THE EFFECT OF MERGERS AND ACQUISITIONS ON EMPLOYEE MORALE: A CASE STUDY OF GHANA COMMERCIAL BANK.

BY

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A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF A MASTER OF SCIENCE IN DEVELOPMENT FINANCE OF THE UNIVERSITY OF GHANA BUSINESS SCHOOL

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DECLARATION

CANDIDATE DECLARATION

This is to certify that this thesis was the outcome of my own study and that no portion of it was submitted at this university for another degree or elsewhere.

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SUPERVISOR DECLARATION

I hereby certify that this thesis was prepared by the candidate's own study and supervised in accordance with the University of Ghana's guidelines for supervising dissertations.

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Date………………………….

Dr. Charles Andoh
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DEDICATION

I dedicate this thesis to my spouse, Mrs Christabel Brainoo Kotei for her immense support and care throughout my period of study. Special dedication also goes to my study mates and all the 2018/2019 Cohort one (1) members of MSc Development Finance programme. May God bless them abundantly.
ABSTRACT

The area of major concern for the general public after the Bank of Ghana (BoG) approved a purchase and assumption of UT Bank and Capital Bank to Ghana Commercial Bank (GCB) was the uncertainty surrounding the employment status of employees of the acquired banks (UT and Capital bank). It was in this light that this research sought to fill the existing knowledge gap by examining the effects of mergers and acquisitions on employee morale. The target respondents were eighty seven (87) employees from former UT and Capital Bank now Ghana Commercial Bank employees after the acquisition. Primary data collected was analysed using SPSS and a Chi-squared analysis and logistic regression approach was employed to analyse the data. The research found out that the likelihood of employee morale after mergers and acquisitions being affected by employee’s sense of ownership and belongingness, work place environment and job satisfaction, and job security is very low. The value of this research points to the fact that management of institutions should put in place measures and strategies to improve job security among staff in merged or acquired institutions. This goal can be accomplished by developing a working atmosphere that enhances the level of motivation and feeling of belongingness of employees in such situations.

Key words: employee morale; job satisfaction; job security; merger; acquisition; ownership
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CHAPTER ONE

Introduction

1.1 Background of the Study

A merger is the fusion of companies that occurs when two companies decide to enter forces, more or less on an equal footing. Acquisitions, on the other side, are business mixes that take place when one company takes over another. To be a success for the whole process of mergers and acquisitions (M&A), there must be a transfer of capabilities and knowledge to make cost-effective synergies a reality (Krug & William, 2001).

There are certain mergers and acquisitions goals and factors that propel the rise in mergers and acquisitions (Hensmans et al., 2001). There are several considerations to combine with or purchase a different business: greater investment share, price stability into a related product or service organization, expansion up or down the supply chain, and acquiring cutting-edge expertise for the growth of new products. Change affects people, organizational systems and business operations immediately and profoundly.

The financial service industry and the banking system play an important part in a country's economic development as it primarily addresses the need for credit for all segments of society. The world's contemporary economies have evolved mainly by making the greatest use of loan accessibility in their schemes. An effective banking system must meet the requirements of high-end shareholders by creating large amounts of money accessible for large initiatives in the manufacturing, infrastructural and service industries, while at the same moment providing credit to medium and small businesses for fresh investment and extension of current facilities. Therefore,
investment development in the economic and banking industry therefore demonstrates development in a country's economy.

A company's internal development can be accomplished through mergers and acquisitions (Ghosh & Das, 2003). In today's economy, mergers and acquisitions (M&As) are progressively being used worldwide to improve businesses' competitiveness by obtaining higher market share, expanding the portfolio to decrease the danger of joining fresh markets and geographies, and capitalizing on economies of scale among others.

M&As have certain goals that boost their development as an internal development policy that has acquired momentum due to enhanced deregulation, privatization, globalization and liberalization in several nations. M&As have become a significant tool for expanding brand portfolios, entering fresh industries and acquiring technology, gaining access to research and development, as well as accessing funds that would allow the business to compete globally (Yadav & Kumar, 2005). There are many factors for joining or acquiring another business: higher business share, diversification into associated product or service organization, acquiring knowledge for fresh product growth (Kivuti, 2013). Kivuti also observed that change has a significant effect on individuals, organizational systems and company activities and therefore inability to comprehend and create policies to accomplish such adjustments would present a major danger to profitability and to preserve the value of equity.

Initial M&A transactions in Ghana could be traced back to Société Générale (SG). There was a horizontal merger between Social Security Bank (SSB) and National Savings Bank (NSCB) in May 1994. This was followed by Ecobank with Trust bank in 2000, Access Bank with Intercontinental Bank the following year and followed by UBA merging with Amalgamated Bank in 2012 (Ghana’s M&As Report, 2017). Prominent to recent times, the Bank of Ghana (BoG)
approved a purchase and assumption of all deposits and selected assets of UT Bank and Capital Bank to Ghana Commercial Bank (GCB) due to the revoked banking licences of the two banks as a result of severe impairment of their capital. Also, on August 1, 2018, BOG withdrew the license of five (5) Ghanaian Banks after they run into liquidity and solvency challenges. These banks: Construction Bank, Beige Bank, Royal Bank, UniBank and Sovereign Bank had their assets and liabilities transferred to form the Consolidated Bank of Ghana with the Government of Ghana owning 100% of the Bank’s shares. On January 1, 2019 the licenses of Premium and Heritage Banks were also revoked by the Bank of Ghana and assets and liabilities transferred to the Consolidated Bank of Ghana.

1.2 Problem Statement
M&As have been a strategic planning instrument for increased market share and profitability and very often businesses announce M&As to build a distinctive picture in the minds of shareholders and clients because they want to maintain and/or boost their market share. Recently in Ghana however, the mergers and acquisitions of banks were generally announced by the central bank which either forced the banks to merge or acquired due to the minimum capital requirements or revoked licenses.

Although previous studies show that the M&A strategy improves the finances of banks through synergy, there are scanty studies which focuses on the mergers and acquisitions project planning and management component, especially in commercial banks where the morale and results of employees are impacted by disputes caused by variations in the cultures and constructions of merged banks. For this reason, this research aims at filling the present knowledge gap by undertaking a research on the effect of mergers and acquisitions on the morale of employees focusing on the Ghana Commercial Bank.
1.3 Purpose of the Study
The aim of this research is to determine the effects of mergers and acquisitions on the morale of employees: a Ghana Commercial Bank (GCB) case study.

1.4 Objectives of the Study
The main objective of this study is to establish the effects of mergers and acquisitions on employee morale with Ghana Commercial Bank as its case study. The specific objectives are to;

I. Find out the effects of work place environment and job satisfaction on employee morale after M&A.
II. Analyse the role of job security on the morale of employees working in Ghana Commercial Bank.
III. Examine the degree to which sense of ownership and belongingness affects employee morale in Ghana Commercial Bank.

