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Employees' job satisfaction and switching intention associated with mergers and acquisition of Nepalese Banks and Financial Institutions

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ABSTRACT

This paper compared employees' job satisfaction before and after merger and acquisition (M&A); and measured the association of job satisfaction with switching intention after M&A of Nepalese Banks and Financial Institutions (BFIs). A survey among 180 employees of 27 BFIs who witnessed M&A has been conducted using six point likert scale questionnaires.

The result revealed that employees' issues are the most important aspect of M&A process which, if not handled well, may negatively impact employees' satisfaction and switching intention. Employees were found less satisfied after M&A compared to before M&A but switching intention of employees was not found after M&A. However, possibility of employees leaving BFIs was existed because employees those were satisfied expressed that they can get better opportunity than the present job, and there would not be any problem in their life to discontinue present job. They felt safe to get similar job in case of termination. It shows that liquid employees' market in Nepalese Banking Industry.

It is concluded that employees' involvement in job redesign process as a participatory approach will lead to enhanced employees' satisfaction and reduction in switching intention. BFIs should think involving their employees in the M&A process and positively address human resources issues during M&A processes.

Keywords: Banks and Financial Institutions (BFIs), Merger and Acquisition (M&A), Employees Satisfaction, Employees' Switching Intention

INTRODUCTION

In a rapidly changing business environment, banks face unpredictable turbulences to deliver superior performance. Mostly banks are troubled with ruthless competition, technological change, ups and down of global economy, recession, increasing interest rates, capital flight, even with natural disasters. In response to these inevitable phenomenons, banks restructure their assets, operations and contractual relationships with their shareholders, creditors and other stakeholders (Goyel and Joshi, 2012). This is expected to contribute competitive advantage, facilitate in utilizing opportunities and respond to unforeseen challenges of the market. One of the popular strategies is restructuring banks and financial institutions (BFIs) with mergers and acquisitions (M&A). From the very past to recent days, M&A has been taken as a good means of strengthening BFIs. It is obvious that sick banks and financial institutions are attracted to merge with large BFIs to protect themselves from the danger of existence. Further they must do so for protection of general public's right. M&A offer a good opportunity for BFIs to grow, increase efficiency, and add value to shareholders' wealth. Although it is expected to provide positive changes in merged BFIs, it is not easy to merge successfully two or more separate entity into one.

During the process of merger and acquisition, BFIs witnessed a lot of issues. When M&A takes place, two or more BFIs dilute to each other and create a new identity, but it is not just the transfer of assets and liabilities but lives of the respective employees are also associated with it. Researchers have found that without considering human factors no banks merger has been successful (Kahr, 2011; Schweiger and Ivancevich, 1985; Schweiger and Weber, 1989; Cartwright and Cooper, 1993; Buono and Bowditch, 2003). These studies indicate that ignorance of human aspect in the merger has been a

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major cause of failure. Due to organizational change in term of culture, structure, delegation of authority, distribution of responsibility, which take place during the course of M&A, chiefly affect the performance of the employees (Covin et al. 1997). As a result of M&A, dissatisfaction, decrease in commitment level and switching intention may be taken place.

M&A not only consolidates two different balance sheets but also integrates big human force of two different banks into one unit. Employees from one culture have to work with another culture. The two cultures may not dilute to each other. The cultural clash may create conflict among BFIs (Bijilsma-Frankema, 2002). This may create tension among employees and result dispute on cultural ground. Even, employees' performance may be affected with the uncertainty of next CEO after M&A. Though expectation doesn't meet the reality, tension arises that lead to unproductivity, groupism and ultimately termination of work due to dissatisfaction at work (Moran and Panasian, 2005). Further, due to inappropriate adjustment of job and responsibility, employees' fear of losing the job and financial debt to job loss may increase (Mirvis and Marks, 1992).

