EFFECT OF MERGER AND ACQUISITION ON THE EMPLOYEES' JOB SATISFACTION OF DEPOSIT MONEY BANKS IN NIGERIA

BY

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M.Sc./ADMIN/32370/12-13

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EFFECT OF MERGER AND ACQUISITION ON THE EMPLOYEES' JOB SATISFACTION OF DEPOSIT MONEY BANKS IN KADUNA METROPOLIS.

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M.Sc./ADMIN/32370/12-13

A THESIS SUBMITTED TO THE POST GRADUATE SCHOOL,
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FEBRUARY, 2013

DECLARATION

I declare that this thesis titled "**Effect of Merger and Acquisition on the Employees' Job Satisfaction of Deposit Money Banks in Kaduna Metropolis.**" is the outcome of my research efforts. To the best of my knowledge and belief, this work has never been submitted to any institution for the award of a degree or certificate of whatever kind. The various sources of information used have been duly acknowledged by means of references.

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Date

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CERTIFICATION

This is to certify that this thesis titled, "Effect of Merger and Acquisition on the Employees' Job Satisfaction of Deposit Money Banks in Kaduna Metropolis" by Maimuna Shika ALIYU meets the regulations governing the award of the degree of Master of Science (M.Sc) in Business Administration of Ahmadu Bello University, and is therefore approved for its contributions and literary presentation.

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DEDICATION

In loving memory of our beloved father late ALIYU MOHAMMED SHIKA Wakilin Makarantan Zazzau (22nd Nov., 1945 - 5th June, 2008) who made it his life time calling to educate people and in this way make their world better and especially mine. Who also taught us the meaning of Hard work, Diligence, Compassion, Trust and above all the importance of the fear of *Allah! "Rabbir-ham-humaa kamaa rabba-yaanii sagiira"*

(Q 17:24).

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ABSTRACT

Mergers and acquisition and other forms of business combinations have desirable strategic advantages. However, inherent in these business combinations are the fears of hampering employee job satisfaction which may prove to be traumatic especially for the employees of acquired firms; the impact can range from anger to depression which may result in high turnover, decrease in morale, motivation, productivity and consequently, merger failure. The study evaluates the effect of merger and acquisition on the employees' job satisfaction of deposit money banks in Kaduna Metropolis. The study is quantitative in nature (overhaul casing) using structured questionnaire as instrument of data collection which was used to collect data from the employees' of merged and acquired DMBs domiciled in Kaduna metropolis. Employee job satisfaction was measured using the short version of the Minnesota Satisfaction Questionnaire (MSQ) developed by Weiss, Dawis, England, & Lofquist, (1967). The study examined how M&A affected the satisfaction, morale and psychological threat of employees of the merged and acquired DMBs in Kaduna metropolis. Differences in the participants satisfaction level was measured using the MSQ and the hypotheses was tested using chi-square test of goodness of fit. The findings reveal that the respondents were more often satisfied than dissatisfied with their jobs. Therefore, it was recommended among others that banks should continue to recognise employees' level of involvement with building the new organizational culture following an M&A exercise.

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CHAPTER ONE: INTRODUCTION

1.1 Background to the study.

One of the dominant features of a free market economy is free entry and free exit, which have an underlying attribute of competition. Competition in business itself results in either survival or extinction of companies (Isiaku, 2003). While the surviving companies will be contending with how to optimally manage their resources to maintain or increase their market share through expansion or diversification to remain in contention, the victims of competition which are the falling companies would need to be resuscitated through restructuring to survive. According to Isiaku, (2003), the strategic business practice by which firms diversify and expand is mergers and/or acquisitions (M&A). Mergers and acquisitions and other forms of business combinations have desirable strategic advantages such as hedging against competition, enhancement of market share and shareholders' value through economies of scale and economics of scope. However, inherent in these business combinations are the fears of dangers that the emergent large corporate entities may result in monopolies or unfair competition within the economy of the country.

Mergers and acquisitions (M&A's) have become a key part of many corporate growth strategies (Cocheo, 2008 and Rosta, 2008). Banks are involved in M&A in order to reduce risks and increase returns and geographic diversification, that is expanding operations into multiple locations used to obtain greater market power. Banks merge with other banks that have branch locations in multiple states in

order to reach a larger customer base. The anticipated benefits are less competition and increased profits for the resultant bank. The corporate diversification strategy has led to an increase in bank M&A's. However, M&A transactions often fail to achieve their intended purposes of increasing profits and market share (Cocheo, 2008; and Rosta, 2008). Behavior of employees affected by M&A's may critically affect whether M&A's are ultimately successful (Appelbaum, Lefrancois, Tonna & Shapiro,2007; Range, 2006; Schreyogg, 2006; Van Dick, Wagner & Lemmer, 2004).

Mergers and acquisition necessarily involve organizational change, integrating some or all parts of the previous organization functions and or activities (Ashkensas, DeMonaco & Francis, 1998), which may greatly hamper employees' job satisfaction. However, the degree and the level of organizational changes could be very substantial across mergers because the motive and types of mergers differ widely. One reason to expect in merger activity is the opportunity to take advantage of economies of scale. A merger can be a less costly way to achieve efficient asset size than internal expansion. Merger activity may also be a mechanism to replace inefficient management. Mergers also protect smaller, less efficient banks from larger more efficient banks. It also provides an opportunity for banks to reduce risk through geographic diversification. In an ideal merger the newly created entity pools the best features of the two merging organizations. A well planned process built on the foundations of an open, honest and consistent communication strategy can pave the way for a successful merger. Merger and Acquisition often prove to be

traumatic for the employees of acquired firms; the impact can range from anger to depression (Ashkensas *et al,* 1998). This may result in high turnover, decrease in morale, motivation, productivity and consequently, merger failure. The other issues in the merger and acquisition activity are the changes in human resource policies, downsizing, layoffs, survivor syndrome, stress on the workers, and information system issues. According to Pande & Krishnan (1998), the human resource (HR) system issue that becomes important in merger activity are human resource planning, compensation, selection and turnover, performance appraisal system, employee development and employee relations.

The stress on the employees as a result of merger and acquisition is caused by the difference in human resource practices, uncertainty in the environment, cultural differences, and differences in organizational structure and changes in managerial styles (Pande *et al,*1998). The organizational culture plays an important role during mergers as the organizational practices; managerial styles and structures to a large extent are determined by the organizational culture. Each organization has a different set of believe and value system, which may clash owing to merger activity. The exposure to a new culture during merger leads to a psychological state called culture shock (Pande *et al,*1998). According to Pande *et al,* (1998), the employees of the merged organization not only need to abandon their own culture, values and belief but also have to accept an entirely different culture. This exposure challenges the old organizational value system and practices leading to stress among the employees.

The consolidation process in the Nigerian banking sector as enunciated by the Central Bank of Nigeria (CBN) on July 6, 2004 took the form of Mergers and Acquisition (M&A). While some banks survived the process on their own, others survived through merger and acquisition which resulted to twenty-five (25) banks in whole emerging at the end of the slated period (Soludo, 2006). As a result of the M&A, employees of the affected banks are facing a lot of challenges. Therefore, the main thrust of this study is to assess the effect of merger and acquisition on the employees' job satisfaction of deposit money banks (DMBs) in Kaduna Metropolis.

Whether M&A realize their expected synergies has been a source of focus for numerous studies in finance and economics. According to Marks & Mirvis (2001), and Hunt & Downing (2006), the success rate of M&A vary from a pessimistic twenty three percent (23%) in the United States (US) to a more optimistic fifty percent (50%) in the United Kingdom (UK). Although, there are no readily available statistics to the author on the developing world, the academic literature of the last decades has ostensibly presented M&A as strategy for wealth creation thereby failing to realize the synergy attributable to human resources as anticipated by the marriage brokers (Cartwright & Cooper 1996). Hence, the strain of research has failed to showcase the fact that a substantial number of M&A failures can be traced to neglected human resource issues (Schuler & Jackson, 2001). And Davy, Kinicki, Kilroy, and Scheck, (1998) also observes that M&A have often been associated with lowered morale, job satisfaction, unproductive behaviour, increased turnover and absenteeism. Davy *et al* (1998)

went further to assert that he estimates ‘employee problems’ as being responsible for one-third to one half of all merger failures in the US.

Therefore the underlying causes of employee resistance need to be studied carefully because their understanding has the potential of improving M&A planning and outcomes. Negative employee reactions are believed to account partially at least for unsuccessful M&A’s. The reason for this negative reaction is two-fold; firstly, M&As are a source of change for the organization and change in any way is likely to be a source of stress for the employees as it places special demands on them. Secondly, the main source of stress in the merger/acquisition process is the uncertainty surrounding organization and personnel changes that follow them.

It is well accepted that communication is the key tool within any change process (Kanter, Stein & Jick, 1992). Any failure to communicate leaves employees uncertain about their future and will lead them to seek other means to reduce this uncertainty, such as reliance on rumors and other means of informal communication which are not an effective means of reducing anxiety since they tend to focus on negative, and often inaccurate information (Rosnow, 1988). Buono and Bowditch (1989) mention that, during mergers and acquisitions activity, “rumor mills” and the grapevine work overtime leads to more anxiety and in many cases, counterproductive behaviors.

Therefore, given the magnitude and importance of the employees' psychological reactions on the merger outcome, it is very important to understand the sources of this stress and the way it affects the organization in order to be able to reduce employee resistance as a way to maximize synergy realization. It is very interesting to understand how the layoffs impact the performance of the resulting firm. The literature generally suggests that layoffs have a negative impact on the survivors of the layoff (Brockner, Siegel, Daily, Tyler, & Martin, 1992) and a negative impact on the performance of the firms (Cameron, 1998). If layoffs in general do not improve performance, are they more or less effective when they are part of a merger. As there is often a significant gap between the expected value of an acquisition and its actual performance, it is interesting to evaluate if the expected gains associated with planned layoffs offset the realized negative performance impact of these layoffs.

Apart from the increase in consciousness about the importance of people in merger synergy realization, there has been an explosive increase in the literature and guideline proposals about how to successfully manage M&A. In spite of the soundness of these recommendations, the question of whether, and to what extent, they are based on scientific evidence is open to debate. This concern is important not only because factors driving M&A activity in the past appear to be intensifying but also because failure rates still appear to be substantial. Thus, the motivation for this study is to review and evaluate the empirical evidence that relates the success of M&A with employee issues.

1.2 Statement of the Problem

The success or failure of M&A can be attributed in part to the behavior of the affected employees (Appelbaum, *et al,* 2007). This is because the advent of M&A in the banking sector have created structural changes at the organisational level thereby leading to restructuring and downsizing processes in order to cope with the dynamic pressures of globalization and the importance of managing people at work and in particular planning and managing of their careers (Greenhaus, Callanan & Godshalk, 2000; Appelbaum, Ayre & Shapiro, 2002 ; and Baruch, 2004).

Arguably, people are the most valuable resource in contemporary organisations, and providing them with a long term stable career is a win-win situation for both organisations and their employees. Thus, when employees are not certain about their career due to constant changes they tend to experience increased stress, perceived uncertainty and absenteeism, significant decline in job satisfaction, commitment as well as negative perception of the organization's trustworthiness (Schweiger & De Nisi, 1991).

In the process of consolidation in deposit money banks of Nigeria many bank chief executive officers (CEOs) and chairmen of boards lost their positions as a result of Merger and Acquisition. But more devastating has been the job losses across cadres in the industry. In many banks this has been done quietly, while in other banks, workers have been encouraged to resign with benefits. The then governor of central

bank of Nigeria (CBN) had, at the beginning of the process admitted that "there will be job losses but the question then was whether, on a net basis, there would be more job losses after the consolidation than would have occurred" (Manukas, 2006). As a result of the job losses due to M&A, employees of such banks are faced with a lot of uncertainty regarding the future of their jobs. This clearly shows that M&A's are stressful events due to the uncertainty that they bring in employees lives which has negative implications on their attitudes, intentions and behaviors thus adversely affecting their job satisfaction.

The uncertainty during the M&A activity also diverts the focus of employees from productive work to issues like job security, changes in designation, career path, working in new departments and fear of working with new teams. The M&A activity leads to duplication of certain departments hence the excess manpower at times needs to be downsized. Hence, the first set of thoughts that occur in the minds of employees are related to security of their jobs. The M&A activity also causes changes in employees' well defined career paths and future opportunities in the organization. Some employees also have to be relocated or assigned new jobs, hence the employees find themselves in a completely different situation with changes in job profiles and work teams. This may have an impact on the satisfaction of the employees. The increased political processes that may be underway in the organization to sustain the importance of the various individuals and departments will add to the confusion. Thus, employees often cope with the uncertainty by reducing levels of commitment and instead use energy to either cope

with anxiety and confusion or try to find new employment opportunities (Fulmer & Gilkey, 1998).

Given the dearth of research exposing the relationship between M&A and employee job satisfaction as observed above, the present work seeks to assess the overall M&A exercise in Kaduna Metropolis insofar as they affect job satisfaction issues. Thus, the central question which this study asks therefore is: what are the effect of merger and acquisition on the employees' job satisfaction in Kaduna metropolis?

1.3 Research Questions

The following research question are raised to guide this research work on the possible effects of merger and acquisition on the employees' job satisfaction of DMB's in Kaduna metropolis?

i. Do Merger and acquisition have any effect on job satisfaction of employees of the merged banks?
ii. Is there any impact on the morale of employees of banks as a result of Merger and acquisition?
iii. Does Merger and acquisition impact on the psychological threats of employees of the merged banks?

1.4 Objectives of the Study

The central objective of this study is to evaluate the effects of merger and acquisition on the employees' job satisfaction of DMB's in Kaduna Metropolis. Other objectives the study seeks to achieve are:

i. To determine if Merger and acquisition have any effect on job satisfaction of employees of the merged banks.
ii. To examine the impact of Merger and acquisition on the morale of employees of banks.
iii. To determine if Merger and acquisition impact on the psychological threats of employees of the merged banks

1.5 Hypotheses of the study

The following null hypotheses shall be tested;

Ho_1: There is no significant relationship between job satisfaction of Bank employees' due to M&A of Deposit Money Banks in Kaduna Metropolis.

$Ho_{2:}$ There is no significant relationship between Bank employees' morale due to M&A of Deposit Money Banks in Kaduna Metropolis

Ho_3: There is no significant relationship between Bank employees' psychological threat due to M&A of Deposit money banks in Kaduna Metropolis.

1.6 Scope of the study

The study centres on merger and acquisition in Deposit Money Banks (DMB's) with keen interest on some selected deposit money banks in Kaduna metropolis. The study in particular seeks to evaluate the effects of merger and acquisition on employees' job satisfaction in only those banks that were merged or acquired as a result of the consolidation exercise. The study is confined to employees who remained in the banks after the M&A, as such the conclusion based on results of this study shall be dependent on the views expressed by those who chose to respond to the questionnaire. It was assumed that the respondents were willing to openly reveal their responses which from their perspective represented the best answers to the survey questions. The study will be concerned with merger and acquisition in the sixteen (16) DMBs domiciled in Kaduna metropolis who were affected by the M&A programme as at December, 2012. The study will also cover the period from 2006 to 2012. The choice of the period is informed by the fact that major reform packages took place during the period in the form of mergers and acquisition in DMB's of Nigeria. The Variables for the Study are Merger and Acquisition which is the Independent variable (IV) and Employees' Job Satisfaction which is the Dependent variable (DV).

1.7 Significance of the study

There are various studies conducted by various researchers on merger and acquisition in Nigeria but most of these studies center on either the effects of M&A on total assets of banks, Shareholders funds, Profitability of the banks, Financial

efficiency of the banks, performance of the banks, impact on the Nigerian economy, and impact on employment. Therefore, the study is significant in the sense that there is no study to the authors knowledge that has examined this very important issue in the Nigerian context as such the study will reveal whether through M&A, employees job satisfaction has increased or vice versa. Also it is only through such a study that the effects of Merger and acquisition on the employees' job satisfaction will be made manifest as well as the effects caused by the development to the banks and the Nigerian economy at large. The present study thus improves the understanding of the effects of M&A on employees' job satisfaction in Kaduna Metropolis and addresses an important gap in the literature.

The study is particularly significant to the following groups of people:

The government through Central Bank of Nigeria (CBN) as the regulatory authority will benefit from the findings of this study. The plight of employees as a result of the consolidation through merger and acquisition in the banking industry will be exposed and the recommendations will also help in encouraging the government to create policies that will alleviate the unfavorable effects on these employees.

Also, the study could help regulatory authorities determine the future course of action to be pursued in the matter of banks activities as also in the context of establishing a level playing field among banks operating in Kaduna Metropolis.

Banks will also find the study relevant as they will understand from the findings the extent of these effects on employees. It is understood from literatures that differences in human resource practices, uncertainty in the environment, cultural differences and differences in organizational structure and changes in the managerial styles are some of the factors that causes these effects. It is expected that as these issues are revealed the management will design possible ways of minimizing the weight of these effects on job satisfaction of the employees. Also, the recommendations will also guide in achieving this objective and if implemented will lead to increased satisfaction and will improve efficiency in service delivery in DMB's of Kaduna metropolis.

Employees' of the affected banks will also benefit from the study. If their unexpressed worries are exposed through findings from this study and efforts made to provide remedy, it will alleviate them of the psychological trauma and will boost their morale thereby increasing their level of commitment and loyalty. Students and other researchers will find this study beneficial. It will add empirical knowledge to the curriculum of management studies on issues of merger and acquisition. The study will serve as a source of literature to other researchers and also enhance further study in the area.

1.8 Limitations of the study

In carrying out a research of this nature, it is an acknowledged fact that one is bound to be faced with some problems. This study is therefore not an exception, as such these limitations need to be taken into consideration while considering its contributions to knowledge.

One of the major limitations of this study is that the concept M&A has been studied from a rather very narrow perspective considering only employees of DMB's in Kaduna metropolis. The study also considered only employees who remained in these banks after M&A and does not include the opinion of those that have left. Another major limitation of this study is that the study is restricted to the effects of M&A on employees job satisfaction in DBM's of Kaduna metropolis, therefore its findings cannot be generalized to other stakeholders in DMB's. Also, there is lack of written literature on the effects of M&A on employees job satisfaction in developing countries such as Nigeria. The literature is devoted largely to merger experience in developed countries such as United States of America (USA), Canada United Kingdom, Malaysia, Norway, South Africa, India and Australia.

However the limitations, it will not impair on the validity of this work. This limitation therefore serves as a leeway for future research that might be needed in relation to the topic under consideration.

1.9 Operational Definition of Terms

Acquisition

An acquisition is a business transaction between unrelated parties based on terms established by the market where each company acts in its in its own interest. The acquiring company purchases the assets and liabilities of the target company. The shareholders of the target company can no longer claim any ownership.

Diversification

This is one of the major motives for mergers, which is the desire to diversify the firm and reduce the riskiness of its returns. According to this view, joint ventures spread the risk of major projects, while conglomerates diversification creates portfolio benefit by pooling uncorrelated returns.

