the respondents’ behavior and experience of change thus analyzing the extent to which employees attitudes changed post merger.

This chapter in addition to the findings also suggests the recommendations, limitations and discusses the concluding remarks for the study.

8.2 MAJOR FINDINGS

The purpose of the study was to examine post merger influence on Employee Engagement in the Indian Banking Industry; considering four independent variables as well as compile the profile of the respondents of the acquired banks and examine its association with EE. The study also explains the behavior of employees in a period of major organizational
change, such as post merger integration phase. The major findings regarding the influence of mergers on EE are broadly reviewed into the following sections:

1. The objectives of the study.
2. The personal discussion.

8.2.1 THE OBJECTIVES OF THE STUDY

The prime objective of the present research had been to explore the employee engagement from the lenses of individual differences and factors influencing EE post merger. In the following section the results for each objective has been discussed.

Objective 1:

- To compile the profile of respondents and examine its association with Employee Engagement.

The information regarding the profile of the respondents was gathered considering six variables, i.e. Age, Gender, Marital Status, Formal Position, Educational Qualification and Length of Service of the employees of the acquired bank. Each variable was analyzed individually therefore, presenting the findings as below.

A. THE PROFILE OF THE RESPONDENTS:

1. Age group: 20-30 yrs- 21.8%, 31-40 yrs- 24.7%, 41-50 yrs- 28%, Above 50- 25.5%.

2. 51.4% of the respondents were male and 48.6% females.

3. 72% were married and 28% single.
4. Designation: Asst./Officers- 31.7%, Asst. Manager- 25.9%, Manager- 21.8%, Upper Management-20.6%.

5. Educational qualification: Masters- 48.1%, Degree- 48.6%, Diploma- 3.3%.

6. Work experience: Below 2 yrs- 15.2%, 3-5 yrs- 20.6%, 6-10 yrs-10.7%, More than 10 yrs- 53.5%.

B. ASSOCIATION WITH EE:

The association between the demographic data and EE was analyzed using the Chi square test. Further while administering questionnaire to employees, it had been ensured that data comes from all category like male, female, highly experienced to less experienced one, aged personnel to fresh recruits, top to lower level management etc.

The findings of the hypothesis testing are summarized in the following table:

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Chi-square test statistic</th>
<th>Probability Level</th>
<th>Conclusion on Hypothesis</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is no association between Age factor and EE post merger in banking industry. (H1)</td>
<td>21.277</td>
<td>.046</td>
<td>Rejected at 5% α level</td>
</tr>
<tr>
<td>There is no association between Gender and EE post merger in banking industry. (H2)</td>
<td>10.375</td>
<td>.497</td>
<td>Do Not Reject</td>
</tr>
</tbody>
</table>

Table 8.1: Chi Square findings
### Findings, Recommendations and Conclusion

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Chi-Square (df)</th>
<th>Significance Level</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is no association between Marital status and EE post merger in banking industry. (H3)</td>
<td>31.921</td>
<td>.004</td>
<td>Rejected at 1% α level</td>
</tr>
<tr>
<td>There is no association between the Formal Position of the incumbent and EE post merger in banking industry. (H4)</td>
<td>16.126</td>
<td>.186</td>
<td>Do Not Reject</td>
</tr>
<tr>
<td>There is no association between Educational Level and EE post merger in banking industry. (H5)</td>
<td>23.688</td>
<td>.050</td>
<td>Rejected at 10% α level</td>
</tr>
<tr>
<td>There is no association between Length of Service and EE post merger in banking industry. (H6)</td>
<td>30.193</td>
<td>.004</td>
<td>Rejected at 1% α level</td>
</tr>
</tbody>
</table>

*Significance Levels (α) considered: 1%, 5% and 10%*

Further, the cross tabulation analysis done using SPSS justifies the above conclusion on the hypothesis. The results obtained from crosstabs demonstrate the following findings for the study:

**H1: Age * Employee Engagement**

a. *Age * Continue Career : The results show that most of the employee of age groups 41-50 & above 50 have agreed to continue their career with the organization as they have less opportunities, whereas the younger age group have more opportunities to shift to other organization rather than continue career in the same organization.
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b. *Age * Recommend: The younger age group in comparison to the senior employees as concluded from the analysis, do not agree much on recommending employment at the company to their friends.

c. *Age * Better ways: The results indicate that mostly the senior age group employees agree to look for better ways to doing their job well as compared to the employees of the younger age group.

d. *Age * Proud: Not much variation in the responses was observed for the factor. Most of the employees from every age group were uncertain about feeling proud to work with the organization.

e. *Age * Enjoy: The senior employees as compared to the younger age group have disagreed to the factor concluding that they do not enjoy much working with the organization.

f. *Age * Commt.Attached: Not much variation in the responses was observed for the factor. Most of the employees from every age group were uncertain about being committed and emotionally attached with the organization.

