Psychological Effects of Mergers and Acquisition on Employees (Evidence from Commercial Banks of Pakistan through a Qualitative Study)

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Abstract

The goal of any organization is to grow and expand the business. Over the past two decades, companies have expanded their business to serve global customers through mergers and acquisitions. Mergers and acquisitions are a strategy followed by organizations around the world to meet the demands of a dynamic new business environment. It has attracted much attention and importance in the business world. In Pakistan, this strategy is widespread in the banking sector. The available literature shows that the post-merger financial success rate is less than 50% and that the main reason for this percentage is that the administration focuses on financial factors and not on human or soft issues. Employee’s identification with merged companies and their job satisfaction are important factors in the success of mergers and acquisitions. The aim of the study is therefore to assess the psychological effect of the merger and acquisition process on employees. The data were extracted from nine commercial banks from 2000 to 2018. The primary source of data collection interviews was used to collect data from respondents. The deductive and inductive approach of thematic analysis used to analyze the data. The results of the study demonstrated the negative effect of the M & A process on the Bank’s employees in Pakistan. The outcome of this study is useful for both academicians and policymakers.

Keywords: Commercial Banks, Merger and Acquisition, Soft Issues.

INTRODUCTION

The core aim of organizations is to grow, enlarge, and enhance its performance, as the size of an organization considered as an important component for success, where the process of Mergers and acquisition (M & A), are performing such kind of role for organizations (Bellou 2007). The term Mergers and acquisition indicates the cases where two or more individual entities pooled their belonging and transform into one unit (Hagedoorn and Duysters 2002; Yan and Zhu 2013). During the last decades, the banking sector experienced an exceptional level of unification of mergers and acquisition not only in Pakistan but globally. According to (Beatty, Santomero & Smirlock, 2001), the international financial market as well as faced the experienced of the unification process of institutes following the strategies of mergers and acquisitions. The banking sector of Pakistan plays an important role in the economy of Pakistan. In 2002, the size of banks was 49 operational under SBP (state bank of Pakistan) in divergent territories (SBP 2003). However, due to various reasons the number of banks working under the head of SBP reduced to 38 (SBP 2015). They are “stiff competition, high frictional cost, global financial crisis, and statutory reforms declare by SBP” which caused the small entities to take the decision of M &A, form 2002 to 2011, Pakistani banking sectors experienced the total of 57 cases of M & A, among them 38 were mergers and 19 were acquisition (Abbas et al. 2014). The consolidation process of mergers and acquisition in banking sector is a global phenomenon, because of Mergers and acquisition the employee suffers from numerous psychological or soft issues; such as “uncertainty, stress, anxiety, destructive behavior, job satisfaction, work load, nature of job, which causes to leads employees from absenteeism, and turnover intentions that result as the failure or poor performance of the process of consolidation (Wan 2015). So in this regard, the study is conducting to make a clear road plan for organizations experienced the process of merger and acquisition on the way of employee management at various stages of the process of consolidation which will helps employees to have a sense of belongingness in the organization’s restructuring process.

Objective

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The earlier studies on the topic of Mergers and acquisitions have focused on different financial issues or on strategic and economic aspects of merger and acquisition but neglecting the soft issues (Bower 2001; Joash and Njangiru 2015). Therefore, the overall objective of this study is to elaborate on the possible psychological effects of the process of M&A on banking employees.

**Statement of the Problem**

To measure the performance of M&A of an organization's scholars are given the three aspects, such as “Financial, Non-Financial, and Soft Issues” (Meglio and Risberg 2011). Numerous studies have been conducted where it covered the financial and non-financial issues of Merger and Acquisition but ignore the soft issues and its effect on firm performance (Bower 2001; Joash and Njangiru 2015). The researchers (Bauer et al. 2016; Bohlin et al. 2000; Creasy et al. 2009; Dixon 2005) stated that the ignorance of soft issues considered as the eminent reason for failure or underperformance of mergers and acquisition.