Due Diligence

Depending upon the nature of the acquisition, the due diligence can be from ten (10) days to two (2) months. Here functional teams of experts review the economic and operational health of the potential acquisition. It is at this place that functional leaders from both organizations begin to establish relationships and gain further Understanding of each other's business.

Merger

A merger is a combination of two or more companies to share resources in order to achieve common objectives. A merger implies that as a result of the operation, only one entity will survive.

Post Merger Integration (PMI)

Post merger integration refer primarily to the act of combination of two or more companies-not just on paper, but in reality – after they have come under common ownership, integration refers to a combination of elements that result in wholeness.

CHAPTER TWO: LITERATURE REVIEW.

2.1 Introduction.

This chapter reviews the relevant conceptualizations as they affect the variables of the study. Various empirical studies in line with the dependent as well as the independent variables are also reviewed and a theoretical framework developed for the study.

2.2 The Concept of Merger & Acquisition

Mergers and acquisitions have provided organizations synergistic opportunities for market share improvements, technological advancements and economies of scope through vertical integration (Kennedy, Payne & Whitehead, 2002 ; Lindgren, 1982 and Haspeslagh & Jeminson 1991). They have also provided employees with rewards and benefits including skills attainment, expanded market knowledge and career opportunities (Laamanan, 1997 & Leroy & Ramanantsoa 1997). Despite these potential positive outcomes, mergers have been fraught with problems and value destruction. Extant literatures have examined a wide varieties of issues (Lubatkin, 1997; Jeminson & Sitkin, 1986), but much of the attention has been focused on cultural conflict between two combining organazations that hinders or destroys the acculturation process (Marks & Mirvis, 1992, 1997; Weber & Schweiger, 1992; Cartwright & Cooper, 1993 and Larson, 1993). “Acculturation” is the outcome of a process in which believes, attitudes of two organizations previously independent emerge to form a unified culture. “Not surprising, achieving acculturation represents a major

challenge to firms" (Larsson & Lubatkin, 2000). Employees may resist these acculturation effort choosing to adopt an individualist role or remain independent of the consolidating firms . Wide-spread resistance has often been referred to as "culture clash" which has been shown to have such consequences as lower commitment, reduced cooperation and turnover (Sales & Mirvis, 1984; Buono, Bawditch & Lewis, 1985) and a deterioration of operating performance (Weber, 1986; Very, Lubatkin, Calori & Veiga, 1997).

Mergers and acquisition have become a common phenomenon in recent times. This is in recognition of the critical role of consolidation in the success or failure of companies. M&A has a very long history, it has existed at least since the 1990's (Gaugan, 1999). However, M&A serve as a common corporate strategy to expand organizational capabilities and to take a better competitive market position (Buono & Bawditch, 1989). This proliferation continued during the 1990's and beyond including seven thousand, eight hundred and nine (7,809) M&A transaction with a total value of $1.19 trillion in the United States of America alone (Gaughan, 1999). As a result, M&A has been an important fact of organizational life. For example, at least one (1) in four (4) U.S workers has been affected by the M&A wave (Cartwright & Cooper, 1993), and one (1) out of ten (10) workers lost their jobs in the first three quarters of 1998 as a result of M&A (Harrison,1999).

According to Bertrand (2004:7), a merger is the combination of two or more companies to share resources in order to achieve common objectives. A merger implies that , as a result of the operation, only one entity will survive. On the other hand, an acquisition is a business transaction between unrelated parties based on terms established by the market where each company acts in its own interest. The acquiring company purchases the assets and liabilities of the target company. The shareholders of the company can no longer claim any ownership. In some cases, the target company becomes a subsidiary of the acquiring company (Bertrand, 2004:7).

In the works of Goedegebuure (cited in Hall, Symes &Luescher, 2004:2), "a merger in banks is the combination of two or more separate banks into a single new organisational entity, in which control rests with a single governing body and a single chief executive body, and whereby all assets, liabilities, and responsibilities of the former bank are transferred to the single new bank." According to Coffey, Garrow & Holbeche (2002:5) a merger is considered to be a union of marriage between two organizations, it is the process which two or more organization lose their status as juristic firm on the date that they are merged into a new juristic firm. Thus, this study adopted the definition of merger by Coffey *et'al* (2002) because it captured not only the stakeholders involved , but also includes the legal aspect of the process.

In a study by Coffey, Garrow & Holbeche (2002:8) there are a number of classic reasons for acquiring other businesses or organisations. These reasons include

being able to add scale and so achieve greater economies of scale, gain access to new markets and distribution networks, capture new product technologies and innovations, wipe out competition and emerging competitive threats, provide long-term ownership and control over value created, and the most important reason is to acquire intellectual property and talent. According to David (1999: 60) there are many reasons for mergers, including the following: To provide improved capacity utilisation, to make better use of existing sales force, to reduce managerial staff, to gain economies of scale, to smooth out seasonal trends in sales, to gain access to new suppliers, distributors, customers, products, and creditors, and to gain new technology.

Cartwright & Cooper (1997:3) name four types of mergers namely; Concentric merger, Conglomerate merger, Horizontal merger and Vertical merger. Further elaboration on these mergers is given by Goedegebuure as quoted in Hall, Symes & Luescher (2004:15) who gives them the same names as Cartwright and Cooper, except for that of 'concentric'. A conglomerate merger is among institutions which operate in different academic fields and are oriented towards a different kind of product, while a diversification merger is among institutions which operate in different academic fields and are oriented towards a similar type of product, and a horizontal merger is among institutions which operate in similar academic fields and are oriented towards a similar type of product; and a vertical merger is among institutions which operate in similar academic fields and are oriented towards a different type of product.

M&A in the Nigerian Banking sector falls into the category of the Horizontal merger, as the institutions operate in similar academic fields. This is confirmed by Cartwright & Cooper (1997:3), who describe a Horizontal merger as a combination of two or more organizations in the same field. According to Eastman & Lang (2001:220) for a merger process to be successful, merging institutions require not only a good merger agreement but strong leadership, as well as the commitment of political, financial and managerial resources.

The main economic argument for accepting a merger is the so called static efficiency which represents mergers that result in economies of scale and thus reduce various costs for companies. Another economic factor which must be taken into account is dynamic efficiency which refers to profit increases that can be used for research and development of new products and for innovation, creating long term dynamic efficiency, which can also provide funds for capital investments. The survival of the fittest is usually determined by capital markets, which award companies that deliver promised benefits, and punish those who do not. If the success of the mergers becomes questionable, corporate raiders carry out their function, and eliminate unproductive management which fails to earn sufficient returns for the shareholders, and thus makes the stock value drop. This simple technique makes management work harder and more efficiently in order to ensure their own job stability and stockholders' wealth. It is said that this is a more effective technique than government involvement which can make matters

worse because of the potential for government's failure. Growth of interest in the concept of a so called contestable market effectively complements the idea of the free market approach to mergers. By concentrating on removing entry barriers to a market, monopolies and mergers can only increasingly lower costs of production and operation, as well as larger businesses may give rise to increasing capital investments which also contribute to greater productive capacity.

According to Dimgba (2009) the main economic argument for rejecting a merger is that mergers and acquisitions contribute to the risk of monopolies. Consumers then become exploited and resources become misallocated if these mergers create major entry barriers restricting competition, which can potentially lead to market failure and a decline in economic welfare. From experience, there are today and probably will always be barriers to free market entry. With time those barriers might increase with increasing demand for safety in warring nations.

The evidence is diverse as to whether mergers improve company's performance. At times, companies make predictions for growth, increased efficiency, and greater profits. However, more often than not, those predictions prove to be over inflated, and this also leads to disappointments on the side of investors, shareholders and the management involved in the merger. There are certain imperfections in the capital markets which contribute to imperfect information and at times even merger failures. The reasons for market imperfections include the fact that often corporate control does not work optimally, and that

unsuccessful management is in place for a long time. Furthermore, shares are mainly held by financial institutions but while they are the owners, these institutions do not run the companies on a day to day basis. This means that the classical conflict of agent and principal always holds and that the management will want to work in their own self interest rather than in the interest of maximizing shareholders' wealth. The future for companies which are contemplating mergers is very promising, especially if those reasons are lawful and do not potentially restrict free competition. No matter how professional, promising and well crafted a merger may seem on paper, there are laws which are in place to regulate mergers (Gaughan,1999).

Dimgba, (2009) posits that there are two types of mergers that are distinguished by how the merger is financed. Each has certain implications for the companies involved and for investors:

a) Purchase Mergers - As the name suggests, this kind of merger occurs when one company purchases another. The purchase is made with cash or through the issue of some kind of debt instrument; the sale is taxable. Acquiring companies often prefer this type of merger because it can provide them with a tax benefit. Acquired assets can be written-up to the actual purchase price, and the difference between the book value and the purchase price of the assets can depreciate annually, reducing taxes payable by the acquiring company.

b) Consolidation Mergers - With this merger, a brand new company is formed and both companies are bought and combined under the new entity. The tax terms are the same as those of a purchase merger.

A merger is considered to be successful, if it increases the acquiring firm's value. Clearly, judging from the various statistics there are a number of companies in Kaduna Metropolis which believe that a merger will increase their company's value, which is not only the case. The evidence is diverse as to whether mergers improve company's performance. At times, companies make predictions for growth, increased efficiency, and greater profits. However, there are certain imperfections in the capital markets which contribute to imperfect information and at times even merger failures. Most mergers have actually been known to benefit both competition and consumers by allowing firms to operate more efficiently. However, it has to be noted that some mergers and acquisitions have the capacity to decrease competition. Usually, a merger can be construed as being anti competitive if it makes the market very saturated after the merger, as opposed to before the merger's completion, and if the merger in addition makes it impossible or highly difficult for new firms to enter the market and present a challenge to the existing corporations. Going deeper into the subject of mergers, it becomes clear that there are three main types of mergers: horizontal mergers, vertical mergers, and potential competition or conglomerate mergers.

2.2.1 Nature and Concept of Job Satisfaction

Job Satisfaction is another concept that seems easy to understand, but difficult to explain. French (1992:18) states that "one of the key factors in job satisfaction is self utilization which is the opportunity to fully utilize your abilities on the job, to be challenged, to develop yourself..." He also argues that the debilitating effect of under utilization causes anxiety and job dissatisfaction. According to O'Hare & Vilardi (1994), job satisfaction has been positively correlated with organizational commitment and negatively correlated with turnover intention. A number of researchers, who provided alternative views of job satisfaction, have appreciated this notion. Firstly, numerous authors describe job satisfaction as a state of mind and provide different interpretations. For instance, Gregson (1987) defines job satisfaction as the positive emotional state resulting from the individual appraisal of one's job or experience. Chay & Bruvold (2003) define job satisfaction as an individual's affective response to specific aspects of the job. Noe (1996) defines it as a pleasurable feeling that results from the perception that one's job fulfils or allows for the fulfilment of one's important job values (Appelbaum, *et al.* 2002). Secondly, job satisfaction is a form of attitude towards work related conditions, facets or aspects (Wiener 1982). Jepsen & Sheu (2003) observe that such an attitude, either in the form of liking, or disliking a job, is a universal and an essential aspect of career development. Clearly, theorists and practitioners seem to accept the assumption that nearly everybody seeks satisfaction in his or her work (Jepsen *et al* 2003). According to Jepsen *et al* (2003), if a person becomes engaged in work that matches his occupational choices, he is likely to experience

job satisfaction. Lastly, Herzberg's two factor theory posits that hygiene factors are necessary to keep employees from feeling dissatisfied, but only motivators can lead workers to feel satisfied and motivated (Herzberg, Mausner & Sydenham 1967, and Bartol & Martin 1998). Motivators include achievement, responsibility, work itself, recognition, growth, and achievement (Bartol *et al* 1998).

Job satisfaction has been defined as the level to which a person or employee has a positive affective attitude or orientation towards his/her job. These feelings have been directed toward the job in general or towards facets of it (Smith, Kendall & Hulin, 1969). Sekaran (1989) operatnalized job satisfaction as an index of the affective responses of employees to the work setting. These affective responses have been of keen interest to managers and administrators for decades. McCue (1999) suggested that job satisfaction is an important theoretical and practical concept because it may affect the ability of the employee to deal with job demands successfully and perform effectively. Due to the heavy demands placed on employees engaged in M&A integration, job satisfaction may be helpful in sustaining positive employee performance during a period at which the organization could be vulnerable.

At the organization level, low job satisfaction has been linked to increased absenteeism, job turnover, decreased task performance and declining employee morale (Mathieu & Hamel, 1989; Petty, McGee & Cavender, 1984). Any of these negative outcomes has the capacity to seriously undermine an M&A acculturation

effort. Sekaran (1989) found that job satisfaction had several predicted correlates, of them absenteeism and turnover which could be damaging to an M&A integration. Bateman (1977); and Bhagat (1982) found that organization environments rich in employee communication and include employees in decision making are significant predictors of job satisfaction. Bluedorn (1982), among other researchers, found that job satisfaction leads to greater organizational commitment. Michaels & Spector (1982) supported the causal order of job satisfaction leading to organization commitment. Commitment to the M&A undertaking and organization thus appear to be critical elements for successful acculturation and integration.

According to Leigh (n.d) there are some reasons for employee dissatisfaction which include, first the difference between workplace reality and expectations that employee had towards it. Managers are rarely able to show realistic job preview to candidate, sometime they even fail to create a realistic job description. It drives to the fact that workplace often does not live up to expectations and employees stay demotivated. Stress from overwork and work-life imbalance is second factor that arises from job type and influences employee satisfaction. Another source for job dissatisfaction arises from mismatch between the job and the particular person. Branham (2005) states that managers often believe that talented individuals can cope with any kind of job type. In reality they are wrong and such perception places really talented individuals to inappropriate jobs place. Too little coaching and feedback is the result of bad relations with experienced co-workers who rarely put efforts to help others. Source of dissatisfaction may

come from senior workers as well as loss of trust and confidence in senior leaders is another factor. Too few growth and advancement opportunities are an obvious determinant influencing employee job satisfaction which was topic of numerous researches. Last hidden reason for employee dissatisfaction is feeling devalued and unrecognized.

Compensation, security, work conditions, schedules, supervisors, job challenges and variety are only a few of the motivation factors that were identified by various researchers. Combination of these factors was later used to introduce new tools for measuring job satisfaction. Minnesota satisfaction questionnaire (MSQ), Job in general scale (JIG) and Job descriptive index (JDI) are the most popular job satisfaction measurement instruments used by business professionals. According to Kerr (1985: 12), The JDI "Possesses good content validity, impressive construct validity, and adequate reliability," and "very few instruments in industrial organizational psychology have received the attention of researchers that the JDI has''. Nature of the job itself, Compensation and Benefits, Attitudes toward supervisors, Relations with co-workers and Promotion Opportunities are five basic motivation determinants named by Smith *et al* (1969) when introducing this instruments. Because of its simplicity, researchers uses job descriptive index (JDI) ignoring other instruments because of their complicated structure.

2.3 Banking Reforms and Mergers & Acquisitions

Bank consolidation has been the major policy instrument being adopted in correcting deficiencies in the financial services sector. The economic rationale for domestic consolidation is indisputable. An early view of Consolidation in Banking was that it makes Banking more cost efficient because larger banks can eliminate excess capacity in areas like data processing, personnel, marketing, or overlapping branch networks. Cost efficiency could also increase if more efficient banks acquire less efficient ones. Though, studies on efficiency in Banking raised doubts about the extent of overcapacity, they did point to considerable potential for improvement in cost efficiency through Mergers. Consolidation is viewed in the number of Banks and other deposit taking Institutions with a simultaneous increase in size and concentration of the Consolidation entities in the sector (BIS, 2001).

The consolidation of the banking sector announced by the then governor of Central bank of Nigeria on July 6th, 2004 is one of the thirteen- (13) point reform agenda being pursued by the apex institution for the repositioning of the banking sector to cope with the challenges of the twenty first (21st) century. The consolidation process in the Nigerian Banking sector as enunciated by the Central Bank of Nigeria (CBN) took the form of Mergers and Acquisition (M&A). It would be recalled that each bank was given up to 31st December 2005 to increase its capital base to twenty five billion naira (N25b). Capital base refers to the total shareholders' funds of the banks unimpaired by loses. Before the introduction of the minimum capital base in December, 2005 most of the banks in Nigeria had less

than ten million Dollars capital base ($10m). This compares unfavourably with experiences from other jurisdictions. For example, the smallest bank in Malaysia has a capital base of five hundred and twenty six million dollars ($526m), while one bank in South Africa has assets larger than all our eighty nine (89) banks put together in a good stead and to efficiently undertake long-term developmental activities. Experience with the process of consolidation in other jurisdiction has demonstrably shown a massive reduction in the number of small size banks to a few large ones with increased and widespread number of branches. For example, existing fifty four (54) banks in Malaysia were merged to become ten (10) banks within a two- year period and at least sixty (60) banks in South Africa were merged into four (4) large banks.

There are many explanations for the spate of global consolidation through Mergers and Acquisition. Countries all over the World are consolidating to take advantage of size whereby numerous small banks are merged and consolidated into large bank holding. Also, companies consolidate in order to improve the prospects of cost savings due to economies of scale, revenue enhancement, as well as enhanced efficiency in the allocation of resources. The achievement of greater efficiency would also enhance improvements in information and communication technology (ICT), as well as additional capital and technical expertise from foreign investors. Other causes or advantages of mergers and acquisition include maximizing the value of the shares owned by existing

shareholders, and increasing the value of access to government financial safety net such as deposit insurance.

The then Governor of the CBN in his address of July 6th 2004, gave the following reasons for the consolidation of banks which include: to ensure a diversified, strong and reliable banking sector which will ensure the safety of depositors' money, play an active developmental role in Nigerian economy and be a competent player in the African regional and global financial system. He further said that the goal was to help the banks become stronger players, and in a manner that would ensure longevity and higher returns to the shareholders over time, as well as make greater impacts on the Nigerian economy than hitherto.

2.4 Mergers & Acquisitions and Employees of Nigerian Banks.

There are contrasting views on the impact of mergers and acquisitions on employees globally. In a highly influential article, Shleifer & Summers (1988) conjectured that mergers and acquisitions constitute a transfer of wealth from workers to shareholders. According to the authors, this occurs because acquirers do not honour implicit contracts with employees concerning wages and benefits. Thus, in their view, the abrogation of these commitments enables the new owners of the company to use the deal as a mechanism for enhancing the profitability of the firm, and ultimately, shareholder wealth, at the expense of workers. Others have alleged that mergers and acquisitions lead to substantial downsizing or even mass layoffs, usually basing their conclusions on data from a small number of

large, publicly-traded corporations. Such layoffs have been alleged to have a traumatic, lasting negative impact on workers who are fired and also on "survivors," or those who remain with the firm in the aftermath of the layoff (Brockner *et al.* 1992).