1.5 Research Questions
I. What are the effects of work place environment and job satisfaction on employee morale after M&A.
II. What is the role of job security on the morale of employees working in Ghana Commercial Bank?
III. To what degree does sense of ownership and belongingness affect the morale of employees working in Ghana Commercial Bank?

1.6 Significance of the Study
The purpose of this research is to first provide bank management with data on how the morale of staff is impacted after a merger and acquisition. Knowledge from the outcome of this study will
assist management in planning proper and efficient transition programmes for staff of merged entities especially in the case of acquired or merged banks.

It also aims to equip management consultants in advising their firms to include and address the human resources effects and how to structure its leadership to improve the efficiency of its employees. Lastly, it would add to the wider company sphere, scholarly study in project management, human resource planning, and a basis for future studies as well.

1.7 Scope and Limitations of the Study
This study's primary restriction is its failure to cover more banks and firms from other sectors in Ghana. This study focuses only on the Banking Industry through the Ghana Commercial Bank. It is also further limited as the research would contain only a few randomly sampled branches of GCB in Accra.

The participants may be unwilling to provide data afraid that an adverse picture of them or the bank might be painted. They would however be ensured of their scholarly animosity and its use.

1.8 Organisation of the Study
The study consists of five chapters. Chapter one covered the background of the study, the statement of the problem, the purpose of the study, the goals and the research questions. It also covers the study's scope and limitations, the study's significance, and finally its organization. Chapter two includes literature obtained from other people's work in the same region of research and what other academics in the sector have learned. Chapter three covers research methods that include; introduction, research design, target population, sample size and selection processes, study tools, and information collection and analysis procedures. Chapter four deals with data presentation, analysis and interpretation, while chapter five deals with summary and recommendations.
CHAPTER TWO

Literature Review

2.1 Introduction
With more recent event in Ghana, mergers and acquisitions are growing in the globe right now. When companies can't grow any more, they tend to look to mergers and acquisitions. This corporate trick/strategy is used to solidify market position, eliminate/reduce competition, increase said growth and to some just for general expansion. Essentially, acquisitions can happen for almost any conceivable reason. In Ghana however, the M&A strategy has been employed due to failures of acquired companies. The Ghana Commercial Bank in 2017 acquired UT and Capital Banks for failing to meet the Ghana Central Bank’s requirements for capital adequacy. The success of the acquisition owed to the financial bond bailout of 2.2 billion Ghana-cedi ($ 461 million) from the central bank. Individuals and organisations need to recognise the relationship between individuals and company efficiency to comprehend how staff behaviour can be shaped during and after acquisitions. However, there is little literature devoted to the effect of employee morale on the success of merged companies as the main focus was on management and finance.

This chapter addresses the literature discussed in this research. This is primarily concerned with the effects of M&As on the morale of employees and therefore on performance. The specific areas addressed by this study includes; the concept of M&As, influence of work place environment and job satisfaction, job security, sense of ownership and belonging on employee morale, conceptual and theoretical framework.

2.2 Conceptual Framework
Employee performance post acquisitions needs to be closely researched as their knowledge can improve M&As achievement. Rather than merely associating M&As with economic results, it
should be connected with lower morale, work discontent, unproductive attitude, enhanced sales, and absenteeism. From the evaluation of the literature, the multiple elements of fusions and purchases that affect employee morale shape the conceptual framework in this research. A conceptual framework is a fundamental structure consisting of certain abstract frames representing the observational, experiential and analytical/synthetic elements of a designed process or scheme. The independent variables in this research are workplace environment, sense of ownership and belonging, job security and satisfaction and chain of command while employee morale is the dependent variable. The moderating variable is employee motivation while the extraneous variable in this research is the business policy forming the diagram below;

**INDEPENDENT VARIABLES**

**Work Place Environment**
- Physical space
- Safety of employees
- Good relations with co-workers
- Motivation/recognition for good performance
- Participation in decision-making

**Ownership and Belonging**
- Sense of purpose in assigned jobs
- Feeling of accomplishment
- Communication/Contribution

**Job Security**
- Job skills and traits
- Organisational commitment
- Employee Retention

**DEPENDENT VARIABLES**

**Employee Morale/Performance**
- Personal satisfaction
- Efficiency
- Consistency
- Creativity
- Service quality
2.3 Concept of Mergers and Acquisitions
A merger is a transaction comprising businesses, according to Umar (2009), in which stocks are transferred but in which only one business (the merged corporation) remains. He added that mergers generally take place between companies of a slightly comparable size and are generally comfortable with one another. However, the resulting company is probable to have a title extracted from its composite companies, whereas an acquisition is the purchase of a business that is fully incorporated as an operating subsidiary or division of the purchasing business. Okpanachi (2011), considers mergers and acquisitions to be worldwide forms of company used to achieve development and sustainability. According to Ransariya (2010), a merger can be considered as a meaningful abbreviation shown below:

M: Mixing

E: Entities

R: Resources for

G: Growth

E: Enrichment and

R: Renovation

A merger can thus be actively and conveniently referred to as the resources of mixing entities for enrichment and renovation of growth. According to Kivuti (2013), M&As development can be evaluated in two respects: first, building the strengths presently possessed by the organization, and second, gaining the strengths or competitive advantage experienced by another organization. Salleo (2002) also supports this concept: M&As are intended to strengthen current capacities and to access a fresh range of precious skills that are hard to imitate and not commonly accessible and
incorporated into an indivisible portion of another company. Kang and Johansson (2000) believed that a combined organization could attain its objectives (development) in much shorter moment after harnessing the strengths of the company with which it is involved in the strategic alliance. According to Edupristine (2015), M&As may occur through the purchase of assets, the purchase of common shares, the exchange of asset shares and the exchange of shares for shares.

The general argument behind M&A is that two distinct firms together generate more value than when they are autonomous with the aim of maximizing riches. There are distinct kinds of mergers; there is a perpendicular merger where two firms in immediate rivalry and share the same lines of products and markets. “Vertical merger is a combination involving a customer and a company or a supplier, such as a soap manufacturer that merges with an oil palm plantation. Market-extension merger is a merger in which two businesses combine in separate sectors selling the same products. Product-extension merger takes place when two businesses merge in the same industry selling distinct but linked goods. The merger of conglomeration involves two companies that do not have common business areas”.

To be successful, the M&A method requires a full transfer of skills and expertise to make synergies cost-effective. “There are certain goals and reasons for mergers and acquisitions that drive the increase in mergers and acquisitions” (Hensmans et al., 2001). “These include; the willingness to improve the organization's size in order to guarantee that it reaps the advantages or enhances economies of scale; business combination also contributes to hazard diversification, enhancing the competitiveness of the company's industry: being able to remain away from competition or working your way to monopoly”. The approach can also be used as a means of attaining the development goals of organisations by extending their current economies or entering fresh economies, companies with excellent prospects may be poorly run and assets may be underutilized,
leading in a small yield arising in such a business attracting a takeover offer from a more effective business (Shimizu et al., 2004).