Thus, the findings suggest that out of six variables, variations in responses according to age were observed in four variables. This can be accounted from the fact that the younger age group employees would still be considering ‘greener pastures’, i.e. better salary, perks, facilities, career advancement opportunities, new experiences etc. whereas, the older age group employees having reached almost the end of what they could get in the particular organization and perhaps given their best, their enthusiasm now seems to wear out. This tends to justify the conclusion of H1.
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H2: Gender * Employee Engagement

From the crosstabs SPSS output, it can be concluded that not much variations in responses between male and female employees were observed for all the six variables defining employee engagement. Therefore, the conclusion for H2 holds true.

H3: Marital Status * Employee Engagement

a. Marital Status * Continue Career: The results show that less of the married employees have disagreed to continue their career with the organization as compared to the employees who are single.

b. Marital Status * Recommend: The single group in comparison to the married employees as concluded from the analysis, do not agree much on recommending employment at the company to their friends.

c. Marital Status * Better ways: For this factor also more of the married employees agree to look for better ways to perform their job well as compared to the employees who are single.

d. Marital Status * Proud: Not much variation in the responses was observed for the factor. Most of the employees were uncertain about feeling proud to work with the organization.

e. Marital Status * Enjoy: Not much variation in the responses was observed for the factor. Most of the employees were uncertain.

f. Marital Status * Commt.Attached: Most of the employees were uncertain about being committed and emotionally attached with the organization; the percentage of married employees that agreed to the factor is slightly more than the single employees.
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It was observed that married employees were by virtue not inclined towards giving the optimal time owing to the family obligations vis a vis there single counterparts. As being married means extra responsibility and stability in job which in turn means lower risk taking appetite to take chances on leap of faith and the uncertainty which it brings along. And as compared to the unmarried employees the above mentioned factors were not observed affecting the employee engagement. As a result of the variations observed in four factors defining employee engagement with respect to marital status of the employees, the conclusion on H3 can be justified.

H4: Formal Position * Employee Engagement

From the crosstabs SPSS output, it can be concluded that not much variations in responses between the formal positions of the employees in the organization were observed for all the six variables defining employee engagement. Therefore, the conclusion for H4 holds true.

H5: Educational Qualification * Employee Engagement

a. *Educational Qualification * Continue Career: The results show that more percentage of the degree holders have agreed to continue their career with the organization as compared to the employees who had done masters.

b. *Educational Qualification * Recommend: The degree holder employees in comparison to the employees who had done masters as concluded from the analysis, do not agree much on recommending employment at the company to their friends.

c. *Educational Qualification * Better ways: For this factor not much variation in the responses was observed, a slight larger percentage of employees with masters degree agreed to look for better ways
to perform their job well as compared to the employees with other educational qualification.

d. **Educational Qualification** * Proud: Not much variation in the responses was observed for the factor.

e. **Educational Qualification** * Enjoy: A larger percentage of degree holders were uncertain on this factor, whereas the employees with masters degree have disagreed more on the factor as compared to other groups.

f. **Educational Qualification** * Commt. Attached: The percentage of degree holder employees that agreed to the factor is more than those with master’s degree.

Thus educational qualifications of the employees also found to have significant impact on employee engagement. The findings are in accordance with different aptitude, vision and capabilities of employees with different level of academic achievements. Naturally employees with higher qualification would demand higher level of compensation and career development opportunities. Highly qualified personnel would seek better working environment and workplace wellbeing than desired by relatively less educated ones. These factors could be considered to draft appropriate policies to decrease alienation of highly qualified employees. Thus, the findings suggest that out of six variables, variations in responses according to Educational qualification of employees were observed in five variables. This tends to justify the conclusion of H5.

**H6: Length of Service** * Employee Engagement

a. **Length of Service** * Continue Career: The analysis show most of the employees with below two years experience have agreed more to the factor; whereas, not much variation was observed between the other groups.
b. **Length of Service * Recommend:** The employees with less than and equal to five years of experience in comparison to the other group of employees as concluded from the analysis, do not agree much on recommending employment at the company to their friends.

c. **Length of Service * Better ways:** For this factor the employees with work experience of 6 to 10 years as compared to other groups, do not agree much on finding better ways to perform their job well.

d. **Length of Service * Proud:** Most of the employees with length of service 6 to 10 years have agreed to the factor; whereas employees with work experience of 3 to 5 years have least agreed.

e. **Length of Service * Enjoy:** Employees with more work experience have less agreed on enjoying their work as compared to employees with less work experience.

f. **Length of Service * Commt.Attached:** Most of the employees were uncertain about being committed and emotionally attached with the organization.

The analysis reveals that the engagement levels varied according to the seniority and the length of service of the employees. In consideration to their long term experience, the senior employees felt threatened in the new work atmosphere. The more experience an individual had the lesser were the chances of being engaged. The senior employees of the acquired banks did not feel a sense of commitment and attachment towards the new organization and they were less likely to continue their career with the organization as well as owing to the new job profile they did not consider worth investing themselves fully in their work.
From the above analysis of each factor describing EE, it can be concluded that the responses for most of the factors vary with the length of service of the employees, thereby justifying the conclusion on H6.