On the other hand, some economic theories predict that mergers and acquisitions can benefit workers. This allegedly occurs because the transaction constitutes a mechanism for stimulating additional investment in human capital and promoting "skill upgrading" of the workforce, particularly if these transactions result in the implementation of new technologies. For example, Jovanovic & Rousseau (2002), conjecture that high quality managers and high quality projects are complements. Moreover, they assert that takeovers result in the diffusion of new technologies and the reallocation of capital to more efficient uses and to better managers. An empirical implication of their model is that technological change and ownership change are complements, which implies that these transactions should lead to some job reduction (e.g., labour for saving technological innovations), but also "skill upgrading" and wage increases for employees that remain with the firm. Several authors have examined the employment and wage effects of mergers and acquisitions (Lichtenberg & Siegel (1987, 1990a, 1990b), McGuckin & Nguyen (2001), Conyon *et al.* (2002a, 2002b, 2004), and Gugler & Yurtoglu (2004)). However, the unit of observation in such studies is typically the plant or firm. In contrast, the unit of analysis in this study is the individual worker, which allows for the provision of direct, systematic empirical evidence on the effects of

ownership change on worker outcomes. The use of data on individual workers is quite useful, since an ability to track workers who are involved in a merger or acquisition might allow for discrimination between the alternative theories mentioned earlier.

There has been however no recent changes to employment law in Nigeria relevant to M&A. The Labour Act provides, with relevance to M&A, that the transfer of any contract from one employer to another shall be subject to the consent of the worker and the endorsement of the transfer of the contract by authorized labour officer. While most analysts have expressed serious concerns regarding the adverse impact of the consolidation programme on the level of employment, the authorities at the CBN have allayed such fears. While acknowledging that employment opportunities in the industry would shrink, at least in the short run, the management of the bank is optimistic that the long-term positive effects of the reform programme on the labour market will be more far reaching. The thrust of the argument is that at the end of the day, the consolidation programme will lead to a stronger and more robust banking industry that will adequately support the expansion of economic activities, especially in the real sectors of the economy. In this process of rejuvenating the economy, more job opportunities will be created.

2.4.1 Reasons for Merger and Acquisition failures in deposit money banks.

There are several reasons for bank M&A failures, some of which involve employee factors:

a) Lack of vision - A lack of vision underlies the growth strategies of many banks that believe that increasing the bank's size through M&As will bring a sustainable competitive advantage and generate above-average financial performance. This inadequate vision not only produces no synergies but also endangers the perspective of the whole attempt (Kalpic, 2008).

b) Unification failure - This is an inability to arrive at a quick and successful unification of the two banks. This inability refers to the unification of two different bank cultures and their financial and control systems, as well as the effort to create successful cooperation between the managerial executives of the two banks (Mylonakis, 2006).

c) ***Culture incompatibility -*** The compatibility of the cultures of the two banks is a determinant factor of the success of the M&A, but culture is also a failure factor that is largely ignored (Terranova, 2007). Tension is caused between the personnel of the acquiring bank and those of the acquired bank because employees do not know whether they will maintain their positions or be fired. In addition, Mylonakis (2006), concluded that the employees in the acquired bank seemed to have a prejudice against the acquiring bank, believing that they could be treated unfairly if they do not accept the stated purpose of the M&A and the acquiring banks' objectives. The formation of the new bank causes a collision of the two cultures and creates disputes about which bank culture will prevail.

In recent years, some attention has shifted toward human resource concerns, the cultural ramifications of merger activity, management of the overall combination process, and specific efforts aimed at post combination integration. Employees are expected to implement the goals of the newly merged or acquired bank and convince customers of the quality of the services offered (Mylonakis, 2006). In financial services, personal relationships and trust between the satisfaction of the bank employees affects their relationships with the customers and the overall customer satisfaction with the bank.

d) Lack of Human Resources - Ajjarapu (2004) reported that only thirty to fourty percent (30-40%) of all M&As are successful and concluded that one of the main reasons for the failure of M&As is the neglect of HR by the banks. Dixon & Nelson (2005), concluded that HR professionals are often not included on M&A teams, which are typically comprised of people from finance, information technology, and other disciplines viewed as essential to completing the M&A process.

According to Stahl & Mendenhall (2006), unsuccessful M&A integration is fast becoming the norm. This failure may be due, at least in part, to an underestimation of the importance of HR departments to the success of a merger. According to Antila & Kakkonen (2008), top management's low expectations with regards to the strategic contributions of the HR function seem to have contributed to the limited HR role in the post merger change process. However,

Ajjarapu (2004), noted that organizations on the verge of integration should analyze the feasibility of integrating key players from the HR component of the organization. Paviglionite (2007), reported that eighty percent (80%) of mergers failed at the implementation stage because they had inadequate merger road maps and/or brought in senior HR professionals too late in the implementation stage. Gaughan (2005), concluded that HR departments in today's organizations are practical and strategic. They can add value for companies through training development, managing personnel conflict, reinforcing the new HR system and corporate culture, and providing leadership and communication to reduce turnover. These actions are critical during M&As.

e) The Employee Factor - Organizations' failure to take into account the needs of their employees during M&As may contribute to disappointing results (Cartwright *et al.,* 2007). The employee aspects of M&As have been studied from a variety of perspectives. Whereas a body of research has focused on the impact of cultural differences between the combining organizations (Paviglionite, 2007; and Schreyogg, 2006), others have focused on a more extensive range of integration process variables, such as trust, communication, teaching transfer, and fairness of treatment (Range, 2006). In addition, as elaborated below, the use of the social identity framework in institutions undergoing M&As has been examined (Van Dick *et al.,* 2004).

f) Organizational Trauma - Mergers and acquisitions often create significant trauma for the employees and managers of both the acquiring and acquired firms, sometimes resulting in attitudinal and satisfaction problems and turnover of

valued personnel. Cartwright *et al. (*2007), noted that negative reactions may lead to lower levels of job satisfaction and job security and less favorable attitudes toward management. Employees often cope with the uncertainty surrounding a merger by reducing levels of commitment and focusing their energy instead on coping with anxiety and confusion or trying to find new employment opportunities. These feelings appeared to manifest as lowered job commitment and, increased job dissatisfaction and disloyalty, high turnover among key managers, leadership and power struggles among the managers who stay, and, in general, a rise in dysfunctional work-related behaviors at all levels of the hierarchy (Cartwright *et al.,* 2007). Astrachan's (2004), suggest that employees who remain in an organization undergoing a merger may feel betrayed by their leaders, and their negative feelings may result in a drastic change in their work patterns. The effects can include relatively minor personnel matters, such as an employees' refusal to relocate, subtle slowdowns in work activity and lowered work goals, increases in turnover, employee theft, and even attempts to sabotage corporate efforts. These repercussions may be attributed to the separation anxiety that is often experienced by employees (Astrachan, 2004).

g) Change Management **-** The organizational reorganization characteristic of M&As represents a major transformative event for the companies and their employees. Kitching (1967), stressed the importance of attentive management in order to direct this kind of change, suggested that installing change managers to handle critical areas was important to accomplishing the tasks of the acquisition, and stressed the need to establish effective management relationships between the

acquiring and acquired companies. While Kitching (1967), was insightful to emphasize the importance of controlling change management efforts in the post acquisition period, more recent M&A research has gone on to take into account not only control-based value creation but also a variety of integration processes through which those synergistic benefits are realized (Stahl & Mendenhall, 2006).Two problems are inherent in the change process: the complexity of the change processes that are involved and the inevitable secrecy that surrounds merger deals. Morrell *et al.* (2004), argued that change processes will be fraught with difficulty if there is not an accepted and understood need for change with accompanying urgency. According to Stahl & Mendenhall (2005), managers on both sides of a M&A have little time to prepare themselves for the challenges ahead, especially if they have had no prior experience. The researchers concluded that integration involves many challenges, such as combating the winner-loser syndrome; preparing the employees for change; managing the dangers of the first one hundred (100) days; setting up a transition organization; and putting in place the new structure, policies, and practices. An adage addressing change processes notes that people do not resist change; instead, they resist being changed. Morrell *et al.* (2004), concluded that, if people are not involved in the change process, the integration process will be slow. Fish (2007), concluded that while most employees react negatively when their companies are acquired, the strength, duration, and dysfunctional effects of such reactions vary greatly among different M&As. Such variation is largely due to the different organizational integration

approaches used but may also be attributable to the striking differences in perspectives on the human side of the M&As (Lisauskas & Lauraityte, 2004).

h) Employee Reactions **-** Paviglionite (2007), proposed that employees responses to the M&A ranges from loyalty or support for the M&A, through compliance or voicing opinions, to neglect of current responsibilities and other dysfunctional behaviors. The researcher argued that employees reactions are primarily derived from the cost-reward analysis of the behavior, the effectiveness of the behavior, the employees expectations of the M&A, the trust in management after the acquisition, and the employees job commitment. In addition to employee reactions and behaviors, Carr, Elton, Rovit, & Vestring (2004), outlined antecedents of employee attitudes that stem from the acquisition process. The initial due-diligence process in terms of the employees can set the tone for information exchange and feelings between the two firms. With regard to communication, researchers have agreed that merger information delivered in a timely manner can create a climate of security and certainty (Paviglionite, 2007; & Stahl *et al* 2005). According to Paviglionite (2007), other factors of the due-diligence process include the degree of integration, the pace of change implemented, and the degree of employee participation. The researcher concluded that organizational characteristics—including differences in culture; management style; and individual characteristics of employees such as age, length of service, education, hierarchical position, stress, and personality type also influence employee attitudes.

Stahl *et al* (2005), identified several distinct perspectives on the reactions of employees to the M&A. One such perspective viewed the reactions in terms of cultural clashes between the different corporate cultures. Another common perspective views employee resistance as stemming from communication problems such as lack of information, misunderstanding, interpreted threats, and negative rumors. Solutions for reducing employee resistance in this regard include offering more precise, extensive, and true information early and building teams. Finally, a perspective focused on individuals views employee reactions in terms of career implications, suggesting that employees resist the M&A because of anticipated or actual negative effects on their own careers or working lives.

According to Fish (2007), morale and performance are the two primary outcomes of interest to organizations. Morale, the HR side of the equation, defines the extent to which employees have a positive feeling about and commitment to their work and organization. A change in employee morale can occur almost instantaneously or over a long period of time. Ultimately, Fish argues, a combination of high performance and high morale equates to organizational success. The link between successful planning and integration of HR issues during the M&A and attainment of key business objectives should not be ignored.

Post acquisition integration, the phase in which most of the departments and employees are being integrated, poses the highest threat to acquisition success (Vasilaki & O'Regan, 2008). Post acquisition integration is primarily concerned

with the integration of organizational cultures and employees, and management has a crucial role in this process. According to Vasilaki *et al* (2008), management is responsible for facilitating the integration and generating high levels of satisfaction among different groups of employees. Mergers and acquisitions profoundly change the employees of an organization and the organization's ability to be successful. Davies (2003), made the case that companies sabotage their mergers by repeatedly making the same basic mistake of neglecting the human element. During post-M&A phases, organizations have opportunities to make choices that will either positively or negatively affect their employees. Such choices may be better informed if bank leaders have an understanding of their employees' demographics and how those demographics may influence job satisfaction patterns.

According to McGill & Sheehan (2008), few industries have encountered as much strategic change in the past five (5) years as that experienced by the financial-services sector. This transformation involves the shake-up of internal structures, such as management, processes, and employee relations. These transformations in the banking industry's organizational structure can be attributed to changes in regulatory requirements and technological advancements. Mergers and acquisitions have now become the most dramatic demonstration of vision and strategy in the banking sector in both developed and developing financial markets.

2.4.2 Human side of merger and Acquisition.

Merger and Acquisition exercise presents a different set of challenge for the human resource managers in both acquiring and acquired organizations. The merger and acquisition activity is found to have serious impact on the performance of the employees, which is caused by the differences in organizational structures and changes in the managerial styles. (Ashkensas, *et al* 1998). The impact on the employees can be divided into categories of psychological trauma, increased workload, survivor guilt and stress (Bastien, 1987; Buono & Bowditch 1989; Ivancevich, *et al.,* 1989; Marks & Mirvis, 1985; and Mirvis & Marks 1992). The reaction of the employees can vary from anger to dejection and depression. The process of merger can have inbuilt psychological and social threats which should be identified like exodus of managers due to the perceived job insecurity. There is also fall in the morale, commitment and loyalty (Newman & Krzystofiak,1993; Schweiger & DeNisi, 1991). The merger can lead to depression and impaired performance. (Ashkensas *et al,* 1998).

Literature suggests that mishandling of the merger leads to employee problems and ultimately to failure (Chambers, 2008). M&As should also be considered from the HR point of view because of the sheer number of people who are affected. Exploring the effects of M&As on bank employees is of particular worth given that majority of M&A's in Kaduna Metropolis take place in the banking sector (Afolabi, 2006). The human factor is important to consider in determining

the possible success or failure of a potential M&A, because the reactions of employees could determine whether the M&A is worth pursuing (Harrison, 2005). The human resource issues in M&A can be classified into two phases the pre merger phase and post merger phase. Literature provides ample evidence of difference in between the HR activities in the two stages: the pre acquisition and post acquisition periods. Due diligence is important in the first phase while integration issues take the front seat in the later. The pre-acquisition period involves an assessment of the cultural and organizational differences, which will include the organizational cultures, role of leaders in the organization, life cycle of the organization as well as the management styles.

The HR system varies across organizations owing to the differences in the organizational culture as well as sectoral differences. For example, if the compensation in the acquired firm is less compared to the acquiring firm the acquisition will raise employee expectation (for the employees of the acquired firm) of a possible hike in compensation which may not be realistic. On the other hand, if the compensation level of employees in the acquiring firm is lower the employees may press to have equal compensation across all the divisions of the firm. The pay differential can act as de-motivator for the employees of the acquiring firm and may have long term consequences. The compensation issues may also involve legal angle. Compensation differences need to be rectified by the acquiring firm so as to maintain the morale of the acquired firm employees and to retain them. The compensation structure among the organizations may also

differ creating troubles; for example one of the firms may have performance based pay while the other may have higher component of fixed pay. Hence the differences in the compensation structure and performance appraisal systems also need to be rectified so as to bring equity in the HR systems and to treat employees at the equal level.

The organizational culture plays an important role during M&A as the organizational practices, managerial styles and structures to a large extent are determined by the organizational culture. Each organization has a different culture and value system which may clash owing to the M&A activity. The exposure to a new culture during M&A leads to psychological state called culture shock. The employees not only need to abandon their own culture, values and beliefs but also have to accept an entirely different culture. This exposure challenges the old organizational value system and practices leading to stress among the employees. Research has found that dissimilar cultures can produce feeling of hostility and significant discomfort which can lower the commitment and cooperation on the part of the employees. In cases of cultural clash, one of the cultures that is dominant culture may get preference in the organization causing frustration and feeling of loss for the other set of employees. The employees of non dominating culture may also get feeling of loss of identity associated with the acquired firm. In certain cases like acquisition of a lesser known or less profitable organization by a better one can lead to feelings of superiority complex among the employees of the acquiring organization. In case of hostility in the environment the

employees of the two organization may develop “us” versus “them” attitude which may be detrimental to the organizational growth.

The uncertainty during M&A activity diverts the focus of employees from productive work to issues like job security, changes in designation, career path, working in new departments and fear of working with new teams. The M&A activity leads to duplication of certain departments, hence the excess manpower at times needs to be downsized. Hence, the first set of thoughts that occur in the minds of employees are related to security of their jobs .

The M&A activity also causes changes in employees’ well defined career path future opportunities in the organization. Some employees also have to be relocated for security of their jobs, hence they find themselves in a completely different situation with changes in job profiles and work teams. This may have an impact on the satisfaction of the employees. Another practical problem is differences in the grading or organizational structures in the systems. Since the organizational structures have different designations for their employees, during the integration of acquired organization, the acquiring organization need to develop a mechanism to remove the differences in the grading system to make them at equal level, as many times the compensation is related to the grade of employee in the organization.

The employee relations issue gains more importance in most cases of M&A. The power equation between management and trade unions is bound to change with the acquisition. The acquiring management also needs to keep track of the number

of unions in the work place and equation between them as many organizations have multiple unions . Hence comprehensive analysis of trade unions operating in the banks should be done. This will require study of management-union equation, employee contracts, political linkages of the unions, compensation related clauses, number of trade union and dynamics between the unions.

The communication aspect being very important should be handled carefully by the HR department. The communication should provide precise information to the employees, providing any piece of information which is unreal can lead to rumours counteract. The communication should be sufficient to answer the queries and worries of the employees. The first set of information should be related to their future jobs, this will help to lessen their worries related to job security. The communication should not involve false promises which may counteract later. The communication can be through trusted and credible employees of the acquired company and trade unions can be involved in the process too.

2.4.3 Psychological effects of merger and Acquisition.

Researchers have attributed the less than stellar record of M&A outcomes, in part, to how the integration of the participating firms affected the employees of the acquired company (Range, 2006; Schreyogg, 2006; Van Dick, Wagner, & Lemmer, 2004). Furthermore, research has shown that M&As can be a traumatic event in the lives of the individuals and organizations involved in the change. Many employees experience feelings of loss, resentment, and a decline in job satisfaction, and their reactions can lead to the failure of the M&A (Appelbaum *et al.*, 2007; Cartwright & Schoenberg, 2006; Sperduto, 2007). Appelbaum *et al.* concluded that such human resources (HR) difficulties may add costs to the integration process and undermine the ability of a firm to achieve synergy, and thereby offset the hoped-for benefits of merging.

According to Morrell, Loan-Clarke, & Wilkinson (2004), human capital should be considered a critical resource upon which firms can rely on to gain a competitive advantage in the marketplace after a M&A. Furthermore, Hunt & Downing (2006) concluded that, in the majority of successful mergers, the purchasers predicted that personnel problems would arise and acted quickly when such problems surfaced. Thus, understanding the job facets that lead to positive job satisfaction may help other business leaders deploy strategies that could increase their chances for achieving successful mergers. Both individuals and organizations have relatively consistent patterns of reaction to a merger. Individuals typically become withdrawn and preoccupied with their own survival,

and organizations tend to withdraw into crisis management, which often involves secrecy and centralized decision making: in most cases this organizational response exacerbates the negative impact of the merger on employees. Executives may be optimistic about the merger, because they have more control over the situation and better access to information. The majority of staff, on the other hand, are typically pessimistic or angry about the change. Hunsaker & Coombs (1988), have provided a nine-stage sequential model of employees' emotional reactions during a merger or acquisition, which describes what has to be known as the 'merger syndrome':

(i) ***Denial.*** At first employees feel that the merger will not really happen or that it will not change their work or their organization.

(ii) ***Fear.*** As plans for the merger begin to unfold, employees begin to fear the unknown and to imagine the worst. Workers become preoccupied with job loss as rumours of mass layoffs and terminations circulate throughout the company. This typically leads to substandard performance and a decline in satisfaction.

(iii) ***Anger.*** Once employees feel that they have no control over the situation and that the merger is inevitable, they begin to express anger towards those responsible for the deal. They may feel that they have been sold out after providing the company with many years of quality service.