If employees' issues are not well handled, employees' satisfaction will affect and productivity of merged organization may be reduced (Sanda and Benin, 2011). Generally, after M&A, one CEO of merged BFI has to give up his post and work under another CEO. It may create hierarchical tussle between current and previous CEO. This sort of conflict will definitely reduce the moral of employees resulting into inefficiency. Some failure example of M&A practices has been due to negligence of human resources issues in the M&A process (Schuler and Jackson, 2001). Concerning with the organizational behavior, if employees are taken care as a participatory approach on the M&A process will lead employees' satisfaction and enhance employees' morel in order to develop a good work attitude among employees.

MERGER AND ACQUISITION IN NEPAL

In a developing economy like Nepal, merger and acquisition of BFIs has started recently, but has gained wide scale popularity. It has been demanded by the market and also recommended by the Nepal Rastra Bank[1] (NRB).

NRB has started giving recommendation of merger and acquisition to BFIs for sound monitoring of mushrooming BFIs in Nepal. NRB initiated the merger of BFIs since 2004 giving special directive for banks for merging and conditions for merging. NRB also issued an Act 'Merger by Law 2010' to encourage BFIs to merge and acquire. According to Nepal Rastra Bank (2015), 85 BFIs have merged with each other to become 33 BFIs so far. Many of others have received Letter of Intent (LOI) for merger and some more have applied for merger. If all the merger process is complete it will reduce substantially the number of BFIs in Nepal. It is clear that structure of Nepalese banking industry is going to change in future days as lesser but bigger banks will serve the economy.

After the successful merger of some banks and financial institutions, many of others are in same direction. Beginning hours of merger has shown positive signs on BFIs status in terms of capital base, human resources and branch network; but Nepalese banking industry yet to see the result of M&A practices.

Initially, there has not been any problem regarding employees in case of M&A of BFIs. It is because, Nepalese banking industry still was in growing stage and require more branch networking in the country. However, the M&A has started showing its effect on employees' performance, satisfaction, grievances and turnover.

RESEARCH QUESTIONS

The following research questions have been addressed in this study.

- What scores on the employees' job satisfaction was found before and after M&A of BFIs?
- What was the employees' switching intention with the uncertainty emerged by the M&A?
- To what extent the employees' job satisfaction was influenced by the education, work experience, occupational level and remuneration of employees?

[1] Central Bank of Nepal

- To what extent the employees' switching intention was influenced by the education, work experience, occupational level and remuneration of employees?
- What is the relation of the employees' switching intention with the job satisfaction due to M&A process?
- What is the relation of demographic factors with job satisfaction and switching intention?

REVIEW OF LITERATURE

There are various views on the impact of M&A on employees. Shleifer and Summers (1988) stated that M&A constitute a transfer of wealth from the workers to shareholders as acquisitions do not honor implicit contracts with employees concerning wages and benefits. Some merged firms substantially downsize the numbers of employees and show the impact on the workers who are fired or even in the layoff (Brockner, 1988). Jovonovic and Rousseau (2002) stated that competent managers and projects are the complements in mergers. They claim that takeovers result in the diffusion of new technologies and the reallocation of capital to more efficient uses and a better manages. There are key concerns that may cause failure of merger like human resource integration, conflict of merger objective, lack of communication and ethical aspect of merger. The major reason for failure is due to employees not reaching a level of productivity that is equal to or greater than that of the two entities prior to their combination (Cartwright and Cooper, 1996).

In case of acquisition, employees from the acquired entity have low commitment to the new post-acquisition organization during the initial time period (three to six month) following the completion of the acquisition leading to reduced productivity, which in turn leads to poor financial performance (Paterson, 2000; Weber, 1996). It is believed that employees successfully commit to a new organization after acquisition; they should be proactive and adaptive. Employees who are flexible enough to find a way to adapt to new situations and who actively seek solutions to problem will find a way to justify remaining with the new-acquisition organization (Epstein, 2004).

