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Impact of Merger on Employee Morale: Evidence from Pakistan

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ABSTRACT

The goal of the study is to evaluate how employee morale has been impacted by mergers in Karachi's banking sector. An organization must have good morale to be successful. Regardless of the size or sector of the company, high morale will boost output, job satisfaction, and absenteeism. A descriptive research design was used in the study to collect data from the targeted banks. The goal of the study is to evaluate how employee morale has been impacted by mergers in Karachi's banking sector. This is a quantitative analysis paper. The data for the paper was obtained from primary sources, such as questionnaires. To assess the impact of the data, statistical software SPSS was used. There were two variables dependent (Employee Morale) and independent variables (Job Satisfaction, Absenteeism and Employee Confidence). The study's participants were banks. The findings indicated that there was a substantial relationship between the variables, and the analysis employed Pearson correlation and Cronbach Alpha for each questionnaire. To see the individual effects of the sample, the frequency distribution was used. Topics related to this were also researched in specific literature. The last portion of this paper is the recommendation and conclusion.

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1. Introduction

The dynamic changes in the global environment will cause the business environment to change quickly day by day. The main element that influences how well organizations perform is growing competition. Merger is the most popular and successful strategy businesses use to compete in this fast-paced economic environment. When two organizations decide to come together as a single or joint new entity for their mutual benefits, a merger occurs. This study looks at the impact of the banking industry, particularly after mergers, as well as the impact on employee productivity, job satisfaction, and motivation at work. Due to technological advancements, economic and strategic barriers to normal growth, and the globalization of competition, mergers have quickly replaced other methods of revenue growth for many businesses around the world. Due to the growing local and global competition, all businesses in almost all industries are increasingly confronted with new challenges. Keeping up with new competitors, technological advancements, and increasingly picky and sophisticated customers is becoming a daily challenge. It is well known that mergers are the main means of corporate consolidation for rapid expansion & growth. the majority of mergers literature.

Although the history of merger activity can traced back to before the 1960s, there has been a noticeable uptick since the middle of the decade, particularly in the case of the United States. It has been argued that these recent mergers are fundamentally different from those of earlier waves. Galpin (2014) compares the 1980s merger wave to the 1990s merger wave, or the "today's wave," as they refer to it, in the Complete Guide to Mergers. In the 1980s, controlling undervalued assets was the main goal of a merger deal. The target was frequently a distinct business segment or industry from the acquirer's core business. Additionally, price premiums were less frequent and the overall margin of error was frequently higher. The 1990s merger wave, on the other hand, is characterized by highly strategic mergers that are not driven by immediate financial gain or reliant on capital structures with high levels of leverage. The primary sector in Pakistan involved in mergers is the financial sector. The current contraction of Pakistan's economy, the failure of other business conditions, and the global financial crises all significantly influence the organizations' decision to engage in merger deals in Pakistan's financial sector. Additionally, the majority of studies indicate research in Pakistan for the analysis of the same event, but they leave some gaps and offer some suggestions for future research. Therefore, there is a need to conduct additional research on a scenario like the Merger in Pakistan in the banking sector, where numerous deals took place at various points in time.

In general, there are over a thousand studies analyzing the benefits and drawbacks of mergers as they relate to a firm's performance in various industries. For all financial and non-financial sectors, research on the banking industry is also very important. For customers, rivals, future growth, current management, shareholders, etc. who are concerned about mergers, it is especially important to conduct research on the banking sector. In terms of future orientation and awareness of the plainly discernible competitive and technological worldwide market, the relevant field will gain more from this research. This study also indicates the importance of future research in the domain of merger and acquisition, making it more advantageous for scientists to carry out further investigations in the future.
Merger Information:-

Table: 1

Year	Company Name	Merged With	Date Of Merger	Paid Capital (M)
2017	NIB (Limited)	M.C.B (Limited)	01-07-2017	103,028,512/-
2015	K.A.S.B Bank(Limited)	Bank Islamic Pakistan (Limited)	11-05-2015	19,508,616/-
2011	The Royal Bank of Scotland (Limited)	Faysal Bank (Limited)	03-01-2011	17,179,814/-
2009	Orix Investment Bank (Limited)	Orix Leasing Pakistan (Limited)	28-10-2009	1,089/-

In this study, we are doing comprehensive research on merger of NIB bank limited with MCB bank limited. NIB is a country’s 12 largest bank and was suffering from losses when it finally decided upon merger with MCB, and took it as an opportunity to revive profitability. In 2015, it reported an after-tax profit of Rs 2.617 billion compared to a loss after-tax of Rs 507 M in 2014. All of NIB's properties, assets, liabilities, rights, and obligations have now been combined and are wholly owned by MCB. The press release states that former NIB customers' banking services won't change and that they can continue using them in the same way.

1.1. Background

Merger is a combination of two businesses to create a larger entity. When two banks combine and function under a single identity in the banking industry, then the run single bank is called Merger. The current study's objective is to look into how a merger will affect employee profitability both before and after the merger scenario. The whole process for banking sector mergers must be followed by the legal procedure The RBI, SEBI, the Indian Companies Act and the Banking Regulation Act (1949). Furthermore, the results show that changes in the financial sector have helped to increase efficiency, productivity and profitability gains, as well as in mergers, by allowing them the opportunity to gain substantial market share. After mergers, the studies also show improvement in operating performance and the large bank merger also produces greater performance gains than small bank merger. The variables that contribute to good mergers include the selection of a suitable partner, trust, communication, plan quality and execution strategy.

One of the notable mergers in the Pakistani financial industry was the merger of Faysal Bank Limited with Bank Al Falah Limited. This merger was approved by the State Bank of Pakistan (SBP) in December 2020 and was completed in June 2021. The merged entity is now the fifth-largest bank in Pakistan in terms of assets.

Another significant acquisition was the acquisition of KASB Bank by Bank Islami Pakistan Limited. This acquisition was approved by the SBP in November 2020, and the merger was completed in January 2021. Bank Islami Pakistan Limited is now one of the leading Islamic banks in Pakistan.

Employees with low morale can also damage the organizational structure. My study addresses the questions that what relationship exists between & after the event of merger of banks and the morale of business reason for carrying out this research is to study the endency of those employees who left the job after this merger operations that affect their work image, their brand loyalty, their organizational commitment and their cultural change dimensions or to find out that this bank merger business strategy is useful to motivate employees to work in different environments to get the opportunity to be professional and successful as they have been neglected.