(iv) ***Sadness.*** Employees begin to grieve the loss of their corporate identity; they focus on the differences in the way the two companies operate and are managed and adopt a 'we' versus 'they' mindset.

(v) ***Acceptance.*** After a sufficient mourning period has elapsed, employees begin to realize that resisting the situation would be futile, and they start to accept reality. This may imply behavioral compliance but not necessarily renewed organizational commitment.

(vi) ***Relief.*** After much of the integration is completed, employees begin to feel more settled in the new organization and become more accustomed to working with employees from the other company. At this stage, they feel that things are actually better than they had expected.

(vii) ***Interest.*** As people become more secure in their new positions, they begin to consider the benefits of the new organization. They perceive their situation as a challenge and try to prove their abilities and worth in the new company.

(viii) ***Liking.*** Employees recognize new opportunities and begin to like their work.

(ix) ***Enjoyment.*** Employees become committed to their new organization.

Merger syndrome can be managed and controlled if communication is frequent, open, and honest at all levels of the organization. The following best practices are highlighted in the literature. When senior human resource (HR) personnel are included in the strategic decision making, organizations gain a better understanding of the human implication of a merger. Human resource staff should conduct cultural audits to determine whether the cultures of the organization are compatible and provide recommendations for overcoming their differences.

Firms that conduct quick assessments of their human resources are in a better position to determine what actions will be necessary to retain talented individuals. HR practitioners should identify gaps in talent and nurture employees through training and coaching so that management succession is not impeded. Unfortunately very few companies make any attempt to audit personnel resources during an acquisition, and as a result, there is typically a shortage of required talent in the new organization (Hunt, 1987:24). Frequent and regular communication should be provided during and after the merger acquisition event (Pappanastos, Hillman, & Cole 1987) because employees experience more stress and anxiety when they are uncertain about their future (Hunsaker & Coombs 1988). Organizations should inform all employees of merger plans at the same time as, or in advance of any press release (Cartwright & Cooper, 1992:103).

Companies that are not honest with employees regarding layoff and downsizing plans tend to experience a decrease in employee morale and satisfaction and an increase in turnover and absenteeism (Pappanastos *et al,*1987).

Employee assistance programs can also reduce stress and help employees cope with merger-related changes (Pappanastos, *et al* 1987; and Marks *et al* 1986). Counseling can help employees distinguish the real from the imagined effects of a merger and clarify their own career needs.

Human resources personnel should facilitate in the development of a new organizational structure and establish clear, well-defined reporting relationships as soon as possible. Historically, the most unsuccessful mergers and acquisitions

have suffered from unclear relationships and a tendency to change already vague, poorly defined reporting relationships several times during the first year (Pappanastos *et al*, 1987).

2.4.4 Employment changes in the Banking Sector.

The restructuring process of Nigerian and global banking has brought substantial changes in the nature and quality of employment. This restructuring process is a result of not only the M&A wave observed in the past few years, but also of the massive introduction of new technologies into banking. Both of these two prime factors in banking restructuring M&A and new technologies will be taken into consideration and will be considered as a single factor due to their close relation. The introduction of new technologies in banking preceded the M&A wave, whereas the latter has accelerated the restructuring process. This is because a bigger M&A wave may exploit new technologies in a more efficient manner and, most of all, it may also undertake to a great extent the cost for the application of these technologies (De Boyer *et. al.*, 2000). Briefly, international experience and research detects the important quantitative and qualitative consequences of M&A in employment, such as the following:

(i) Decrease in the employment of less specialized categories

(ii) Important changes in the role of enterprise senior staff towards more complex and more flexible duties.

(iii) A relative increase in the employment of specialized and younger staff. Companies are relieved of less specialized or/and older excess staff through early or voluntary retirement programs.

(iv) Serious incorporation and compatibility problems among the various management systems, industrial relations and organization of work. These factors require careful preparation and may become crucial for a successful merger when deriving from different negotiation systems, collective regulation and definition of payment and labour terms (Georgakopoulou, 2000). Staff employed in the financial sector is expected to increase production and productivity, and become more qualified and flexible during work. The demand for more skills mainly involves a very good knowledge and use of computers as well as general professional knowledge, which allow for multi-tasking (engagement of employed staff in various tasks). However, increased requirements on staff skills are not always combined with the necessary training courses or flexibility in working hours.

The lack of investments in staff training is a very common practice in case of mergers, when the pressure to cut-down costs leads to staff replacement instead of the training of the existing staff.

The impact of this restructuring process on the older staff is of significant importance, due to the extent of the phenomenon, without of course underestimating the impact on the employment of women. The most common personnel reduction strategy that has been followed in Nigerian banking mergers

is the preparation and implementation of early retirement programs. This procedure is often followed by banks and leads to a remarkable reduction in the number of employees over fifty five (55) years old. It is also often believed that the spread of early retirement programs constitutes a type of discrimination against older employees, who are considered to be incapable of adjusting to today's job requirements and to the new tools and techniques used (Afolabi, 2011). Older employees are rarely given the opportunity by a banking institution to be trained in newly required aspects of their work. This fact contradicts the notion of lifelong learning supported by the Europian union (E.U), as a measure to improve the competitiveness of the Global economy and to fight unemployment. (Charalampidis, 1999).

Another fresh and common technique to reduce production costs in the banking sector is outsourcing, i.e. the decision to assign and or transfer duties such as maintenance, security, cleaning, movement of titles, transfer of material or money to an outside firm, as well as the development of different distance banking services, like tele-banking and phone banking. (Kanellopoulos *et. al.,* 1998). The transfer of duties is one of the most important developments not only within the banking sector but also in the economy as a whole. Transfer of services in the banking sector initially involved non-core functions, such as cleaning, catering, maintenance and information technology (IT) services. In the latest years, however, it is also used for providing core functions, recruitment process, minimum salary and intensive training (Weber, 2000). While employees in the

banking sector consider these changes to be extremely negative, the contrary view also needs to be stated. According to this view, the new technologies as well as the M&A wave will not reduce the number of jobs in the financial services sector; they will redistribute these jobs among the new duties (Uni-Europa Finance, 2001). Indeed, a decrease in staff employed in bank Central offices has been observed, however this decrease is accompanied with employment increase as far as jobs involving executive duties are concerned. With the introduction of new technologies former duties have been dispensed and, at the same time, new jobs are created, requiring high-skilled and qualified people. Internet banking provides new jobs to computer engineers, a skill that was not traditionally needed in this sector. The increasing importance of strategic decisions made in today's economic environment of continuous M&A leads to the transfer of highly specialized tasks, such as legal and financial services, system design, publicity, as well as consultation asset management (ILO, 2000).

2.4.5 Post Merger Integration Process and Employee Commitment.

This stage involves the combination of the distinct organizations into one, resulting in changes in both the target and the acquirer to deliver the strategic and value expectations that informed the merger (Saudarsanam, 2003). Schuler (2003), emphasised the importance of an early planning; careful attention to leadership selection; an insider's view of knowledge networks and information flow; a clear, coherent and timely communication strategies; and the dedication of adequate resources to the transition management team are necessary ingredient that can lead to a successful post-acquisition integration. The value of most firms depends on its human assets-managers and skilled workers, therefore, utmost care must be taken to avoid situation whereby the valuable human assets leave to join a rival firm (Brealey, *et al*, 2006; Weber & Camerer, 2003). Lubatkin, Schweiger & Weber (1999) found out that cultural differences and the removal of managerial autonomy were associated with significantly greater management turnover in the first year after acquisition. Consistent with Lubatkin *et al,* (1999), Krug & Hegarty (2001) also found that most managers who departed within five years of acquisition were those who felt that the acquirer firm did not understand their firm's culture. Another important area to consider in post-acquisition integration is the integration of the merging firms' information system. Effective integration of information system in any organization is a function of technical and organisational factors (Henderson & Venkatraman, 1993: 4; Kawalek & Wastell, 2005: 84; Luftman & Brier, 1999:109; Orlikowski, 1992; Wastell, 1999: 591) Although post-acquisition integration stage of M&A involves intangible assets

which cannot be easily quantified, synergy may be elusive if not strategically handled. Issues around control and appropriate incentives for the acquired firm's employees should all be carefully handled.

In her work on the psychological assessment of employee behavior in an M&A Bellou (2007) found that employees can experience merger syndrome characterized by increased self-interest as they become preoccupied with what the integration actually means for them, their incomes, and their careers. In fact, Bellou noted that employees seemed to react as they would to the loss of a loved one and often treat the merger as a personal crisis. Among the subjects in Bellou's study, this sense of loss manifested itself as listlessness, apathy, a preoccupation with the past, lack of commitment to the new culture, fear, and/or active resistance to the new system. Several negative attitudes and behaviors emerged, including decreased job satisfaction, lack of organizational commitment, disloyalty, nonproductivity, an increase in defective products, mistakes on the job, and withdrawal behaviors (Bellou, 2007).

Social identities have also been used in past studies as key indicators in determining the relationship between employee job satisfaction and the M&A process (Chambers, 2008; Clinebell & Shadwick, 2004; Paviglionite, 2007; and Rhea, 2004). In spite of the evidence in literature regarding the importance of post-M&A issues however, they have generally remained secondary considerations during M&A transactions (Fish, 2007). A lack of attention to post-

M&A integration has been described as a key determinant in the ultimate success or failure of the organizational M&A (Fish, 2007); Lisauskas & Lauraityte, (2004) because some degree of inter-organizational integration is necessary to achieve the intent of the deal. According to Stahl *et al* (2006), the M&A process can be characterized as three overlapping stages: transaction, transition, and integration.

Also, morale and performance are two primary outcomes that are of interest to organizations (Nemanich & Keller, 2007). Morale, the human resource side of the equation, determines the extent to which employees have positive feelings about their commitment to their work and organization. A change in employee morale can occur almost instantly, or it may take place over a long time period. According to Nemanich *et al* (2007), the combination of high performance and high morale equates to organizational success; however, high performance is not likely without positive employee morale.

Acculturation is the outcome of a process in which beliefs, attitudes and values of two organizations previously independent emerge to form a unified culture. "Not surprising, achieving acculturation represents a major challenge to firms" (Larsson & Lubatkin, 2000). Employees may resist this acculturation effort choosing to adopt an individualist role or remain independent of the consolidating firms. Wide-spread resistance has often been referred to as "culture clash" which has been shown to have such consequences as lower commitment, reduced

cooperation and turnover (Sales & Mirvis, 1984; Buono, Bowditch & Lewis, 1985) and a deterioration of operating performance (Weber, 1996; Very, Lubatkin, Calori & Veiga, 1997).

Employee response to a M&A's due to cultural differences has been Central to a number of studies (e.g. Albert & Whetten, 1985; Ashforth & Mael, 1989; Dutton, Dukerich & Harquail, 1994). Other studies have focused on how employees identify with one merger partner's culture over another (Buono *et al*, 1989; Greenwood, Hinings & Brown, 1994; Fried, Tiegs, Naughton & Ashforth, 1996). Buono *et al* (1989) found that negative employee reactions to a merger or acquisition may lead to lower levels of job security, satisfaction and less favorable attitudes toward management. Fulmer & Gilkey (1988), noted that employees faced with uncertainty will redirect their energy toward coping with anxiety and confusion, negatively impacting satisfaction. Scholars have conducted research on various aspects of cultural discontinuity, communication, identity and organizational citizenship behaviors within a merger or acquisition environment. However, extant literature appears to lack exploration of the causal links between neither all four constructs nor an examination of how management may prevent individualistic employee behaviors during acculturation activities.

2.5 Review of Empirical Studies

Past researchers maintain that the trends in M&A over the years is a reflection of the evolution of the banking industry itself (Rhea, 2004 and Chambers 2008). The interplay of the factors of deregulation of the banking sector as well as the influence of technology has intensified competition among banks which also has made M&A even more prevalent in the banking industry (Cocheo, 2008). Hence, M&A have become the most dramatic demonstration of vision and strategy in the banking sector in both developed and developing financial markets. According to McGill & Sheen (2008), few industries have encountered as much strategic change in the recent past as that experienced in the financial service sector.

The wisdom behind M&A is basically to reduce operational inefficiencies, minimize processing expenses to pave way for banks to diversify in terms of products and locations. M&A therefore comes with the urgent need to cut down production costs due to competition and growth which leads banks to the transfer of less specialized tasks (sales appointments, complaints' management, collection of claims). This transfer serves as an excuse for banks to employ poorly remunerated seasonal staff with flexible employment terms and limited job rights. In the case of duties transferred to call centres, minimal money is invested on staff training because investment on the training of regular employees is preferred. In any event, it is true that the overall number of employees in the banking sector has been reduced and a lot of staff rotation has also been observed in most banks involved in M&A (Archontakis *et. al.*, 1998).

Rathogwa (2008), in her study on the effects of M&A on employee job satisfaction in South Africa using both qualitative and quantitative data examined such variables as age, marital status, educational level, gender and job security alongside management involvement and intervention during M&A for a possible significant relationship to employee job satisfaction. It was found out that employees are not only dissatisfied as a result of M&A, but that there are other factors such as work environment, pay, recognition, responsibility, teamwork and security that can also lead to employee dissatisfaction. The study therefore concluded that in an M&A, management should not unduly pay attention to only the 'bottom line' but also pay attention to the human resources of the organization which could lead to the failure or success of the M&A. In the literature, there is a considerable support for a connection between M&A and job satisfaction as Steers (1988), suggest that job satisfaction is best understood as a discrepancy between how much a person wants or expects from the job, and how much the person actually receives.

In the same vein, Cavanagh (1992) writing on job satisfaction of nursing staff of hospitals in South Africa also notes that when individuals perceive that the outcomes of a job are met or exceeded, they are satisfied. When their expectations are not met, they may feel betrayed by management and develop a sense of mistrust. Behavioral consequences of job dissatisfaction in M&A such as low

morale, absenteeism, turn over and low productivity potentially threaten the quality and effectiveness of employees.

The success or failure of M&A depends largely on the attention given to the people or human factor in the organization. According to Marosini & Steger (2004) it is in fact very hard to find M&A's where people issues do not matter. The duo authors opine in their book that when M&A happen, it is imperative that management should make sure that employees satisfaction is not hindered.

In another book by Luthans (2002), job satisfaction is seen as three dimensional: as an emotional response to the job situation; Often determined by how well the outcome exceeds expectation; and representing several related attitudes. The book noted that in M&A, job satisfaction determines employees attitude towards their job. In other words, job satisfaction is seen as a pleasurable feelings that results from the perception that one's job fulfils or allows for the fulfillment of one's important job values (Locke, 1976; and Noe, Hellenbeck, Gerhart & Wright, 1997). Specifically, Locke (1976) in his work on the nature and causes of job satisfaction in Chicago, USA summarized the causal factors on job satisfaction as; Mentally challenging work; Personal interest; Work not too physically tiring; Rewards for performance; Compatible working conditions; High self esteem and physical working conditions.

And Noe *et al* (1997) observe that for firms that aspire to gain competitive advantage M&A can lead to poor work attitude and job dissatisfaction which can result in negative consequences such as reduced turnover, increased absenteeism, tardiness, reduced work effort, increased theft and violence. They therefore conclude that if employees are dissatisfied with their jobs, this may result in their withdrawing from their jobs through such actions as absenteeism, stress, as well as resigning from the organization.

Change within an organization such as M&A may result in employees being dissatisfied with their jobs. Johnson (1985) states that in most cases, an acquired company will be a significantly smaller one in terms of sales, assets and numbers of employees. When a company is acquired by a larger company, some employees may hope that the new company will assist them with those aspect of their job such as being promoted which they could not achieve when their company was smaller. Thus, some employees may expect to make a career move within the new department/organization and get the job that they have probably been waiting for. For others the change in circumstances can raise fear, as the new situation brings uncertainty and confusion. When employees are not certain about their future, it may result in withdrawal from the job which may affect their satisfaction (Johnson, 1985).

The difference in satisfaction can according to McCormick & Iigen (1982) cited in Krugner *et al* (1982) be ascribed to "individual and situational factors or

variables". Therefore the individual or situation will determine the satisfaction of the employees in a job. It assumes that individual abilities, aptitude, intelligence, personality, age, sex, physical characteristics, interest and motivation play a vital role in employees satisfaction.

Also, situational variables such as work methods, design, condition, work space, layout and physical work environment may also influence job satisfaction. Culture is also an important influence on employees attitude to the job. Work conditions, organization and social variable lead mainly to differences in workers attitudes to their jobs. This difference in attitude may lead to employees job dissatisfaction which may lead to poor performance. If employees develop a negative attitude about their jobs because of uncertainty or poor pay, employees will probably be absent more often than employees who develop a positive attitude about their job as a result of great pay or stability (Krugner *et al* 1996).

According to Krugner *et al* (1996), rapid changes in the structure, or change in staff within the organization may lead to role ambiguity. When employees do not have clear understanding of what is expected of them, they may become dissatisfied and demotivated about their job. For instance, when employees are used to a flat structure, where they could make their own decisions without consulting executive management, they can find adjustment very difficult in a very large organization. When a small company merges with a large one, it can also be difficult for employees to understand their new roles within the company,

especially when the company already has specialist or skilled people in the same positions. This too may result in employee dissatisfaction.

Baker (2009), using a two way ANOVA multiple regression and factor analysis in her landmark study of bank employees job satisfaction after an M&A exercise in the USA also reports that demographic factors (age, gender, job level, job tenure and level of education) has significant effects on employees in M&A situations and older employees are more dissatisfied than the younger ones. The study therefore recommends that an understanding of the factors that contribute to job satisfaction might enable bank leaders to deploy strategies for successful M&A.

On the Nigerian scene, empirical studies on M&A have addressed several issues such as corporate governance, financial performance, shareholder value, profitability, employment generation and market characteristics. Others still focus on the relationship between M&A and the gains/losses of consolidation, liquidity, capital adequacy and the impact of M&A on the economy in general as well as economic activities in Kaduna Metropolis.

Ebong (2005), in his paper examines the extent to which the banking industry has helped to stimulate economic activities in Kaduna Metropolis. The paper notes that the banking industry in Kaduna Metropolis witnessed a remarkable growth in terms of deposit base, number of branches, total asset and volume of loans and advances especially since the deregulation of the financial services sector.

However, this study did not clearly indicate the contributions of employee satisfaction as it contribute to stimulate economic activities, thus it leaves a huge gap which will be addressed by the current study.

Also, Adedipe (2006), in his study on bank consolidation in Nigeria concludes that M&A results in job losses usually termed 'surplus staff'. The study focuses on the effect of M&A on the surplus staff being laid off. The impact of M&A on the surviving staff is not under the purview of this research hence the need to look at the effect of M&A on those employees retained or held back in the organization after the change process becomes imperative.

In the same vein, Ningi and Dutse (2008), who studied the impact of bank consolidation and its impact on the Nigerian economy found that the CBN's decision has changed the market structure of the banking sector, increased the efficiency and reliability of the banks, created opportunities for financial institutions and market participants, and raised their intermediation potentials.