**Rationale of Statement of the Problem**

Several studies have found that the process of mergers and acquisitions in the banking sector of Pakistan was unsatisfactory and that the nascent organizations resulting from these mergers and acquisitions as well deliver the poor performance (Abbas et al., 2014; Haider et al., 2015; Saba & Scholar, 2011). A case study was conducted, which is the affirmation of the failure of the post-acquisition performance of an organization due to the ignorance of soft issues, (Ahmad et al., 2011). In the year 2006, “Standard Chartered Bank (Pak) Ltd acquired a Pakistani based bank “Union Bank”, neglecting the soft issues, such as the international culture and operational style of acquiring bank, and due to the ignorance of such issues, a bank experienced the failure or poor performance of post-acquisition performance, (Ahmad et al., 2011). In 2012, a study conducted in Pakistan, which confirms the consolidation process of the above mentioned case that the acquiring bank had to bear the loss in the shape of its financial and non-financial performance after the process of acquisition (Arshad 2012). Mergers and acquisitions lead to organizational change that causes the psychological effect (mentioned above) amongst workers (Wan 2015). Therefore, obliviousness of such kind of issues during and after the process may be one of the main reasons for failure or poor performance of mergers and acquisitions (Buiter and Harris 2013, Creasy et al., 2009).

**Research Question**

The Process of consolidation of M & A is the cause of psychological effects among employees.

**Literature Review**

1. **OVERVIEW OF PAKISTANI BANKING INDUSTRY**

   The banking sector of Pakistan has been witnessing radical changes that span over nearly 72 years since its inception. The sector at the time of its birth, faced many challenges such as shortage of trained workforce, uncertain conditions of economy & grave shortage of the funds. (Afza and Yusuf, 2012). In order to monitor & regulate the banking sector, the State Bank of Pakistan was formed as the Regulator Bank on July, 1 1948. It gained a more & broader role after the enactment of the SBP Act 1956. SBP supports the private sector to come forward & in order to make the competition healthy also provides them with resources to create financial institutions & to found new banks (SBP, 2003).

   After the fall of Dhaka, in 1971, the nationalization policy was enacted in 1974 & subsequently the Commercial Banks were all nationalized. Due to Staff Service Rules & the Government is the owner of the Banks, the performance of the Commercial Banks, starts to deteriorate. The products thus developed were substandard, and the service quality falls drastically. These conditions were not favorable for the private sector as well as foreign investors. The banks which were showing remarkable performance as compared to nationalized banks at that time in the eras of the 1950s & 1960s were taken into Government control, due to this nationalization and the downfall in the bank’s performances then nationalized banks in 1974 were thus privatized in 1992. (Ahmed et al 2010).

   In order to create a healthy, competitive and profit generating environment, the Nationalized Banks were reformed & several important organizational changes were initiated, these were basically aimed at the
restructuring, de-nationalization & consolidation of Mergers & Acquisitions. Five major banks were thus selected for privatization and the staff was offered several lucrative separation & Golden Handshake schemes, which resulted in the lay-off of almost 22% of the employees at that time. The loss making branches of these banks were shut down, & the rules were given relaxation in order to facilitate the entry of the new foreign banks for establishing a healthy environment for the Banking Sector. (Burki & Ahmed 2010).

2.1 WHAT IS MERGER & ACQUISITION
Merger & Acquisitions are mostly used reciprocally to explain the phenomena of a business transaction, which involves the transfer of assets/shares from one company to another. The company thus dissolved is called the merged company for the acquirer, and for the merged company it is called the acquirer company.

2.2 BANK MERGER
Bank merger involves the consolidation of the two or in some cases more than two banks, in which the merged bank dissolves and all its liabilities and the legal obligations are passed to the bank that has acquired the merged bank.

2.3 BANK ACQUISITION
Bank Acquisition however is simple, it is the process of purchasing the majority shares of another bank after its due diligence and the valuation of assets, in order to acquire that bank through a legal process.

2.4 BANK MERGER & ACQUISITION ACROSS THE GLOBE
Mergers & Acquisitions normally incorporates structural changes, which starts with the de-centralization or centralization as per the culture of the acquirer company. The intensity of this change varies according to the norms & cultures of the acquirer company, because there may be different motives & kinds of Merger & Acquisitions which in nature differs significantly.