1.2. Problem Statement

Since there has been a significant change in the shape of merger activities following the global financial crisis, which has an impact on so many employees becoming unemployed in various ways in global business strategies, The main objective of the study is to find the bank mergers and their impact on employee job satisfaction. Every sector of the economy, every company, and every person in the country is impacted by the financial crisis as a result of the breakdown of the cycle of collecting deposits and lending money. The stiff process of their work makes them suffer. Much of the level of job satisfaction of the employee goes down eventually as they think they would be fired or unemployed as new leadership will come up with new teams of professionals and new working conditions procedures that would impact their moral level in this way. Merger is an effective approach used by companies to deal with dynamic business issues such as better financial planning, Economies of size, diversification, to name a few, the operating economy. Merger is regarded as the most painful, daunting occurrence that only a few organizations are successful in achieving their goals than any other event. Merger has been an impressive practice in Pakistan over the last decade, the most recent example being the merger on 1 August 2017 of NIB with MCB. NIB is the 12th largest bank in the country and suffered losses when it eventually agreed to merge with MCB.

According to KSE Pakistan data, NIB merged with MCB with a capital of 103,028,512M. According to the data, the success rate of mergers in developed nations like the US and the UK ranges from 23% to 50%. Latest research has shown that the main reason is a failure to resolve the human element in more than half of the merger failures. If they are giant corporations or smaller, mergers have a negative effect. It generates a sense of being unvalued, helplessness, job loss, etc when two cultures merge together. Moreover, organizational performance talks about the hidden costs of merging organizations, such as tardiness, absenteeism, turnover, poor performance, declining morale, and the loyalty, devotion, and faith of those who remain in the combined company, as well as how mergers result in the loss of important individuals. Change can be especially difficult during mergers, which can result in stress that, if not properly managed, can have a negative impact on employee behavior. This study is being conducted to explore the necessary factors resulting from merger in order to fill this gap since there is no applicable research on the impact of merger on employee behavior in Pakistan.

The focus of this study is impact of mergers on employee performance in terms of organizational cultural change, issues with communication between target and acquirer employees, acquired business change management, and employee satisfaction levels among both acquirer and target company employees. According to the results, if the acquiring company ignores these factors during the merger process, it will both prevent and facilitate a successful merger. Banks in Pakistan have been engaged in merger operations for the past few years, such as the NIB Bank Ltd in 2007. These merger operations have seen a rapid shift in the culture of banking, but the employees are those who suffer from these merger periods, even because of loyalty to new management, often lost their jobs.

1.3. Objectives & Aim of the Study

The purpose of this study is to look into how mergers affect staff morale, especially in light of the merger of NIB and MCB. The precise goals of the study are:

I. To evaluate the merger's immediate effects on employee morale.

II. To investigate how a merger affects employee job satisfaction in light of the new merger banking regulations and working environments.
III. To apprise the impact of merger on employee absenteeism.

1.4. Research Questions

This study's primary goal is to describe how the merger has affected the attitudes of workers in the banking industry in Karachi. This thesis has several objectives, and the following questions were addressed by the research:

I. How does the practice of merger influence the employee confidence on a given task?
II. What is the area of employee satisfaction and dissatisfaction after merger?
III. What impact do merger have on employee absenteeism?

1.5. Significance for the Research

This study is important for a number of reasons. Numerous opportunities for employee participation were provided by this study, which will result in interventions aimed at boosting employee morale. The study provided the description of the quantitative data collection techniques used and their outcomes. Regarding the effects of merger, this study also provided banking institutions with insightful recommendations. This study looked at how job performance and employee satisfaction were affected by key factors that affect job satisfaction, such as promotions, pay raises, bonuses, supervisor support, opportunities for career development, and working conditions. In Karachi's banking industry, a comparative study is done for this reason.

2. Literature Review

I have read numerous publications; papers, journal books to research the effects of merger on employee behavior, and it has helped me find out what has been studied in previous literature. The review of literature gave me insight into the development of a concept, the drawing of a conceptual framework and the generation of ideas for my research design.

A number of studies have focused on the motives behind M&A in the banking sector. These studies suggest that banks engage in M&A for various reasons, including improving their financial performance, increasing market share, expanding geographic reach, achieving economies of scale, and diversifying their activities (Angwin, Mellahi, Gomes, & Peter, 2016; Berger, Demirgüç-Kunt, Levine, & Haubrich, 2004; Cornett, Tanyeri, & Tehranian, 2011; Huang, Ke, Chiang, & Jhong, 2023). Given the rise in mergers, researchers are becoming more and more conscious of the significance of human resource management (HRM) practises in the acquisition process in general. This makes it appropriate in this situation to ask about its position. This essay examines HRM through an examination of practises in the merger process, which are currently on the rise in the banking industry. Through interviews with key informants from each merging bank, significant HRM operations are identified and judgements about their contribution to the overall merger success are reached. Future directions for study are highlighted along with implications for theory and practise.

There is growing interest in how M&A impacts customer satisfaction in the banking sector. Studies indicate that M&A can result in short-term declines in customer satisfaction due to changes in branch locations, product offerings, and personnel. However, over the long term, M&A can lead to improved customer satisfaction as banks can offer a wider range of products and services (Hassen, Fakhri, Bilel, Wassim, & Faouzi, 2018; Thiangtam, Anuntavoranich, & Puriwat, 2016). The regulatory framework plays a significant role in the M&A activities of banks. Studies suggest that M&A activities are subject to regulatory scrutiny, with regulators assessing the impact of M&A on financial stability, competition, and consumer protection. Anginer, Demirguc-Kunt, and Zhu (2014); Bräuning and Ivashina (2020) Some studies also suggest that regulatory changes can impact M&A activities in the banking sector, such as the Dodd-Frank Act in the United States (Bai, Chu, Shen, & Wan, 2021).

Kotei (2003) discovered that there is very little chance that factors like the working environment, job satisfaction, and job security will have an impact on employee morale after mergers and acquisitions. The significance of this study emphasizes the need for institutional management to implement measures and policies to improve job security for employees in merged or acquired firms. The establishment of a work atmosphere will help to accomplish this goa (Cartwright, 1998), Despite the ostensibly significant risks involved, businesses continue to be more immediately drawn to the prospect of increasing profitability and market share through merging than they would be if they relied solely on organic growth. The human aspects of fusion and the impact of such a large transformation event on employee health and well-being have received relatively little study attention. When profit-maximizing goals are the primary objective, mergers are considered to be financially motivated.