M&As were often connected with lower staff morale, work discontent, unproductive conduct, increased turnover, and absenteeism rather than enhanced economic results. An assessment by Davy et al. (1988) places the focus on staff with the liability of one-third to one-half of all fusion mistakes on the above-mentioned problems. It can therefore be said that the analysis of the fundamental triggers of staff opposition should be carried out more closely and more frequently because its knowledge has the ability to improve the scheduling and results of the transaction. It is thought that adverse worker responses account in part for ineffective M&As, which raises the question why mergers and acquisitions seem to cause adverse responses in staff.

According to kivuti (2013), efficiency of staff implies efficient traits, deeds, feelings and choices capturing the full range of work activities. She added that organizational efficiency implies, in the framework of staff, that he or she solves most day-to-day issues, monitors competitive behaviour, attempts to achieve efficiency goals, and implements business strategies. Organizational performance can be evaluated on the basis of organizational efficiency, quality of subordinates, organizational strategy and market conditions. The effects of mergers and acquisitions on the morale of employees is explored in this study by looking at salary or compensation, feeling of ownership & belonging, job security, and satisfaction.

2.4 Influence of Work Place Environment and Job Satisfaction

Many organizations underestimate the significance of the operating setting for the fulfilment of employees and therefore encounter many problems during their work. Employees are the key element in the mission and vision process of the organisation and hence must have certain performance criteria that the organization generally sets in order to guarantee the quality of its job.
To fulfill the organization's requirements, staff would need a healthy operating atmosphere that would allow them to function freely and without issues that might limit their output.

Raziq and Maulabakhsh (2014) indicated that the job climate has two wider characteristics, such as job and background. Work included all the different characteristics of the job; its training, processes and completion. The focus of job satisfaction was on controlling one's own job-related actions, a feeling of work-related accomplishment, range of duties, and intrinsic value for a job. The other dimension recognized as background was further defined as the circumstances of physical and social work.

Spector (1997) noted that most companies seem to disregard their organization’s working environment which negatively affects the performance of their employees. He added that the work setting includes employee safety, job security, excellent relationships with staff, acceptance of excellent results, motivation for excellent results and involvement in the company's decision-making mechanism. He further explained that once employees realize that they are important to the company, they are going to have a high level of involvement and a sense of ownership for their organization. Lane et al (2010) introduced other variables in the workplace such as salaries, operating hours, employee independence, organizational structure and staff-leadership interaction can affect job satisfaction.

Clark (1997) stated that the majority of unsatisfied staff are those who feel disconnected from the organization due to the workplace setting. In addition, he highlighted that enterprises can’t accommodate unhappy staff in the present moments as they will not deliver to their supervisors or managers' norms or expectations.
2.5 Job Security
Employees operating in an organization are impacted by their job security before and after a merger or acquisition. This is because of intense qualifications rivalry between staff in both companies, staff may have skills which are well adapted to many other jobs but not to their current work or company. Ashford et al. (1989) discovered that, the higher the amount of modifications in the organization, the higher the apparent job insecurity of staff that adversely affects their commitment, confidence, job satisfaction and eventually job performance. ‘Employees often have uncertainties about their job security during a merger and they deal with it by decreasing engagement rates but rather use their energy either to deal with anxiety and embarrassment or to attempt to discover fresh work possibilities” (Ashford et al. 1989).
Davy et al. (1988) analyzed 216 employees of a large company to identify the adverse effects on the behaviours, achievement and conduct of the employee with time. The study used questionnaires on two distinct occasions, days until the merger and three months after the merger. Their results showed a substantial rise in work insecurity, which resulted in a substantial amount of layoffs over the three-month span.
The results also showed a decrease in the engagement of staff to their company and it follows logically that as organizational commitment decreases, staff tend to seek fresh employment that distract them from their present job, thereby decreasing their output and that of the company.
Kivuti (2013), says it is plausible to say that an acquisition acts as a catalyst for executives to make hard organizational adjustments, such as dismissing employees or recruiting new ones. She also noted that the thoughts and insecurity and loss of employees through the organization may cascade downward. “Anxiety and insecurity will distract the employee from company requirements and concentrate on adverse elements, such as why the partnership will not function. It is therefore essential to perform a 'talent audit' before the purchase, to determine the organizational and staff
talent that the purchasing organization wishes or needs to maintain for future achievement”. While executives are often forced to introduce workforce reduction programs because of economic costs and thus less economic results.

2.6 Sense of Ownership and Belonging on Employee Morale

(Nelson, 2006) indicated that surveys demonstrate that productivity is not predicted by job satisfaction among staff on its own. Productivity is strong only when job satisfaction is combined with psychological well-being at work. She also described psychological well-being in the workplace as a sense of intent and a feeling of accomplishment on the job. This demonstrates that giving them possession of their work is the best way to support the feeling of intent of staff.

Other methods to give workers possession of work is to bring them in control of how they do their work without dictating to them how they do their work; they just need to accomplish their objective. Also, communicating the corporate data, i.e., its mission and vision and potential difficulties gives your job more significance: when you understand where and how your work adds to a stronger customer outcome.

“M&As rumor mills should not be overly involved as they may contribute to fear and counterproductive actions” (Buono & Bowditch, 1989). “The repeated nature of allegations tends to reinforce people's belief in them” (Rosnow & Fine, 1976), and consequently, leadership efforts to reject these speculations could only and simply compromise the belief in leadership of staff (Rosnow, 1988). Therefore, the best way for leadership to address the anxiety that surrounds an announcement of merger or acquisition is to interact with staff about all the expected consequences of the shift as quickly as feasible.
2.7 Theoretical Framework

Insights into understanding the challenges of M&As have been given by many literatures and labelled most important are the finances of the companies involved and its management. Focusing on the human side, however, could provide very significant perspectives into M&As leadership. This chapter, in Seo and Hill's M&A literature (2005), would recognize and evaluate six (6) theoretical topics from the natural side. These models are focused on a big collection of descriptive information on how staff react to organizational changes related to M&A and a survey of over 100 books and journals in scholarly and professional literature.

“These theories include: anxiety, social identity, acculturation, conflict of roles, features of work and the theory of organizational justice”. “These theories identify the issues that arise in M&As, predict the psychological and behavioral effects on employees and prescribe relevant solutions to the problems”.

2.7.1 Anxiety Theory

In recent mergers and acquisition in Ghana, that is the acquisition of UT and Capital bank by GCB and the consolidated bank, many employees lost their jobs. This is due to large scale organisational changes and that stands to reason to be the significant source of anxiety. Buono and Bowditch (1989) and Rentsch and Schneider (1991) agreed that although the degree of anxiety may differ between people and rely on the qualities of M&A, it is usually noted that staff are experiencing an elevated amount of anxiety when faced with probable M&A event.