Mergers & Acquisitions of the banks nowadays appear to be a global trend. The USA has witnessed many mergers of Banks from 1980, this was a similar occurrence in Britain and the European Nations. During the era of 1997-1998, the number of mergers in Europe was significantly high i.e. 203. The emerging markets also follow the same trend as banks merge in order to cope up with the on-going financial conditions & the globalization of the banking industry.

In South Africa, the bank thus emerged after amalgamation had the assets base over and above all the banks of Nigeria. The Malaysian Government has restricted the banks to increase their Capital in 1 year to about $526 million, which resulted in a wave of Mergers & Acquisitions and the number of banks was reduced to 12 within a short span of time. The same scenario has been replicated in Singapore, which now stands with only 3 Banks.

Some researchers also explore the major intuition, which causes the Mergers & Acquisition to initiate in the first place, the recent publications about the background & the stages of M&A, they also look towards the valuation of assets involved in the development of M&A. (Golubov, Petmezas & Traylos 2013). The review of other researches also portrays some revealing facts. During the global financial crisis of 2008-2009, the EU Countries witnesses major shifts in M&A which are generally due to the motive behind the transactions i.e. to acquire the companies which are being financially weakened by the crisis (Sakali, 2012). Surprisingly, the data also indicates that the process of M & A, is going towards growth, as the companies are being hit under the financial crisis. (Zephyr, 2014). During the review, it has been observed that there are many types of research that show that the process of M & A differs in the case of EU Countries and the other Regions. (Jacoby, 2014) & (Kazmierska - Jozwiak, 2014).

2.5 WHY DO COMPANIES ENTER INTO MERGER & ACQUISITION
The acquirer & the merged bank, both contain certain factors which influenced them to lure into the process of M & A. However, the banks with low market share are also keenly interested in getting themselves in the
process of M & A, the acquirer clearly have the reason to capture the un-tapped market or the expansion of their presence in the current market. The factor which seems common in M & A is that of “Decreased cost of funds” (Beccalli & Frantz, 2012). The acquirer bank can acquire a small bank, with small investments, whereas the small banks need financial support during a crisis. The point of concern is that why the small banks at the verge of solvency are the centre point of attention, the study itself gives its results that the acquirer through its skillful workforce can easily mitigate the risk of non-payment of liabilities and the small banks can be merged with a very less amount of investments.

2.6 THE EMPLOYEE SIDE OF MERGER & ACQUISITION

The employees tend to resist to the change, i.e. they resist towards M & A, the employees job description, job responsibilities, their commitment with the job, and their dedication towards job was assessed before M & A in a study by (Newman & Krzystofiak, 2011), regarding the change in attitude of the employees, the same data was collected again after the process of M & A consolidation, & the results were very much aligned towards the resistance of the M & A, they observed an important decrease in all the observed variables after the acquisition which indicates that for the human the change does not always bring prosperity & they tends to resist to the change.

The uncertainty regarding job & ambiguity regarding the upcoming management increases the employee turnover & the retention ratio increases (Krug et al, 2014 & Gunkel et al, 2014), in similar researches the uncertainty has been found significantly correlated with the employee's motives to exit the company (Marmenout, 2010). When a company in crisis is being taken over, the immediate remedy is to change the management, which results in the employees being laid off, in this ambiguity the employees tend to quit & the retention rate increases three times (Krug et al, 2014). There are different factors which can reduce employee retention, there exists a negative correlation between employee retention & their commitment to adapt to the change at the time of the merger (Rafferty & Restubog, 2009). Other factors minimizing employee retention are effective communication and justice within the organization (Gunkel et al, 2014). The employee retention however can also be reduced by cultivating an environment in which employees can choose to stay with the company.

During the merger, several under rated employees are exposed, that is why scholars are also interested in job satisfaction and its effect on the overall process. (Mirc, 2014). The justice within the organization suggests that the satisfaction of the employees regarding their job has a somewhat positive influence during the merger. (Marzucco et al., 2014). Perception regarding the success of an employee in an organization also matters (Gerpott & Neubauer, 2011). Several studies have found that a good perception regarding the merger can maximize the employee's perception level of success, & will finally lead towards a friendly & conducive workplace environment among the colleagues. In this context a study was conducted by Seijts & Roberts (2011), which concludes that there exists a relationship between the attitude of the employee & the perceived level of success, & this is majorly explained by communications done by the management.