Baykal, Yılmaz, and Koktekin (2023) explored the factors influencing bank employees' job satisfaction and tactics to help bank leaders avoid the exit after a merger of banks' top-performing bank employees. Bank leadership requires employee support to accomplish the strategic goals of a merger, and the departure of disgruntled workers after the merger reduces leaders' ability to achieve these goals. There is no proper study available on the variables that impact the work satisfaction of bank workers after a merger. I found that the work did not occur after a merger, bank employees were pleased. I find that the work satisfaction of workers is a key factor in deciding whether a merger would succeed. Staff work satisfaction is a determinant of organizational success.

Gautam (2022) explored the mergers have a negative impact on employee behaviour, leading to unproductive actions, absenteeism, a lack of morals, and job unhappiness. It indicates that top management's determination to win over employees' trust will play a significant role in determining if the merger is successful. Investigate the various factors that affect management's credibility. Regular pre- and post-merger communication as well as the present level of employee relations are two of them. It frequently has the biggest impact. Thus, an excellent outcome in connection to employee relations in the face of acquisitions, combined with a good degree of employee relations, tend to provide the basis for a well crafted, employee-centered communication campaign. Emmanouilides and Giovanis (2006), Despite all the financial predictions, two out of three of the mergers collapsed. Although the workers of the company are considered to be the most important of its properties, the effects on the workforce are routinely overlooked. From the point of view of human resources management, this piece of work explores the issue and suggests approaches to eradicate the problem. Before and after the time where a merger takes place, it discusses and analyses the staff's feelings and responses. It makes clear the need for an effective integration by the HR department. A manager must carefully consider how it is possible to help various groups of workers adjust to the changes and ultimately contribute to the new organization by overlapping each strategy and action.

Kucaladevi, Hernando, Fathurokhman, and Abdullah (2021) Due to the increased deregulation, privatization, globalization and liberalization implemented by many countries, mergers have gained traction as an external growth strategy. In recent years, mergers have become a widespread phenomenon. The challenging local and global macroeconomic environment has resulted in slowed economic development and credit rating downgrades of key economies. In an effort to reduce increasing inflation and stabilise the Kenya shilling, the Central Bank of Kenya has taken a significant monetary tightening posture. The necessity to increase the balance sheet and branch network was the main driver for this merger. Studies that focus on the project, in particular in commercial banks, where employee performance is influenced by the conflicts caused by the disparity in systems and cultures in the merged firms, the planning and management side of mergers and acquisitions looks limited.

Sanda and Adjei-Benin (2011) the purpose of this study was to determine how much employee satisfaction with organizational changes brought on by mergers influences both staff morale and the effectiveness of the merged company. The results demonstrated that human resource issues are important merger components that, if poorly managed, can have a detrimental influence on employee satisfaction and, as a result, on the efficiency and effectiveness of the merger. The adoption of participatory approaches in job redesign procedures may hasten merger-induced organizational changes, and work satisfaction is found to depend on the deployment of an effective two-way communication system. By extension, human element issues in merger-induced transition are a concern for merging businesses.

3. Methodology

A general approach to studying a research topic is known as research methodology. It is the conceptual framework for an analytical approach. The methodology that was used to carry out the study is presented in this chapter. Additionally, it covers the target population, sampling procedures, and methods used to choose the sample size, as well as the nature and source of the data. Information gathering and processing are guided by the methodology needed for this study. This chapter presents the research methodology we are employing. This chapter is divided into the following sections: research hypothesis, research design, sample design, data collection techniques, and method of data analysis. This study's main goal is to evaluate the effectiveness of mergers in Pakistan's banking industry.

3.1. Theoretical Framework

The theoretical context of a study is its most crucial component. It displays how many independent and dependent variables were used in the research. Numerous factors that affect employee morale are identified in the literature review. The theoretical framework shows the relationship between the independent variables (job satisfaction, absenteeism, and employee confidence and trust) and the dependent variables (employee morale). Mergers have more frequently been linked to decreased morale, work dissatisfaction, unproductive behavior, increased turnover, and absenteeism than to the expected growth in financial results. The underpinning theory for mergers in banking can be approached from several different perspectives, depending, here are some potential theories that can consider:

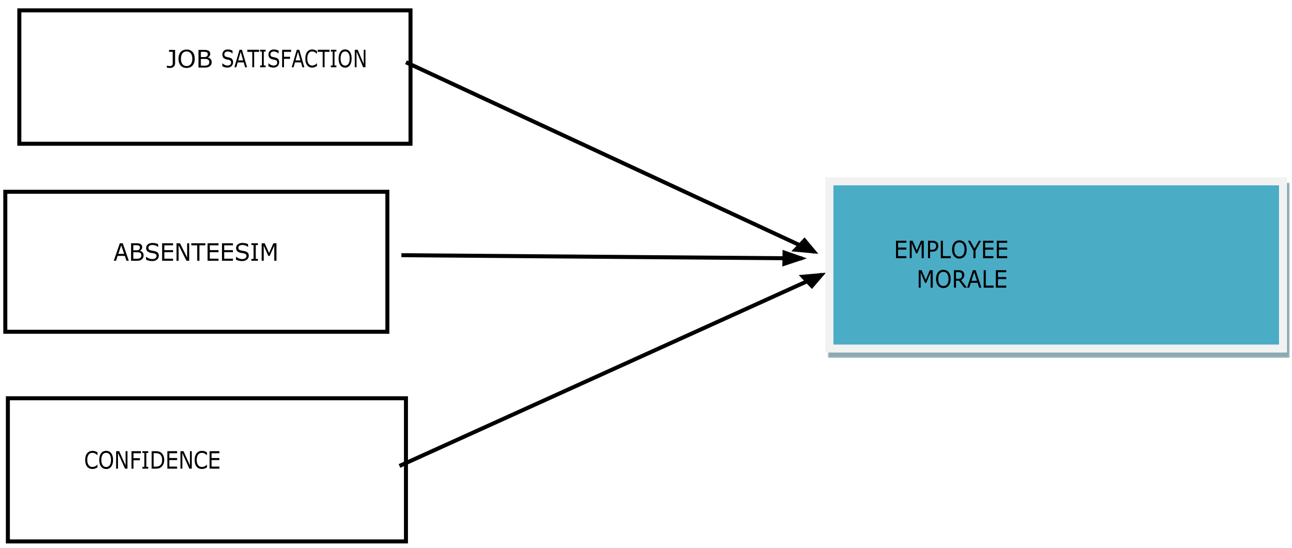
Agency theory: This theory suggests that a merger can be a way for management to better align their interests with those of shareholders. By merging with another bank, they may be able to increase their bargaining power, access new markets, and reduce costs. However, agency theory also acknowledges the potential for conflicts of interest between shareholders and management.

