

## Impact of Merger on Stress Level of Employees (A Case Study of Erstwhile Bank of Rajasthan Ltd.)

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### Abstract

Mergers and Acquisitions are inevitable phenomena in banks so as Stress Management. Whenever changes in organization take place employees are supposed to adopt them. In this process, if changes are not managed properly than they may cause stress among bank employees. Therefore, the aim of this article is to measure the level of stress of the erstwhile Bank of Rajasthan employees after merger in ICICI Bank Ltd. We used weighted average method and employed paired sample t-test to find the difference. Merger Stressors are identified like the major psychological factors which include uncertainty, insecurity, job changes and threat of job loss which create stress among bank employees. On the other hand the cultural factors include technology used by the bank, reporting system, working hours, relationship with boss and supervision. This study is a small contribution for the betterment of the bank employees and provides guidelines for bank policy makers, strategists, scholars and researchers.

**Key Words:** Merger and Acquisition, Stress Management, Bank, Employees

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### 1. INTRODUCTION

In a rapidly changing business environment, banks are facing unprecedented turmoil in market. Ruthless competition, technological up gradation, recession in global economy, stock market volatility, and increasing interest rates has increased the trouble for bankers to deliver superior performance.

In reaction to these pressures, banks around the world are dramatically restructuring their assets, operations, and contractual relationships with their shareholders, creditors and other financial stakeholders. Corporate restructuring has facilitated many organizations to re-establish their competitive advantage, respond more swiftly and effectively to new opportunities and unforeseen challenges of the market.

Growth opportunities come in a variety of other forms and a great deal of energy and resources may be wasted if an entrepreneur does not respond on time. The remarkable examples for growth is mergers and acquisition (M&As). M&As offer great opportunities for companies to grow and add value to shareholders' wealth. M&As are expected to increase value and efficiency of the company and thereby increase shareholders' value.

In recent times, we have seen many examples of M&As in banking industry. Apart from financial issues, there are certain issues, which are under considered. When a merger takes place one firm has to dilute itself into another firm, but it is not just the transfer of assets and liabilities but the lives of respective employees are also associated with it. Kahr (2011) opined on bank management and banking industry that bank mergers will not result in increased profitability for banks, and that there are limited opportunities for banks to increase their

revenues. Due to the organizational changes, which take place during the course of a merger, largely affect the performance of the employees. Cultures of one of the firm determine the level of stress among employees. It is obvious that when a merger is announced respective employees of the firm may feel stressed, disoriented, frustrated, confused and even frightened. At a personal level, these feelings can lead to a sense of loss, psychosomatic difficulties, and marital discord as well [1]. At this juncture, it is quite possible that it may augment the level of stress among employees and that is not good on any part.

Therefore, this is an attempt to assess the stress level of employees of erstwhile the Bank of Rajasthan Ltd. (BoR).

## **2. CONCEPTUAL FRAMEWORK**

Mergers and acquisitions are well known phenomena in any industry. After the inception of ICICI Bank, the mergers and acquisition of smaller banks has become a strategic issue. It is evident by all the mergers of ICICI Bank Ltd., which made them number one private sector bank. As per the press release from Reserve Bank of India (RBI) on August 12, 2010, all branches of Bank of Rajasthan Ltd. will function as branches of ICICI Bank Ltd. with effect from August 13, 2010. That was a consequent upon the RBI sanctioning the Scheme of Amalgamation of Bank of Rajasthan Ltd. with ICICI Bank Ltd. the Scheme has been sanctioned in exercise of the powers contained in sub-section (4) of section 44A of the Banking Regulation Act, 1949.

### **2.1 Stress**

It is unavoidable for anyone to exclude from the organizational decisions. Therefore, we are part of the decision taken by the top management. In this article, we are studying the factors, which determine the stress among employees. Precisely, we need to understand the term 'stress' which was coined by Hans Selye in 1936. He defined it as "the non-specific response of the body to any demand for change". Stress management can be defined as interventions designed to reduce the impact of stressors in the workplace. These can have an individual focus, aimed at increasing an individual's ability to cope with stressors. The goal of Stress Management is to manage the stress of everyday life among employees. Many different methods may be employed, such as biofeedback, meditation, and massage. Counsellors work with individuals in order to determine what stress management program will work best for that person.