2.1.1 Theoretical Background

The exists studies which primarily focus on the employees during M & A and generates high quality data regarding the experience of the employees & their reactions to the M & A. Established upon the several similar studies, this paper will try to address the 4 common theories upon which the literature stands. While incorporating the psychological & behavioral response of the employees towards M & A.

In this scenario, the four theories which are prominent are as follows 1) Anxiety Theory 2) Social Identity Theory, 3) Acculturation Theory 4) Role Conflict Theory (Golubov, 2012).

Individually, these theories try to address different complications that develop as the M & A process takes place, and tries to capture the impact of these complications on the employees and propose different remedies to avoid and attend these complications.

2.1.2 Anxiety Theory

There is a lot of researches that address that the M&A process comes with a considerable amount of uncertainty that unknowingly develops a declining effect on the employee's future aspects regarding their jobs. This induces a certain level of anxiety among the employees, which can be overcome by the effective
communications & timely provision of information from the top to the bottom as suggested by Gunkel et al., (2014). This stress level varies across the organizations depending upon the attributes of the process of M & A. This anxiety can cause several psychological & mental damage to the employees, which includes sickness, nervous breakdown & several other illnesses, which may diminish their interest in the M & A process.

2.1.3 SOCIAL IDENTITY THEORY
This theory was developed in the initial years of 1970, & was mainly constructed by Henri Tajfel & his co-researchers in 1973. The theory suggests that the individuals should not only be studied psychologically, but we may also try to understand that how these individuals describe their identities in the form of groups & how these associations adversely or positively affect their attitude in an organization. The M & A process engages the employees into forfeiting their previous identities and co-operates with the people of different organizational cultures having their already established identities.

2.1.4 ACCULTURATION THEORY
Since, both the merged & the acquirer company have different norms & practices within the organization, this cultural mix or the imposition of the one prevailing in one over another can cause mental stress and can create discomfort within the employees interacting with one another. The theory however explains that the merged firm's employees will try to sustain their prevailing practices whereas the constrains of the M & A process are always strong, so this creates a normal pre-requisites for the horizontalization for the process of M&As. It will create resistance from change & several critical issues in the culture of the organization. It is suggested when both the firms have resilient & distinguished practices then they should be equally heard & their grievances should be addressed abruptly.

2.1.5 ROLE CONFLICT THEORY
The drift between the merged & the acquired firm is often extended until the new roles are being assigned to both the firm’s employees. This drift severely damages the employees’ perception regarding the acquired company, harbors the loneliness, mis-understandings & creates several doubts in the minds of the employees. This theory proposed that this role of conflict can cause mental & physical stress, resulting in less dedication towards job & vagueness regarding new roles. This can be overcome by effective communication & the prompt response from the individual concerned who distributes the new roles.

3. Methods

3.1 Design
A Qualitative approach used to analyze the psychological effect of M & A on employees. The primary source of information questionnaire used to collect the data from respondents and it’s completed through face-to-face in depth interviews (Sherman & Rupert, 2006). Purposive sampling techniques used to target the population of the study. This approach was found more befitting because only bank workers who experienced the process of merger and acquisition were considered, and it has no limit of respondents the researcher can keep continuing the recruitment of respondents until it’s obtained the required information.

3.2 Rationale of Purposive Sampling
This study employe the purposive sampling technique due to the focus on the specific individual of a population who could have shared their experience and may provide in-depth knowledge in the area of interest (Bernard 2002).