Resource-based view: This theory focuses on the resources and capabilities that a bank can acquire through a merger. By combining with another bank, they may be able to access new technology, expertise, and customer bases. This can create synergies that lead to increased competitiveness and profitability.

Market power theory: This theory suggests that mergers can be a way for banks to increase their market power and potentially engage in anti-competitive behavior. This could result in higher prices and reduced consumer welfare. However, proponents of this theory also argue that larger banks may be able to achieve economies of scale that ultimately benefit consumers.

Institutional theory: This theory suggests that mergers can be driven by broader institutional pressures, such as regulatory requirements or industry norms. For example, regulators may encourage or require banks to merge in order to improve stability in the financial system.

Network theory: This theory focuses on the disconnectedness of banks within the financial system. A merger between two banks may alter the network structure, potentially leading to changes in systemic risk and financial stability.



Therefore, it is crucial to carefully consider the root causes of employee under performance because their awareness has the potential to improve merger preparation and results. Understanding the various ways in which mergers affect employee performance can have long-term effects on how well people, businesses, and nations as a whole do economically.

3.1.1. Job Satisfaction

Another concept that appears straightforward but is difficult to describe is job satisfaction. French defines self-utilization as the chance to completely utilize one's skills while employed, to be pushed, and to grow personally.," is one of the crucial components of job satisfaction.

Additionally, he contends that the crippling impact of under-utilization contributes to anxiety and job dissatisfaction. Job satisfaction has a negative correlation with turnover intention and a positive correlation with organizational commitment. Job satisfaction as a mental state with numerous interpretations. Job satisfaction is a feeling of well-being brought on by how personally one evaluates their work or experiences. An individual's affective reaction to particular job-related factors is defined as satisfaction.

3.1.2. Employee Absenteeism

Employee absenteeism is a costly organizational phenomenon that is also poorly understood (Hafiza et al., 2022; Johns & Nicholson, 1982). There are many negative effects of employee absenteeism, both direct and indirect. For instance, absenteeism, which can have both direct and indirect causes, results in higher costs. Some of the direct expenses of sick leave to employers include statutory sick pay, the price of hiring temporary workers to fill in for absent staff, and missed output.

Even though they generally affect output levels, indirect costs like low morale among personnelcovering for sick workers and lower customer satisfaction are difficult to measure (Bilal, Shah, Rahman, & Jehangir, 2022; Chaudhary, Nasir, ur Rahman, & Sheikh, 2023; Khan, 2022; Leaker, 2008; Shahid et al., 2022; Zulfiqar et al., 2022).

3.1.3. Employee Confidence

The Research Institute discovered that employees lose faith in the future of their company following a merger, which leads to some employees quitting. Mergers typically have a negative effect on how employees view their coworkers. It implies that employees are less likely to depart when the new management team presents a compelling and distinct vision for the future of the combined organization.

The current study's objective was to assess how well a stress-coping model of employee adaptation to organizational change performed. The model was developed on the premise that understanding the details of the event, how it is viewed, and the coping mechanisms employed in response to the change are necessary to comprehend the factors that affect how well an employee adjusts to this kind of work stress.

3.1.4. Employee Morale

It is very common to observe how mergers affect employees when two businesses come together. This is mainly because employees at the lower and middle levels of management are typically affected. They are unable to handle these types of changes. Anxiety-related feelings can lead to employee absenteeism or job resignation. Changes of this nature impact output and productivity levels. The level of communication between employers and employees is strained by ineffective communication in the future. Employees who relocate to a different office location feel left out.

3.2. Research Hypothesis

From above theoretical framework, the following hypothesis were developed to investigate whether the proposed independent factors have an impact on the morale as dependent factor.

H1: Confidence has an impact on employee’s morale.

H2: Absenteeism has an impact on employee's morale.
H3: Job satisfaction has an impact on employee's morale.

3.3. Research Design

The main emphasis of this thesis was qualitative analysis. Yet, a specific qualitative technique was utilized to gain a deeper knowledge and likely enable a better and more insightful interpretation of the results of the qualitative study. This form of research seeks to obtain responses to structured products, which will assist in seeking an interpretation or designing forecasts. The main concept is to build generalizations that can address key questions about the effect of mergers on the morale of employees. Qualitative research begins with a hypothesis or problem statement and requires an interpretation of quantitative data. It needs deduction to simple variables, thinking of cause and effect, calculation use. The use of measurements, theories of research and examination. The study field, nature of data, population and sample of my study and sampling procedure will be included in my research design.

3.3.1. Type and Nature of Study

The type of analysis in which the variables have been taken from empirical information and other papers and articles is deductive and this analysis is descriptive in nature, explaining the relationship between the variables and their impact during the merger activities on employee moral.

3.3.2. Sampling Design

The sample size for this study was calculated using the research's sample, which is drawn at random from 72 merged MCB employees in Karachi who have at least one bank product and engage in banking transactions, suggests that they have a close relationship with their banks. The KSE website contains information on merger agreements in Pakistan (Table 1, Appendix 1). In Pakistan's banking industry, there were 57 merger deals in total, of which 38 were merger deals. The merger was selected to evaluate the financial performance of 10 banks from 2008 to 2017. Financial statements for SBP were used to collect the data. for the future of the banks. The sample size of this field study was taken 100 employees working in various branches of Pakistan through the internet and seeing what they are doing as well observed by this merger operation and its effect on employees' overall focus on their moral level as well.

3.3.3. Procedure of Data Collection

A questionnaire was used to gather all the necessary information. merger effects on absenteeism, employee confidence, and employee satisfaction of banks. In-depth information was gathered using questionnaires. The demographic variables that made up this instrument's first section were followed by the dependent and independent variables that affected mergers. One represented Strongly Disagree and five represented Strongly Agree on a five point Liker Scale.