Newman and Krzystofiak (1993) and O'Brien (1992) found that there is often a negative reaction of employees to the acquisition. It is believed that a loss of connection to the former culture of pre-acquisition firm. Cartwirte and Cooper (1996), Covin et al. (1997) and Ozag (2001) believe that acquisition process creates significant trauma and chaos for employees of both the acquiring and the acquired organizations. In a survey of 2845 employees made by Covin et al. (1997) found that employees of acquired organizations felt a greater perceived loss of power than employees from the acquiring organization. According to Covin et al. (1997) during their work life employees attach themselves to jobs, co-workers, work routines, the application of personal skills, and performance and career goals. When these attachments are altered by the impact of the merger, employees have reduced feeling of emotional commitment to the post acquisition organization. Ozag (2001) found that negative feeling about the acquisition may occur in some employees and this may have a wide range of sources, magnitude of negativisms and multiple forms of expression. M&A brings change in the organization, and employees' expectations with M&A are hazy. Their expectations and feelings are often guided by rumors. If expectations and feelings are negative, the employees may engage in unproductive behavior that may affect significantly on the level of job satisfaction (Davy et al. 1988).

During the transitions period of M&A, employees generally pay attention on the executives' decision that may affect on their responsibility and compensation (Greenberg, 1987). Though organizational decision on M&A confines within top executives, some information may leak down even to the lowest employees' level resulting in possible rumors and speculations regarding various mergers scenarios which could make employees become uncertainty and anxious about their future (Buono and Bowditch, 1989). This sort of expected dissatisfaction may reach highest level once a merger becomes a reality, and may affect on the employees job satisfaction, commitment, trust and careers (Mirris and Marks, 1992; Dailey and Kirk, 1992). One of employees' concerns with M&A is a loss of identity (Cartwright and Cooper, 1993; Covin et al., 1996). Employees attach themselves to their jobs, coworkers, work routines, the application of personal skills, performance, and career goals (Covin et al., 1996).

During M&A, it is challenge to retain to talent employees due to uncertainty created by rumors on M&A process. Lee and Park (2013) suggested three point to retain the talent: (a) identify retention talents as early in the process as possible, (b) recognize that money is necessary, but insufficient, to create the emotional connections to the new organization, and (c) remain flexible within the confines of a well defined and consistent retention strategy and process.

Galpin and Herndon (2000), and Mirvis and Marks (1992) argue that employees anxiety and stress can be substantially reduced when important decision are made and announced regarding which of the organization's units are likely to be affected by the managers.

Ignoring communication during merger process among the employees has been root cause of HR issues in the M&A. More than this, improper training and motivation after merger has also contributed in failure of merger. After merger, job description will shift and job target might also change. Integration of software, working area and investment portfolio requires extra skills. Very few organizations are found providing training to their employees for higher job need. The emotions felt by an employee during the aftermath of acquisition should be viewed from the tense of the Kubler-Ross model of personal bereavement (Cartwriter and Cooper, 1996).

Some economic theories predict that mergers and acquisitions can provide benefit to workers. This allegedly happens because the M&A constitutes a mechanism for stimulating additional investment in human capital and promoting "skill upgrading" of the workers specially in case of implementing new technology (Siegel and Simons, 2008). Siegel (1999) revealed that technology change not only skill-upgrade the workforce but also downsize the employees. It is because labour saving technology will cut the job but increases wages for remaining workers.

Lin, Hung and Li (2006) found that the post-merger performance of merged organization will be encouraging, where there is an effective human resource capability and a high merger and acquisition intensity. Merger's among the similar banks with similar strategy in term of costs, loan term, size, deposits, credit and earnings, resulted in an improvement in the bank performance (Altunbas and Marques, 2008). Employees' commitment to the new post-acquisition culture is a key factor in the success of failure of the merged institution (Mirvis and Marks, 1992). Thus, gaining post acquisition employees commitment has been great important to the success of merged BFIs.

THEORETICAL FRAMEWORK

In this study M&A has been taken as control variables. Other independent variables with moderating characters are level of education, Level of job, work experience and remuneration and demographic factors of age, gender, marital status. Here, dependent variables are job satisfaction and switching intention. However, job satisfaction has also been taken as an independent variable for dependent variable switching intention.

