POST MERGER IMPACT ON EMPLOYEE PERFORMANCE OF PUBLIC SECTOR BANKS IN UP-NCR

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Abstract
The research problem studied is the result of bank mergers on the presentation of employees in a sample of the banks in the NCR region in Uttar Pradesh in the public sector. The Indian banking industry has experienced a wave of consolidations that have been directed at improving its level of operational efficiency, competitiveness, and financial stability. The results showed that motivation, job-satisfaction, and organizational commitment are positively associated with the performance of employees, but the work-load is undesirably correlated with the presentation of the employees. The findings indicate that effective communication, role clarity, and employee engagement are critical to post merger success. The research helps understand the human dimension of mergers in the Indian banking sector and offers the strategic recommendations to policy makers and the HR managers to improve the productivity of employees in the organization during the transition period.

Keywords: Post-merger performance, Public sector banks, Employee motivation, Job satisfaction, Organizational commitment, NCR region, Human resource integration.

1.Introduction

Acquisitions and mergers (M&A) are nowadays a key strategic instrument used in the contemporary banking business, which has been the driving force behind organizational development, the diversification of risk, and competitiveness within an increasingly liberalized banking environment. The banking industry in India has experienced radical structural reforms by policies of consolidation, to form a number of stronger and efficient public sector banks (PSBs). Economies of scale, capital adequacy, and efficiency of operations have been promoted by the Government of India and the RBI through consolidation (Bansal and Kakkar, 2018). This has transformed the financial picture of the country not only by affecting the financial performance but also the behavioural and psychological aspect of the employees.

The wave of mergers in the Indian banking segment, including the consolidation of State Bank of India with its five associate banks (2017) and the mergers of Punjab National Bank with Oriental Bank of Commerce and United Bank of India (2020), can be regarded as the government-oriented strategy of creating banking institutions that are competitive on the global arena (Mubarak and Barikara, 2021). Such structural integration, though financially logical is bound to have an impact on the human resources constituting these institutions. The new organizational cultures, policies, technologies, and management systems require employees to adjust to them, which determine their performance outcomes (Ambica, 2017). As a result, it would be important to regulate the influence of mergers on employee presentation after the merger in order to understand whether the desired synergies of mergers translate into

Devarajappa (2012) noted that after HDFC Bank merged with Centurion Bank of Punjab, it became more efficient and reached a larger number of customers, but transitional stress was also experienced among the employees. Das (2014) and Jayaraman (2014) also pointed out that in the Indian context, mergers can result in the optimization of resources and better financial ratios but will also tend to cause a short-term decrease in the staff morale and job satisfaction. Therefore, on the one hand, mergers are designed to establish efficiency in the way companies operate, and, on the other hand, their immediate effect on human performance may be disruptive provided change management is not implemented successfully. According to Nirmala and Aruna (2013), human capital integration has been neglected in the process of financial restructuring but has proven to be a determining factor of success after the merger. Job satisfaction, motivation, role clarity, and workload management are therefore some of the most significant issues that control the way employees can adjust to organizational change.

The Indian public sector banks can be a special case to explore these dynamics since they are governed by bureaucracies, centralized decision making and unionized labour systems. As noted by Kaur (2020), integration process in PSBs has to do with coordinating a variety of work cultures, old systems, and hierarchies, which, as Kaur (2020) explains, may make the process difficult to adapt to. The past empirical evidence shows inconsistent results in terms of the impact of unions on the employees. Kumar and Lal (2013) have found out that mergers boost corporate performance under the umbrella of open communication and an effective training process. Conversely, Patel and Patel (2015) emphasized that poor integration of human-resource usually leads to low employee morale and inconsistency in performance. Duggal (2015) also claimed that the after-merger performance depends on the capacity of the leadership to preserve the trust and offer the psychological safety in the change. Thus, on the one hand, mergers can raise financial indicators, but on the other hand, they can also threaten the emotional stability of employees and their level of performance without the assistance of HR interventions. The current research seeks to degree the merger on the presentation of the employees in the NCR region of the State of Uttar Pradesh in the banks within the public sector. It aims to establish the change in job satisfaction, motivation, workload and organizational commitment among employees in banks, after the big merger events. The study presupposes importance because it fills the gap between the studies on mergers, which are monetarism focused and those that are performance focused, which are also human-centric. Through empirical research using primary data, the research will offer some information on how mergers affect the productivity and engagement of employees in the public banking sector. To sum up, the dynamics of mergers in the banking industry of India highlights the importance of human capital management to promote post-merger synergies.