3.3 Sampling and Recruitment
The population is defined as a group of units with similar characteristics or behaviours or the full arrangements of cases from which a specimen is taken (Saunders et al., 2009). The population of this study consist of those employees of various banks (see Table 1) of Pakistan who experienced the process of M & A from the year 2000 to 2018. The list of the targeted banks collected from the state bank of Pakistan (SBP), or other relevant sources. Participation in this study was voluntary and the selected individual was sent an
invitation to participate including the information leaflet, topic guide, and consent form. Reminders were sent to the respondents for data collection but not more than three. The sampling framework was constantly revised throughout the data collection process and adjusted as necessary, to ensure the coverage and depth of coverage. The process of recruitment and interviewing continues until the data saturation has met.

Table #1: Targeted Banks

<table>
<thead>
<tr>
<th>Before M &amp; A</th>
<th>After M &amp; A</th>
<th>Year of Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Union Bank</td>
<td>Standard Chartered Bank Ltd.</td>
<td>2006</td>
</tr>
<tr>
<td>My Bank Limited</td>
<td>Summit Bank Limited</td>
<td>2011</td>
</tr>
<tr>
<td>Atlas Bank Limited</td>
<td>Summit Bank Limited</td>
<td>2011</td>
</tr>
<tr>
<td>Royal Bank of Scotland Limited</td>
<td>Faysal Bank Limited</td>
<td>2011</td>
</tr>
<tr>
<td>NIB Bank Limited</td>
<td>MCB Bank Limited</td>
<td>2017</td>
</tr>
<tr>
<td>KASB Bank Limited</td>
<td>Bank Islami Limited</td>
<td>2018</td>
</tr>
<tr>
<td>Burj Bank Limited</td>
<td>Albarka Bank Limited</td>
<td>2016</td>
</tr>
<tr>
<td>HSBC Bank Limited</td>
<td>Meezan Bank Limited</td>
<td>2015</td>
</tr>
<tr>
<td>Barclays Bank</td>
<td>Habib Bank Limited</td>
<td>2015</td>
</tr>
</tbody>
</table>

Source: State Bank of Pakistan

3.4 Data Generation

The maximum duration of the interview was 45 minutes but some of the interviews concluded before the defined time. A total of eighteen respondents were approached but only eleven took part (61%), and rest seven excused for an interview due to their domestic problems. Among eleven one of the ladies strongly forbade for any kind of recording neither through cell phone nor in recorder system then I used paid notes to write her (Interviewee) insight / experience (See Table 2) for key characteristics of participants, Interviews were conducted in bilingual language (English and Urdu) depends on the easiness / preference of respondents. Three interviews were in English, six were in Urdu and two were in a mixture of both languages. Written or recorded verbal consent was obtained before each interview. A topic guide was used, but interviewees were encouraged to speak freely, and the guide itself evolved through the research period (See Appendix A).

3.5 Data handling and analysis

We have used our own cell phones for the purpose of interviews recording along with the written field notes, and then transcribed by SJ. The MS-Word application of Microsoft Office used for the purpose of transcripts of interviews, then generate the sub-themes and themes (See Table 3), to inform the topic guide for successive interviews and to permit the identification of deviant cases to ensure the robustness of the study. In this study, we use a combination of a thematic analysis of the deductive and inductive approach (Braun, Clarke, Braun and Clarke, 2008). The deductive approach meant: "The researcher begins with a conceptual definition, then provides indicators of the behavior that must be observed, normalizes and validates the resulting instrument (Rathogwa, 2008). where an inductive approach is to help understand the meaning of complex data through : Abstracts, themes or categories are generated from raw data (Panasian, 2015) We have taken care to consider the possible influences of our ancestors in the interpretation of the data.

Table 2. Characteristics of Interviewees.

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Domain</th>
<th>Process of M &amp; A</th>
<th>Location</th>
<th>Interview Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>AS-Male</td>
<td>BM/GBO/TBO/MTO/TO/RM</td>
<td>Negative effect</td>
<td>Khi, Sindh</td>
<td>In Person</td>
</tr>
<tr>
<td>AP-Male</td>
<td>BM/GBO/TBO/MTO/TO/RM</td>
<td>Negative effect</td>
<td>Khi, Sindh</td>
<td>In Person</td>
</tr>
<tr>
<td>MB-Male</td>
<td>BM/GBO/TBO/MTO/TO/RM</td>
<td>Negative effect</td>
<td>Khi, Sindh</td>
<td>In Person</td>
</tr>
<tr>
<td>RM-Female</td>
<td>BM/GBO/TBO/MTO/TO/RM</td>
<td>Negative effect</td>
<td>Hyd, Sindh</td>
<td>In Person</td>
</tr>
</tbody>
</table>
4. Results