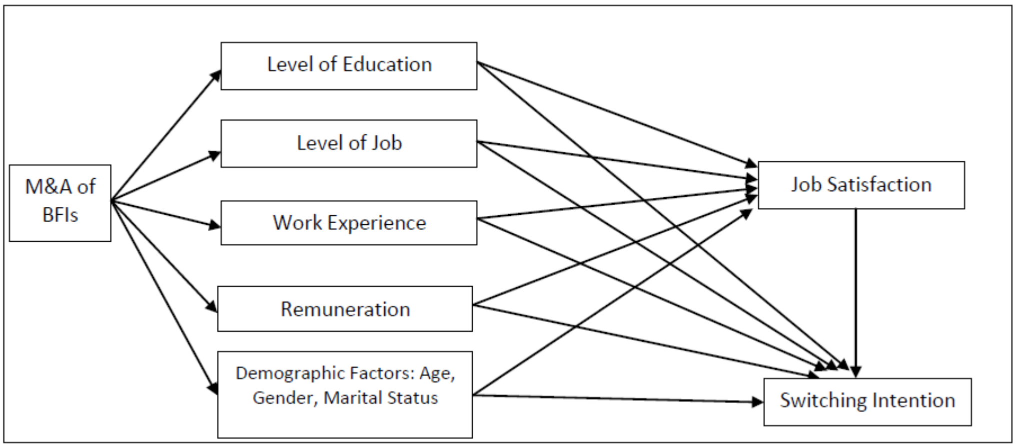

Figure1. *Theoretical framework*

RESEARCH DESIGN

The study followed survey research design. Survey was done among the employees of those BFIs that went to M&A. The convenience sampling was used to select the sample respondents. But while filling the questionnaires, the respondents were selected by the sense of snowballing as this research includes the employees who worked before and after M&A. The total 210 questionnaires were distributed using both means physical copy and internet. Of which 187 were returned. After screening the quality of responses, only 180 were taken for the analysis.

The validity of the questionnaires was tested by piloting among ten employees who were conveniently met before actual survey was conducted. This pilot test checked the stability, consistent and readability of the items in the questionnaires. Pilot test slightly improved the questionnaires and made ready for the survey.

Cronbach's Alpha of items on variables: Job satisfaction before and after M&A and Switching intention shown in table 1 explains that data collected in likert scales were found reliable. Cronbach's Alphas of each variable were also above 0.80; even Chronbach's alpha of scale if item deleted was also above 0.80.

Table1. *Reliability statistics*

Variables	Cronbach's Alpha	No. of Items
Job satisfaction before M&A	.837	8
Job satisfaction after M&A	.920	8
Switching possibility	.813	5

The questionnaire divided into four sections with self-administered questionnaires having five and eight items being 21 total items in likert scale. First section of questionnaires is of demographic measures. The remaining three sections of likert scales were about employees' satisfaction before and after M&A and employees' switching intention.

ANALYSIS AND RESULTS

Respondents' Demographic Profile

Table 2 shows the demographic profile of the respondents on gender, marital status, age group, education level, work experience before merger, work experience with current BFI, occupational level and monthly current remuneration. Female respondents comprises of higher percentage (61%) than male respondents. Thirty eight percentages of respondents were unmarried and 56% were married. Only 6% were fall under other group. Age group of 30 to 35 years was 54% followed by 36 to 40 years of age group with 27%. Only 17% and 2% were fall in age group of bellow 29 years and Above 40 years respectively. Of the respondents 61% were having masters degree and above.

Table2. *Demographic profile of respondents (N=180)*

Demographics	**Frequency**	**%**		**Frequency**	**%**
Gender			**Marital Status**		
Male	71	39	Single	69	38
Female	109	61	Married	101	56
Total	**180**	**100**	Others (Divorced, Widow, etc.)	10	6
Age			**Total**	**180**	**100**
Bellow 29 years	30	17	**Education Level**		
30 to 35 years	98	54	Intermediate	6	3
36 to 40 years	48	27	Bachelor degree	64	36
Above 40 years	4	2	Masters degree and above	110	61
Total	**180**	**100**	**Total**	**180**	**100**
Work Experience Before Merge			**Work Experience with Merged BFI**		
Below 2 years	54	30	Below 12 months	69	38
2 years to 4 years	48	27	1 years to 2 years	82	46
4 years to 6 years	55	31	2 years to 3 years	24	13
6 years and above	23	13	3 years and above	5	3
Total	**180**	**100**	**Total**	**180**	**100**
Level of Job			**Remuneration**		
Assistant Level	112	62	Below Rs 20,000	44	24
Officer Level	46	26	Rs 20,001 to Rs 40,000	72	40
Manager Level	22	12	Rs. 40,001 to Rs. 60,000	39	22
Total	**180**	**100**	Rs 60,001 and above	25	14
			Total	**180**	**100**