This study also concentrated energy on M&A and the market characteristics of the merging banks and does not pay attention to the fate of the human resources of the merging banks. Thus, the study leaves a huge gap on the effects of M&A on the most important resource of any organisation – human resource.

Also, Gunu (2009), who undertook an explanatory research that establishes causal relationship between employment and indices of recapitalization in Nigerian banks found that there was appreciable increase in employment in Nigerian banking industry after the consolidation exercise from 2006 up to 2008.

The study failed to address the issue of the employees as it affects their satisfaction as employment increases after the consolidation exercise. Thus, a huge gap needs to be addressed since it only concentrated on the employment aspect to the detriment of the employees' satisfaction.

Suberu and Aremu (2010) did another explorative search into merger activity in the Nigerian banking industry and its impact in the sustenance of shareholder value via sound corporate governance structure. The major finding revealed that the banking sector is partly responsible for the poor state of the Nigerian economy through its support for the import –dependence nature of the economy rather than financing of sustainable economic development through shareholder values maximization.

Although this study has addressed two (2) important aspects which is Corporate governance and shareholder value, it has failed to address the impact of M&A on employees satisfaction and as such, the gap will be addressed by the current study.

On the same latitude, Ebimobowei and John (2011) examined M&A and liquidity in the banking industry in Nigeria. The findings revealed that the consolidation (M&A) activities did not meet the desired objectives of liquidity, capital adequacy and corporate governance.

Thus, the study has failed to address the human aspect of M&A since people constitute the most important resource of every organization.

Similarly, Joshua (2011) made a comparative analysis of the impact of mergers and acquisition on financial efficiency of banks in Nigeria. It was found out that the post M&A period was more financially efficient than the pre M&A period.

The study has not been able to gauge the influence of other variables which could have impacted positively to the efficiency of the banks. As such, it is not clear whether the finding was as a result of the contributions of other variables such as human resource (employees' satisfaction) which may have improved the operations of the banks.

Also, Agu, Olajide, Ikenwilo and Orji (2012) examines the determinants of the exit behavior of banks in the Nigerian consolidation program during July 2004 and December 2005. The results suggest that the bank specific characteristics mattered more for preventing bank failure than they did for emergence of the M&A banks. Also, the CBN's assistance was highly influential in preventing bank failure and the assistance increased their probability of being merged.

Thus, this study leaves a huge gap by neglecting the satisfaction of employees which is a key indicator of the exit behaviour of staff of any organization.

Again, Enyi (2011) undertook a synergistic study on bank consolidation in Nigeria which revealed that most post-merger results tend to highlight that financial synergies exist. The results revealed that all the four merger groups produced in addition to operational and relational synergy, financial gains far more than the 2+2 =5 synergistic effects. The study also revealed that variations in shareholder funds can significantly affect the value of total asset of a bank.

The findings of the study are not explicit because it is not clear whether the realised outcome is a clear result of M&A (synergistic effects) alone. Thus, a huge gap needs to be filled.

Furthermore, Barros (2012) undertook a study on the Nigerian banking consolidation process using dynamic panel for period 2000-2010. The main findings is that the Nigerian banking sector has benefitted from the consolidation process, and specifically that M&A and bank size decrease costs.

The study has however failed to consider the contributions of other variables such as human resources (employee satisfaction) as it affects the banking sector in relation to bank size and decreased costs.

In the same vein, Ernest (2012) explore the marketing implication of the Nigerian bank consolidation with a view to theorizing the marketing challenges which third world countries wishing to embark on the same exercise should watch out for. Delivery of quality services, repositioning of brand identities and branch expansion were found as the leading challenges of the Nigerian bank consolidation.

The fact is that reforms makes judgement on the effects of variables difficult particularly where a study is designed to isolate the effect of other reform measures. This may greatly undermine the strength of their conclusion.

However, Oghojafor (2012) evaluated M&A as an intervention strategy in the Nigerian banking sector. It was found out that banks performance in post merger was significantly different from the performance before merger, implying that there would not have been need for merger if good corporate governance had been in place.

This study leaves a huge gap by concentrating on corporate governance aspect as the only variable for performance to the detriment of people (HR) who are actually engaged in performing the work..

Lastly, Siyanbola (2013) evaluated the gains and losses of the 2004-2005 financial restructuring in Nigeria as experienced by members of staff of some of the affected banks. Layoffs and the case of who was next was reported as a major preoccupation for most employees. Job enlargement was largely reported and some found the challenge of accommodating the changes very daunting. People now work longer hours and week-ends with the introduction of Saturday banking in some banks; others talked of being psychologically and emotionally drained from stress. However, considering the time frame of the study, the scope is not representative enough to come up with a robust conclusion.

From the above review, it is obvious that most of these empirical studies were conducted in developed countries with very few in developing nations. In Nigeria, most of the studies concentrate on the relationship between M&A and several variables (corporate governance, financial performance, shareholder value, profitability and employment generation). There is, however, no known study to the author on the impact of M&A on the overall contentment and emotional being of workers of organisations in Nigeria. The need to study the effects of M&A on the employees satisfaction cannot be overemphasized as job satisfaction is a combination of both cognitive (harmony/contentment) and affective (emotional/psychological) endorsement of individuals within an organisation (Luthans, 2002). Job satisfaction underscores an employee's overall contentment and emotional feeling while working. The relationship between the organisation and its members is influenced by what motivates them to and the rewards and

fulfillment they derive from it, the nature of work organisation, style of leadership and the design and contents of jobs can have a significant effect on the satisfaction of staff and their levels of performance. Therefore the manager needs to know how best to elicit the cooperation of staff and direct their efforts to achieving the goals and objectives of the organisation. It is against this backdrop that this study seeks to investigate the effects of M&A on the employees' job satisfaction of Deposit Money Banks (DMBs) in Kaduna metropolis.

2.6 Theoretical framework

There are so many approaches to M&A which shed light on how M&A's affects employees' job satisfaction. Basically, six (6) theoretical themes have implicitly or explicitly formed the basis for explaining employees' psychological and behavioral responses to M&A-related organizational change. Each theory identifies distinct sources of problems that frequently emerge during M&A organizational change processes, predicts their psychological and behavioral effect on employees, and suggests relevant prescriptions to address the problems.

The theories include (a) anxiety theory which posits that employees experience uncertainty and anticipated negative impact on their career and job. This results in low productivity, self centered behaviors, lack of motivation as well as mental and physical illness (b) social identity theory, in which employees experience total loss of identity (organizational, professional and work group). This brings about a sense of loss, anger, grief, denial as well as refusal of change on the part of the employees. (c) organizational justice theory, where perceived fair treatment of surviving and displaced employees results. This brings about psychological withdrawal and turnover. (d) role conflict theory, where employees experience ambiguous and conflicting roles in the workplace. This results in low productivity as well as low job satisfaction. (e) job characteristics theory, which basically centre on changes in post M&A job environments. The resultant effect includes job satisfaction and commitment, as well as absenteeism/turnover and (f) acculturation theory is concerned with contact with or adjustment to different

organizational culture. Acculturation is the dual process of cultural and psychological change that takes place as a result of contact between two or more cultural groups and their individual members. When the groups involved are both cultural and psychological in nature, these two domains can be termed acculturation relationship which are rooted in contextual factors (such as the historical, political and economic baggage that they bring to their relationships), and they lead to outcomes that can range from conflict and stress to harmony and effectiveness (Berry, 1980). For the purpose of this study, the researcher will adopt acculturation theory captures the key variables of the study (satisfaction, morale and psychological threat).

Although the concept of acculturation was first touted by earlier researchers like Redfield, Linton and Herskovits (1936), the theory was fully developed in 1980 by J.W Berry. According to Redfield *et al* acculturation comprehends those phenomena which result when groups of individuals having different cultures come into continuous first-hand contact, with, subsequent changes in the original culture patterns of either or both groups under this definition, acculturation is to be distinguished from culture change, of which it is but one aspect, and assimilation, which is at times a phase of acculturation. Thus, is a cultural change that is initiated by the conjunction of two or more autonomous cultural systems . It may be derived from both cultural and non-cultural factors such as ecology and demography induced by an impinging culture. However, this postulation was further developed into a resounding theory in 1980 by J.W. Berry.

According to Berry (1980), Acculturation is the dual process of cultural and psychological change that takes place as a result of contact between two or more cultural groups and their individual members. At the group level, it involves changes in social structures and institutions and in cultural acculturation is the dual process of cultural and psychological change that takes place as a result of contact between two or more cultural groups and their individual members. At the group level, it involves changes in social structures and institutions and in cultural practices. At the individual level, it involves changes in a person's behavioral repertoire. These cultural and psychological changes come about through a long-term process, sometimes taking years, sometimes generations, and sometimes centuries. Acculturation is a process of cultural and psychological changes that involve various forms of mutual accommodation, leading to some longer-term psychological and sociocultural adaptations between both groups.

Contact and change occur for a number of reasons, including colonization, military invasion, migration, and sojourning (such as tourism, international study, and overseas posting); it continues long after initial contact in culturally plural societies, where ethno cultural communities maintain features of their heritage cultures. While acculturation is a process that continues for as long as there are culturally different groups in contact, some longer-term adaptation to living in culture-contact settings takes various forms usually resulting in some form of longer-term accommodation among the groups in contact. This often entails, for example, learning each other's languages, sharing each other's food preferences, and adopting forms of dress and social interactions that are

characteristic of each group. Sometimes these mutual adaptations take place rather easily (through processes of culture shedding and culture learning during intercultural interactions (Berry, 1992). One key feature of all acculturation phenomena is the variability with which they take place: there are large group and individual differences in the ways in which people seek to go about their acculturation (termed acculturation strategies), and in the degree to which they achieve satisfactory adaptations.

Researchers have argued that the acculturation process involves the combination of different organizational cultures such as their values, beliefs and practices that define an organization) or imposing one over another (Nahavandi & Malekzadeh, 1988; Elsass & Veiga, 1994). Furthermore, because organizations comprise individuals and groups, each with unique cultural identities, organizational cultures are better described as "a network of integrated subcultures" (Elsass & Veiga, 1994, : 433). Within these networks the degree and rate of acculturation can vary between individuals and between subgroups within an organization. The process of acculturation can occur in several different ways.

Berry (1980) identified four modes in which acculturation takes place, and these modes have been adapted to the context of M&A to describe the different ways in which the two groups adapt to each other and resolve emergent conflict (Nahavandi & Malekzadeh, 1988).

These four modes include deculturation (members of an organization do not retain their old culture or replace it with a new one), assimilation (members of an organization adopt the culture of another), separation (members of both organizations retain their original cultural identity), and integration (there is some degree of change in both organizations). Which acculturation mode is triggered depends on the relative strength of factors that bring about the need for organizational integration (e.g., degree of relatedness of the firms, acquisition motive) and the strength of factors that drive cultural differentiation (e.g., strength of organizational identity, and attractiveness of the other culture). Researchers have proposed that when members of the two combining organizations do not agree on the desired mode of integration, acculturative stress will result thereby posing a great threat on the psychology of the employees (Nahavandi & Malekzadeh, 1988).

A cultural due diligence or audit conducted as part of the M&A due diligence process can provide a realistic assessment of the cultural differences that exist between the organizations in the M&A. It can also enable proactive planning of interventions to address potential acculturation problems. A cultural due diligence assesses differences in people-related matters, such as corporate values, organization structure, decision making processes, and reward systems (Marks, 1999). Prescribed interventions include fostering multiculturalism, in which both organizational cultures are equally valued and integrated (e.g., Elsass & Veiga, 1994), and facilitating intercultural learning through intercultural presentations

and workshops (e.g., Buono & Bowditch, 1989). For example, Buono & Bowditch (1989) suggested an intergroup mirroring workshop in which members from both organizations are encouraged to surface both differences and similarities between organizational cultures, and thus to create conditions under which mutual problem solving can occur. An important assumption of these interventions is that structured and purposeful interactions between combining organizational members will lead to either intercultural tolerance or assimilation (Schweiger & Walsh, 1990).

The study adopts this theory because it provides justification for M&A in a developing economy with cultural conflicts witnessed by M&A leading to constant structural changes in businesses which if left unchecked may result in psychological threats, decrease in morale and dissatisfaction among employees. The theory stresses the need for cultural integration which include a cultural workout in which managers from the combining companies develop plans to integrate the cultures of both organizations which will reflect in a positive consequence for the organization.

2.7 Summary

In this section, M&A has been critically analyzed to find out how DMB's employees have suffered untold hardship as a result of the change process due to M&A activity. Both the positive and negative effects of M&A as well as the employment changes in the banking sector due to M&A were discussed. The

section also delved into an empirical review of studies on employee satisfaction and some likely problems to be encountered during M&A process for the purpose of finding solution in form of recommendations for the banks as well as other relevant authorities .

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This Chapter discusses the research design, Population of the study, Sample and sampling technique, method of data collection and the proposed method to be deployed for Data analysis.

3.2 Research Design

The Research design adopted for this study is the Survey method using questionnaire as instrument for data collection. Opinions were sought from a number of employees of Deposit Money Banks (DMB's) in Kaduna metropolis. This design is chosen for the study because of its advantages over other methods of data collection for the study of a population considered too large for observation especially in studies that consider individuals as its unit of analysis. Also, this design gives researchers the opportunity to select and study a representative sample from the available population which may serve as a representative of the entire population.

3.3 Population of the Study

The Population is made up of all the employees of the main branches of the merged and acquired Deposit Money Banks in Kaduna metropolis as at January, 2013. The total population of DMB's in Kaduna Metropolis as at December, 2012 is twenty three (23) among which twenty one (21) were listed in the stock market,

while two (2) were not listed (NSE, (2012) Fact Book). Only sixteen (16) of such banks have branches domiciled in Kaduna metropolis which constitutes the scope for this study. The total population of employees of these merged and acquired banks is three hundred and thirty five (335) which consist of only those staff that are on the pay roll of the banks excluding casual workers. The choice of the main branches of the DMB's is prompted by the fact that all cadre of staff of the bank are represented in such branches who represent all departments of the bank ranging from operations, compliance, marketing, the branch head as well as the branch secretary. The population is therefore qualified to provide the required and suitable kind of data needed for the proposed analysis.

3.4 Sample and Sampling technique

A sample size was drawn from the population using Yamane (1967) sample size formula. According to Yamane (as cited in Israel 1992); sample size for survey research can be arrived at using the following formula:

$$n = \frac{N}{1 + N(e)^2}$$

Where:

N = The population size

n = The sample size

α = The risk of selecting a bad sample, that is type 1 error. Usually, α = 5%

e = The allowable sample error which is sometimes called level of precision. In most cases, it is expected that the precision rate of ± 5% is used.

The acceptable margin of error was adopted for the computation because Krejeie & Morgan (1970) stated that the general rule for acceptable margin of error in educational and social research is five percent (5%) for categorical data and three percent (3%) for continuous data.

Substituting the values in to the formula:

$$N = \frac{335}{1+ (0.05)^2\ 335} = \frac{335}{1.8375}$$

= (**183) Employees**

As a result of applying the formula above, the sample size was eventually reduced to one hundred and eighty three (183). Thus, the researcher would utilize this minimum returned sample size which will be proportionately allocated to all the employees of merged and acquired DMB's in Kaduna metropolis. After the allocation, the sample from each bank will be randomly drawn to arrive at the study sample as the technique would give all the elements equal chances of representation in the sample. The sample frame is provided below:

Fig. 3.1 Participating Banks and their Proportion

S/NO	Status	Employee	Proportion	Sample
1	Access Bank(Access +Interco Bank)	14	7.69	8
2	FCMB (FCMB+Fin Bank)	16	8.79	9
3	Enterprise Bank Ltd	23	12.64	13
4	Eco Bank (Eco+Oceanic)	16	8.79	9
5	Diamond Bank Plc	18	9.89	10
6	Fidelity Bank Plc	14	7.69	8
7	First Bank Plc.	33	18.13	18
8	Keystone Bank Ltd.	23	12.12	12
9	Mainstreet Bank Ltd.	24	13.19	13
10	Skye Bank Plc.	14	7.00	7
11	Stanbic IBTC (Stanbic+IBTC Chrd.)	24	13.19	13
12	Standard Chartered Bank	15	8.24	8
13	United Bank of Africa (UBA)	32	17.58	18
14	Sterlg. Bank (Sterling+ETB)	16	8.00	8
15	Union Bank Plc	30	16.48	16
16	Unity Bank Plc	23	13.00	13
	TOTAL	335	183.00	183

Source: Field Survey, 2012

3.5 Sources and Method of Data Collection

The source of data for this research work comprise only primary source. The primary source was structured questionnaire which was employed to collect the necessary data from the employees of merged and acquired Deposit Money Banks (DMB's) domiciled in Kaduna metropolis (overhaul casing using quantitative data). The questionnaire was divided into two major sections. All the questions in the questionnaire were asked by the researcher in order to obtain information in form of responses that were necessary to answer the research questions for the study based on the variables that were seen to influence the respondents reaction towards M&A.

The first section was designed to seek answers to the demographic variables for this study. For the second section of the questionnaire, all the general questions were asked by the researcher. Most of the items were measured with a five (5) point Likert type attitudinal scale with possible choices ranging from 'very satisfied' (1), to 'satisfied' (2) to 'neither satisfied nor dissatisfied' (3), to dissatisfied' (4) to 'very dissatisfied' (5). The motive behind this choice of calibration is that it enabled the researcher to make easy conclusion on the magnitude of the total values.

3.6 **Administration of Instrument for Data collection**

The researcher administered the questionnaire to the respondents with the help of some research assistants. The randomly selected employees' of the DMB's in Kaduna metropolis were visited in their various branches. The researcher was thus able to determine the number of copies of questionnaire that were accurately and adequately responded to by the respondents.

3.7 Measurement of Variables

Job satisfaction is directly related to job performance, attitude, motivation, morale, and productivity (Schmidt, 2001). It is clear that management needs to manage change very effectively in order to avoid distraction that may lead to employee dissatisfaction. Job dissatisfaction can be measured using different techniques : Minnesota Satisfaction Questionnaire; Faces Scale; Job Descriptive Index (JDI); Job-in-General Scale (JIGS); and Custom-Designed Scales (CDS).

The most common measurement of job satisfaction is the Minnesota Satisfaction Questionnaire (MSQ). For the purpose of this research, the measure of job satisfaction used in order to get some in-depth understanding in the context of M&A is the Minnesota Satisfaction Questionnaire. The choice of the MSQ is prompted by the fact that it is applicable to any organization, valid, reliable, easy to understand and applicable to all cadre of staff (Hanger & George, 2004).

Hanger *et al* further explained that the MSQ is designed to measure an employee's satisfaction with his or her job. The MSQ also provides more specific information on the aspects of the job that an individual finds rewarding than do more general measures of job satisfaction. The MSQ can be administered to groups or to individuals and is appropriate for use with individuals who can read at secondary school level or higher. All three forms are gender neural. The MSQ makes it feasible to obtain an individualized picture of a workers job satisfaction, as well as providing an accurate measurement of job satisfaction for groups of individuals on numerous workplace factors. The value of MSQ is that it accurately measures job satisfaction, and identifies specific areas (twenty dimensions (20)) that impact human behavior in the workplace.