Employees tend to feel anxious most often before the merger or takeover as they attempt to deal with the uncertainty of the effect on their employment and careers and so often forecast the worst-case situation. Brockner et al. (1992) and Schweiger et al. (1987) also agreed that the presumed risk of job loss can contribute to enhanced concern and anxiety resulting in self-survival feelings
in which staff participate in political maneuvering to safeguard their position, authority and prestige, thus creating damaging rivalry and negatively impacting the organization's efficiency.

Astrachan (1995) added that staff also encounter separation anxiety that he described as a unique anxiety connected with the scary scenario of getting a shift of partnership or a dramatic end and marked by powerful feelings, including depression, and conduct such as rejection or removal. He further explained that this anxiety could happen before separation actually happens.

One of the most common requirements to reduce anxiety-related stress is essentially a formal communication that would provide prompt and useful information about the organization and employees prior to the actual merger. Cartwright and Cooper (1996) and Ivancevich et al. (1987) agreed and proposed that the length of uncertainty and discomfort could be a significant cause of pressure for employees during M&A and that interaction should begin soon and continue. Other measures include: employee counseling and stress control training (Matteson & Ivancevich, 1990), giving support in a variety of ways, such as worker aid programs and "city conferences" where staff can express their opinions publicly, listen to others and be comfortable with the reality that others have the same feelings (Fugate, Kinicki & Scheck, 2002).

**2.7.2 Social Identity Theory**

Social identity theory deals with a part of individuals identity derived from membership in groups. These identities, including professional, organizational and working group identity, can be affected during the M&A process (Ashforth & Mael, 1989; Kramer, 1991). Haunschild et al. (1994) noted that the concept of social identity predicts that staff would respond during a M&A phase by attempting to achieve a favorable place in the fresh organisation for their own unit that could contribute to group biases that could create severe inter-organizational disputes.
Terry and O'Brien (2001) stated that the level to which staff are prepared to embrace a fresh identity during an M&A is partly linked to the comparative status of their current unit compared to their M&A partner and also to the extent to which they recognize the difference in status as lawful. They further clarified with an instance of organisational culture where staff in a lesser status organization who do not think the superior position of the organization is lawful tend to have more adverse reactions to a partnership and are less associated with the fresh organization than staff in a greater status organization. Members of the high-level organisation may also respond badly to M&A because they think that they deserve their superior position and regard M&A as a danger to their status.

In order to tackle this problem, Terry and O'Brien (2001) suggested that it is essential to evaluate how firmly staff are connected to current identities and then take measures to make fresh identities more desirable. Furthermore, researchers also suggested that freshly created organisations, by promoting communication between the two groups in a favorable and supportive setting, should try to create a common in-group identity.

Buono and Bowditch (1989) and Gutknecht and Keys (1993) proposed various methods to control the issue of social identification by articulating a fresh view, popular objectives and organisational symbols. M&A leaders frequently attempt to encourage a fresh image by selling products with the fresh business title, logo, and declaration of importance. Haunschild et al (1994) introduced other methods of promoting a fresh image, including highlighting a prevalent outgroup or rival and using multiple constructions and teams across organizations. In relation to creating a fresh image, researchers have also suggested numerous attempts to disengage such as termination ceremonies or "grieving conferences" where individuals are urged to convey their feelings and emotions publicly as a way to let go of the ancient identity.
2.7.3 Acculturation Theory

Acculturation can be described as a method that shifts the culture of an isolated community in contact with another. Researchers have asserted that the method of acculturation also occurs during M&A involving the mixture or imposition of distinct organizational styles over each other. Berry (1980) recognized four methods that involve acculturation: deculturation where participants of an organisation do not maintain or substitute their own culture, assimilation where participants embrace another culture, isolation where participants of both organizations maintain their initial social identity and inclusion where there is some degree of shift in both organizations. Nahavandi and Malekzadeh (1988) suggested that if representatives of the two combined organisations do not agree on the required mode of inclusion, the subsequent acculturual pressure will occur. Elsass and Veiga (1994) added that accutral pressure is greatest when participants of both organizations want to keep their own culture, which can contribute to opposition to acculturation and severe inter-organisational disputes.

Seo and Hill (2005) proposed measures to tackle accultural pressure require evaluating the capacity for cultural conflict and then facilitating the process of putting together the distinct cultures. They indicated that a cultural due diligence or audit carried out as an aspect of the M&A due diligence system can provide a reasonable evaluation of the cultural distinctions that occur between M&A organisations. Elsass and Veiga (1994) and Buono and Bowditch (1989) recommended the promotion of multiculturalism, in which both organizational styles are similarly appreciated and incorporated, through intercultural lectures and meetings. Schweiger and Walsh (1990) made a significant hypothesis that, organized and purposeful relationships between merging organisational employees will result in either intercultural tolerance or assimilation. Finally, Marks (1997) stated that staff need to be sensitized about the dynamics of cultural clashes and cautioned
against getting into ways of thinking that contribute to cultural clashes, such as assessing distinctions in aspects of good or bad.

### 2.7.4 Role Conflict Theory

A position is a title that indicates a related collection of duties, expertise, abilities and behaviors. Therefore, Katz and Kahn (1978) clarified the function of conflict theory as a psychological strain that happens when people play various positions that are inconsistent. Marks and Mirvis (1992) added that the method of M&A inclusion includes disrupting current cultural, organizational employment procedures and establishing fresh agreements that are typically neither clear-cut nor short-term, leading to conflicting roles.

In addressing the problem of role conflicts, Bastien (1987) stressed the significance of two-way communication, which consists of both constantly listening to and reacting to the causes of role conflicts. Marks and Mirvis (1992) also proposed that leadership can assist in the development and clarification of fresh positions for staff in the merged organisation. This may involve executives to engage in one-on-one conversations with staff to discuss and explain role expectations.

### 2.7.5 Job Characteristics Theory

According to Hackman and Oldham (1975), the concept of job characteristics indicates that key job features such as ability variation, task identification, task importance, task autonomy and feedback affect work environment views that in turn affect motivation and job satisfaction. Some researchers also suggested that changes in employee attitude and behavior to work after an M&A could simply reflect adjustments in their job and environment after the merger. This is also confirmed by Buono and Bowditch (1989), as they noted that the views of staff about the performance of their work setting declined after a merger leading to a significant decrease in their work fulfillment and dedication to the organization.
Prescribed methods of avoiding adverse estimates of modifications in the work setting include: closely redesigning post-M&As employment in respects that support or enhance employee fulfillment and dedication to the organisation, and promoting staff to engage in this phase (Cameron, Freeman, & Mishra, 1991) and coaching staff to adapt to job modifications (Schweiger et al., 1987).