Regarding work experience with the BFIs before M&A, 31% were experienced between 4 to 6 years, 30% were experienced below 2 years, 27% were experienced between 2 to 4 years and only 13% were experienced 6 years and above periods. 46% were found working for 1 to 2 years with merged BFI after merge; 38% were composed of working for below 12 months, 13% and 3% were found working for 2 to 3 years and 3 years and above respectively. All three levels were taken as a respondents being 62% from assistants level, 26% from officer level and 12% from managers level. Similarly, 24% earns below NPR 20,000, 40% earns NPR 20,001 to 40,000, 22% earns NPR 40,001 to 60,000 and 14% earns 60,001 and above.

Mergers' Effect on Employees' Job Satisfaction

Paired sample test on merger effect on employees' job satisfaction before and after mergers revealed that there is significant difference in level of job satisfaction before M&A and after M&A (see in table 2).

Table2. *Paired sample test*

t – statistics	2.341
Sig. (2-tailed)	0.020

The mean scores with their standard deviation of job satisfaction before and after M&A have been shown in Table 3. Employees were more satisfied before M&A as mean score of employees' job satisfaction before M&A is higher than mean score of employees' job satisfaction after M&A.

Table3. *Paired sample statistics*

	Job satisfaction Before M&A	**Job satisfaction After M&A**
Mean	4.33	4.23
SD	0.746	0.894

Mergers' Effect on Employees' Switching Intention

Using the statistics for mean of employees' switching intention, it was found that there is no switching intention of the employees after M&A. The mean score of switching intention was obtained 2.54 taking test value of 3.5.

Table4. *One-sample statistics of switching intention (test value= 3.5)*

Mean	2.54	t	-39.410
Std. Deviation	.498	Sig. (2-tailed)	.001

Relation between Employees' Job Satisfaction and Switching Intention after M&A Process

Unlike the most of the literatures, it was found that there is significant relation between job satisfaction and switching intention after M&A. Pearson correlation 0.664 (with sig. value of 0.001) shows that there is significant relation between job satisfaction and switching intention, shown in table 5. Despite of the existing theory that unsatisfied employees show switching intention; employees of Nepalese BFIs have switching intention even they are satisfied. It shows that satisfied employees get better opportunity in the job market of financial sector of Nepal and also they are competent enough to get any desired job.

Table5. *Correlation between job satisfaction and switching intention after M&A*

Pearson Correlation	0.664
Sig. (2-tailed)	0.001

Relation of Employees' Job Satisfaction with the Education, Work Experience, Level of Job and Remuneration of Employees

The relation of employees' job satisfaction has been shown in table 6. Education, Work experience and Remuneration after M&A are significant whereas level of job is not significant.

Table6. *Relation of job satisfaction with education, work experience, level of job and remuneration*

Variables		**Mean**	**S.D.**	**F**	**Sig**
Education	Intermediate	3.96	1.09	4.020	0.020**
	Bachelor	4.48	1.015		
	Master	4.10	0.778		
Work experience after M&A	Below 12 months	4.11	0.904	15.772	0.001*
	1 years to 2 years	4.00	0.824		
	2 years to 3 years	5.15	0.303		

	3 years and above	5.23	0.137		
Level of job	Assistant level	4.27	0.919	0.270	0.763
	Officer level	4.18	0.741		
	Managerial level	4.14	1.078		
Remuneration after M&A	Below Rs 20,000	4.30	1.071	2.870	0.038**
	Rs 20,001 - Rs 40,000	4.37	0.836		
	Rs 40,001 - Rs. 60,000	4.19	0.695		
	Above Rs 60,001	3.78	0.895		

** significant at 1% ** significant at 5%*

The result found that employees with bachelor degree are more satisfied in their job after M&A compared to intermediate and master & above degree. If employees have higher work experience, they were more satisfied with M&A process than the less experience employees. Similarly, employees getting Rs. 20,000 to Rs. 40,000 were found to be more satisfied after M&A process than those getting less than Rs. 20,000 and higher than Rs. 40,000. However, the level of job did not have effect on job satisfaction resulted from M&A process.