### **2.2 Mergers and Acquisitions**

It is evident from recent past that Mergers and Acquisitions are well-known strategic tools for banks in India. It is an end of the continuum of alternatives companies have in combining with each other. The least intense and complex form of combination is licensing. Next come alliances, partnerships, and subsequently joint ventures. The amount of penetration in market risk, profits, and control depends on the type of combination strategy. It is the mergers and acquisitions that requires huge amount of investment, consequently, greater amount of market penetration, good amount of profits, risks and control over assets can be obtained.

Bose, J. (2007, p. 21) opined that the banking sector here in India has been active in Mergers and Acquisitions ever since Section 45 was incorporated in the Banking Act in 1960. This section empowered the RBI to initiate the process of amalgamation of weak banks with strong ones at times when the net realizable assets of a bank fell below 90 percent of its deposits, but with the approval of the government. This was aimed at averting bank failures, which were as rampant here as they were in other countries in those days [2].

## **3. REVIEW OF LITERATURE**

Schweiger and Ivancevich (1985) studied the human factor in merger and acquisition and identified some common merger stressors, which include uncertainty, insecurity, and fears concerning job loss, job changes, compensation changes, and changes in power, status, and prestige. These stressors should be given utmost care in pre-merger strategic issues [3].

Ivancevich, Schweiger, and Power (1987) studied the merger stress process, stages of the merger process and the sources of stress created and choosing guidelines and interventions to encourage more effective management of merger stress. They suggested some measures

to effectively manage merger stress, like prevention, to reduce the actual stress-inducing merger events; secondly, reappraisal of employee which refers to changing initial cognitive appraisal of a situation and at last effective stress management and professional help, which supports those employees, that are already stressed [4].

Schweiger and Weber (1989) suggested that Mergers and acquisitions (M&As) are corporate events that have the potential to create severe personal trauma and stress which can result in psychological, behavioural, health, performance, and survival problems for both the individuals and companies involved. With the increasing size and number of M&As transacted and the number of employees affected, it is essential that executives and human resource professionals pay greater attention to understanding the sequence of actions and reactions associated with the process [5].

Schweiger and DeNisi (1991) conducted a longitudinal field experiment to evaluate the various effects of a communication program on employees of an organization; they called it a realistic merger preview. This study was intended to measure the effects of mergers and acquisitions on employees. Their results suggested that realistic communication during a merger process in the form of a realistic merger preview could help the employees to get through the process of merger. As illustrated by the significantly lower measures on global stress and perceived uncertainty and significantly higher on job satisfaction, commitment and self-reported performance for the experimental group, exposed to the communication program [6].

Rajeshwari (1992) identified the potent stress situations (stimulus) of bank employees and then classified them into factors relating to organizational policy, structure, process, physical working conditions, group behaviour, and others. Researcher concluded that structural rigidity, poor physical working conditions and extra organizational factors to be potent stressors [7].

Cartwright and Cooper (1993) studied the human aspects of merger and acquisition and the impact of such a major change event has on employee health and well being which has received relatively little research attention. They took the sample size of 157 middle managers involved in the merger of two U.K. Building Societies. They found that Post-merger measures of mental health to be a stressful life event, even when there is a high degree of cultural compatibility between the partnering organizations [8].

Weber (1996) assessed the role of corporate cultural fit, autonomy removal, and commitment of managers to the merger in predicting effective integration between merger partners in different industry sectors. He found that relationship was very complex; they varied across industries and had different relationships with different measures of performance. Further, he found that cultural differences at the top management level were most likely to influence the merging organizations' ability to realize synergies [9].