Objective 2:
- To identify the general causes of Employee Engagement and their relative propensity post merger in banking industry.

The researcher had identified 24 variables or factors for the study through extensive review of past literature and personal discussion with the employees of various branches of the acquired banks so as to capture the influence on Employee engagement post merger in banking industry. The variables were grouped into four broader categories of independent variables, namely, Work Environment, Compensation and Benefits, Career growth & Advancement and Intrinsic Motivation; and one dependent variable namely, Employee Engagement. All the variables were measured using self structured questionnaire and the responses were ranked to study the relative propensity of the variables. According to the results obtained, the findings for each latent variable can be summarized as below:

- **WORK ENVIRONMENT**

  Table 8.2: Ranking of responses for WE

<table>
<thead>
<tr>
<th>Latent Variable</th>
<th>Factors</th>
<th>Weighted Total</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work Environment (A)</td>
<td>Changes communicated prior to implementation (A1)</td>
<td>879</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Everybody treated fairly (A2)</td>
<td>859</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Performance evaluations are fair (A3)</td>
<td>846</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Pressure to finish my work on time (A4)</td>
<td>875</td>
<td>2</td>
</tr>
</tbody>
</table>
The response levels were compared according to the environment where respondents were working. The results from the above table shows that rank 1 is assigned to “Changes communicated prior to implementation” and Rank 4 to “Performance evaluations are fair”. The findings suggest that though most of the employees have agreed that the changes are being communicated to them prior to implementation but, they do not find the performance evaluations fair at the organization.

The work environment should be conducive to achieve organizational goal as well as individual development. It is a win-win situation for both the entities; an employee should be rewarded appropriately for his good work, extra efforts, sincerity and at the same time a lethargic and careless employee should be penalized suitably. A well calibrated reward and motivation scheme by instituting positive and negative reinforcers in the system helps in improving the image of the institution that promotes meritocracy. Management must listen to and communicate with employees and relay accurate and comprehensive information. Communication is of utmost importance in every stage of a merger or acquisition. Management should share as much information as it can with employees before, during, and after the acquisition. This will help reduce or dispel the unfounded rumors which cause negative emotions and unproductive behavior.

- **COMPENSATION AND BENEFITS**

  **Table 8.3: Ranking of responses for CB**

<table>
<thead>
<tr>
<th>Latent Variable</th>
<th>Factors</th>
<th>Weighted Total</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation and Benefits (B)</td>
<td>Pay is fair and benefit packages (B1)</td>
<td>887</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Reward/ incentive schemes (B2)</td>
<td>863</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Good Retirement &amp; Insurance Plans (B3)</td>
<td>873</td>
<td>2</td>
</tr>
</tbody>
</table>
Findings, Recommendations and Conclusion

The table above illustrates the composition of the responses by compensation and benefits. The findings suggest that most of the employees find the pay and benefit packages fair but they are not much satisfied with the reward and incentive schemes of the organization.

For strengthening the system of reward and motivation it is essential to include well defined incentive plans and benefit packages in order to encourage performance and good work. This proves to be very critical for the organizations in the long run. Receiving timely recognition and rewards is a key driver of engagement. The degree of formality of such recognition is determined by circumstances and what is appropriate. Salary is important but more of a dis-engager than an engager. Employees need to feel valued and appreciated for the work they do.

- CAREER GROWTH AND ADVANCEMENT

Table 8.4: Ranking of responses for CGA

<table>
<thead>
<tr>
<th>Latent Variable</th>
<th>Factors</th>
<th>Weighted Total</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Career Growth and Advancement (C)</td>
<td>Training to perform my job well (C1)</td>
<td>880</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Good Job- promotion (C2)</td>
<td>853</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Progress in my Job (C3)</td>
<td>845</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Professional development and Advancement (C4)</td>
<td>835</td>
<td>4</td>
</tr>
</tbody>
</table>

Table 8.4 shows the composition of the responses by Career Advancement and Growth. From this table, it can be seen that most of the respondents have agreed that they are provided with training to perform their job well but Rank 4 assigned to “Professional development and
Advancement” suggests the respondents largely disagree that the manager is actively interested in their professional development and advancement.

In addition, growth opportunities, such as learning, research, self development, enhancement of skills, room for innovation, public recognition, etc. are also the determining factors in employee engagement. If an organization does not give chance for growth and personal development it would be very difficult to retain the talented personnel and also to find new talent with experience and skill. Prestigious professional organizations with challenging work environment attract best talents, who in turn reinforce organizational effectiveness through better management as a part of career process.