2.7.6 Organisational Justice Theory
Many M&A cases involve staff to be reselected and displaced. Organizational justice theory thus offers significant theoretical perspectives into how these deeds can impact the conduct and views of the maintained employee. Seo and Hill (2005) found that staff reactions to modifications in organization such as M&A can be affected by the following three kinds of fairness perceptions;

- distributive justice (Adams, 1965), which is the validity of the results obtained in comparison to the level of fairness of an individual.
- procedural justice (Thibaut & Walker, 1975), which is the equity of the processes used to decide the results.
- interactional justice (Tyler & Bies, 1990), which is how those accountable for determining results and processes are handled by the organizational employees.

Fried et al (1996) and Gutknecht and Keys (1993) found that during M&A, staff give close consideration to how individuals are handled in terms of distributive, procedural and interactional justice, and how remaining and relocated staff were handled during the post-merger inclusion era significantly affected their behaviour by the presumed honesty of M&A staff., Harrison (1998), Fried et al. (1996) and Gutknecht and Keys (1993) identified a number of solutions to handling views of organisational fairness during organisational reorganization, including M&A. As far as distributive justice is concerned, staff should undergo training depending on the criticality of their
position in the current organisation and the qualifications deficit for those positions. Perceptions of procedural justice can be improved by enabling staff from both organizations to participate equally in significant choices, including the displacement of workers. Secondly, fresh human resources management strategies and processes in the freshly combined organizations should use precise, objective and unbiased requirements and be compatible across individuals and time. Lastly, interactional justice issues call for fair and respectful processing of relocated staff, offering appropriate explanations of the need for change, and recognizing the adversities faced by staff.

2.8 Empirical Review
A study was conducted by two researchers; Cindy Kangetta and Margaret Kirai in 2017 on the “effects of mergers and acquisitions on employee morale in the Kenyan insurance sector”. “This research showed that strong moral standards have a beneficial impact on job performance, job satisfaction and work stabilization in any organization, regardless of its nature”. “This study introduced a descriptive research design to obtain information from specific insurance companies”. “They selected insurance companies that were merged or acquired in the industry using the purposeful method of sampling. The sample consisted of 12 companies: (23%) of insurance companies in the country and simple random sampling was also used to identify respondents within insurance companies”.

The research used primary data for target participants in insurance companies from self-developed semi-structured questionnaires. These information were then evaluated using a statistical software suite (SPSS) to produce a descriptive statistical overview of percentages and means.

Therefore, it was found from the research that after merger or acquisition, most of the surveyed businesses demonstrated improved work atmosphere and job satisfaction. The research also discovered that M&As was not the only contributor to work fulfillment; other variables also
contributed to enhanced job satisfaction. These variables include; work environment: with a powerful mergers-acquisition correlation. It was demonstrated that M&A helped businesses obtain a selfless working environment while simultaneously improving job satisfaction, which then translates into enhanced employee morale.

Kivuti (2013), also conducted a survey on the impact of mergers and acquisitions on the performance of employees in Equatorial Commercial Bank, Kenya. “The specific objectives were to evaluate the impact of remuneration, ownership and belonging, job security and chain of command on the performance of Equatorial Commercial Bank employees”. This research problem was explored using a survey descriptive research design with a sample of 112 participants including departmental heads, departmental assistant heads and lower-ranking staff such as Equatorial Commercial Bank managers, accounts and finance officers. The research administered the questionnaire to all research participants. By using descriptive statistics using SPSS, Quantitative data collected was analyzed and presented by percentages, means, standard deviations and frequencies.

Conclusions have been reached through testing interactions between variables using Karl Pearson Correlation and multiple regression analysis, which concluded that “employee pay and remuneration affect the performance of employees in the merged organization, mergers affect the sense of ownership and belonging among bank employees, hence their performance. Job security also impacts the performance of employees”. The chain of control impacts the efficiency of the Bank’s staff.

It was recommended that the Bank's leadership also inspect the amount of job and compare it with the wage provided to staff. “The Bank should improve its staff's official and unofficial training programs to strengthen its sense of ownership and therefore performance through mergers and
acquisitions. Programs and policies to improve job security among combined bank staff should be accomplished by establishing an atmosphere that improves their motivation to a satisfying levels”.


CHAPTER THREE

Methodology

3.1 Introduction
“This chapter presents the methods used to conduct this research. It describes the strategy of research, research types, data source, target population, methods of sampling, method of data collection and analysis”.

3.2 Research Strategy
Qualitative and quantitative study (mixed technique) was the approach taken for this study. These strategies engage the use of a structured questionnaire and interview guide which would serve as the primary source of data, and relevant books, journals, magazines, etc. will be among the secondary source.

3.3 Type of Research
The study relied on the explanatory research method due to the nature of the research questions or objectives. The explanatory method is largely necessary in examining causal relationship between constructs. In the context of this study, the choice of the explanatory method is centered on the study's objective of investigating the effects of mergers and acquisitions on the morale of employees using Ghana Commercial Bank. This form of research is necessary in the phase of the employed deductive approach of the study. The deductive reasoning approach involves the testing of the existing theories through the collection of data and developing hypotheses (Blumberg et al., 2005; Ghauri & Gronhaug, 2010).
3.4 Population Sampling and Sampling Technique
For this research, the target population was former UT and Capital Bank employees now Ghana Commercial Bank employees post-acquisition. There are currently fifty-four (54) GCB branches in Greater Accra.

Sampling method used to select the sample for data collection in GCB branches was the purposive sampling approach. “Purposive sampling (also referred to as judgment, selective or subjective sampling) is a technique of non-probability sampling in which the researcher selects elements based on sound judgment for the representative sample”. Simple random sampling method was used to select the participants, but the number of participants was based on the size of the branches chosen.

The number of the target population was unknown, therefore the sample size was estimated by calculating the minimum sample size required for accuracy in estimating proportions based on the standard normal deviation set at a confidence interval of 95 percent. The percentage proportion of response picked is 90 percent.

\[
n = \frac{(Z\alpha/2)^2 * p * (1 - p)}{\varepsilon^2}
\]

(3.1)

Where; \( n \) is the number of the calculated sample size.

\( Z \) is the 95 percent standard normal confidence interval (1.96)

\( p \), the proportion considered

\( \varepsilon \), the acceptable standard error.
Therefore, the sample size is;

\[
 n = \frac{(1.96)^2 \times 0.9 \times (1 - 0.9)}{0.063^2} = 87.1111
\]

(3.2)

The sample size is approximately eighty-seven (87) respondents.

3.5 Data Collection Method
Several procedures and methods are employed by researchers in the collection of data. Methods and procedures depend largely on the type of research being considered. As the current study was largely quantitative in approach, a questionnaire instrument was employed in surveying the employees of former UT and Capital bank now employees of Ghana Commercial Bank.