On the basis of interviews conducted with the various banks of those employees, they experienced the process of M & A, it summarized below the findings that there is negative “Psychological effect of M & A process on employee”, below is the summary of findings;

1) Job Satisfaction: employees were much worried regarding their job satisfaction due to the process of M & A. they were worried whether they would embrace in a new challenging environment or not, and the fear of uncertainty and competition level with the remuneration issues compel them to think about their job satisfaction.

Respondent 4: When employees heard about the process of M & A the foremost far they feel is their job satisfaction, uncertainty, competition, and a kind of organizational politics compel employee in leaving the job.

2) Transfer Issues: most of the employees responded that they had faced various issues of transfer from one branch to another, those employees belong to the bank having a small network suffer from this issue when they acquired by the bank has a large network, psychologically this process disturb employees.

Respondent 9: I was working in NIB and its network was very small but now in MCB bearing this issue due to its large network, in an initial 6 months I was transferred almost 3 branches.

3) Sudden Changes: employees felt that the process has suddenly initiated even without warning or informing the staff. Employees were not even fully and properly aware of the process and reason.

Respondent 1: I heard about the process from a news source.
Respondent 5: I was working in this bank more than 5 years, even now I am considering as a senior and core employee of this organization, but let me reveal it to you that surprisingly, I got the news of acquiring from one of my colleague (Un-official way), dis-heart a lot but its true.

4) New Roles and Responsibilities: Employees experienced different tests with new organization specially those employees who were belonged to small bank, the roles and responsibilities are given as per the product of the bank so the small bank does have a minimum product to offer but the large banks do have a various kind of products and varieties to offer.

Respondent 9: The main problem I faced was to works with new products in NIB (first bank) there were limited products but in MCB (current bank) I have given a different kind of products to work, I was worried initial then starting professional training to overcome on this situation from different institutes some were supported by bank and some are paid personally.
5) **Policies and Procedures:** Every bank does have its own policies for employees, employees hardly adjust in another shoe with sudden changes.

6) **Management Support:** Respondents felt a lack of management support. This is because only a few agreed that management had assisted them in adjusting to the new environment. Most of the respondents agreed and said that management had given no support and lacked understanding of what interventions to implement for their employees.

*Respondent 3:* In some place I was assumed that management of this bank is not fear with me and I felt that I am treating here as the stepson of the mother.

*Respondent 9:* whatever you do in a new challenging environment in some points management realized to you that you are the adopted son of this bank.

7) **Remuneration Policy:** in terms of remuneration as I have mentioned above that every bank has its own policies; in this part the employee has faced various issues regarding their salaries, allowances, bonuses, etc. if you were paying the high salary in the previous bank then its cut-down as per the acquirer bank policies. Employees do not feel very happy with what they are paying.

*Respondent 7:* My salary in the previous bank was 45,000/- and I was about to give the house and family (wife delivery) allowance but after the process of acquisition all my allowance has cut-down no house loan or family allowance.

8) **New Environment:** It was found that employee adjustment to the new environment is very crucial. Individuals find recognition and identify themselves with a group and when a group is changed then some individuals losses their sense of identity. Therefore it is important that an individual feels welcomed by the new team that he / she will be working with. Most of the respondents were not happy with the way they had been treated by their colleagues. Employees reveal one of the core reasons why they were not accepting was the increase in competition level among employees for a single seat.

*Respondent 2:* every one among the employee does have their own attitude to behave, an individual faced numerous issues regarding the workplace environment, which leads to the kind of collapses among them.

*Respondent 11:* but after the process of M & A, the culture of an organization psychologically effects employees. If the employees of two organizations cannot work well together this can lead to further uncertainty.
## Table 3. Summary of Results.