- **INTRINSIC MOTIVATION**

  Table 8.5: Ranking of responses for IM

<table>
<thead>
<tr>
<th>Latent Variable</th>
<th>Factors</th>
<th>Weighted Total</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intrinsic Motivation (D)</td>
<td>Teamwork and cooperation (D1)</td>
<td>866</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Balance between work and personal life (D2)</td>
<td>851</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>No unreasonable amount of stress in my life (D3)</td>
<td>836</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Regular information of mission and goals (D4)</td>
<td>844</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Care about as a person (D5)</td>
<td>845</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Treated with Respect (D6)</td>
<td>854</td>
<td>2</td>
</tr>
</tbody>
</table>

The response rate shown by the above table tends to verify the variables defining intrinsic motivation. According to the results obtained, most of the employees have agreed that there is a spirit of teamwork and cooperation at the organization. On the contrary, rank 6 assigned to the
third factor i.e. “No unreasonable amount of stress in my life”, shows that the employees have mostly disagreed to the factor concluding that their job causes unreasonable amount of stress in their lives.

Quality of work is an important element of job satisfaction and hence there is better engagement by offering challenges that enable an employee to upgrade his knowledge, skills and capabilities. Challenge is the fire that keeps the innovation and the thrill alive. A well accomplished challenging job yields greater satisfaction then a monetary benefit and also boosts the self-confidence leading to a better management. Factors, which decide the quality of work life, include status improvement, recognition and appreciation. Acquiring organizations should try to eradicate any arrogance on the part of their personnel to ensure that acquired employees do not feel inferior and ‘conquered.’ A post M&A atmosphere fostering mutual respect among management groups will facilitate a better understanding of the others’ perspective and make a smoother transition.

- **EMPLOYEE ENGAGEMENT**

**Table 8.6: Ranking of responses for EE**

<table>
<thead>
<tr>
<th>Latent Variable</th>
<th>Factors</th>
<th>Weighted Total</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee</td>
<td>Continue my career (E1)</td>
<td>864</td>
<td>2</td>
</tr>
<tr>
<td>Engagement</td>
<td>Recommend employment to a friend (E2)</td>
<td>870</td>
<td>1</td>
</tr>
<tr>
<td>(E)</td>
<td>Better ways to do my Job well (E3)</td>
<td>832</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>I feel proud (E4)</td>
<td>795</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>I enjoy working (E5)</td>
<td>800</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Committed and emotionally attached (E6)</td>
<td>797</td>
<td>5</td>
</tr>
</tbody>
</table>
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Table 8.6 illustrates that with the highest weighted total, rank 1 is assigned to “Recommend employment to a friend” and Rank 6 to “I feel proud”. The findings suggest that though most of the employees have agreed that they would recommend employment at the organization to their friends but, they do not feel proud to work with the organization, as well as rank 5 assigned to “Committed and emotionally attached”, indicates that most of the employees do not feel committed and emotionally attached to the organization.

Employee engagement is a complex concept and is influenced by many factors like workplace culture, organizational communication and managerial styles to care, trust and respect, leadership, work life balance, teamwork, compensation and benefits, and company reputation. Thus EE has emerged as a pivotal business driver for organizational success. An engaged employee is aware of the business context and works with the colleagues to improve performance within the job for the benefit of the organization. Therefore, the organizations must work to develop and nurture engagement which requires a two way relationship between employer and employee.

The overall analysis shows that the weighted total of the factor B1 i.e. “My pay is fair and I am satisfied with the organization’s benefit packages”, is the highest 887. This concludes that maximum number of the Employees of the acquired banks have agreed upon this factor. The last rank is given to E4 i.e. “I feel proud to be a part of this organization”, which has the weighted total of 795 indicating that least number of employees have agreed to this factor in comparison to the other factors under study.

Thus, ranking helps to determine the relative importance of each variable to provide a view and understanding about factors affecting employee engagement. Hence, the findings may shed light into key drivers of
employee engagement and may contribute to the development of HR strategies, bank policies or practices aiming at enhancing the human capital potential and thus individual employee performance outcomes thereby assisting ultimately banks’ competitiveness at the time of changes.

Objective 3:
- To examine the effects on Employee Engagement post merger in banking industry.

“H0: No relationship exists between the independent and dependent variables.”

The researcher had identified 24 variables or factors for the study but since one factor was removed to increase the reliability of the questionnaire, 23 variables were hence considered for the testing of hypothesis. Reliability of data was checked using Cronbach’s alpha which was calculated through SPSS. It measured the internal consistency and its value came out to be 0.644, confirming the reliability of data.

The variables were grouped into four broader categories of independent variables, namely, Work Environment, Compensation and Benefits, Career growth & Advancement and Intrinsic Motivation; and one dependent variable namely, Employee Engagement. Since all these variables were not directly observable through the self structured questionnaire; therefore, Structured Equation Modeling was used to study these latent variables and find the correlation between the independent variables as well as their association with the dependent variable.