Relation of Demographic Factors with Job Satisfaction

Demographic factors: gender and age were found significant with job satisfaction; however marital status did not have relationship with job satisfaction.

Table7. *Relation of demographic factors with job satisfaction*

Variables		Mean	S.D.	F/t	Sig.
Gender	Male	4.05	0.918	-2.174	0.031*
	Female	4.35	0.864		
Age	Below 29 years	4.71	0.738	4.412	0.005*
	30 to 35 years	4.19	0.910		
	36 to 40 years	4.06	0.889		
	Above 41 years	3.63	0.342		
Marital Status	Single	4.24	0.895	0.024	0.976
	Married	4.23	0.931		
	Others	4.18	0.476		

** significant at 1%*

Female employees were found more satisfied than male employees after M&A of BFIs. Older employees were found less satisfied with their job compare to young employees.

Relation of Switching Intention with Education, Work Experience, Level of Job and Remuneration

The relation of employees' switching intention with education, work experience, level of job and remuneration has been shown in table 8. Work experience, level of job and remuneration after M&A are significant where as education is not significant.

Table8. *Relation of switching intention with education, work experience, level of job and remuneration*

Variables		Mean	S.D.	F	Sig.
Education	Intermediate	2.54	0.452	1.579	0.209
	Bachelor	2.63	0.571		
	Master	2.49	0.450		
Work experience after M&A	Below 12 months	2.64	0.446	13.989	0.001*
	1 years to 2 years	2.43	0.511		
	2 years to 3 years	3.08	0.141		
	3 years and above	2.68	0.411		
Level of job	Assistant level	2.51	0.524	3.773	0.025**
	Officer level	2.47	0.404		
	Managerial level	2.80	0.472		
Remuneration after M&A	Below Rs 20,000	2.66	0.454	6.310	0.001*
	Rs 20,001 - Rs 40,000	2.48	0.562		
	Rs 40,001 - Rs. 60,000	2.70	0.380		
	Above Rs 60,001	2.23	0.372		

** significant at 1% ** significant at 5%*

Employees having 2 to 3 year work experience have higher switching intention compare to other experience group. The employees of officer level have lesser switching intention after M&A compare to employees of assistant level and managerial level. Employees who get more than 60,001 have lesser switching intention compared to other groups. But the groups of employees who get salary 40,001 to 60,000 have higher switching intention compared to other groups.

Relation of Demographic Factors with Switching Intention

Demographic factors: gender, age and marital status have been taken as an independent variable to test switching intention of employees during M&A process. As shown in table 9, it is found that gender and marital status do not have significant relationship with switching intention. Age has significant relationship with switching intention.

Table9. *Relation of demographic factors with switching intention*

Variables		**Mean**	**S.D.**	**F/t**	**Sig.**
Gender	Male	2.57	0.468	0.638	0.524
	Female	2.52	0.518		
Age	Bellow 29 years	2.71	0.443	4.023	0.008*
	30 to 35 years	2.58	0.500		
	36 to 40 years	2.35	0.496		
	Above 41 years	2.50	0.311		
Marital Status	Single	2.54	0.477	0.775	0.462
	Married	2.56	0.517		
	Others	2.350	0.452		

** significant at 1%*

Up to 40 years age of employees, their switching intention decreases. Then after the age of 41 years and above their switching intention increase.