Panchal and Cartwright (2001) investigated post-merger stress in a sample of field sales employees. A survey methodology was used to examine group differences, comparing those from the two pre-merger companies and those newly merged organization. Results revealed that group differences in both sources and effects of stress existed. Those from the dominant pre-merger company reported the highest stress levels and most negative work attitudes [10].

Buono and Bowditch (2003) used longitudinal and cross-sectional field study, interviews, organizational surveys, archival research, and bibliographical search of mergers and acquisition literature for eight years. Their study is based on human side of such organizational combinations in terms of the personal issues involved in mergers at both the psychological and cultural levels. They found a relationship between employee attitude and a number of work related behaviour such as turnover, absenteeism, tardiness, strikes and grievances, and quality of job performance. It was concluded that a merger or acquisition is ultimately a human process. Focused efforts on and sensitivity to what people are experiencing are necessary if managers hope to decrease the costs involved for both individual employees and the organization (p. 133) [11].

Lodorfos and Boateng (2006) examined the role played by culture and provided a framework for enhancing the success of mergers and acquisitions. Their study was based on 32 interviews with senior managers of 16 merger and acquisition deals in the chemical industry. They found that cultural differences between the merging firms were key elements determining the effectiveness of the integration process and consequently the success of M&As. Furthermore, the study also found that, although managers agree that cultural differences create organisational challenges, yet the attention given to cultural integration issues during M&As are unconvincing and in some cases reactive. Their study suggested a four staged approach in dealing with cultural differences. The managerial implication of this finding is that cultural fit constitutes a key factor in M&As' success and should be given the necessary attention at all stages of M&As, good pre-merger planning with culture placed at the heart of integration strategies and implementation and the creation of a positive atmosphere for the change [12].

Sakas and Triantafyllopoulos (2009) examined the factors staff's beliefs, attitudes, and social representations vis-à-vis the part it plays during the negotiation process in the effort of the two leaders of the Greek banking branch to merge. They used codification by means of software, to clarify the trends for negotiations in win-win conditions. They concluded that the private or public character of each banking organization involved in the negotiation process of aiming at a merger would affect its strategic choices in relation to the role played by human beliefs and professional attitudes during the negotiations. Additionally, the research pointed out some elements that were explained and justified by the existing circumstances in the particular banking area. The fear of change, the stress, the insecurity, and the loss of morale are also pointed out as being significant factors [13].

Marmenout, K (2010) conducted experimental study to examine how employees make sense of a merger announcement and investigates the relationship between deal characteristics (culture clash potential, degree of integration, position in deal structure) and employee attitudes. As employees make sense of the merger, higher perceived uncertainty is associated with greater dysfunctional outcomes [14].

Khattak et al (2011) examined the occupational stress in the banking sector of Pakistan. A total of 237 bank employees from different commercial banks participated in the survey. They used self-reported questionnaire. Descriptive, correlation, and regression statistical tools were used to analyze data. The results revealed the potential stressors like workload, working hours, technological problem at work, inadequate salary, time for family and job worries at home were the significant sources of stress in the banking sector. The study suggested that the elements, which are creating, stress leading to burnout. Moreover, the significant symptoms of burnout as revealed by the results were back pain, extreme tiredness, headache and sleep disturbance. All stressors (Organization, Job, and Relationship at work, work environment, and family work interface) were significantly correlated to all burnouts (Physical, Psychological, and Organizational). All the stress elements significantly predicted burnout in the banking sector of Pakistan. The changing work pattern is creating stress for the bank employees and these stressors are leading to burnout [15].

Clarke and Salleh (2011) conducted a qualitative study examining the emotional impact of a merger between two banking institutions on managers in Brunei. The distinctive national culture representing a fusion of Malay and Islamic values was found to influence the emotional impact of this merger. These values place less emphasis on personal control as a means for dealing with uncertainty. The findings suggest that Western transactional models of perceived control to explain how people manage change may have far more limited application within a Bruneian context [16].