3.5.1 Questionnaire
A questionnaire is mainly an organized method for primary data collection. It is mainly a conceived study tool composed of a collection of issues to collect data from participants. Questionnaire instrument serve as quick, efficient and relatively less expensive means of collecting large volume of data in research. The questionnaire method also provides relatively higher level of objective opinion from subjects in the data collection process. These benefits form part of the grounds for the choice of questionnaire technique in the data collection process of this study.

A questionnaire can be defined as qualitative or quantitative depending on the designed set of questions. Closed-ended format of questions are largely classified as quantitative whereas open-ended question format questionnaires are described as qualitative. This study on the basis of its quantitative orientation was largely designed using closed-ended questions as the research largely relied on structured questionnaire format. The types of closed-ended question formats employed in the study included multiple choices and scaling.
The developed questionnaire was in two parts with twenty-one (21) questions; Part A with four (4) general information questions and Part B with seventeen (17) questions on “effects of mergers and acquisitions on employee morale”. Part B used a Likert’s scale.

3.6 Analysis of Data
To guarantee an easy analysis, the data acquired were structured. “The Statistical Package for Social Sciences (SPSS) software coded computable data from the questionnaires. The statistical techniques called descriptive statistics and mean score ranking was employed to analyse the data collected from the survey”. “A chi-squared analysis was performed to determine the connection between sense of ownership, job security and morale of Ghana Commercial Bank staff”. In order to measure the impact of the workplace environment on employee performance, binary logistics and multiple regression analysis were used.
CHAPTER FOUR

Analysis and Interpretation of Data

4.1 Introduction
This section provides the findings, evaluation and interpretation of data gathered with the primary purpose of determining the “influence of mergers and acquisitions on employee morale with Ghana Commercial Bank as its case study”.

In particular, this study is aimed at the following:

I. Identify the impacts of work place environment and job satisfaction on employee morale after M&A.

II. Analyse the role of job security on the morale of employees working in Ghana Commercial Bank.

III. Examine the degree to which sense of ownership and belongingness affects employee morale in Ghana Commercial Bank.

These objectives would be analyzed in the above order.

4.2 Demographic Data Description
The following is the data collected from eighty-seven (87) respondents from employees of former UT and Capital bank: now GCB. This data was coded in SPSS and is described in the tables below:
<table>
<thead>
<tr>
<th>Variables</th>
<th>Levels</th>
<th>Count</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>51</td>
<td>58.6</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>36</td>
<td>41.4</td>
</tr>
<tr>
<td>Highest Qualification</td>
<td>Certificate</td>
<td>1</td>
<td>1.1</td>
</tr>
<tr>
<td></td>
<td>Diploma</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Bachelor's Degree</td>
<td>29</td>
<td>33.3</td>
</tr>
<tr>
<td></td>
<td>Master's Degree</td>
<td>38</td>
<td>43.7</td>
</tr>
<tr>
<td></td>
<td>Others</td>
<td>12</td>
<td>13.8</td>
</tr>
<tr>
<td>Bank Employee pre-acquisition</td>
<td>UT Bank</td>
<td>53</td>
<td>60.9</td>
</tr>
<tr>
<td></td>
<td>Capital Bank</td>
<td>34</td>
<td>39.1</td>
</tr>
<tr>
<td>What department were you in</td>
<td>Front-line Employee</td>
<td>12</td>
<td>13.8</td>
</tr>
<tr>
<td>pre-acquisition</td>
<td>Operations/HR/IT</td>
<td>16</td>
<td>18.4</td>
</tr>
<tr>
<td></td>
<td>Credit/corporate/Asset Finance</td>
<td>15</td>
<td>17.2</td>
</tr>
<tr>
<td></td>
<td>Marketing/Product Management</td>
<td>15</td>
<td>17.2</td>
</tr>
<tr>
<td></td>
<td>Admin/Finance/Treasury</td>
<td>12</td>
<td>13.8</td>
</tr>
<tr>
<td></td>
<td>Risk/Compliance/Legal</td>
<td>17</td>
<td>19.5</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>87</td>
<td>100</td>
</tr>
</tbody>
</table>

The table above shows the gender, highest qualifications, bank of origin and pre-acquisition department distribution from the respondents. This shows that the sample contained more male respondents than female with approximately fifty-eight percent (58%) and forty-one percent (41%) respectively. Out of these respondents, it can be seen that more employees have higher qualifications including bachelors and masters degrees and professional exam certificates.

The table above also shows that more employees with approximately sixty-one percent (61%) where from UT bank followed by Capital bank with approximately thirty-nine percent (39%). However, there seems to be an almost even distribution of employees of various departments and leading with approximately twenty percent (20%) from Risk/Compliance/Legal departments,
followed by Operations/HR/IT with eighteen percent (18%), Credit/corporate/Asset Finance and Marketing/Product Management with seventeen percent (17%) and Front-line Employee and Admin/Finance/Treasury with thirteen percent (13%).

4.3 “The effects of work place environment and job satisfaction on employee morale after M&A”.

Table 4.3.1 Work place environment and Job satisfaction

<table>
<thead>
<tr>
<th>Variables</th>
<th>Levels</th>
<th>Count</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I have a safe working environment</td>
<td>Strongly Disagree</td>
<td>10</td>
<td>11.5</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
<td>17</td>
<td>19.5</td>
</tr>
<tr>
<td></td>
<td>Neutral</td>
<td>19</td>
<td>21.8</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>28</td>
<td>32.2</td>
</tr>
<tr>
<td></td>
<td>Strongly Agree</td>
<td>13</td>
<td>14.9</td>
</tr>
<tr>
<td>“I have access to supervisors when I need to make a decision”</td>
<td>Strongly Disagree</td>
<td>12</td>
<td>13.8</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
<td>13</td>
<td>14.9</td>
</tr>
<tr>
<td></td>
<td>Neutral</td>
<td>13</td>
<td>14.9</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>36</td>
<td>41.4</td>
</tr>
<tr>
<td></td>
<td>Strongly Agree</td>
<td>13</td>
<td>14.9</td>
</tr>
<tr>
<td>“I am involved in decisions affecting my position/work”</td>
<td>Strongly Disagree</td>
<td>8</td>
<td>9.2</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
<td>17</td>
<td>19.5</td>
</tr>
<tr>
<td></td>
<td>Neutral</td>
<td>22</td>
<td>25.3</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>28</td>
<td>32.2</td>
</tr>
<tr>
<td></td>
<td>Strongly Agree</td>
<td>12</td>
<td>13.8</td>
</tr>
<tr>
<td>“My work gives me the feeling of accomplishment and pride”</td>
<td>Strongly Disagree</td>
<td>8</td>
<td>9.2</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
<td>15</td>
<td>17.2</td>
</tr>
<tr>
<td></td>
<td>Neutral</td>
<td>30</td>
<td>34.5</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>23</td>
<td>26.4</td>
</tr>
<tr>
<td></td>
<td>Strongly Agree</td>
<td>11</td>
<td>12.6</td>
</tr>
<tr>
<td>“I feel secure in my employment”</td>
<td>Strongly Disagree</td>
<td>10</td>
<td>11.5</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
<td>27</td>
<td>31</td>
</tr>
<tr>
<td></td>
<td>Neutral</td>
<td>20</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>16</td>
<td>18.4</td>
</tr>
<tr>
<td></td>
<td>Strongly Agree</td>
<td>14</td>
<td>16.1</td>
</tr>
</tbody>
</table>
From table 4.3.1, approximately forty-seven percent (47%) agree that they are provided with a safe working environment while thirty-one percent (31%) disagree with the rest remaining neutral. Also, approximately fifty-six percent (56%) agree that they have access to supervisors when they need to make decisions with twenty-nine percent (29%) disagree. More participants also agree that they are engaged in decisions influencing their position / work, and “they also believe that their job offers them a sense of accomplishment and pride”, and that they are happy with the relations and professionalism of their fellow peers with forty-six (46), thirty-nine (39) and fifty-four (54) percent respectfully.