Since the study was conducted across all MCB branches in Karachi. To test the aforementioned hypotheses, these data were processed using both SPSS statistical programs. With the aid of descriptive statistics and SPSS, the qualitative data was examined and then presented as percentages, means, standard deviations, and frequencies. IBM SPSS software is used to analyze the data that was collected. Learn how the relationship between the merger and the impact it has on employee morale affects performance. The study came to the conclusion that the merger significantly reduced employee productivity. Too many other factors, including time constraints, limit this field study on how merger operations affect employee morale in order to maximize the benefits of mergers.

The target population consisted of ten employees, of which six people came from the K, Networks Organization, and four from the H Communications Organization. These are the two organizations that merged to form H and K Networks. A convenience non-probability sampling design was used to select study unit

3.3.4. Statistical Techniques

The information gathered for this study has been analyzed using a variety of statistical tools and techniques. For descriptive statistics, mean and standard deviation are used, and paired sample t-test is used for inferential statistics.

Statistical techniques such as skewness, pearson's correlation, reliability and regression were calculated using SPSS. A descriptive analysis i.e. Mean and Frequency statistics were also used to interpret the data. The analysis adopted a descriptive research style to collect data from the targeted banks. To select the banks that have been integrated into the Karachi banking system, the intended sampling method was used.

4. Findings and Research

The findings of this study indicate that in those business where ten banks decide to merge and continue the work as one, too much extend it effects it's employees those who first used to work in one business and now due to merger shifted in another one, as well as those who are working in the same business as before, are the changes in work as in the position or over burden etc having an effect on their behavior, and how does it effects the behavior, what are the main aspects that change and also what are the slight changes, whether it will have a positive or a negative result on the employee's as well as on the business.

Job satisfaction defines that what is percentage of employees that are satisfied with the job, the kind of work that is given to them, including working conditions, and do they prefer working in merged businesses or not. Second we have employees absenteeism which define the percentage that how many employees are getting absent and what is the reason behind that, is it due to their personal reason or is it the effect of merger that they do not like to work in such conditions and are searching for another job. Third variable is confidence that defines whether employees feel confident, gain confidence or lose confidence in such working conditions.

The study's first finding was the demographic profile of the respondents, which revealed that the majority of them (75% of the total) fell between the ages of 20 and 30, 16% between the ages of 30 and 40, and the remaining 8% were over the age of 40. since the majority of respondents fell within the 20 to 30 age range.

The descriptive statistics in Table 4.2.1 include those for employee absenteeism, job satisfaction, and confidence. According to the table above, employee satisfaction has the highest mean (3.5722), followed by it. The mean values for employee morale, absenteeism, and confidence were 2.3194, 3.5208, and 3.4694, respectively.

4.1. Demographic Profile of Respondents

Before moving on and discussing the actual findings of the study, it is crucial to comprehend the profile of the participants or Target respondent's part of the sample design. The charts you'll find below show the percentages of each variable's demographic profile among the 72 respondents.

Age

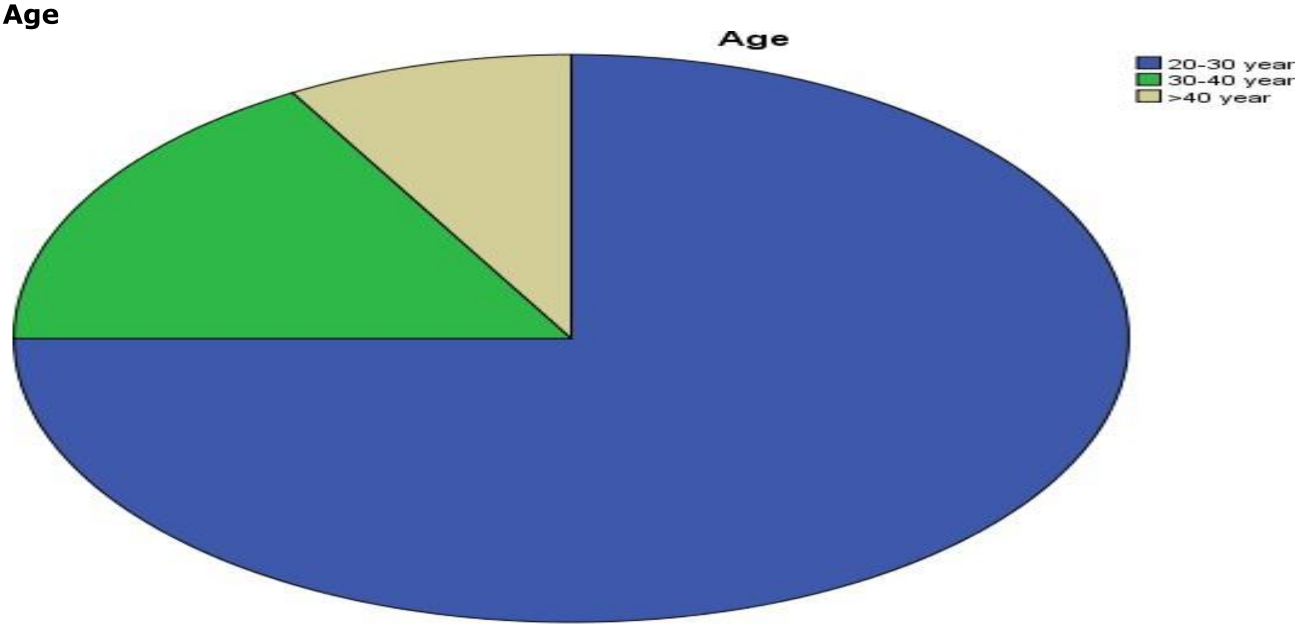


Figure: 1 Age Break Up of Respondents

According to the aforementioned pie chart, 75% of the bank's respondents are in the 20–30 age range, and the aforementioned table shows that 16% of the total respondents are in the 30–40 age range, and the remaining 8% are over the age of 40.