Shook and Roth (2011) conducted a qualitative study using a constant comparative method to assess the perspectives of HR practitioners based on their experiences with mergers, acquisitions, and downsizings. They interviewed 13 HR practitioners to collect the data. They found that HR practitioners were not involved in planning decisions related to downsizings, mergers, and/or acquisition. Neither the practitioners in this study nor other members of the HR team in their organizations had an upfront due diligence role in these change initiatives [17].

Joshi and Goyal (2012) reviewed stressors, which contribute in increasing the level of stress among employees. These included uncertainty, insecurity, fears concerning job loss, job changes, compensation, changes in power, status, prestige, workload, working hours, technological problem at work, inadequate salary, time for family job worries at home group differences and communication [18].

#### 4. RESEARCH METHODOLOGY

It is evident from recent past that M&As is a well-known strategic tools for banks in India. This study is based on the merger of the Bank of Rajasthan Ltd. in ICICI Bank Ltd. This is a strategic move by ICICI Bank in Rajasthan, which has significantly improved the geographic network and market share in Rajasthan. However, when the announcement about this merger was made, the employees' of erstwhile Bank of Rajasthan Ltd. got agitated. Here the problem arises that what is the perception of bank employees about this merger. Are they satisfied or not? Therefore, this attempt is made to study the stress level of employees and their post merger satisfaction level.

##### 4.1 Objectives of the Study

- To study the stress level of employees' (post merger).
- To identify the stressors in context with merger.
- To assess the impact of bank merger on employees.
- To assess the satisfaction level of employees after merger.
- To suggest a framework in order to cope-up with stress among employees.

Total 463 branches of BOR were operating across India before merger and out of this total 293 Branches were operating in Rajasthan.

##### 4.2 Sampling Distribution

There are total 72 branches in Udaipur division. Out of these total 31 branches are operating in Udaipur district. For our sampling purpose, we would consider only 12 branches to determine our sample size. We shall use proportional stratified random sampling method for sampling purpose.

##### 4.3 Sampling Size

60 bank employees out of 110 (appx.) employees from managerial and executive levels of erstwhile BoR.

##### 4.4 Data Type

Both primary and secondary data will be used.

##### 4.5 Research Instrument

Schedules (structured) and personal interviews are used for primary data collection. Five Point Likert-type scales are used for measuring attitude and level of stress of employees.

##### 4.6 Research Tools

Paired sample t-test and weighted arithmetic mean is used with the help of SPSS (student version 13) to test the hypothesis and analyze the data.

$$t = \frac{\bar{d}}{s/\sqrt{n-1}}$$

Where;

$$d = x - y$$

$$\bar{d} = \frac{\sum d}{n}$$

$$s = \sqrt{\frac{\sum (d - \bar{d})^2}{n}}$$

**4.7 Hypotheses:**

H01: The level of stress among bank employees does not increase after merger.

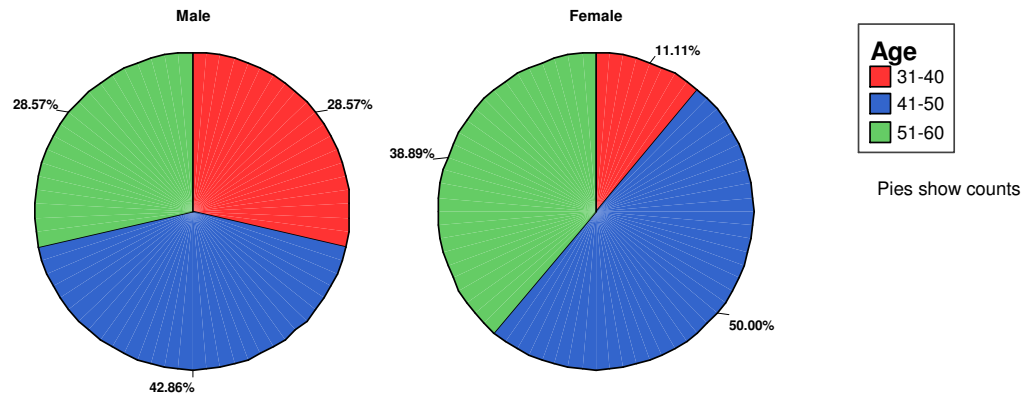
H02: Satisfaction level among employees is same in both the cases (pre and post merger)