Therefore, employee job satisfaction is measured using the short version of the Minnesota Satisfaction Questionnaire (MSQ) developed by Weiss, Dawis, England, & Lofquist, (1967).

It is adapted in this study to measure the satisfaction, morale and psychological threat of bank employees' of merged and acquired DMBs in Kaduna metropolis. Respondents are asked to respond on a five (5)-Point Likert Scale with twenty (20) items on how satisfied they are with a certain aspect of their job, ranging from 'very satisfied' (1), to 'satisfied' (2) to 'neither satisfied nor dissatisfied' (3), to dissatisfied' (4) to 'very dissatisfied' (5). This scale has been widely used in the literature being a well-known and stable tool over the time instrument with previous researches yielding excellent coefficient alpha (Rathogwa, 2008 and Baker, 2009). Question one (1) to seven (7) of the MSQ was used to test hypothesis one, while question eight (8) to fourteen (14) was used to test hypothesis two and question fifteen (15) to twenty (20) was used to test hypothesis three. See Appendix one (1) for the questionnaire.

To verify the homogeneity of the items in a measure, reliability tests was used. For this purpose, Cronbach's Alpha is the common estimator for internal consistency and reliability coefficient based on average inter-item correlation between the measured scale and the underlying factor.

3.8 Technique of Data analysis

This study will use chi-square test for goodness of fit to test the proposed hypotheses for the study. The chi-square test for goodness of fit allowed the researcher to determine if differences in frequency exist across response

categories on job satisfaction, morale and psychological threats among employees of DMBs in Kaduna metropolis as a result of merger and acquisition.

The study made use of Frequencies and Percentages to analyze data from the questionnaire. The three hypotheses for the study which seek to find out the relationship between the independent variable (IV) and the dependent variables (DV) was tested using chi- square test of goodness of fit which is a non parametric tool. Kothari, (2007: 237) posits that the chi square test of goodness of fit can be computed using the formula below:

$$\chi^2 = \sum_{j=1-k} (O_j - E_j)^2 / E_j$$

Where:

χ^2 = Chi Square Statistic

$\sum$ = Summation of Observations from j = l to k

O_j =Observed frequency

E_j = Expected frequency

The number of degrees of freedom is equal to the number of cells *rc*, minus the reduction in degrees of freedom , *p*, which reduces to (r – 1)(c –1)

Decision rule: The null hypotheses (H_o) will be rejected if the calculated value is greater than the critical value, while the null hypotheses (H_o) will not be rejected if the calculated value is less than the critical value at five percent (5%) level of significance.

The choice of this method of analysis is prompted by the researcher given the characteristics of the respondents and the responses to be returned from the questionnaire administered to the respondents. Similarly, since the study utilized primary data in the form of responses from the bank employees, the Chi Square will serve as the ideal tool of analysis for the study. Also, to the best of ability of the researcher, none of the previous studies on M&A used chi-square as a tool of analysis, thus the researcher hopes to suggest some alternative method to see whether the same results can be obtained with previous studies conducted so as to add value in the local setting. The Statistical package for Social Sciences (SPSS) version 18.0 was used to run the analysis.

Summary

This chapter has provided explanation on the various methods of data collection and the method of analysis of the data. The research findings for any research work are ultimately based on the quality of data collected for the research efforts.

CHAPTER FOUR: DATA PRESENTATION AND ANALYSIS

4.1 Introduction

In this chapter, the data collected for the study and for testing the research hypotheses are presented, interpreted, analyzed and the results are presented hereunder. Tests are performed with the aim of achieving the set objectives of examining the effect of mergers and acquisition on the employees' job satisfaction of deposit money banks (DMB's) in Kaduna Metropolis. The three (3) hypotheses for the study which seek to find out the relationship between the independent variable and the dependent variable were tested using the non parametric tool of chi- square test of goodness of fit. The data were first presented with the aid of frequencies and ppercentages to analyze data from the first section of the questionnaire. After presentation of the result, the major findings of the work were further discussed and analyzed, while suggestion were made for future researches.

4.2 Data presentation and analysis

The data collected in the course of carrying out the study was presented and discussed in this chapter. The hypotheses formulated for the study were tested in order to determine if merger and acquisition have not made any significant effects on job satisfaction of employees of the merged banks.

The central objective of this study is to evaluate the effects of merger and acquisition on the Employees' job satisfaction of DMB's in Kaduna Metropolis. Chi square test of goodness of fit was used in testing the hypotheses.

Table- 4.1: Summary Of Questionnaire Distribution and Responses.

BANK EMPLOYEES	NUMBER OF QUESTIONNAIRE	PERCENTAGE (%)
Number of questionnaire duly filled and returned	**271**	**90**
Number of questionnaire not returned/ wrongly filled.	**29**	**10**
TOTAL	**300**	**100**

Questionnaire administered, 2013

Table 4.1 above shows that out of the sixteen (16) main branches of the merged and/or acquired DMBs domiciled in Kaduna metropolis, only thirteen (13) banks participated in the study. A total of three hundred (300) questionnaires were issued to the respondents. The researcher increased the sample size of 183 questionnaires calculated using Yamane sample size formula to 300 questionnaires because the 183 is the minimum returned sample, as such any shortage encountered in the data collection procedure will be covered by the 300 questionnaires distributed.

Out of the three hundred (300) questionnaires distributed to respondents, two hundred and seventy one (271) questionnaires representing ninety percent (90%) of the questionnaire were duly filled and returned to the researcher by the respondents. Twenty nine (29) questionnaires were however either not returned

to the researcher or wrongly filled representing ten percent (10%) of the respondents issued with the questionnaire. Therefore, the ninety percent (90%) of the questionnaire which was duly filled and returned to the researcher implies that the researcher can comfortably generalize findings of the study because there is adequate representation from all the respondents (see Table 4.1).

Table- 4.2
List of Respondent Banks

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Union Bank	23	8.5	8.5	8.5
	Ecobank	16	5.9	5.9	14.4
	Keystone	24	8.9	8.9	23.2
	ET Bank	14	5.2	5.2	28.4
	Access Bank	16	5.9	5.9	34.3
	FCMB	25	9.2	9.2	43.5
	UBA	25	9.2	9.2	52.8
	Stanbic IBTC	27	10.0	10.0	62.7
	Fidelity	18	6.6	6.6	69.4
	Unity Bank	24	8.9	8.9	78.2
	Standard Chartered	23	8.5	8.5	86.7
	Skye Bank	17	6.3	6.3	93.0
	Diamond Bank	19	7.0	7.0	100.0
	Total	271	100.0	100.0	

Source: Questionnaire administered, 2013

Table 4.2 above shows all the two hundred and seventy one (271) respondents cutting across the thirteen (13) banks who participated in the study. The majority of banks had more than twenty (20) respondents with the highest from Stanbic IBTC bank recording twenty seven (27) respondents. Six (6) other banks recorded less than twenty (20) respondents with the least obtained in Equatorial trust bank

(ETB) Plc with only fourteen (14) respondents. In the overall, the average response rate from the banks is twenty (20) respondents.

4.2.1 Presentation of Employees' Responses to Questionnaire

Table 4.3 Sex Distribution Of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	160	59.0	59.0	59.0
	Female	111	41.0	41.0	100.0
	Total	271	100.0	100.0	

Questionnaire administered 2013.

From table 4.3 above, it can be seen that the number of male respondents are higher than female respondents with males consisting of fifty nine percent (59%), and females having fourty one percent (41%). This is in line with the normal employment pattern across most sectors of the economy.

Table 4.4

Educational Qualification Distribution of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Diploma	68	25.1	25.1	25.1
	First Degree	173	63.8	63.8	88.9
	Masters	30	11.1	11.1	100.0
	Total	271	100.0	100.0	

Questionnaire administered 2013.

From table 4.4 above, it can be seen that first degree holders constitute the highest percentage of respondents with 63.8%, followed by diploma holders with 25.1% of respondents while there are less master's degree holders with just 11.1% and

no PhD holder among all the two hundred and seventy one (271) respondents sampled for the study.

This shows that majority of the employees are first degree holders because at the entry level, most employees come to the organization with their first degree, hence the highest percentage of 63.8%, while experienced staff are expected to have additional qualification especially MBA, MBF, and PGDM which are more related to management because these qualifications are required for higher responsibilities that needs to be performed as they move up the ladder.

Table 4.5

Distribution of Respondent's Current Department In The Organization

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	The Branch Head	6	2.2	2.2	2.2
	The Branch Secretary	10	3.7	3.7	5.9
	Operations	174	64.2	64.2	70.1
	Compliance	20	7.4	7.4	77.5
	Marketing	61	22.5	22.5	100.0
	Total	271	100.0	100.0	

Questionnaire administered 2013.

From table 4.5 above, it can clearly be seen that majority of the respondents are obtainable in the operations department of the various banks with 64.2%, followed by marketing department with 22.5%. The remaining respondents are bank staff from Compliance with 7.4%, branch Secretaries with 3.7% and the least are the branch heads representing just 2.2% of the respondent. This indicates a fair representation of how bank staff are distributed. Operations department which carries the highest percentage consist of all those employees' with

customer facing responsibilities such as cash handling, funds transfer, customer service delivery as well as administration. Next in line is the marketing/credit staff with 22.5% because they are the employees' charged with the responsibility of canvassing for customers for the banks.

Table 4.6

Distribution of Respondent's Years of Working Experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 to 6 Years	138	50.9	50.9	50.9
	6 to 10 Years	87	32.1	32.1	83.0
	11 to 16 Years	34	12.5	12.5	95.6
	17 Years and above	12	4.4	4.4	100.0
	Total	271	100.0	100.0	

Questionnaire administered 2013.

From table 4.6 above, it can clearly be seen that 138 respondents representing 50.9% have worked in the institution for 1-6 years, 87 respondents representing 32.1% have worked in the bank for 6-10 years, 34 respondents representing 12.5% have worked for 11-16 years while only 12 respondents representing 4.4% stated that they have worked in the bank for 17 years and above. Again, by years of experience in bank, the study reveals that the average service period of most respondents lie between 6 years and 16 years of service in the industry. However, there is no clear difference found in the satisfaction levels across the various years of experience of the sampled employees'. More so, branch level staff are mostly composed of entry level staff or those with lower years of experience who need to be well grounded in branch operation responsibilities before they can be moved to other duties as they move up the ladder

Table 4.7

On How Employees' Assess The Effectiveness Of Merger & Acquisition Which Took Place In Their Bank

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Effective	60	22.1	22.1	22.1
	Effective	107	39.5	39.5	61.6
	Indifferent	50	18.5	18.5	80.1
	ineffective	49	18.1	18.1	98.2
	Very ineffective	5	1.8	1.8	100.0
	Total	271	100.0	100.0	

Questionnaire administered 2013.

From table 4.7 above, it can clearly be seen that 60 respondents representing 22.1% indicated that their assessment of the effectiveness of M&A which took place in their bank as very effective, 107 respondents representing 39.5% stated that it was effective, 50 respondents representing 18.5% were of the opinion that they were indifferent, 49 respondents representing18.1% stated that it was ineffective, while only 5 respondents representing 1.8% were of the opinion that it was very ineffective. This shows that majority of the bank employees' were of the opinion that the M&A exercise which took place in their bank is effective with the highest percentage of response rate.

Table 4.8

Merger And Acquisition Is Being Able To Keep Me Busy All The Time

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Satisfied	55	20.3	20.3	20.3
	Satisfied	146	53.9	53.9	74.2
	Indifferent	35	12.9	12.9	87.1
	Dissatisfied	19	7.0	7.0	94.1
	Very Dissatisfied	16	5.9	5.9	100.0
	Total	271	100.0	100.0	

Questionnaire administered 2013.

From table 4.8 above, it can clearly be seen that the bank staff were asked whether the M&A which took place in their bank was able to keep them busy all the time. 55 respondents representing 20.3% indicated that they were very satisfied, 146 respondents representing 53.9% stated that they were satisfied, 35 respondents representing 12.9% were of the opinion that they were indifferent, 19 respondents representing 7.0% stated that they were dissatisfied, while only 16 respondents representing 5.9% were of the opinion that they were very dissatisfied. From the above it can clearly be concluded that majority of the bank employees' agreed that the M&A exercise which took place in their bank is being able to keep them busy all the time with the highest percentage rate of response rate on very satisfied/ satisfied.

Table 4.9

Merger And Acquisition Affects The Way My Boss Handles His/her Employe

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Satisfied	54	19.9	19.9	19.9
	Satisfied	87	32.1	32.1	52.0
	Indifferent	95	35.1	35.1	87.1
	Dissatisfied	27	10.0	10.0	97.0
	Very Dissatisfied	8	3.0	3.0	100.0
	Total	271	100.0	100.0	

Questionnaire administered 2013.

From table 4.9, the bank employees' were asked whether M&A affects the way their boss handles them. 54 respondents representing 19.9% indicated that they were very satisfied, 87 respondents representing 32.1% stated that they were satisfied, 95 respondents representing 35.1% were of the opinion that they were indifferent, 27 respondents representing 10% stated that they were dissatisfied, while only 8 respondents representing 3.0% were of the opinion that they were very dissatisfied. This clearly indicates that the employees' were satisfied with the way their boss handles them in the face of M&A exercise which took place in their bank.

Table 4.10

Merger And Acquisition Affects The Way My Job Provides For Steady Employment

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Satisfied	57	21.0	21.0	21.0
	Satisfied	98	36.2	36.2	57.2
	Indifferent	68	25.1	25.1	82.3
	Dissatisfied	43	15.9	15.9	98.2
	Very Dissatisfied	5	1.8	1.8	100.0
	Total	271	100.0	100.0	

Questionnaire administered 2013.

From table 4.10, the bank employees' were asked whether M&A affects the way their job provides for steady employment. 57 respondents representing 21.0% indicated that they were very satisfied, 98 respondents representing 36.2% stated that they were satisfied, 68 respondents representing 25.1% were of the opinion that they were indifferent, 43 respondents representing 15.9% stated that they were dissatisfied, while only 5 respondents representing 1.8% were of the opinion that they were very dissatisfied. From the above distribution, it can clearly be seen that the employees' were satisfied with the M&A exercise which took place in their bank as it affects the way their jobs provides for steady employment.

Table 4.11

Merger And Acquisition Affects The Way My Bank Policies Are Put Into Practice

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Satisfied	71	26.2	26.2	26.2
	Satisfied	102	37.6	37.6	63.8
	Indifferent	40	14.8	14.8	78.6
	Dissatisfied	35	12.9	12.9	91.5
	Very Dissatisfied	23	8.5	8.5	100.0
	Total	271	100.0	100.0	

Questionnaire administered 2013.

From table 4.11 above, the bank employees' were asked whether M&A affects the way their bank policies are put into practice. 71 respondents representing 26.2% indicated that they were very satisfied, 102 respondents representing 37.6% stated that they were satisfied, 40 respondents representing 14.8% were of the opinion that they were indifferent, 35 respondents representing 12.9% stated that they were dissatisfied, while only 23 respondents representing 8.5% were of the opinion that they were very dissatisfied. From the above distribution, it can clearly be seen that majority of the bank employees' were satisfied with the way their bank policies are put into practice in the face of the M&A exercise.

Table 4.12

Merger And Acquisition Affects My Salary And The Amount Of Work I Do.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Satisfied	76	28.0	28.0	28.0
	Satisfied	71	26.2	26.2	54.2
	Indifferent	50	18.5	18.5	72.7
	Dissatisfied	52	19.2	19.2	91.9
	Very Dissatisfied	22	8.1	8.1	100.0
	Total	271	100.0	100.0	

Questionnaire administered 2013.

From table 4.12 above, the bank employees' were asked whether M&A affects their salary and the amount of work they do. 76 respondents representing 28% indicated that they were very satisfied, 71 respondents representing 26.2% stated that they were satisfied, 50 respondents representing 18.5% were of the opinion that they were indifferent, 52 respondents representing 19.2% stated that they were dissatisfied, while only 22 respondents representing 8.1% were of the opinion that they were very dissatisfied. From the above distribution, it can be deduced that the bank employees' were satisfied with the M&A exercise which took place in their bank as it affects their salary and the amount of work they do.

Table 4.13

Merger And Acquisition Provides The Chance To Try My Own Methods of Doing The Job.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Satisfied	60	22.1	22.1	22.1
	Satisfied	89	32.8	32.8	55.0
	Indifferent	81	29.9	29.9	84.9
	Dissatisfied	27	10.0	10.0	94.8
	Very Dissatisfied	14	5.2	5.2	100.0
	Total	271	100.0	100.0	

Questionnaire administered 2013.

From table 4.13 above, the bank employees' were asked whether M&A provides the chance to try their own methods of doing the job. 60 respondents representing 22.1% indicated that they were very satisfied, 89 respondents representing 32.8% stated that they were satisfied, 81 respondents representing 29.9% were of the opinion that they were indifferent, 27 respondents representing 10% stated that they were dissatisfied, while only 14 respondents representing 5.2% were of the opinion that they were very dissatisfied. On whether the M&A exercise provides the chance for employees' to try their own methods of doing the job, there is enough evidence from the above distribution to prove that the employees' were satisfied because the response rate on very satisfied/ satisfied was highest.

Table 4.14

Merger And Acquisition Provides The Way My Co-workers Get Along With Each Other.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Satisfied	57	21.0	21.0	21.0
	Satisfied	79	29.2	29.2	50.2
	Indifferent	72	26.6	26.6	76.8
	Dissatisfied	49	18.1	18.1	94.8
	Very Dissatisfied	14	5.2	5.2	100.0
	Total	271	100.0	100.0	

Questionnaire administered 2013.

From table 4.14 above, the bank employees' were asked whether M&A provides the way their co-workers get along with each other. 57 respondents representing 21.0% indicated that they were very satisfied, 79 respondents representing 29.2% stated that they were satisfied, 72 respondents representing 26.6% were of the opinion that they were indifferent, 49 respondents representing 18.1% stated that they were dissatisfied, while only 14 respondents representing 5.2% were of the opinion that they were very dissatisfied. From the above distribution, it can clearly be seen that the bank employees' were satisfied with the M&A exercise which took place in their banks as it provides the way their co-workers get along with each other.

Table 4.15

Merger And Acquisition Provides The Chance To Do Different Things From Time To Time.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Satisfied	51	18.8	18.8	18.8
	Satisfied	111	41.0	41.0	59.8
	Indifferent	54	19.9	19.9	79.7
	Dissatisfied	33	12.2	12.2	91.9
	Very Dissatisfied	22	8.1	8.1	100.0
	Total	271	100.0	100.0	

Questionnaire administered 2013.