The results obtained after considering a few modification indices as suggested by SEM in AMOS are as follows:
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The output of the path diagram used in the analysis reveals that the model exhibited an overall good fit to the data (p = .200). In structural equation modeling, a not significant p-value for a chi-square goodness-of-fit statistic indicates acceptance of the hypothesis and, thus, a good fit between model and data. Additionally the RMSEA being less than .10 as well as IFI, TLI and CFI values are nearing 1; thus, the tests suggest that the overall model is a good fit to the data and such results suggest the model provides a reasonable explanation of the data.

The table below reveals that all the items related to the latent dependent factor (Employee Engagement) indicate good loading values.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Standardized Regression Weights(β)</th>
<th>P value</th>
</tr>
</thead>
<tbody>
<tr>
<td>EmpEngagement&lt;--- WorkCond</td>
<td>.852</td>
<td>***</td>
</tr>
<tr>
<td>EmpEngagement&lt;--- CompSal</td>
<td>-.745</td>
<td>.199</td>
</tr>
<tr>
<td>EmpEngagement&lt;--- GrowthAdv</td>
<td>.674</td>
<td>.048</td>
</tr>
<tr>
<td>EmpEngagement&lt;--- IntMotivation</td>
<td>.563</td>
<td>.007</td>
</tr>
</tbody>
</table>

As shown in Table 8.7, Work Environment (WorkCond) resulted in significantly higher loading scores of .852 than the other independent variables with p = .000. The findings suggest that 85.2 percentage of variance in Employee Engagement is explained by the working conditions at the organization. Thus, considering the analysis among all four variable, Work Environment (WorkCond) development with β=.85.2 is the strongest variable, followed by Compensation and Salary (CompSal) with β =-.745, Career growth and Advancement (GrowthAdv) with β =.674 and Intrinsic Motivation (IntMotivation) with β =.563.
The results also show that all the independent variables are significantly correlated to employee engagement with coefficient alpha (p value) < .05. However, the loading for Compensation and Benefits (CompSal) is negative i.e -0.745, with p value .199. In other words, the regression weight or the loading associated with CompSal is not significantly different from zero as the p value is greater than .05. Thus, these independent variables are strong predictors or they show a strong direct effect on Employee engagement in the structural equation modeling.

The correlation matrix between the four independent variables is exhibited in Table below:

<table>
<thead>
<tr>
<th>Variables</th>
<th>Correlation estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td>WorkCond&lt;--&gt; CompSal</td>
<td>.694</td>
</tr>
<tr>
<td>CompSal&lt;--&gt; GrowthAdv</td>
<td>.353</td>
</tr>
<tr>
<td>GrowthAdv&lt;--&gt; IntMotivation</td>
<td>.574</td>
</tr>
<tr>
<td>WorkCond&lt;--&gt; GrowthAdv</td>
<td>.412</td>
</tr>
<tr>
<td>WorkCond&lt;--&gt; IntMotivation</td>
<td>.719</td>
</tr>
<tr>
<td>CompSal&lt;--&gt; IntMotivation</td>
<td>.298</td>
</tr>
</tbody>
</table>

The table reveals that there is a perfect positive correlation between the four independent variables with the values ranging from .298 to .719. This suggests that the highest correlation of 71.9% was observed between the work environment of the organization and the intrinsic motivation of the employees; whereas, compensation & salary and Intrinsic motivation were found to be least correlated by 29.8% only.
Referring to the analysis, the squared multiple correlation (\(R^2\)) shows a substantial correlation between the four independent or predictor variables and the dependent variables which is employee engagement (\(R^2 = .596\)). The R-square value identifies the portion of the variance by the independent variable; i.e. approximately 59.6% of the variance in the employee engagement is accounted for by Work Environment, Career Growth and Advancement, Compensation and Salary; and intrinsic Motivation. This value indicates that these four factors explained Employee Engagement by 59.6%. It means that there are also some other factors which influence EE and were not considered in the present study.

From the above findings, the analysis concludes that all four independents variables are significantly related to employee engagement. Among all four independent variables, working environment is having the most influence on the employee engagement post merger in banking industry. Conducive work environment requires healthy and cordial relations with peers, superiors, subordinates as also with the customers. Findings suggest employees seek more meaning in their day-to-day work than they do in their personal lives. This implies employers should be seeking to make work meaningful by finding out what matters to their employees, especially since evidence suggests that meaningfulness impacts not only on the individual, but also on the bottom line. Good interpersonal relationship with people at work boosts employee’s comfort level and helps in better articulation. Better and positive communication by employees about the organization is an integral part of employee engagement contributing to organizational effectiveness.

In turbulent economic times, when there is great uncertainty about the future viability of business organizations, employees are naturally anxious and value frank dialog with bosses. With a high degree of skepticism for official company communications, direct face-to-face engagement is most effective at establishing trust. It’s clear that business leaders need to
provide candid explanations of the challenges facing their respective companies, demonstrate that there is a plan to meet these challenges, and show what role employees can play. This will build employee trust and morale, which will help to retain talent and motivate employees to strive for the high performance needed to survive today and thrive tomorrow.