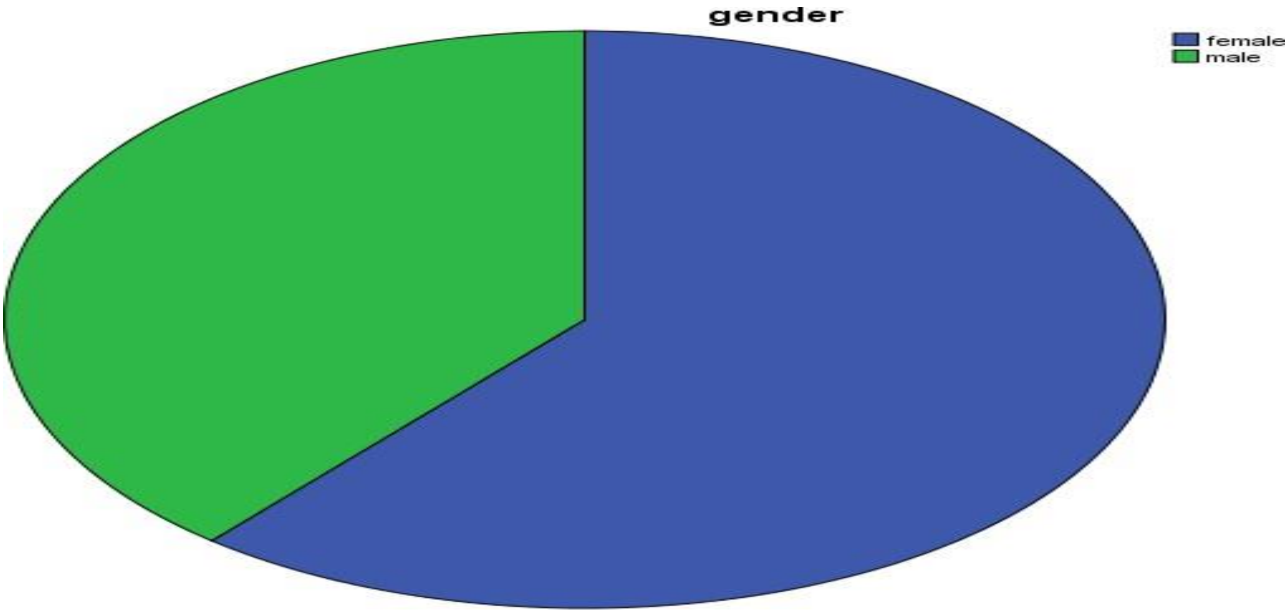


Figure: 2 Gender Break Up of Respondents

According to the above graph, there are slightly fewer male respondents than there are female respondents, with women constituting the majority of respondents. According to the aforementioned data, there were 72 respondents overall, with 61.1% of them being female and 38.9% being male.

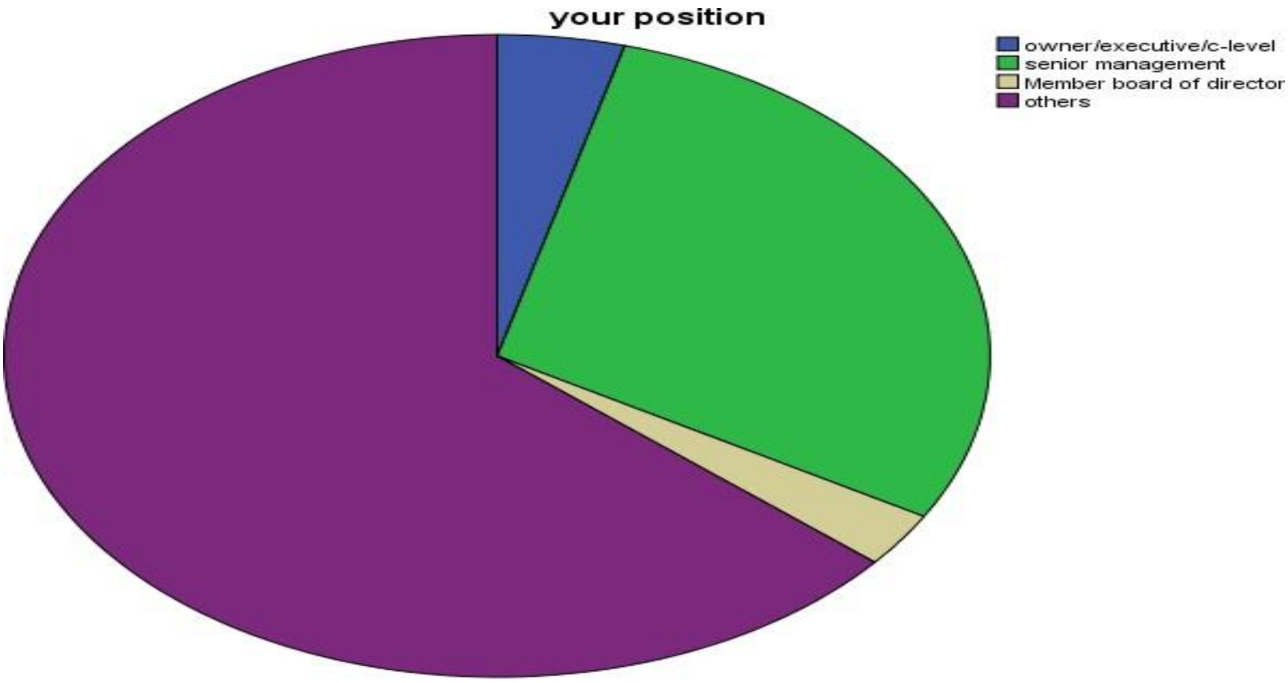


Figure: 3 Position of Respondents in the Bank

The graph demonstrates that respondents who filled out the questionnaire primarily held lower level positions as opposed to upper level positions. According to the aforementioned graph, out of all respondents, 46% are from lower level positions, 21% are in senior management, 3% are at executive level (member of the board of directors), and 4.2% are in executive level positions.