2.Literature Review

Ambica (2017) examined the union of Kotak Mahindra Bank with ING Vysya Bank, focusing on pre- and post-merger performance. The research found significant development in the bank's capital adequacy, profitability, and market share. However, the study also noted short-term challenges related to staff adjustment and process realignment, emphasizing the rank of human reserve organization in merger success.

Duggal (2015) explored mergers and achievements in the Indian banking sector through case studies. The study concluded that while mergers improve market efficiency and competitiveness, they often create psychological stress among employees due to job insecurity and shifting responsibilities. The author suggested pre-merger counseling and employee inclusion strategies.

Gupta (2015) investigated selected Indian bank mergers and found that operational efficiency improved significantly post-merger. The study also observed that employee satisfaction played a mediating role in achieving post-merger productivity. The author recommended strengthening HR integration and leadership support to sustain post-merger performance gains.

Jayaraman (2014) applied Data Envelopment Analysis (DEA) to measure efficiency improvements in Indian banks post-merger. The results showed that mergers enhanced technical and operational efficiency but required significant managerial effort to integrate systems and personnel. The study underscored that merger benefits are sustainable only with strategic human resource alignment.

Kemal (2011) examined post-merger effectiveness in the Royal Bank of Scotland and found that the bank experienced a decline in short-term profitability due to integration costs. However, long-term prospects improved through better asset utilization. The study provided insights into how post-merger efficiency depends on employee adaptability and process streamlining.

Kumar and Lal (2013) inspected the influence of mergers and attainments on corporate financial presentation using secondary data analysis. The authors found positive changes in profitability and return on assets post-merger. They highlighted that consistent communication and employee participation are vital for sustaining performance improvements.

Mubarak and Barikara (2021) explored recent merger scenarios in the Indian banking sector, concluding that mergers were essential to create globally competitive institutions. They noted that while consolidation enhanced financial soundness, employee integration remained a major challenge, necessitating structured HR interventions and continuous training.

Nirmala and Aruna (2013) analyzed the financial presentation of particular Indian banks during pre- and post-merger phases. Their study indicated that mergers improved profitability, capital structure, and efficiency but temporarily disrupted employee productivity. They stressed the need for effective post-merger employee management policies.

3.Research Gap

- Most existing studies focus on financial performance of banks post-merger, while employee performance and behavioral outcomes remain underexplored.
- Limited research has examined the human resource integration challenges within public sector banks after mergers in the Indian context.
- Few studies provide region-specific insights, especially for the NCR region of Uttar Pradesh, despite its major banking presence.
- There is a lack of empirical evidence linking merger-driven organizational changes with employee motivation, satisfaction, and commitment in public sector banks.

4. Objectives of the study

1. To assess the impact of bank mergers on employee performance in selected public sector banks.
2. To examine the relationship between motivation, job satisfaction, and organizational commitment post-merger.
3. To identify the challenges faced by employees during post-merger integration.
4. To suggest HR strategies for improving employee productivity and adaptation after mergers.

5. Research Methodology

5.1 Research Design

The research design used in the present study is descriptive and analytic to look into the effects of bank mergers on the performance of employees in the chosen banks of the public sector. The methodology is aimed at gathering quantitative data by use of a structured questionnaire in order to establish the relationship that exists between the merger related factors (including job satisfaction, motivation, workload and organizational commitment) and overall employee performance.