DISCUSSIONS

BFIs take merger and acquisition strategy to restructure the organization and to be stronger and better. However, M&A process generate different types of challenge for human resources. Some of them are cultural clash, hierarchical tussle, reduction of job, training issue, uncertainty of future, etc. M&A usually brings disruptions in the employees mind and makes them unhappy when they find the situation is not as expected. Even the situation of dissatisfaction may result into switching intention.

The survey among 71 male and 109 female employees with 112 assistant level employees, 46 officer level employees and 22 managerial level employees, it is found that employees job satisfaction after M&As has significantly reduced comparing with the satisfaction level before M&A. This finding is similar to Goyel and Joshi (2012), Davy (1988), Covin et al. (1996) and Buono et al. (1985). As employees feel uncertainty due to new culture, new environment, new subordinates, new supervisors, new style of management, and then feel uninterested at work. Further, reasons were that employees did not find as they expected, they might feel injustice with redesigned job, coworker might not be cooperative, salaries paid may be unsatisfactory, corporate culture might be mismatched.

Though satisfaction level found to be decreased due to M&A process, overall employees did not show switching intention on the study period. It showed that their dissatisfaction may not be so much shiver.

However, it is found that satisfied employees were relatively showed higher switching intention than those of less satisfied employees. This finding is surprising compared to previous findings. This result does not match with existing theory. This finding indicates that though employees are happy they see good opportunity in the market, they find themselves competent, and think that there will not be any problems to find new job. Therefore, they might have given opinion regarding switching intention showing they are competent enough to get attractive position and pay from other BFIs.

Regarding the nature of employees' satisfaction that revealed due to M&A process, it was found that employees having bachelor degree are more satisfied than the intermediate, and masters and above degree. Similar result observed in case of work experience. Employees with higher experience were more satisfied than those of low experience. As usual with exiting theory, pay scale also showed positive impact on employees' job satisfaction. Employees getting moderate remuneration i.e. 20,001 to 40,000 were more satisfied than other groups those receive lesser or higher than 20,000 and 40,000 respectively. However, there was no relation of satisfaction with level of job. It means there was no significant different in the employees' satisfaction among assistant level, officer level and managerial level.

It was also indicative from the study that higher education, higher work experience, higher pay is positive factors to make the employees satisfied in merger and acquisition process. Female employees were more satisfied than the male employees. With the increase in age of employees, their satisfaction level was found to be decreased.

Work experience has impact on switching intention. Employees with 2 to 3 years work experience has higher switching intention than other experience group. Similarly, officer level employees have lesser switching intention than the assistant level and managerial level employees. It is observed that assistant and managerial level employees see themselves in better position and attractive job if they quit the present job. They were not worried about their future.

Employees switching intention found to be decreasing up to the age of 40 years. Than after their switching intention has been found increasing. It indicates that employees feel risk up to the age of 40 years to quite the job and they see less opportunity in the market. However, the employees of more than 40 years see themselves good enough to get opportunity in the market.

Further it is revealed that higher work experienced employees has more confident to get good job; thus they do not have attraction with present job. Similarly, employees in high level and getting higher pay scale are also self-assured to have handsome and high paid job if they quit present job. It is quite different finding from the findings of Gugler and Yurtoglu (2004). But it is reality of Nepalese BFIs. If employees have longer experience with necessary skill, are paid higher and attracted by competitors.

CONCLUSION

As per the above discussion it can be concluded that employees feel uncertainty after M&A of BFIs and show dissatisfaction with the M&A process comparing to before M&A. Employees do not enjoy job after M&A, even they do not show switching intention. However, satisfied employees expressed that they have switching intention. They felt that they are competent enough to get better job. Education has impact on job satisfaction but not in switching intention due to M&A process. But level of job has no impact on job satisfaction but has significant impact on switching intention. Work experience has significant impact on both the job satisfaction and switching intention. The satisfaction level increases with the increase in work experience and switching intention was higher if employees have work experience of more than 2 but less than 3 years with merged or acquired BFIs. To some extent remuneration also has impact on job satisfaction and switching intention due to M&A process. Therefore; it can be said that employees should be treated equally and fulfill needs as per their expectation and make them feeling proud to be a part of merged and acquired BFIs.

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