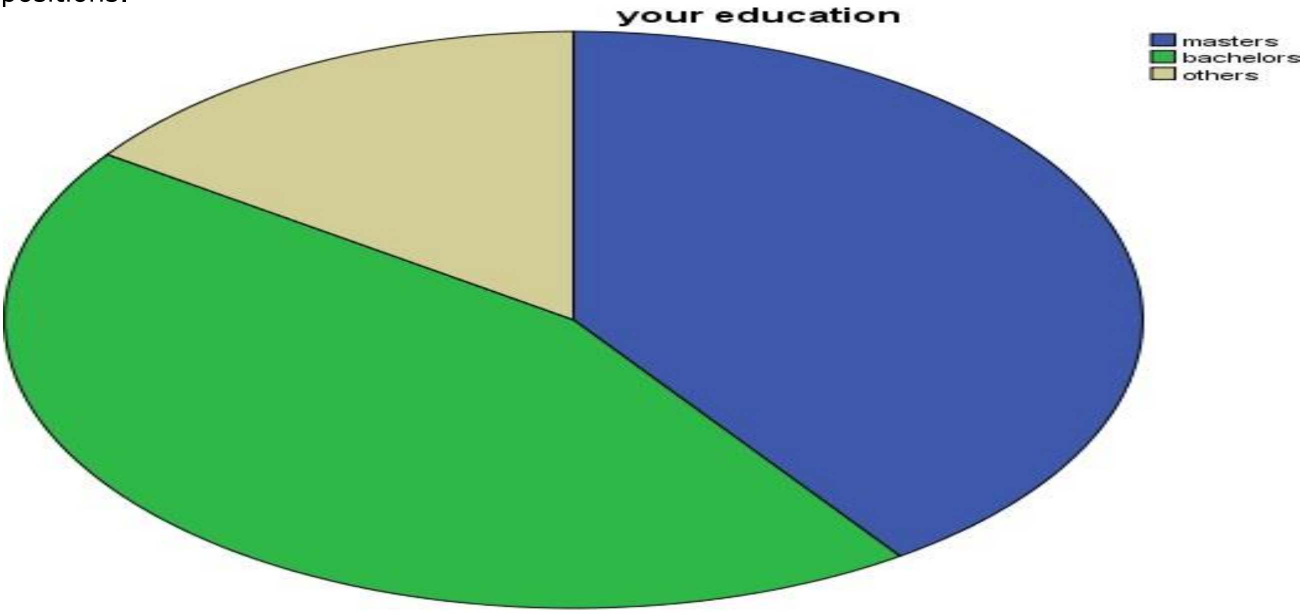


Figure: 3 Educational Background of Respondents in the Bank

According to the statistic, the majority of respondents from the combined bank MCB have graduate degrees. According to the aforementioned statistic, out of 72 respondents, 40.3% have earned a bachelor's degree, 44.4% a master's degree, and 15.3% have another type of degree certificate.

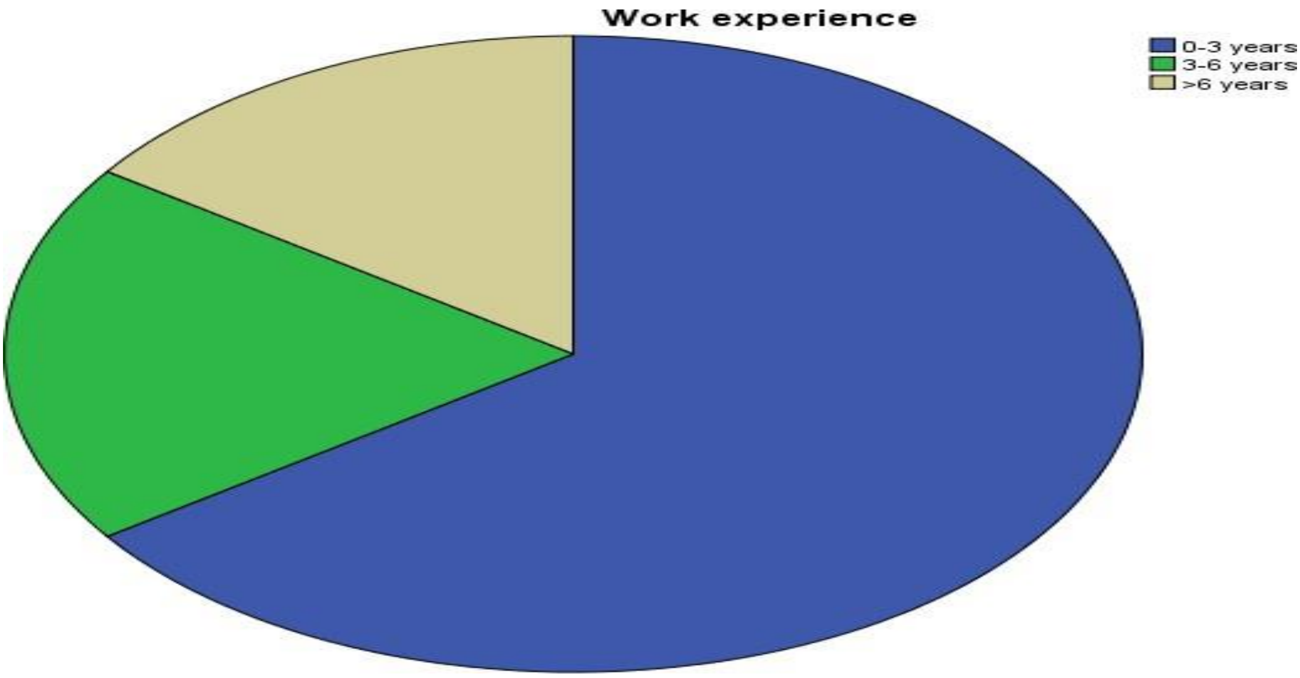


Figure: 4 Employee’s Work Experience in the Bank

According to the aforementioned graph, out of all MCB respondents, 65.3% have little to no work experience, followed by 19.4% who have three to six years of experience, and 15.4% who have more than six years.

4.2. Descriptive Profile Statistics

Table: 1

	ES Mean		EC Mean	EM Mean	EA Mean
	Valid	72	72	72	72
N					
	Missing	0	0	0	0
Mean		3.5722	2.3194	3.4694	3.5208
Median		3.6000	2.0000	3.5000	3.5000
Mode		4.00	1.50a	4.00	4.00
Std. Deviation		.60450	.90502	.70902	.79805
Skewness		.102	.311	.060	-.284
Std. Error of Skewness		.283	.283	.283	.283
Kurtosis		-.302	-1.054	-.560	-.183
Std. Error of Kurtosis		.559	.559	.559	.559
Minimum		2.20	1.00	2.00	1.50
Maximum		5.00	4.00	5.00	5.00

a. Multiple modes exist. The smallest value is shown.

The graph displays the descriptive statistics for absenteeism, confidence, and employee morale. From the table above, we can see that value has the highest mean, 3.5722, and that employee satisfaction is next. The mean values for employee morale, absenteeism, and confidence were 2.3194, 3.5208, and 3.4694, respectively.