**5. DATA ANALYSIS**

**Age \* Gender Crosstabulation**

Count		Gender		Total
		Male	Female	
Age	31-40	12	2	14
	41-50	18	9	27
	51-60	12	7	19
Total		42	18	60

**TABLE 1:** Age & gender wise cross tabulation.

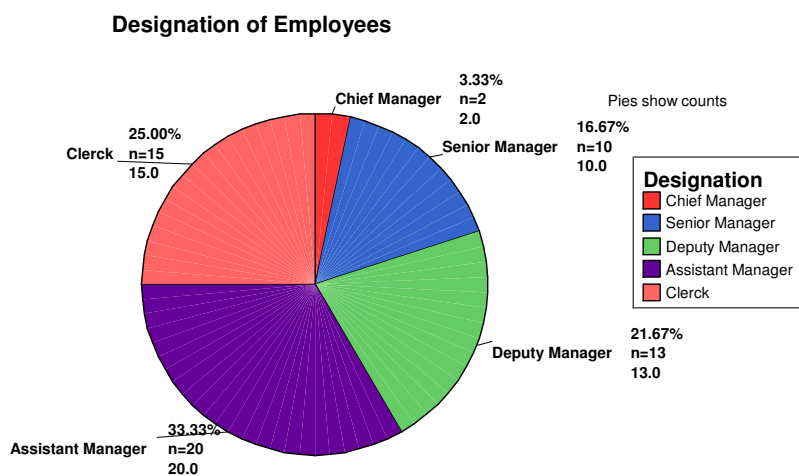


**FIGURE 1:** Diagrammatic representation of age & gender

**Designation \* Gender Crosstabulation**

Count		Gender		Total
		Male	Female	
Designation	Chief Manager	2	0	2
	Senior Manager	7	3	10
	Deputy Manager	9	4	13
	Assistant Manager	15	5	20
	Clerck	9	6	15
Total	42	18	60	

**TABLE 2:** Designation & gender wise cross tabulation

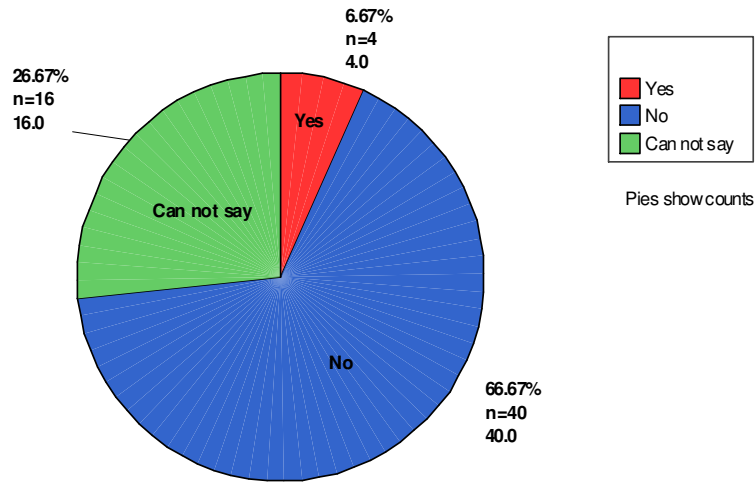


**FIGURE 2:** Designation of employees.

A question was asked to all the respondents whether they received any formal information about the merger, the below mentioned table reveals the information.

Count		Age			Total
		31-40	41-50	51-60	
Formal Information about the Merger	Yes	0	2	2	4
	No	14	15	11	40
	Cannot say	0	10	6	16
Total		14	27	19	60

**TABLE 3:** Formal Information about the Merger \* Age Cross tabulation



**FIGURE 3:** Formal Information about the Merger

In table 3 majorities of employees (67%) did not receive any formal information about merger, which is not a good sign from organizational point of view. It was the statement of most of the employee that informally we came to know about merger from media and peers or colleagues. All the employees who received information about bank merger got a very short span of time before merger i.e. less than couple of months, which is not enough to cop up with merger practically as well as psychologically.