**Objective 4:**
- To study behavioral patterns exhibited at the work place post merger in banking industry.

Day-to-day perceptions confirm that mergers and acquisitions are highly emotional life events for all those affected. But only after years of ‘merger mania’, combined with high failure rates (about 70 per cent of all mergers fail to reach their initial goals), has the importance of focusing on ‘soft’ issues been acknowledged. Managers’ attitude that they are not able to manage those soft factors, or simply managers’ belief that human factors are not crucial for a successful M&A, lead to a neglect of essential soft factors. The impact of various styles of managerial communication and behaviour on employees’ emotions during the M&A process contribute during phases of major organizational changes. Consequently it is imperative for managers to realize how the organizational change will have impact on the behaviour of employees.

The researcher had identified 10 variables or factors for the study through extensive review of past literature and personal discussion with the employees of various branches of the acquired banks so as to capture the behavioral pattern exhibited post merger in banking industry. The Cronbach’s Alpha value for all the 10 items of the questionnaire obtained was .690 confirming the reliability. The weighted total for the respondent’s opinion on the factors demonstrating the behavior of the employees post merger was calculated and tabulated below and hence the variables were ranked in descending order to the weights calculated. This helped in establishing whether there is, indeed, some link between the
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respondents’ behavior and experience of change. Thus the study was analyzed to reveal the extent to which employees attitudes changed post merger.

**Table 8.9: Ranking of responses for BP**

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Factors</th>
<th>Weighted Total</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Take situation as an opportunity</td>
<td>1022</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>Try to solve problems</td>
<td>926</td>
<td>3</td>
</tr>
<tr>
<td>3</td>
<td>Direct to other work</td>
<td>893</td>
<td>4</td>
</tr>
<tr>
<td>4</td>
<td>Cool down myself</td>
<td>988</td>
<td>2</td>
</tr>
<tr>
<td>5</td>
<td>Seek company of friends and family</td>
<td>854</td>
<td>6</td>
</tr>
<tr>
<td>6</td>
<td>Get irritated and react aggressively</td>
<td>723</td>
<td>8</td>
</tr>
<tr>
<td>7</td>
<td>Leave work and go home</td>
<td>580</td>
<td>10</td>
</tr>
<tr>
<td>8</td>
<td>Take immediate actions</td>
<td>809</td>
<td>7</td>
</tr>
<tr>
<td>9</td>
<td>Accept the situation</td>
<td>891</td>
<td>5</td>
</tr>
<tr>
<td>10</td>
<td>Don’t care, high migration value</td>
<td>695</td>
<td>9</td>
</tr>
</tbody>
</table>

Table 8.9 tends to measure the behavioral pattern of the employees after the M&A process. An examination of this table reveals that with a weighted total of 1022, rank 1 has been assigned to “Take situation as an
opportunity”, which indicates that the respondents believed that the bank had actually changed for better. Hence the employees had taken the situation as an opportunity to learn and grow. This view can be further reinforced by the fact that instead of getting irritated 79.84% employees agreed that they cool down themselves and get back to work and 80% agreed that they try to solve their problems by consulting others at the organization. Though the majority of the respondents tried to maintain a positive attitude towards the change; however, there were a significant number of respondents who had a relatively high degree of uncertainty. This feeling could stem from the fact that they were not sure about their future within the organization. 46.91% of the respondents were uncertain about their migration values which might have caused by the notion that the employees were not convinced if the change can bring them more opportunities and provide them a better working condition.

The table also reveals that last rank assigned to “leave work and go home earlier” clearly indicates that a majority of the respondents still put an extra effort into their work environments to ensure that the goals and objectives of the bank are achieved and they always look forward to going to work every morning. Thus it can be concluded that there was a fair amount of satisfaction with the M&A process and a significant number of respondents still intended to work with the organization.

8.2.2 PERSONAL DISCUSSIONS WITH THE EMPLOYEES

In the course of direct interaction with the employees who participated in the survey, it was revealed that there was a high degree of skepticism towards the top management of the organization. This can be illustrated by the findings that 18.93% of the respondents were uncertain and 21.81% disagreed whether the managers were actively interested in their professional development and advancement. The respondents also seemed to be uncertain whether the top management was honest and caring during the process.
There was a fair amount of satisfaction with the communication medium used during the merger process. However, some of the respondents believed that there was consistent communication throughout the process whilst some did not agree. Table 6.13 shows that 60.49% per cent of the respondents agreed that the changes were communicated to them prior to implementation whereas, 26.34% were uncertain and 13.17% completely disagreed.

The responses indicated that the employees were not sure about their future in the organization. They were also not certain about their intention to work for the bank for a long time to come. The findings of the table 6.13 show that 22.63% of the respondents disagreed to continue their career with the organization whereas 12.35% were uncertain. The majority of the respondents felt the changes were not carefully planned before implementation, as they were only informed about the merger and none of their opinions were considered.