From table 4.15 above, the bank employees' were asked whether M&A provides them the chance to do different things from time to time. 51 respondents representing 18.8% indicated that they were very satisfied, 111 respondents representing 41% stated that they were satisfied, 54 respondents representing 19.9% were of the opinion that they were indifferent, 33 respondents representing 12.2% stated that they were dissatisfied, while only 22 respondents representing 8.1% were of the opinion that they were very dissatisfied. The above distribution clearly indicated that the bank employees' were satisfied with the M&A exercise which took place in their banks as majority of the respondents assert that the exercise provides them the chance to do different things from time time.

Table 4.16

Merger And Acquisition Provides The Competence Of My Supervisor In Making Decisions.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Satisfied	62	22.9	22.9	22.9
	Satisfied	100	36.9	36.9	59.8
	Indifferent	58	21.4	21.4	81.2
	Dissatisfied	27	10.0	10.0	91.1
	Very Dissatisfied	24	8.9	8.9	100.0
	Total	271	100.0	100.0	

Questionnaire administered 2013.

From table 4.16 above, the bank employees' were asked whether M&A provides their supervisor competence in making decisions. 62 respondents representing 22.9% indicated that they were very satisfied, 100 respondents representing 36.9% stated that they were satisfied, 58 respondents representing 21.4% were of the opinion that they were indifferent, 27 respondents representing 10% stated that they were dissatisfied, while only 24 respondents representing 8.9% were of the opinion that they were very dissatisfied. From the above distribution, it can be seen that majority of the respondents are satisfied with the M&A exercise which took place in their banks because they stated that the M&A exercise provides them the competence of their supervisor in making decisions.

Table 4.17

Merger And Acquisition Provides The Chance To Do Things For Other People

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Satisfied	60	22.1	22.1	22.1
	Satisfied	107	39.5	39.5	61.6
	Indifferent	50	18.5	18.5	80.1
	Dissatisfied	49	18.1	18.1	98.2
	Very Dissatisfied	5	1.8	1.8	100.0
	Total	271	100.0	100.0	

Questionnaire administered 2013.

From table 4.17 above, the bank employees' were asked whether M&A provides them the chance to do things for other people. 60 respondents representing 22.1% indicated that they were very satisfied, 107 respondents representing 39.5% stated that they were satisfied, 50 respondents representing 18.5% were of the opinion that they were indifferent, 49 respondents representing 18.1% stated that they were dissatisfied, while only 5 respondents representing 1.8% were of the opinion that they were very dissatisfied. From the above therefore, it can be deduced that majority of the respondents are satisfied with the M&A exercise which took place in their banks because they are mostly of the opinion that the exercise provided them the chance to do things for other people.

Table 4.18

Merger And Acquisition Provides The Chances For Advancement On This Job

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Satisfied	60	22.1	22.1	22.1
	Satisfied	98	36.2	36.2	58.3
	Indifferent	86	31.7	31.7	90.0
	Dissatisfied	22	8.1	8.1	98.2
	Very Dissatisfied	5	1.8	1.8	100.0
	Total	271	100.0	100.0	

Questionnaire administered 2013.

From table 4.18 above, the bank employees' were asked whether M&A provides them the chances for advancement on their job. 60 respondents representing 22.1% indicated that they were very satisfied, 98 respondents representing 36.2% stated that they were satisfied, 86 respondents representing 31.7% were of the opinion that they were indifferent, 22 respondents representing 8.1% stated that they were dissatisfied, while only 5 respondents representing 1.8% were of the opinion that they were very dissatisfied. From the above distribution, it can be clearly be seen that majority of the respondents were satisfied with the MA exercise which took place in their bank because they assert that the exercise provides them the chances for advancement on their job.

Table 4.19

Merger And Acquisition Provides The Working Conditions.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Satisfied	71	26.2	26.2	26.2
	Satisfied	103	38.0	38.0	64.2
	Indifferent	40	14.8	14.8	79.0
	Dissatisfied	41	15.1	15.1	94.1
	Very Dissatisfied	16	5.9	5.9	100.0
	Total	271	100.0	100.0	

Questionnaire administered 2013.

From table 4.19 above, the bank employees' were asked whether M&A provides them the working conditions. 71 respondents representing 26.2% indicated that they were very satisfied, 103 respondents representing 38.0% stated that they were satisfied, 86 respondents representing 31.7% were of the opinion that they were indifferent, 22 respondents representing 8.1% stated that they were dissatisfied, while only 5 respondents representing 1.8% were of the opinion that they were very dissatisfied. From the above distribution, it can be deduced that majority of the respondents were satisfied with the M&A exercise which took place in their bank because they indicated that the exercise provided them the working conditions in their respective banks.

Table 4.20

As A Result Of Merger And Acquisition I Have The Chance To Work Alone On My Job

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Satisfied	49	18.1	18.1	18.1
	Satisfied	95	35.1	35.1	53.1
	Indifferent	58	21.4	21.4	74.5
	Dissatisfied	47	17.3	17.3	91.9
	Very Dissatisfied	22	8.1	8.1	100.0
	Total	271	100.0	100.0	

Questionnaire administered 2013.

From table 4.20 above, the bank employees' were asked whether as a result of M&A, they have the chance to work alone on their job. 49 respondents representing 18.1% indicated that they were very satisfied, 95 respondents representing 35.1% stated that they were satisfied, 58 respondents representing 21.4% were of the opinion that they were indifferent, 47 respondents representing 17.3% stated that they were dissatisfied, while only 22 respondents representing 8.1% were of the opinion that they were very dissatisfied. From the above distribution, it can be deduced that majority of the respondents were satisfied with the M&A which took place in their bank because they assert that as a result of the exercise they have the chance to work alone on their job.

Table 4.21

As A Result Of The Merger And Acquisition, I Have Been Able To Do Things That Don't Go Against My Conscience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Satisfied	43	15.9	15.9	15.9
	Satisfied	111	41.0	41.0	56.8
	Indifferent	49	18.1	18.1	74.9
	Dissatisfied	43	15.9	15.9	90.8
	Very Dissatisfied	25	9.2	9.2	100.0
	Total	271	100.0	100.0	

Questionnaire administered 2013.

From table 4.21 above, the bank employees' were asked whether as a result of M&A, they have been able to do things that don't go against their conscience. 43 respondents representing 15.9% indicated that they were very satisfied, 111 respondents representing 41% stated that they were satisfied, 49 respondents representing 18.1% were of the opinion that they were indifferent, 43 respondents representing 15.9% stated that they were dissatisfied, while only 25 respondents representing 9.2% were of the opinion that they were very dissatisfied. From the above distribution, it can be clearly seen that majority of the respondents are satisfied with the M&A exercise which took place in their banks because they assert to the fact that as a result of the exercise, they have been able to do things that don't go against their conscience.

Table 4.22

As A Result Of The Merger And Acquisition I Have The Chance To Tell People What To Do.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Satisfied	38	14.0	14.0	14.0
	Satisfied	91	33.6	33.6	47.6
	Indifferent	44	16.2	16.2	63.8
	Dissatisfied	76	28.0	28.0	91.9
	Very Dissatisfied	22	8.1	8.1	100.0
	Total	271	100.0	100.0	

Questionnaire administered 2013.

From table 4.22 above, the bank employees' were asked whether as a result of M&A, they have the chance to tell people what to do. 38 respondents representing 14.0% indicated that they were very satisfied, 91 respondents representing 33.6% stated that they were satisfied, 44 respondents representing 16.2% were of the opinion that they were indifferent, 76 respondents representing 28% stated that they were dissatisfied, while only 22 respondents representing 8.1% were of the opinion that they were very dissatisfied. From the above distribution, it can be seen that majority of the respondents indicated that they were satisfied with the M&A exercise which took place in their bank because as a result of the exercise, they have the chance to tell people what to do.

Table 4.23
As A Result Of Merger And Acquisition I Have The Freedom To Use My Own Judgment.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Satisfied	30	11.1	11.1	11.1
	Satisfied	106	39.1	39.1	50.2
	Indifferent	39	14.4	14.4	64.6
	Dissatisfied	79	29.2	29.2	93.7
	Very Dissatisfied	17	6.3	6.3	100.0
	Total	271	100.0	100.0	

Questionnaire administered 2013.

From table 4.23 above, the bank employees' were asked whether as a result of M&A, they have the freedom to use their own judgment. 30 respondents representing 11.1% indicated that they were very satisfied, 106 respondents representing 39.1% stated that they were satisfied, 39 respondents representing 14.4% were of the opinion that they were indifferent, 79 respondents representing 29.2% stated that they were dissatisfied, while only 17 respondents representing 6.3% were of the opinion that they were very dissatisfied. From the distribution above, it can clearly be seen that the bank employees' were satisfied with the M&A exercise which took place in their banks because they assert to the fact that as a result of the M&A exercise, they have the freedom to use their own judgement.

Table 4.24

As A Result Of The Merger And Acquisition I Get Praise For Doing a Good Job.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Satisfied	46	17.0	17.0	17.0
	Satisfied	117	43.2	43.2	60.1
	Indifferent	54	19.9	19.9	80.1
	Dissatisfied	30	11.1	11.1	91.1
	Very Dissatisfied	24	8.9	8.9	100.0
	Total	271	100.0	100.0	

Questionnaire administered 2013.

From table 4.24 above, the bank employees' were asked whether as a result of M & A, they get praise for doing a good job. 46 respondents representing 17% indicated that they were very satisfied, 117 respondents representing 43.2% stated that they were satisfied, 54 respondents representing 19.9% were of the opinion that they were indifferent, 30 respondents representing 11.1% stated that they were dissatisfied, while only 24 respondents representing 8.9% were of the opinion that they were very dissatisfied. From the above distribution, it can be deduced that that majority of the respondents were satisfied with the M&A exercise which took place in their banks because majority of the respondents assert that as a result of the exercise, they get praise for doing a good job.

Table 4.25
As A Result Of Merger And Acquisition I Have The Chance To Be 'Somebody' In The Community.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Satisfied	52	19.2	19.2	19.2
	Satisfied	92	33.9	33.9	53.1
	Indifferent	67	24.7	24.7	77.9
	Dissatisfied	54	19.9	19.9	97.8
	Very Dissatisfied	6	2.2	2.2	100.0
	Total	271	100.0	100.0	

Questionnaire administered 2013.

From table 4.25 above, the bank employees' were asked whether as a result of M&A, they have the chance to be 'somebody' in the community. 52 respondents representing 19.2% indicated that they were very satisfied, 92 respondents representing 33.9% stated that they were satisfied, 67 respondents representing 24.7% were of the opinion that they were indifferent, 54 respondents representing 19.9% stated that they were dissatisfied, while only 6 respondents representing 2.2% were of the opinion that they were very dissatisfied. From the distribution above, it can clearly be seen that majority of th bank employees' were satisfied in the face of the M&A exercise which took place in their banks because majority of the respondents indicated that as a result of the exercise, they have the chance to be 'somebody' in the community.

Table 4.26

As A Result Of Merger And Acquisition I Have The Chance To Do Something That Makes Use Of My Abilities.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Satisfied	35	12.9	12.9	12.9
	Satisfied	111	41.0	41.0	53.9
	Indifferent	76	28.0	28.0	81.9
	Dissatisfied	38	14.0	14.0	95.9
	Very Dissatisfied	11	4.1	4.1	100.0
	Total	271	100.0	100.0	

Questionnaire administered 2013.

From table 4.26 above, the bank employees' were asked whether as a result of M&A, they have the chance to do something that makes use of their abilities. 35 respondents representing 12.9% indicated that they were very satisfied, 111 respondents representing 41.% stated that they were satisfied, 76 respondents representing 28% were of the opinion that they were indifferent, 38 respondents representing 14% stated that they were dissatisfied, while only 11 respondents representing 4.1% were of the opinion that they were very dissatisfied. From the distribution above, it is clear that majority of the respondents were satisfied with the M&A exercise which took place in their bank because they assert to the fact that as a result of the exercise, they have the chance to do something that makes use of their abilities.

Table 4.27

As A Result Of Merger And Acquisition I Get The Feeling Of Accomplishment From The Job.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Satisfied	52	19.2	19.2	19.2
	Satisfied	103	38.0	38.0	57.2
	Indifferent	75	27.7	27.7	84.9
	Dissatisfied	27	10.0	10.0	94.8
	Very Dissatisfied	14	5.2	5.2	100.0
	Total	271	100.0	100.0	

Questionnaire administered, 2013

From table 4.27 above, the bank employees' were asked whether as a result of M&A, they get the feeling of accomplishment from their job. 52 respondents representing 19.2% indicated that they were very satisfied, 103 respondents representing 38% stated that they were satisfied, 75 respondents representing 27.7% were of the opinion that they were indifferent, 27 respondents representing 10% stated that they were dissatisfied, while only 14 respondents representing 5.2% were of the opinion that they were very dissatisfied. From the responses of the distribution above, it is clear that majority of the respondents were satisfied with the M&A exercise which took place in their banks because most of the respondents indicated that as a result of the exercise, they get the feeling of accomplishment from their job.

Table 4.28

Showing the Levels of Job Satisfaction among 271 Bank Employees As Result Of Merger and Acquisition

Job satisfaction of bank employees as result of Merger and acquisition response	Frequency of response
Very Satisfied	48
Satisfied	114
Neither satisfied nor Dissatisfied	61
Dissatisfied	31
Very Dissatisfied	17

Source: Questionnaire administered, 2013

Table 4.8 above shows that 162 respondents representing (60%) of bank employees are generally satisfied with their job as a result of merger and acquisition as against 61 respondents representing (22%) employees who are neither satisfied nor dissatisfied as well as 31/17 respondents representing (18%) who are dissatisfied/very dissatisfied .

The 60% who are generally satisfied with their jobs may probably represent workers of the larger banks which smaller banks merged with. The 22% employees who are neither satisfied nor dissatisfied could be employees of the banks that lost their identities as a result of the M&A process.

Table 4.29

Showing the Level of Satisfaction of 271 Bank Employees after Merger and Acquisition As It Affects Their Morale

Morale of bank employees as result of merger and acquisition response	Frequency of response
Very Satisfied	44
Satisfied	97
Neither satisfied nor Dissatisfied	82
Dissatisfied	31
Very Dissatisfied	17

Source: Questionnaire administered, 2013

Table 4.9 above shows that 141 respondents representing (52%) bank employees are generally satisfied with their job as a result of merger and acquisition as against 82 respondents representing (30%) of bank employees who are neither satisfied nor dissatisfied as well as 31/17 respondents representing (18%) who are dissatisfied/very dissatisfied with their jobs.

This means that more than half of the respondents (52%) report that they are satisfied with the M&A situation as it affects their morale, which suggest that they agree or accent to the morale justification for M&A in DMB's in Kaduna Metropolis. Again, the 52% respondents who report being satisfied with the M&A exercise as it affects their morale may be staff of the acquiring banks who acquired others because the bigger banks normally protect their staff in the M&A situation.

Table 4.30

Indicating the Satisfaction of 271 Bank Employees As A Result Of Merger and Acquisition In Relation To Psychological Threats

Frequency of Psychological threats of bank employees as a result of merger and acquisition response	
Very Satisfied	33
Satisfied	104
Neither satisfied nor Dissatisfied	80
Dissatisfied	37
Very Dissatisfied	17

Source: Questionnaire administered, 2013

Table 4.10 above shows that 137 respondents representing (50%) bank employees are generally satisfied with their job as a result of merger and acquisition as against 80 respondents representing (30%) employees who are neither satisfied nor dissatisfied and 37/17 respondents representing (20%) of bank employees who are dissatisfied/very dissatisfied with their jobs.

From the above table, it can be deduced that the 50% respondents who reports that M&A have a positive effect on their psychological threats could also possibly be from the larger banks whose interest as noted earlier is protected by the employers.

4.3 Test of hypothesis

Hypothesis one (I): There is no significant relationship between Job satisfaction of bank employees due to M&A of Deposit Money Banks in Kaduna Metropolis

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	906.303	92	.000
Likelihood Ratio	643.469	92	.000
Linear-by-Linear Association	240.824	1	.000
N of Valid Cases	271		

It can be seen from the output of hypothesis one (I) that the chi-square value is significant ($p<0.05$). The result also indicated that employees are largely satisfied on this issue (where X^2 (4, N = 271) = 906.303, $p<0.05$). From the table, it can be seen that the calculated Pearson Chi-square value is 906.303, comparing this value with the tabulated value of 43.77 at 5% level of significance and 92 degrees of freedom, it is obvious that the calculated value is greater than the critical value i.e. 906.303 is by far greater than 43.77.

As such, there is strong evidence to reject the null hypothesis which says there is no significant relationship between Job satisfactions of bank employees due to M&A of Deposit Money Banks in Kaduna Metropolis. Therefore it can be concluded that there is significant relationship between job Satisfaction of employees' and M&A of DMBs in Kaduna Metropolis.

Hypothesis two (II): There is no significant relationship between bank employees' morale due to M&A of Deposit Money Banks in Kaduna Metropolis

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1084.000	96	.000
Likelihood Ratio	756.347	96	.000
Linear-by-Linear Association	258.490	1	.000
N of Valid Cases	271		

It can be seen from the output of hypothesis two (II) that the chi-square value is significant ($p<0.05$). The result also indicated that employees are largely satisfied on this issue (where X^2 (4, N = 271) = 1084.00, $p<0.05$).

From the table, it can be seen that the calculated Pearson Chi-square value is 1084.00, comparing this value with the tabulated value of 43.77 at 5% level of significance and 92 degrees of freedom, it is obvious that the calculated value is greater than the critical value i.e. 1084.00 is by far greater than 43.77.

As such, there is strong evidence to reject the null hypothesis which says there is no significant relationship between bank employees' morale due to M&A of Deposit Money Banks in Kaduna Metropolis. Therefore it can be concluded that there is significant relationship between bank employees' morale and M&A of deposit money banks in Kaduna Metropolis.

Hypothesis three (III): There is no significant relationship between bank employees' Psychological threat due to M&A of Deposit Money Banks in Kaduna Metropolis

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	964.602	92	.000
Likelihood Ratio	686.111	92	.000
Linear-by-Linear Association	246.992	1	.000
N of Valid Cases	271		

It can be seen from the output of hypothesis two (III) that the chi-square value is significant ($p<0.05$). The result also indicated that employees are largely satisfied on this issue (where X^2 (4, N = 271) = 964.602, $p<0.05$).

From the table, it can be seen that the calculated Pearson Chi-square value is 964.602, comparing this value with the tabulated value of 43.77 at 5% level of significance and 92 degrees of freedom, it is obvious that the calculated value is greater than the critical value i.e. 964.602 is by far greater than 43.77.

As such, there is strong evidence to reject the null hypothesis which says there is no significant relationship between bank employees' Psychological threat due to M&A of Deposit Money Banks in Kaduna Metropolis. Therefore it can be concluded that there is significant relationship between bank employees' psychological threat and M&A of deposit money banks in Kaduna Metropolis.

Table 4.31
Names Of Respondent's Bank * On How Employees' Assess The Effectiveness Of Merger & Acquisition Which Took Place In Their Banks.