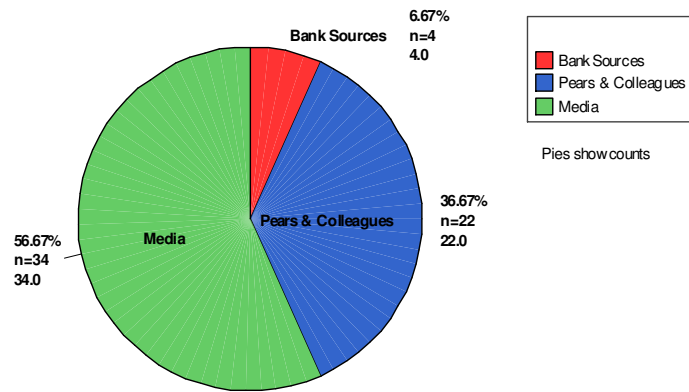
Responses were collected about the various sources through which they received the information about this merger and as per the below table we have following interpretation.

**Designation \* Sources of Information about the Merger Crosstabulation**

Count		Sources of Information about the Merger			Total
		Bank Sources	Peers & Colleagues	Media	
Designation	Chief Manager	2	0	0	2
	Senior Manager	2	5	3	10
	Deputy Manager	0	9	4	13
	Assistant Manager	0	8	12	20
	Clerck	0	0	15	15
Total		4	22	34	60

**TABLE 4:**





**FIGURE 4:** Sources of Information about the Merger

In table 4, we can see that most of the employees (57%) of the employees came to know about merger from media. Employees who received information from media passed on the same to other employees and made them aware about merger. As per the personal interaction with respondents, the researcher came to know that employees were surprised by the announcement of the merger because the erstwhile BoR was performing well right from its inception and it was quite popular bank in Rajasthan particularly. When employees were asked to rate their general awareness level about the merger and further proceedings their responses were as follows:

Response	No. of Respondents	%age
Very Less	0	0.00
Less	0	0.00
Average	39	65.00
Good	21	35.00
Very Good	0	0.00
<b>Total</b>	<b>60</b>	<b>100.00</b>

**TABLE 5:** Awareness Level of Employees about Merger

In table 5, it is evident that about 65 % of the employees are having basic knowledge about mergers while rests of the employees are having above average knowledge about mergers and acquisitions. It is for sure that this incident has surely affected them. Only 35 % of the employees were having good knowledge about the merger.

Further, respondents were asked to rate their comfortable level with this merger and it is surprising as per the below table.

Response	No. of Respondents	%age
Very Less	19	31.67
Less	32	53.33
Somewhat	9	15.00
Much	0	0.00
Very Much	0	0.00
Total	60	100.00

**TABLE 6:** Comfortable Level with This Merger

In table 6, we can see that 31% of the employees are least comfortable with merger, 53% employees said that they were less comfortable with merger and merely 15% of the employees responded that they were somewhat comfortable with the merger. From the above table we can say that there is not a single employee who is comfortable with merger till a greater extent, which again reveals the fact that impact of merger on employees is not good. Respondents were asked to rate their opinion whether they are in favour of these kinds of mergers or not. The below table reveals the information that

Response	No. of Respondents	%age
Very Less	19	31.67
Less	23	38.33
Somewhat	18	30.00
Much	0	0.00
Very Much	0	0.00
Total	60	100.00

**Table 7**

Table 7 reveals that majority of employees (32%) are not in the favour of mergers, only (18) of the employees are somewhat in favour of merger, which directly show their discomfort with the merger. It can be implied with this data that impact of mergers is not so good on the employees.

Moreover, the respondents were supposed to rate their opinion whether to continue or discontinue with BoR i.e. pre-merger and the ICICI bank i.e. post merger.