The overall assessment indicated that the merger process did not adversely affect the morale and motivation of the majority of the respondents. However, there were a significant number of respondents who were negatively affected particularly regarding matters relating to their working conditions. This is probably why a significant number (25.51 per cent) of them were not sure about equity of treatment of employees and 21.40% were uncertain about performance evaluations being fair and appropriate at the organization.

Most respondents seemed to be uncertain on whether the merger process was good for them. This was probably due to the fact that management did not discuss the benefits of merger to the affected individual employees and they were not given the opportunity to give input into the change process although they were encouraged by their immediate managers to become involved and committed to the organizational change. This can be
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further justified from the fact that a majority of the respondents did not enjoy working with their team members; neither had they felt committed and emotionally attached to the organization.

The employees who had been shifted from the acquired bank having a long term experience in that organization felt threatened in the new work atmosphere owing to the new work culture and preconceived notion amounting to the threat of being looked at as second class citizens in the merged organization. This psychological fear played an adverse role affecting the performance of the individual in terms of EE. Also it was further elevated whilst the senior employees of the acquired banks might have to report into the more qualified younger generation with lesser experience in the new work place. Conclusively, it was inevitable that M&As can cause not only a clash of cultures; sparking unhealthy competitiveness and as a result this led to significant levels of insecurity for those involved.

Thus, the findings of personal discussion gave an insight of the impact that the organizational change had on the employees of the acquired banks. It might not cover all challenges and issues that might come up in the process but the aim of this contribution is rather to improve, challenge, and change the conventional view on the M&A process.

8.3 STRATEGIC RECOMMENDATIONS

Since the objectives of the research have been met, the focal point is now on making recommendations based on the research findings. Hence, for future mergers the following strategies can be recommended:

- The need for careful planning in the merger process prior the implementation. Organizations need to involve employees in the M&A process right at the outset.
• Employees should be well informed in advance about the changes in order for them to make prior decisions before accepting the new responsibilities. A realistic merger preview depicting job expectations for the future will allow employees to cope more realistically with new or modified job demands.

• Open and honest communication with employees during changes is vital for a successful M&A in an organization. Face-to-face communication between management and employees is the most effective way of communicating changes within the organization.

• Every attempt should be made by top management to share all the necessary information with the employees accurately and at appropriate times. This will create an atmosphere of trust and commitment amongst employees and will also enhance the integrity and credibility of management and their intentions.

• The management should discuss the benefits of mergers with the employees of acquired bank so that it does not adversely affect the morale and motivation of the employees, ensuring that they enjoy their work and put an extra effort to meet the objectives of the organization.

• The management should adopt training and sustained learning programmes for employees on the basis of need identification. It can then implement programs, such as individual counseling on new career opportunities to alleviate them. Voluntary stress management training can be provided on a group basis to allow employees to share their concerns.

• Flexi time (Flexible working hours) may be introduced in the organization. Work pressure can be minimized by consulting the concerned person to fix deadlines to complete the work.
• The differences in corporate culture might make integration very time consuming and costly, and could create an inefficient new organization. The negative effects of ambiguity must be kept to the minimum; employees must be kept focused, energized and committed to the company. Differences in the two organizational cultures can lead to competition between employee groups and hostile ‘we-they’ attitudes. Managers should try to avoid this situation by carefully amalgamating employees as much as possible at all organizational levels. Both organizations have unique and beneficial cultural elements. Rather than imposing one organization’s culture on the other, the best of both organizations should be integrated into a common corporate culture so that both sides can identify with the same.

• As concluded from the present study the turnover rate of top managers is unusually high after a merger or acquisition, it is important to conduct a talent audit before the change takes place to ascertain the managerial talent required for future success. Steps can then be taken to ensure that organizational talent will be plentiful after the merger.

• The behavior of employees must be changed as needed; the performance of the organization must be sustained at all times. Any layoffs or downsizing should take place as soon as possible to alleviate anxiety, reduce rumors, and allow employees to return to business as usual. The longer fear of the unknown lasts, the more damage will be caused.

8.4 PROBLEMS AND LIMITATIONS

There were not many problems encountered in the research. All respondents were accessible either physically or via e-mail. However, a small number of respondents did not respond, despite numerous
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reminders that delayed the collection of primary data. Taking into account the fact that the response rate in this study was high, at 97.2% per cent, this problem was unlikely to exist. A sufficient number of respondents assisted in completing the questionnaire, ensuring that the data presented is reasonable. Data analysis was done smoothly, with quantitative, qualitative and historical data giving validity to the findings.

- **Geographical constraint:** With the travel constraints due to various reasons, the researcher had tried to gather as much information as possible without compromising on the essence of the mentioned subject. Considering the high percentage of responses it can be said that justice has been served to the viability of the subject.