<table>
<thead>
<tr>
<th>Themes</th>
<th>Categories</th>
<th>Codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Satisfaction</td>
<td>Employee awareness</td>
<td>I have heard about this process from my colleague.</td>
</tr>
<tr>
<td></td>
<td>Uncertainty of job.</td>
<td>I was a worry when heard about this for my job.</td>
</tr>
<tr>
<td></td>
<td>Competition</td>
<td>I felt worried about the redundancy due to the increment of competition level.</td>
</tr>
<tr>
<td>Causes of Psychological effects</td>
<td>Soft/human issues</td>
<td>Psychologically employees are disturbed due to this process.</td>
</tr>
<tr>
<td></td>
<td>Family</td>
<td>My family is dependable on me and I am the solo to feed them up.</td>
</tr>
<tr>
<td></td>
<td>Working environment</td>
<td>The challenging environment created due to this process.</td>
</tr>
<tr>
<td></td>
<td>Value of the bank</td>
<td>Value of the bank matters for the employee about their job satisfaction.</td>
</tr>
<tr>
<td></td>
<td>Personality</td>
<td>My living standard even disturbed.</td>
</tr>
<tr>
<td></td>
<td>Law of employee termination</td>
<td>SBP defined the laws of maintaining the workplace environment and employee redundancy.</td>
</tr>
<tr>
<td>Qualification and skills</td>
<td>Motivation</td>
<td>An employee needs the motivation to overcome the situation.</td>
</tr>
<tr>
<td></td>
<td>Knowledge and skills</td>
<td>Employees necessarily need to aware of their JD’s.</td>
</tr>
<tr>
<td></td>
<td>Punctuality</td>
<td>Employees need to be Punctual.</td>
</tr>
<tr>
<td></td>
<td>Desire</td>
<td>Employees desire to embrace a challenging environment.</td>
</tr>
<tr>
<td>Failure &amp; Success of Process</td>
<td>Salary issues</td>
<td>The salary is revised by the acquirer bank.</td>
</tr>
<tr>
<td></td>
<td>Employee attitude</td>
<td>The new environment is challenging for employees to work.</td>
</tr>
<tr>
<td></td>
<td>Success and failure of the process</td>
<td>Higher management needs to handle and maintain the workplace environment.</td>
</tr>
<tr>
<td></td>
<td>Consultation with staff</td>
<td>Consultation with staff can lead to making this process successful.</td>
</tr>
<tr>
<td></td>
<td>Future planning</td>
<td>Employee planning about new working culture and awareness.</td>
</tr>
</tbody>
</table>

### 5. Limitations

Beside some useful contribution, this study also has some limitations such as the sample of this study was limited as data was taken from Karachi and Hyderabad. The commercial banks have been targeted other banks are excluded from the study. Only the experienced employees were chosen for data collection their friends and family members excluded from the study. Female participants were reluctant to record their insights they were suggesting just to note down their points about the process. However, we have recruited three females. Personal biasness of the respondents may also effect the genuineness of the research.

### 6. Conclusion and recommendation

The conclusions of this study conclude that each of the underlying theories and steps identified in the merger and acquisition process describes a unique source of psychological and behavioral issues among
employees. In addition, the fact that mergers and acquisitions are not a fad is an important strategic option for the survival and prosperity of organizations that have been around for a long time and that significantly impact corporate life. However, it is not possible to advance the management of M & A processes without improving our understanding of the human and social aspects of the M & A process.

Therefore, this study recommends that each M & A integration process focus not only on the financial impact of mergers and acquisitions, but also on the human side through open, fast, and accurate communication, with staff to reduce the negative psychological and behavioral consequences. This reduces anxiety, insecurity, anxiety, confusion, rumors and employee turnover.

Finally, this study requires more scientific attention and a systematic search for this important social phenomenon.

7. Declaration of interest
The authors report no conflict of interest.

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Appendix A

9. Topic guide

Q1: How did you first hear about the merger or Acquisition and what was your Reactions?

Q2: What do you think that how much this process effects the employee personally and Professionally?

Q3: How an employee can cope with such kind of situation?

Q4: Anything else you want to add or share which I did not ask in the interview?