Response	Level	No. of Respondents	%age
Yes	Pre Merger	6	10.00
	Post Merger	38	63.33
No	Pre Merger	46	76.67
	Post Merger	8	13.33
Cannot say	Pre Merger	8	13.33
	Post Merger	4	6.67

**Table 8**

Before merger, there were only 10% employees who were thinking of switching over the job when the news about the merger came out, while this figure increased drastically to 64% after merger, which shows the dissatisfaction level of employees after merger, which leads them to think on job switching. Researcher came to know that there were some employees who were recruited few years back in erstwhile BoR and after merger started searching jobs in other banks and some of them soon left.

As we know that this merger took place in the month of August in 2010, so after a year, erstwhile BoR respondents are well versed with the working culture of the ICICI bank and they were asked to rate their opinion about the difference in working culture between erstwhile BoR and ICICI bank Ltd. on certain variables. It was found that all the employees are accepting this fact that there is much difference between the working cultures of erstwhile BOR & ICICI. The theories of Human Resource say that sudden change in work culture leads to dissatisfaction; it happened with BoR employees. Therefore, this study is an effort to identify the merger stressors, which can be taken care of on time to minimize the impact of restructuring process on employees.

#### Merger Stressors

Employees were asked to rank the various psychological & job culture factors as stressors on the five point scale i.e. 1 to 5. Where 1 denotes strongly disagree & 5 denotes strongly agree. Scores of all 60 respondents were compiled then weighted mean was calculated for every factor. Ranking of weighted mean scores is done to find out the major stressors in psychological & work culture category.

Weights		1	2	3	4	5	Total	Weighted Total	Weighted Mean	Rank
S. No.	Psychological Factors	Strongly Disagree	Disagree	Neutral	Agree	Strongly agree				
1	Uncertainty	0	1	11	15	33	60	260	17.33	1
2	Insecurity	2	1	8	18	31	60	255	17.00	2
3	Job loss	6	5	8	11	30	60	234	15.60	4
4	Job changes	1	14	1	11	33	60	241	16.07	3
5	Compensation changes	36	12	10	2	0	60	98	6.53	11
6	Changes in power	10	8	4	36	2	60	192	12.80	5
7	Status	17	21	10	12	0	60	137	9.13	7
8	Prestige	23	22	12	2	1	60	116	7.73	10
9	Growth	15	26	18	1	0	60	125	8.33	9
10	Responsibility	3	8	26	23	0	60	189	12.60	6
11	Work itself	19	14	24	1	2	60	133	8.87	8

Source: Schedules

**Table 9**

Analysis shows that uncertainty is the major psychological factor, which creates stress among employees after merger. 55% of the employees were strongly agreed with this fact that they do not know what is going to happen next with them. The next merger stressor in psychological category is Insecurity followed by Job Changes, Job Loss & Changes in power. The last rank is given to compensation changes, which show that employees are not finding any difficulty in remuneration structure in post merger situation as it has been significantly increased; therefore, it is not creating any stress in the mind of employees.

Weights		1	2	3	4	5	Total	Weighted Total	Weighted Mean	Rank
S. No.	Work Culture Factors	Strongly Disagree	Disagree	Neutral	Agree	Strongly agree				
1	Working Hours	8	6	8	10	28	60	224	14.93	3
2	Technology used	1	5	10	12	32	60	249	16.60	1
3	Grievance Handling	0	17	18	17	8	60	196	13.07	8
4	Designation	26	10	12	8	4	60	134	8.93	11

5	change of branch	36	5	14	5	0	60	108	7.20	14
6	HR Practices	8	0	12	30	10	60	214	14.27	7
7	Compensation	40	10	6	2	2	60	96	6.40	15
8	Performance Appraisal	23	0	21	10	6	60	156	10.40	10
9	Reporting System	8	3	8	18	23	60	225	15.00	2
10	Centralization	8	34	15	3	0	60	133	8.87	12
11	Departmentation	1	24	16	12	7	60	180	12.00	9
12	Company Policy	10	43	0	2	5	60	129	8.60	13
13	Supervision	0	0	32	19	9	60	217	14.47	6
14	Relationship with boss	6	12	2	18	22	60	218	14.53	5
15	Relationship with peers	5	11	6	14	24	60	221	14.73	4