All of the variables' standard deviations are closer to 1, indicating that the values in the information gathered from all of the participants are comparable and close. According to the above table, employee morale, absenteeism, and confidence have skewness values of 0.60, 0.102, 0.311, and 0.102 respectively. Since all of the values fall between -1 and +1, the data is considered to be normal.

4.3. Analysis Of Reliability

Cronbach's Alpha is used to evaluate the internal consistency (reliability analysis) (reliability analysis). To ensure that the data is objective, the analysis aims to measure each variable consistently and properly. Cronbach's Alpha should be greater than 0.6 to ensure the trustworthiness of the scales. If the result is less than 0.6, the scale is regarded as being unreliable, and the conclusions and findings will not be accurate. This is a list of all the variables' reliability.

Table: 2 Reliability Statistics: Table of Employee Satisfaction

Cronbach's Alpha	N of Items
.696	5

Cronbach’s Alpha value of employee job satisfaction is 0.696, which is reliable.

Table: 3 Reliability Statistics: Table of Employee confidence

Cronbach's Alpha	N of Items
.718	2

Cronbach’s Alpha value of employee confidence is 0.718, which is reliable.

Table: 4 Reliability Statistics: Table of Employee absenteeism

Cronbach's Alpha	N of Items
.687	2

The Cronbach's Alpha value for employee absenteeism is 0.687, which is a trustworthy figure. Also, some publications provide proof that alpha has a threshold or cut-off that designates a level that is sufficient, acceptable, or satisfying. Hence, 0.58 falls outside of the ideal range (0.58-0.97).

Table: 5 Reliability Statistics Table of Employee morale

Cronbach's Alpha	N of Items
.800	5

Cronbach's Alpha value of Employee morale is 0.800, which is reliable.

4.4. Correlation Analysis

Finding out how closely connected the research's variables are to one another is the goal of this. The method of correlation is used to assess how closely two quantitative variables are related. The correlation coefficient denotes how closely the variables are related to one another.

Table: 6 Correlations

		ES Mean	EC Mean	EM Mean	EA Mean
	Pearson Correlation	1	.022	.609**	.197
ES Mean	Sig. (2-tailed)		.857	.000	.097
	N	72	72	72	72
	Pearson Correlation	.022	1	-.132	.113
EC Mean	Sig. (2-tailed)	.857		.270	.347
	N	72	72	72	72
	Pearson Correlation	.609**	-.132	1	.090
EM Mean	Sig. (2-tailed)	.000	.270		.455
	N	72	72	72	72
	Pearson Correlation	.197	.113	.090	1
EA Mean	Sig. (2-tailed)	.097	.347	.455	
	N	72	72	72	72

**Correlation is significant at the 0.01 level (2-tailed)

As per table 4.4 the valid of correlation between employee confidence and employee morale is 0.270 which shows a positive relationship and indicated that confident employees have a high morale. The value of correlation between employee morale and employee satisfaction is 0.000 which shows no relationship between the variable. The value of correlation between employee absenteeism and morale is 0.455 which shows positive relationship.

4.5. Multiple Regression

The goal of our study is to use regression analysis to ascertain the effect of employee satisfaction, employee confidence, and absenteeism on staff morale in MCB bank.

Table: 7 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R.Square Change	F Change	df1	df2	Sig. F Change
1	.626	.392	.366	.56476	.392	14.635	3	68	.000

a. Predictors: (Constant), EA Mean, EC Mean, ES Mean
b. Dependent Variable: EM Mean

Table: 8 ANOVA

Model	Sum of Squares	df	df	Mean Square	F	Sig.
Regression	14.004		3	4.668	14.635	.000b
Residual	21.689		68	.319		
Total	35.693		71			

Dependent Variable: EM Mean Predictors: (Constant), EA Mean, EC Mean, ES Mean

According to the Summary of ANOVA Model and ANOVA Model of Regression provided above, the F Value is 14.635, which is higher than 3.75, and the significance value is 0.000 (p 0.05) (Thompson, 1992). Hence, the null hypothesis is accepted. The three independent variables have a big impact on morale.

Table: 9

Model	B	Coefficient	Std. Error	Error Bet	t	Sig.	Tolerance	VIF
1	Constant	1.200	.480		2.501	.015		
	ES Mean	.722	.113	.615	6.382	.000	.961	1.040
	EC Mean	-.112	.075	-.143	-1.505	.137	.987	1.013
	EA Mean	-.014	.08	-.016	-.160	.874	.950	1.053

Dependent Variable: EM Mean

The significant Value of employee satisfaction is 0.000 which shows it has impact on morale. The significant Value of employee confidence is 0.137 which is positive and shows positive impact. The significant Value of employee absenteeism is 0.874 which is positive and shows positive impact on morale.

4.6. Hypothesis Summary

H1: Employee satisfaction has significant value 0.000
H2: Employee confidence has significant value 0.137
H3: employee absenteeism has significant

5. Conclusion

The success of the entire research project depends on logical debate based on the major discoveries and constraints we covered in this chapter. The suggested recommendation can be used to guide future research that is based on variables that will change in the future and how those changes will affect employees and their working conditions.

The study's goal is to find the job satisfaction, employee absenteeism, and confidence in the case of a bank merger. We have evaluated the impact on the aforementioned dimensions as well as taking demographic factors into account. We have selected Age, Gender, Job Position, Work Experience, and Education as our demographic factors. We gathered data from 72 respondents using an adopted questionnaire of variables as the instrument. The analyze of the data was done by using SPSS as a tool. to achieve the goal of evaluating the degree to which employee absenteeism, job satisfaction, and MCB confidence all affect one another.

This study examined impact of job satisfaction, employee absenteeism and confidence in banks. The element of willing to work that denotes job satisfaction defines the thinking of people when they listen the name of any bank and that it is merged with other bank is what they get from infinite variety of facts and events. Confidence defines whether most of employees gain confidence or loose confidence as then they.

5.1. Limitations

Although this research has reached its purpose but there were some unavoidable limitations. First is the time limit which was less for this kind of research.

Secondly, the respondents during the data collection, that were merged were in a low quantity as obviously time to time employees have changed and now not most of the employees were present at the time of merger, hence it can be said that results might not be 100 % valid for the respective variables

5.2. Recommendation

Even if this research has served its purpose but there is still much to be explored and learned in this. We recommend that further research can be done in a different state or country to study the job satisfaction, employee absenteeism and confidence in banks.

Although a bigger sample size and shorter length of questionnaire to measure more accurate results.

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