- **Sample size:** Since the sample size of 243 not being very large, the results can’t always be generalized to the entire population. Convenient and purposive sampling was used and hence the results of the sample selected need not to be the true representative of the universe.

- **Lack of experience:** The researcher did not have sufficient knowledge and experience in conducting the research. The researcher found that study on this subject was not an easy task since it required many skills and high level of experience in all stages of research. As a result, to ensure the smooth completion and validity of the findings, learning and application of the data analysis methods was time consuming.

8.5 **RECOMMENDATIONS FOR FUTURE RESEARCH**

It is the nature of research to often lead to more unanswered questions. Therefore, the need arises to make recommendations for future research. The areas requiring further research that are closely linked to the research
problem were acknowledged during the course of the research. Thus, it would be valuable for future research to consider the following suggestions:

- Since the research was geographically confined and provided only a small portion of idea regarding employee engagement in the context of three banks, HDFC Bank, ICICI Bank and SBI, it would be beneficial for future research to expand the study into other industries as well to enhance the consistency of results.

- There are many other drivers that contribute to employee engagement. Thus, including other variables to measure employee engagement will increase the accuracy of understanding the drivers that could impact the employee engagement post merger. Further other modes of individual differences like income, personality type, and urban-rural background could also be given serious thoughts in this regards.

- Over the course of research, it was observed that there has been obvious gap in the literature at the moment, which is the lack of qualitative data. With a few exceptions, the study on EE has utilized survey methodology with the intention of combining the individual scores into overall trends. Thus, the researcher recommends imbibing qualitative data to offer a greater insight and better understanding of the constituent parts and varied aspects which affect the study. Therefore, it is suggested that future researchers should create and use ‘actionable’ surveys, whereby the results indicate not just levels of engagement, but also where the problem areas lie and what, in an employee’s opinion, should be done to eliminate the barriers to engagement. A further consideration is that employee surveys should be supported by
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interviews and contextual analysis in order to gain a more holistic view on engagement and how it is being managed within different organisational settings.

- The findings of the present study reveal that there was a high degree of skepticism towards the top management of the organization. This indicates that as a sub driver of EE, management potentially has the most impact on engagement levels. Hence, a need arises to demonstrate a clear link between the line managers and EE to assess long term outcomes and benefits on the said subject.

- At the same time, it has been unclear exactly the role of managers in engaging employees and what distinguishes an engaging manager from their fellow colleagues. Further research might not identify what these differences are, but potentially reveal what training managers at the time of organizational change could undergo to improve their ability to engage their staff.

- To sum up, future studies in this area should focus on clarifying the M&A performance concept in relation to EE. The researcher personally believes that with insight coupled with smart work on the mentioned subject would contribute to further understanding of the impact of M&As on EE by providing a different way to interpret the inconsistencies of M&A research outcomes.

8.6 CONCLUDING REMARKS

The purpose of this chapter was to conclude the study by re-looking at and resolving the problems stated in Chapter 1. Listing the main findings of the research and relating these to the problems, it was then possible to
make relevant recommendations based on the findings. The four objectives in this study have been achieved whereby the results had shown that the four independent variables are related to employee engagement. Among all the four drivers of employee engagement, work environment of the organization post merger is found to be the strongest drivers of employee engagement in the context of the banking industries.

A wide spectrum of researches on employee engagement provides a good combination of theoretical and practical insight into various tenants of individual differences. The present study provides a good explanation of variation in engagement level based on age, gender, marital status, formal position, educational qualification and length of service of the employees in Indian settings. Practitioners have been suggested with various mechanisms to deal with differences based on individual variables. The findings and suggestions have significant bearing for both organizations and for employees also. On one hand organizations would be able to develop loyalty and longevity among employees and on other hands employees’ needs and aspirations could be catered in better way. Depending upon present study future researcher could devote their time and energy on elaborating differences based on individual constructs.

Another aim of this chapter was to discover further possible research opportunities and pertinent M&As strategies were also identified in this research study. A careful application of these strategies will help to enhance the chances of implementing the organizational change process without compromising the morale and motivation of the employees.

The overall analysis explained 59.6% (R square) of employee engagement. This value is considered as acceptable. However, researcher hope that more research will be conducted in the future in order to gain a
whole understanding of employee engagement as other drivers may also contribute to employee engagement post merger in the banking industry.

It can further be concluded that the information depicted might indicate that whilst most respondents clearly understood the rationale for the change, they did not see individual benefits for themselves in the process. To ensure that change initiatives are successful, organizations need to develop a workforce adept at handling change in whatever form it takes. This undertaking requires not only understanding and fostering effective behaviors and attitudes, but also developing a comprehensive organizational process infusing change agility throughout the company. The majority of employees have no control over the change decision. But they need to continue to meet the objectives during and after a change event. To that end, employees may need help creating strategies to overcome natural resistance to change. Most importantly, employees need to be treated as more than passive recipients of change — they need to be involved.