However, forty-two percent (42%) which forms the majority say that they do not feel secure in their employment whiles thirty-four (34%). Forty-four percent (44%) and thirty-six percent (36%) of participants also disagree that “employee turnover is reasonable-not high and that senior management is not transparent and honest respectively”.

<table>
<thead>
<tr>
<th></th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Employee turnover is reasonable - not high”</td>
<td>14</td>
<td>24</td>
<td>17</td>
<td>21</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>16.1</td>
<td>27.6</td>
<td>19.5</td>
<td>24.1</td>
<td>12.6</td>
</tr>
<tr>
<td>“Senior management is open and honest”</td>
<td>10</td>
<td>21</td>
<td>27</td>
<td>16</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>11.5</td>
<td>24.1</td>
<td>31</td>
<td>18.4</td>
<td>14.9</td>
</tr>
<tr>
<td>“I am satisfied with the relations and professionalism of my fellow peers”</td>
<td>10</td>
<td>10</td>
<td>20</td>
<td>36</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>11.5</td>
<td>11.5</td>
<td>23</td>
<td>41.4</td>
<td>12.6</td>
</tr>
<tr>
<td>Total</td>
<td>87</td>
<td></td>
<td></td>
<td></td>
<td>100</td>
</tr>
</tbody>
</table>
4.3.1 “Relationship between work place environment/job satisfaction and employee morale”.

A chi-squared analysis was made for each variable to find if the dependent variables are related to the independent variables. “A chi-square test was used due to the categorical nature of the data”.

Hypothesis;

\[ H_0: \text{work place environment/job satisfaction and employee morale are not related} \]
\[ H_1: \text{work place environment/job satisfaction and employee morale are related} \]

(4.1)

Table 4.3.2 A chi-squared test between “work place environment/Job satisfaction and employee efficiency”

<table>
<thead>
<tr>
<th>Variables</th>
<th>Chi-Square Value</th>
<th>Degree of Freedom</th>
<th>p-Value</th>
<th>Phi</th>
</tr>
</thead>
<tbody>
<tr>
<td>“I am provided with a safe working environment (physical, mentally and free from harassment)”</td>
<td>17.451</td>
<td>16</td>
<td>0.357</td>
<td></td>
</tr>
<tr>
<td>“I have access to supervisors when I need to make a decision”</td>
<td>18.103</td>
<td>16</td>
<td>0.318</td>
<td></td>
</tr>
<tr>
<td>“I am involved in decisions affecting my position/work”</td>
<td>35.84</td>
<td>16</td>
<td>0.003</td>
<td>0.6</td>
</tr>
<tr>
<td>“My work gives me the feeling of accomplishment and pride”</td>
<td>20.707</td>
<td>16</td>
<td>0.19</td>
<td></td>
</tr>
<tr>
<td>“I feel secure in my employment”</td>
<td>18.467</td>
<td>16</td>
<td>0.297</td>
<td></td>
</tr>
<tr>
<td>“Employee turnover is reasonable - not high”</td>
<td>22.143</td>
<td>16</td>
<td>0.139</td>
<td></td>
</tr>
<tr>
<td>“Senior management is open and honest”</td>
<td>13.372</td>
<td>16</td>
<td>0.645</td>
<td></td>
</tr>
<tr>
<td>“I am satisfied with the relations and professionalism of my fellow peers”</td>
<td>14.167</td>
<td>16</td>
<td>0.586</td>
<td></td>
</tr>
</tbody>
</table>

From table 4.3.2, since the p-value of “being involved in decisions affecting position/work”, is “less than the significance level (\( \alpha = 0.05 \)), we reject the null hypothesis and conclude with 95 percent confidence” that there is a relationship between “I am involved in decisions affecting my position/work” and employee efficiency. This relationship according to the Phi’s value is a strong positive relationship with a value of 0.6.
Table 4.3.3 A chi-squared test “between work place environment/Job satisfaction and employee’s personal satisfaction”

<table>
<thead>
<tr>
<th>Variables</th>
<th>Chi-Square Value</th>
<th>Degree of Freedom</th>
<th>p-Value</th>
<th>Phi</th>
</tr>
</thead>
<tbody>
<tr>
<td>“I am provided with a safe working environment (physical, mentally and free from harassment)”</td>
<td>20.007</td>
<td>16</td>
<td>0.22</td>
<td></td>
</tr>
<tr>
<td>“I have access to supervisors when I need to make a decision”</td>
<td>11.912</td>
<td>16</td>
<td>0.75</td>
<td></td>
</tr>
<tr>
<td>“I am involved in decisions affecting my position/work”</td>
<td>26.726</td>
<td>16</td>
<td><strong>0.045</strong></td>
<td>0.6</td>
</tr>
<tr>
<td>“My work gives me the feeling of accomplishment and pride”</td>
<td>20.973</td>
<td>16</td>
<td>0.18</td>
<td></td>
</tr>
<tr>
<td>“I feel secure in my employment”</td>
<td>44.514</td>
<td>16</td>
<td>0</td>
<td>0.7</td>
</tr>
<tr>
<td>“Employee turnover is reasonable - not high”</td>
<td>18.988</td>
<td>16</td>
<td>0.269</td>
<td></td>
</tr>
<tr>
<td>“Senior management is open and honest”</td>
<td>17.619</td>
<td>16</td>
<td>0.45</td>
<td></td>
</tr>
<tr>
<td>“I am satisfied with the relations and professionalism of my fellow peers”</td>
<td>24.58</td>
<td>16</td>
<td>0.078</td>
<td></td>
</tr>
</tbody>
</table>

From table 4.3.3, since the p-values of “being involved in decisions affecting position/work” and “I feel secure in my employment” are less than the significance level (\( \alpha = 0.05 \)), “we reject the null hypothesis and conclude with 95 percent confidence that there is a relationship between the above mentioned and employee’s personal satisfaction”. These relationships according to the Phi’s value are strong and positive with values of 0.6 and 0.7 respectively.