Source: Schedules

**Table 10**

Analysis shows that Technology Used is the major work culture factor, which creates stress among employees after merger. The employees of BOR were not used to work on advanced computers & technology, most of the jobs were performed manually but merger forced each & every employee to be automated which created stress among customers. The next merger stressor in work culture category is Reporting system followed by working hours & relationship with boss & peers.

Hypothesis Testing:

Let us take the hypothesis that stress level is not increased after merger.

Response	Level	No. of Respondents	%age
Low	Pre Merger	43	71.67
	Post Merger	5	8.33
Moderate	Pre Merger	14	23.33
	Post Merger	9	15.00
High	Pre Merger	3	5.00
	Post Merger	46	76.67

**Table 11**

Analysis shows that majority of employees (72% approx.) were having low level of stress before merger, while the situation is reversed after merger. In ICICI 77% of employees are feeling high level of stress.

H01: The level of stress among bank employees does not increase after merger.

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Stress Level Pre-Merger	1.33	60	.572	.074
	Stress Level Post-Merger	2.68	60	.624	.081

**TABLE 12: Paired Samples Statistics**

To measure the stress level of employees, they were asked to rate their opinion on various variables. If we compare the mean scores of their stress level we find that pre merger stress level was low (1.33) and on the other hand post merger stress level was high (2.68).

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	Stress Level Pre-Merger - Stress Level Post-Merger	-1.350	.709	.092	-1.533	-1.167	-14.751	59	.000

**TABLE 13:** Paired Samples Test

Since calculated value is greater than tabulated, value so our hypothesis rejected and it can be concluded that there is significant difference in stress level of employees after merger.

Satisfaction Level

H02: Satisfaction level among employees is same in both the cases (pre and post merger)

To find the satisfaction level employees were asked to rank their satisfaction level on the scale of 1-5, where 1 means highly dissatisfied & 5 means highly satisfied.

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Satisfaction Level Pre-Merger	4.53	60	.503	.065
	Satisfaction Level Post-Merger	2.15	60	.755	.097

**TABLE 14:** Paired Samples Statistics

The comparison of mean scores of satisfaction level shows that employees of BOR were highly satisfied (4.53) while after becoming the employees of ICICI they are Dissatisfied (2.15).

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	Satisfaction Level Pre-Merger - Satisfaction Level Post-Merger	2.383	.922	.119	2.145	2.622	20.02	59	.000

**TABLE 15:** Paired Samples Test

Since, the calculated value is greater than tabulated value so our hypothesis is rejected and hence, we can conclude that there is significant difference in satisfaction level of employees after merger.

## 6. SUMMARY AND CONCLUSION

As per the above discussion, we can draw the conclusion that mergers and acquisition is an ongoing activity in the world of business. It is quite clear that sick banks must be merged in large banks to protect the rights of consumers. Here, transferor and transferee banks create synergy, customers also get benefits of the merger, but in some instances, employees do not get satisfaction in the transferee company. In this study, we have found that mergers and acquisition is the activity, which creates stress among employees. When the BoR was about to be merged in the ICICI bank all the employees were against this merger. As we found that post merger, satisfaction level is very low and the stress is very high. The study reveals the mergers stressors, which are responsible for stress among employees. The major psychological factors are uncertainty, insecurity, job changes, and threat of job loss, which create stress among employees. On the other hand, the working cultural factors are also responsible for stress and these include the technology used by the company, reporting system, working hours, relationship with boss and supervision.

Thus, we can say that the changes, which occur during the course of mergers and acquisitions, if not managed at the right time than the level of stress, can increase. To cope up with this situation banks must employee certain policy and strategy to overcome these sorts of problems in advance.

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