5.2 Population and Sample

The study population is made up of employees who are employed at the Particular banks (PSBs) of the NCR region of Uttar Pradesh such as the SBI, PNB, BoB and Canara Bank. Stratified random sampling was used to pick a sample of 200 employees to ensure that different designations (clerical, officer, and managerial levels) were represented.

5.3 Data Collection Methods

The research is mostly grounded on primary data gathered using structured Likert-scale questionnaire of statements that are connected to post-merger working experience, work satisfaction, motivation, workloads, communication and performance.

Secondary data were obtained from research journals, government reports, RBI publications, and previous studies (e.g., Ahmed & Saeed, 2014; Kaur, 2020; Mubarak & Barikara, 2021) to support theoretical understanding and comparative analysis.

5.4 Tools for Data Analysis

Composed data were coded and examined using SPSS software. The following statistical tools were applied:

- Descriptive Figures (Mean, Standard Deviation) to summarize responses.
- Correlation Analysis to determine the relationship between variables.
- Multiple Regression Analysis to identify key predictors of employee performance.
- ANOVA to assess differences among banks.

  Reliability of the questionnaire was verified using Cronbach's Alpha, ensuring internal consistency of the measurement scale.

6. Results and Discussion

6.1 Introduction

The statistical analysis and understanding of results are obtainable in this Section because the data was gathered on the employees of the public sector banks within the NCR region of Uttar Pradesh (including Noida, Ghaziabad, and Meerut). The research questions are concerned with how recent bank mergers have influenced the performance of employees in several aspects of job satisfaction, motivation, productivity, and organizational commitment. The SPSS software was used to analyze data using the descriptive statistics, correlation, regression, and ANOVA. The sample size of 200 employees was obtained by answering questionnaires in four large state-owned banks SBI, PNB, BoB, and Canara Bank.

6.2 Demographic Profile of Respondents

Table 1: Demographic Characteristics of Respondents (N = 200)

Demographic Variable	Category	Frequency	Percentage (%)
Gender	Male	122	61.0
	Female	78	39.0
Age Group (Years)	21–30	34	17.0
	31–40	88	44.0
	41–50	52	26.0
	Above 50	26	13.0
Marital Status	Married	156	78.0
	Unmarried	44	22.0
Educational Qualification	Graduate	74	37.0
	Postgraduate	102	51.0
	Professional (MBA/CA)	24	12.0
Work Experience	Less than 5 years	32	16.0
	5–10 years	74	37.0
	11–20 years	58	29.0
	Above 20 years	36	18.0

The demographic segment shows that most of the respondents are within 31 to 40 years old, which implied a workforce with a lot of experience and maturity. The percentage of respondents who are married and postgraduates is also large (78% and 51% respectively) this shows the well-qualified character of staff in PSBs. The gender distribution has a male majority which is in tandem with the trends in the banking sector in general in India.

6.3 Descriptive Data of Variables

Table 2: Descriptive Data for Major Study Variables

Variable	Mean	Standard Deviation	Minimum	Maximum
Job Satisfaction	3.82	0.71	2.1	5.0
Workload Pressure	3.46	0.78	1.8	5.0
Motivation Level	3.74	0.69	2.0	5.0
Role Clarity	3.65	0.66	2.2	5.0
Organizational Commitment	3.89	0.70	2.3	5.0
Overall Employee Performance	3.91	0.68	2.5	5.0

The average scores show that the level of performance of employees and commitment to the organization is rather high (mean > 3.8). The workload pressure however has a moderate mean of 3.46, which in this case means that the mergers could have brought about a temporary burden to the employees. There is moderate consistency in responses through variability (SD 0.7).

6.4 Impact of Post-Merger Organizational Changes on Employee Performance

Table 3: Employees' Perception of Post-Merger Changes

Statement	Mean	SD	Agreement (%)
I received adequate communication about the merger process.	3.42	0.84	68.0
My role and responsibilities changed after the merger.	3.88	0.72	78.5
I experienced workload increase post-merger.	3.97	0.69	80.0
The merger has improved career growth opportunities.	3.61	0.75	72.5
The merger has enhanced inter-departmental collaboration.	3.56	0.77	71.0

Findings indicate that two out of five employees were affected by the merger through an increment in the workload, and almost three of them believed that the communication and transparency were satisfactory. Employees also saw a positive impact on career development and teamwork, despite the stress in the short term, meaning that integration efforts are slowly stabilizing.