Cross tabulation Count

	How do you assess the effectiveness of merger & acquisition which took place in your bank?					Total
	Very Effective	Effective	indifferent	Ineffective	Very ineffective	
	2	11	3	6	1	23
	2	7	3	4	0	16
	1	6	9	8	0	24
	4	4	3	2	1	14
	0	3	6	7	0	16
	9	14	1	1	0	25
	4	12	4	5	0	25
	4	10	9	4	0	27
	6	3	5	3	1	18
	7	10	3	4	0	24
	11	6	2	3	1	23
	3	9	2	2	1	17
	7	12	0	0	0	19
Total	60	107	50	49	5	271

Source: questionnaire, 2013.

The table above shows the frequency of responses on how employees' assess the effectiveness of merger & acquisition which took place in their various banks.

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4. 4 Discussion of findings

This section includes the presentation of this study's research findings. The findings are discussed in terms of the data collected and analyzed for the study. The review of literature has also provided insight into previous researches regarding job satisfaction of employees' who have gone through M&A.

The purpose of this study was to examine the several aspects of job satisfaction among the employees' of DMBs of Nigeria who were involved in M&A with a view to assessing whether the dependent variables of satisfaction, morale and psychological threats were related to M&A. Differences in the participants satisfaction level was measured using MSQ and the hypothesis was tested using chi-square test of goodness of fit.

From the findings of the general data analysis, it was clearly seen that the satisfaction of bank employees' is high (see table 4.28) were 60% of bank employees stated that they are generally satisfied with their job as a result of M&A as against 22% employees who are neither satisfied nor dissatisfied and 18% employees who are dissatisfied/very dissatisfied with their job. This indicates that a higher percentage of bank employees are satisfied as a result of the M&A process in DMBs of Nigeria. One of the reasons for the relatively high level of job satisfaction for the bank employees might be the current poor economic climate, in which employees may be content to merely being employed.

This result contrast with the social identity theory (Tajfel & Turner, 1979) which posits that individuals who have developed a high degree of personal

identification with an organization are more resistant to change, thus dissatisfied with their jobs. Longer employment tenure staff respondents may feel they have fewer opportunities for advancement than shorter–term staff respondents and may also perceive the expectation on the part of the organizational leadership that they are required a new group identity as a negative factor.

Furthermore, the result also contradicts the work of Rathogwa (2008), in her study on the effects of M&A on employee job satisfaction in South Africa using both qualitative and quantitative data where she examined such variables as age, marital status, educational level, gender and job security alongside management involvement and intervention during M&A for a possible significant relationship to employee job satisfaction. It was found out that employees are not only dissatisfied as a result of M&A, but that there are other factors such as work environment, pay, recognition, responsibility, teamwork and security that can also lead to employee dissatisfaction. The study therefore concluded that in an M&A, management should not unduly pay attention to only the 'bottom line' but also pay attention to the human resources of the organization which could lead to the failure or success of the M&A. In the literature, there is a considerable support for a connection between M&A and job satisfaction.

It also contradicts the findings of Buono *et al* (1989) who found that the event of a merger or acquisition may lead to lower levels of job security, satisfaction and less favorable attitudes toward management. Fulmer & Gilkey (1988), also noted

that employees faced with M&A will redirect their energy toward coping with anxiety and confusion, negatively impacting satisfaction. In the same vein, the present findings also, conflict with the findings of Terry *et al* (2001) who noted that employees' may be less committed to the organization and may engage in more in-group bias. However, the finding conflicted with the findings of Rhea (2004), who did not observe increase in the satisfaction level of employees after an M&A.

On the contrary, the findings further strengthens the work of Baker (2009) in USA whose survey results indicated that the bank employees were as a whole satisfied with their job after a merger and acquisition.

Also, on the issue of morale of bank employees in the face of M&A, it was also discovered that a high morale obtains in the face of a M&A in DMBs of Kaduna metropolis where 52% of the respondents reported they are generally satisfied with their job as against 30% bank employees who are neither satisfied nor dissatisfied and 18% who are dissatisfied /very dissatisfied with their job (see table 4.29).

This finding is consistent with Davies (2003) who found no significant difference in the morale of employees after M&A. However, the findings contradicts the findings of Pappanastos, Hillman, & Cole (1987) who concluded that employees tend to experience a decrease in employee morale and satisfaction and an increase in turnover and absenteeism after a M&A. It also contradicts the findings of Cartwright *et al.,* (2007) who noted that employees often cope with the

uncertainty surrounding a merger by reducing levels of commitment and focusing their energy instead on coping with anxiety and confusion or trying to find new employment opportunities. These feelings appeared to manifest as lowered job commitment and, increased job dissatisfaction and disloyalty, high turnover among key managers, leadership and power struggles among the managers who stay, and in general a rise in dysfunctional work-related behaviors at all levels of the hierarchy. It also contradicts the findings of Chambers (2008) where he reported more negative than positive responses to describe employee morale and satisfaction level after a M&A – a trend that persisted in the follow-up studies.

Lastly, the finding from the data analysis of DMB's employees in Kaduna metropolis as it affects their psychological threat, it was found out that employees were satisfied with their jobs where it was observed that 50% of bank employees are generally satisfied with their job as against 30% who are neither satisfied nor dissatisfied and 20% bank employees who are dissatisfied/very dissatisfied with their job (see table 4.30).

In the same vein, the findings contradicted Bellou (2007) in her work on the psychological assessment of employee behavior in an M&A in USA. Bellou found that employees can experience merger syndrome characterized by increased self-interest as they became preoccupied with what the integration actually means for them, their incomes, and their careers. In fact, Bellou noted that employees seemed to react as they would to the loss of a loved one and often treat the merger as a personal crisis thus leading to job dissatisfaction. It also contradicts the

findings of Cartwright & Schoenberg, (2006); Appelbaum *et al.*, (2007); and Sperduto, (2007) who observed that many employees experienced feelings of loss, resentment, and a decline in job satisfaction, and their reactions can lead to the failure of the M&A.

It also contradicts the findings of Pande & Krishnan (1998) in India where it was found out that the exposure to a new culture during merger leads to a psychological state called culture shock. According to Pande *et al*, the employees of the merged organization not only need to abandon their own culture, values and belief but also have to accept an entirely different culture. This exposure challenges the old organizational value system and practices leading to stress among the employees.

However, the findings supports the finding of Rhea (2004) who found a more favourable satisfaction level on employees psychology during the M&A situation.

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary

Mergers and acquisition and other forms of business combinations have desirable strategic advantages such as hedging against competition, enhancement of market share and shareholders' value through economies of scale and economics of scope but, inherent in these business combinations are the fears/dangers that the emergent large corporate entities may result in monopolies or unfair competition within the economy. The review of several literature shows that M&A is an evident tool for employee satisfaction due to the various ways it affects employees as a result of the change situation they find themselves in. Historically, M&As have been based on economic and financial assessments only, but recently attention has shifted towards HR concerns (Appelbaum, *et al*., 2007; Stahl & Mendenhall, 2005). According to Wall (2005), nearly fifty eight (58%) percent of all acquiring banks do not plan adequately for the cultural integration of the merging companies. Thus, unintended negative consequences of M&As on employee behavior cannot be anticipated or alleviated without a clear understanding of how employees are psychologically affected by the change situation. At present, there is no adequate information about the level of job satisfaction among bank employees' who have experienced M&A to understand how they affect employee morale and psychology. Hence, to address this problem, this study aimed to assess the effects of merger and acquisition on the employees' job satisfaction in DMBs of Kaduna metropolis.

The study examined the level of job satisfaction among bank employees' who have experienced M&A in order to provide information that may be useful towards better understanding the psychology and behavior of bank employees subjected to M&As.

In view of this development, the study hypothesized that there are no significant relationship between job satisfaction of bank employees due to M&A of DMBs in Kaduna metropolis. On that premise, the study set out to investigate the effect of M&A on the employees' satisfaction in DMB's of Kaduna metropolis by examining the effects of morale, and psychological threat as it affects employee job satisfaction. The study is a quantitative descriptive study (overhaul casing) using questionnaire (MSQ) as instrument of data collection. The research design adopted for the study was survey method using chi square test of goodness of fit to examine the research hypotheses. The survey data was subjected to statistical data analysis to reveal the level of satisfaction of employees of the DMBs. The findings revealed that the satisfaction of bank employees' is high. This indicates that the bank employees' are satisfied with their job as a result of the M&A process in DMB's of Kaduna metropolis.

5.2 Conclusion

In line with the findings of this study the following conclusions are reached:

a) The study concludes that the bank employees are satisfied as a result of the M&A process in DMB's employees' of Kaduna metropolis.

b) It is also the conclusion of this study that the morale of the bank staff is somewhat impressive in the face of M&A process.

c) Lastly, this study also concludes that M&A has also not caused any threats as regards employees' psychology due to the change process.

5.3 Recommendations

In view of the findings and conclusions of this study the following recommendations are proffered:

i) Banks should continue to recognise employees' level of involvement with building the new organizational culture following an M&A exercise.

ii) Management should carefully choose the right transition team. Bank leaders should consider all employee groups in order to reach-out to at-risk groups which could lead to smoother transition during M&A.

iii) Management should build up a very strong campaign emphasizing the need and importance of the M&A to all employees'. Bank owners going through M&A or those preparing to engage in M&A's should consider their employees' as the main factor in the success of the M&A process.

5.4 Suggestions for Future Researches

It is an acknowledged fact that in carrying out a study of this magnitude, especially where the study is based on survey data, one is bound to be faced with some problems. This study has certain limitations that need to be taken into account when considering its contributions. This present study has assessed the effects of M&A on the employees' job satisfaction of deposit money banks of Kaduna metropolis and suggests that M&A have desirable strategic advantages such as hedging against competition, enhancement of market share and shareholders' value through economies of scale and economics of scope. However, M&A transactions often fail to achieve their intended purposes of increasing profits and market share. Behavior of employees affected by M&A's may critically affect whether M&A's are ultimately successful. This is because M&A necessarily involve organizational change, integrating some or all parts of the previous organization functions and or activities which may greatly hamper with employees' job satisfaction. However, there are many acclaimed effects of M&A that are yet to be examined empirically. As a first step to help bank managers realize the importance of the human factor during the M&A process, a cross sectional study of bank employees' in Kaduna metropolis who were involved in a M&A from 2006-2013 was conducted and reported therein. The participating employees' were surveyed six (6) years after the M&A process. A longitudinal study may prove more beneficial because of the amount of time the

M&A takes to complete. It would be more prudent for future research to survey a group of employees' prior to the announcement of the M&A, if possible and then survey them at several subsequent time points in order to analyse the changes over time. This approach will allow the research to perform critical comparisons based on pre-M&A job satisfaction and post-M&A job satisfaction.

Also, a retrospective analysis may have also been more useful in order to find out additional factors that may have led to the employees' job satisfaction. Other techniques such as Faces Scale; Job Descriptive Index (JDI); Job-in-General Scale (JIGS); and Custom-Designed Scales (CDS) which are the most common measurement of job satisfaction in addition to the Minnesota Satisfaction Questionnaire (MSQ) might also be used to find out the respondents level of job satisfaction. Also, the analysis could involve directly asking the employees' about how the M&A affected the facets of their job satisfaction identified in this study, what the M&A caused the most stress and what the companies did that was helpful in the process.

The personality or temperament may also be another factor to consider for future research. The personality or temperament of the employees' may help to determine whether the employees' were satisfied or unsatisfied with their jobs based on how suited the employee is for the job.

Future researches may consider studying groups of financial institutions and surveying all of the employees' in the bank, differentiating between those who were involved in a M&A process and those who were not. This approach would

allow researchers to analyze the influence of the involvement in the M&A on job satisfaction response.

Lastly, this study focuses exclusively on M&A with specific emphasis on DMB's in Kaduna metropolis. The scope is therefore considered from a rather very narrow perspective hence, its findings cannot be generalized to other segments of the financial service providers. There is a thus the need to carry out empirical studies to determine the extent to which M&A contributes to job satisfaction of other stakeholders in DMB's as well as other banking institutions. Thus, there is compelling need for future research efforts to focus on these other sectors in order to determine the attitude of the employees' of these sectors to job satisfaction as well as its efficacy in improving the performance of financial services sectors because satisfied employees' are productive employees'.

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APPENDIX A: INTRODUCTORY LETTER
M.Sc/ADMIN/32370/12-13

10th February, 2013

LETTER OF INTRODUCTION: Maimuna Shika ALIYU
TO WHOM IT MAY CONCERN.

The above named student is a student of Master of science (M.Sc) of Business Administration programme of this university. As one of the requirements for the award of the degree, she is expected to submit a thesis. The title of the thesis approved for her is **EFFECT OF MERGER AND ACQUISITION ON THE EMPLOYEES' JOB SATISFACTION OF DEPOSIT MONEY BANKS IN KADUNA METROPOLIS.**

For the above purpose, we urge your organization to assist her with the necessary data and information for the thesis. The Department has given instruction to the student that data and information be used only for the purposes of research.
You may wish to accord her any assistance she might require from you.
Thank you in anticipation of your kind consideration.

Yours faithfully,
G.S Masoud
(M.Sc Co-ordinator)
For: Head of Department.

APPENDIX B: QUESTIONNAIRE

DEPARTMENT OF BUSINESS ADMINISTRATION,
FACULTY OF ADMINISTRATION,
AHMADU BELLO UNIVERSITY
ZARIA.
20th May, 2013.

QUESTIONNAIRE ON EFFECT OF MERGER AND ACQUISITION ON THE EMPLOYEES' JOB SATISFACTION OF DEPOSIT MONEY BANKS IN KADUNA METROPOLIS.

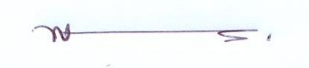
Dear Respondents,

This Questionnaire has been designed to obtain information for a thesis on the above subject matter. This is done in partial fulfilment of the requirements for the award of the degree of Master of Science (M.Sc.) in Business Administration of Ahmadu Bello University, Zaria.

It will be appreciated if you respond to these questions sincerely and objectively. Be assured that all information given shall be treated with utmost confidentiality and anonymity. It will also be used for research purpose only. Your prompt response to this questionnaire will be highly appreciated.

Thank you for your anticipated co-operation.

Yours Faithfully,



Maimuna, Shika ALIYU.
(M.Sc/ADMIN/32370/12-13)

QUESTIONNAIRE FOR BANK STAFF

SECTIONONE: PERSONALITY PROFILE OF RESPONDENTS.

GUIDELINE: Please tick the appropriate option.

1 . Age

a) 24-34 [ ]

b) 35-44 [ ]

c) 45-54 [ ]

d) 55 and above [ ]

2. Sex

a) Male [ ]

b) Female [ ]

3. What is your educational Background?

a) Diploma [ ]

b) First Degree [ ]

c) Masters [ ]

d) PhD [ ]

4. How many years have you spent in the service of you current bank?

a) 1-5 Years [ ]

b) 6- 10 Years [ ]

c) 11-16 Years [ ]

d) 17 years and above [ ]

5. What is your current Department in the organization?

a) The Branch Head [ ]

b) The branch Secretary [ ]

c) Operations [ ]

d) Compliance [ ]

e) Marketing [ ]

6. Please indicate the name of your bank.----------

7. How do you assess the effectiveness of M&A which took place in your bank?
    a) Very effective
    b) Effective
    c) Indifferent
    d) Ineffective
    e) Very ineffective

SECTION TWO: GENERAL QUESTIONS

Employee Satisfaction Questionnaire (MSQ)

The purpose of this questionnaire is to give you a chance to tell how you feel about your present job, the things you are satisfied with and the ones you are not satisfied with.
On the basis of your answers and others, the researcher hopes to get a better understanding of the things people like and dislike about their jobs especially with the merger and acquisition.
On the next page you will find statements about your present job in the presence of merger and acquisition.

- Read each statement carefully.
- Decide how satisfied you feel about the aspect of your job described by the statement.

Keep in mind the following:

- If you feel that your job gives you more than you expected, check the box under “Very Sat.” (Very Satisfied) ;
- If you feel that your job gives you what you expected, check the box under “Sat.” (Satisfied);
- If you cannot make up your mind whether or not the job gives you what you expected, check the box under “I” (Indifferent);
- If you feel that your job gives you less than you expected, check the box under “Dissat.” (Dissatisfied);
- If you feel that your job gives you much less than you expected, check the box under “Very Dissat.” (Very Dissatisfied).
- Please answer every item.

Statements	**Very Sat (1)**	**Sat. (2)**	**I (3)**	**Dissat. (4)**	**Very Dissat. (5)**
1. Merger and acquisition is being able to keep me busy all the time.					
2. Merger and Acquisition affects the way my boss handles his/her employees.					
3. Merger and acquisition affects the way my job provides for steady employment.					
4. Merger and acquisition affects the way my bank policies are put into practice.					
5. Merger and acquisition affects my salary and the amount of work I do.					
6. Merger and acquisition provides the chance to try my own methods of doing the job.					
7. Merger and acquisition provides the way my co-workers get along with each other.					
8. Merger and acquisition provides the chance to do different things from time to time.					
9. Merger and acquisition provides the competence of my supervisor in making decisions.					
10. Merger and acquisition provides the chance to do things for other people.					
11. Merger and acquisition provides the chances for advancement on this job.					
12. Merger and acquisition provides the working conditions.					
13. As a result of Merger and acquisition I have the chance to work alone on my job.					
14. As a result of the merger and acquisition, I have been able to do things that don't go against my conscience.					

15. As a result of the merger and acquisition I have the chance to tell people what to do.					
16. As a result of merger and acquisition I have the freedom to use my own judgment.					
17. As a result of the merger and acquisition I get praise for doing a good job.					
18. As a result of merger and acquisition I have the chance to be 'somebody' in the community.					
19. As a result of merger and acquisition I have the chance to do something that makes use of my abilities.					
20. As a result of merger and acquisition I get the feeling of accomplishment from the job.					

Thank you for the courtesy of your assistance.

APPENDIX E: LETTER FROM THE EDITOR

Department of English
Faculty of Arts,
Ahmadu Bello University
Zaria.
12th May, 2014.

TO WHOM IT MAY CONCERN.

This letter serves to confirm that in April 2014, I did the proof reading and the language editing for the thesis of;

Maimuna Shika ALIYU
M.Sc./ADMIN/32370/12-13
Entitled **EFFECT OF MERGER AND ACQUISITION ON THE EMPLOYEES' JOB SATISFACTION OF DEPOSIT MONEY BANKS IN KADUNA METROPOLIS.**

.
This document is being submitted in partial fulfillment of the requirements for the award of master of science (M.Sc.) in Business Administration.

In the
Department of Business Administration, Faculty of Administration, Ahmadu Bello University, Zaria.

I have proofread and edited the whole work including the references and appendices. This editing principally involves proofreading, language, style and grammar editing; and also checking the text for clarity of meaning, sequence of thought and expression and tenses. I have also noted any inconsistencies in thought, style and logic, and any ambiguities of words and phrases, and have corrected those errors which creep into all writing. I have written the corrections on the hard copy and have returned the document to the author, who is responsible for inserting these.

Name: ----------
Sign: ----------
Date: ----------