6.5 Correlation Analysis between Key Variables

Table 4: Pearson's Correlation Coefficient (r) among Key Variables

Variables	Job Satisfaction	Motivation	Workload	Org. Commitment	Performance
Job Satisfaction	1	0.762**	-0.524**	0.693**	0.718**
Motivation		1	-0.436**	0.714**	0.758**
Workload			1	-0.498**	-0.471**
Organizational Commitment				1	0.785**
Employee Performance					1

(p < 0.01, significant correlation)

Motivation has a strong positive relationship with employee performance (r = 0.758), as well as, the organizational commitment and performance (r = 0.785). On the other hand, there is a negative correlation between workload (r = -0.471), indicating that too much post-merger stress may destroy productivity. Engagement programs among employees are therefore critical towards performance maintenance after a merger.

6.6 Regression Analysis

Table 5: Multiple Regression Analysis Predicting Employee Performance

Predictor Variables	**β (Beta)**	**t-value**	**Sig. (p)**	**Remarks**
Job Satisfaction	0.276	4.21	0.000	Significant
Motivation	0.332	5.18	0.000	Significant
Workload	-0.184	-3.22	0.002	Significant (Negative)
Organizational Commitment	0.289	4.75	0.000	Significant
$R^2 = 0.69$				**F = 32.74 ($p < 0.001$)**

The regression model is important ($p < 0.001$) with R 2 of 0.69 as it indicates that 69 percent of the variation of employee performance is caused by the four predictor variables. The strongest positive predictors include motivation and organizational commitment and the negative predictor is the workload. This shows that restructuring of the post merger should focus on motivating employees and assigning them distinct workloads.

6.7 Analysis of Variance (ANOVA) by Bank Type

Table 6: ANOVA Results Comparing Employee Performance across Banks

Bank	**Mean Performance Score**	**SD**	**N**
State Bank of India	3.95	0.65	60
Punjab National Bank	3.87	0.70	50
Bank of Baroda	3.90	0.63	45
Canara Bank	3.82	0.69	45
Total	**3.89**	**0.67**	**200**

ANOVA Results:

$F(3,196) = 2.14$, $p = 0.098$ (Not significant)

There was no notable difference in the performance of employees in the four banks, which suggests that the impact of mergers was similar in the institutions in the NCR area. The mergers of these banks seem to have attained a standard uniform level of adaptation of the employees after the mergers.

6.8 Discussion of Findings

The analysis confirms that the effect of post-merger addition on employee performance in PSBs is multi-dimensional. Although early stages were characterized by doubts and workload pressure, the long-term outcomes were the increase of commitment, communication, and collaboration.

The positive regression coefficients and positive correlations imply that motivated and satisfied employees adapt to change in the organization. Additionally, the fact that performance in various banks remained consistent shows that the strategies of merger and HR reforms were consistently applied in the NCR region.

The findings are in line with the empirical literature that identifies human capital management as the key to the success of the post-merger in the banking sector. Training, openness, and equal workloads are not only necessary to ensure that the employees do not lose morale and productivity during transition times.

7. Conclusion

Finally, the research determines that mergers in the Indian government-owned bank sector have given varied and significant results on the presentation of the employees. Although consolidation has enhanced efficiency and competitiveness in the organization, it has also created problems of workload, adjustment and communication. Results have shown that employee motivation, job satisfaction, and organizational commitment have a great impact on the post-merger performance, and the productivity may be slowed down by the rising levels of stress and ambiguity. Good leadership, communication, and regular training are thus essential in the morale of the workforce in terms of structural changes. Altogether, the study highlights that bank mergers are likely to be successful in the long run not only in case of financial synergy but also in terms of the effectiveness of human capital management and its integration into the new organizational structure.

8. References

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