4.3.2 Logistic regression models of work place environment/job satisfaction and employee morale.

Table 4.3.4 Logistic Model of employee efficiency

<table>
<thead>
<tr>
<th>Employee Efficiency</th>
<th>B</th>
<th>S.E.</th>
<th>Wald</th>
<th>df</th>
<th>Sig.</th>
<th>Exp(B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am involved in decisions affecting my position/work</td>
<td>-.157</td>
<td>.217</td>
<td>.524</td>
<td>1</td>
<td>.469</td>
<td>.855</td>
</tr>
<tr>
<td>Constant</td>
<td>1.660</td>
<td>.766</td>
<td>4.698</td>
<td>1</td>
<td>.030</td>
<td>5.257</td>
</tr>
</tbody>
</table>

39
From table 4.3.4, since the p-value of “I am involved in decisions affecting position/work” is greater than 0.05, we say that the slope is not significant and therefore the logistic model cannot be used.

4.4 “The role of job security on the morale of employees working in Ghana Commercial Bank”.

Table 4.4.1 Job Security

<table>
<thead>
<tr>
<th>Variables</th>
<th>Levels</th>
<th>Count</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>“The duties of my position are clearly defined”</td>
<td>Strongly Disagree</td>
<td>6</td>
<td>6.9</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
<td>16</td>
<td>18.4</td>
</tr>
<tr>
<td></td>
<td>Neutral</td>
<td>19</td>
<td>21.8</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>31</td>
<td>35.6</td>
</tr>
<tr>
<td></td>
<td>Strongly Agree</td>
<td>15</td>
<td>17.2</td>
</tr>
<tr>
<td>“I am given adequate training, authority and resources for the job”</td>
<td>Strongly Disagree</td>
<td>12</td>
<td>13.8</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
<td>13</td>
<td>14.9</td>
</tr>
<tr>
<td></td>
<td>Neutral</td>
<td>20</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>35</td>
<td>40.2</td>
</tr>
<tr>
<td></td>
<td>Strongly Agree</td>
<td>7</td>
<td>8</td>
</tr>
</tbody>
</table>

From table 4.4.1, approximately fifty-three percent (53%) agree that the duties of their positions are clearly defined, so also did forty-eight percent (48%) agree that they are given adequate training, authority and resources for their jobs. This consequently follows with approximately twenty-five percent (25%) and twenty-nine percent (29%) disagreeing to the variables above.

4.4.1 “Relationship between job security and employee morale”.

Hypothesis;

\[ H_0: \text{job security and employee morale are not related.} \]

\[ H_1: \text{job security and employee morale are related.} \]
Table 4.4.2 A chi-squared test between job security and employee’s efficiency

<table>
<thead>
<tr>
<th>Variables</th>
<th>Chi-Square Value</th>
<th>Degree of Freedom</th>
<th>p-Value</th>
<th>Phi</th>
</tr>
</thead>
<tbody>
<tr>
<td>The duties of my position are clearly defined</td>
<td>23.009</td>
<td>16</td>
<td>0.113</td>
<td></td>
</tr>
<tr>
<td>I am given adequate training, authority and resources for the job</td>
<td>17.585</td>
<td>16</td>
<td>0.349</td>
<td></td>
</tr>
</tbody>
</table>

From table 4.4.2, since the p-values of both variables are greater than the significance level (α = 0.05), we fail to reject the null hypothesis and conclude with 95 percent confidence that there is no relationship between the variables and employees’ efficiency.

Table 4.4.3 A chi-squared test between job security and employee’s personal satisfaction

<table>
<thead>
<tr>
<th>Variables</th>
<th>Chi-Square Value</th>
<th>Degree of Freedom</th>
<th>p-Value</th>
<th>Phi</th>
</tr>
</thead>
<tbody>
<tr>
<td>The duties of my position are clearly defined</td>
<td>27.247</td>
<td>16</td>
<td>0.039</td>
<td>0.56</td>
</tr>
<tr>
<td>I am given adequate training, authority and resources for the job</td>
<td>13.636</td>
<td>16</td>
<td>0.626</td>
<td></td>
</tr>
</tbody>
</table>

From table 4.4.3, since the p-value of “The duties of my position are clearly defined”, is less than the significance level (α = 0.05), we reject the null hypothesis and conclude with 95 percent confidence that there is a relationship between “The duties of my position are clearly defined and employee personal satisfaction. This relationship according to the Phi’s value is a strong positive relationship with a value of 0.56.

4.4.2 Logistic regression models of job security and employee morale.

Table 4.4.4 Logistic Model of employee’s personal satisfaction

<table>
<thead>
<tr>
<th>Variables</th>
<th>B</th>
<th>S.E.</th>
<th>Wald</th>
<th>df</th>
<th>Sig.</th>
<th>Exp(B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The duties of my position are clearly defined</td>
<td>.234</td>
<td>.201</td>
<td>1.365</td>
<td>1</td>
<td>.243</td>
<td>1.264</td>
</tr>
</tbody>
</table>
From table 4.4.4, since the p-value of “The duties of my position are clearly defined” is greater than 0.05, we say that the slope is not significant and therefore the logistic model cannot be used.

4.5 The degree to which sense of ownership and belongingness affects employee morale in Ghana Commercial Bank.

Table 4.5.1 Sense of Ownership and Belonging

<table>
<thead>
<tr>
<th>Variables</th>
<th>Levels</th>
<th>Count</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I feel supported, valued and appreciated</td>
<td>Strongly Disagree</td>
<td>9</td>
<td>10.3</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
<td>12</td>
<td>13.8</td>
</tr>
<tr>
<td></td>
<td>Neutral</td>
<td>24</td>
<td>27.6</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>25</td>
<td>28.7</td>
</tr>
<tr>
<td></td>
<td>Strongly Agree</td>
<td>17</td>
<td>19.5</td>
</tr>
<tr>
<td>We have fair and equal opportunity to air our grievances</td>
<td>Strongly Disagree</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
<td>22</td>
<td>25.3</td>
</tr>
<tr>
<td></td>
<td>Neutral</td>
<td>17</td>
<td>19.5</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>29</td>
<td>33.3</td>
</tr>
<tr>
<td></td>
<td>Strongly Agree</td>
<td>12</td>
<td>13.8</td>
</tr>
<tr>
<td>I am given sufficient responsibility in my job</td>
<td>Strongly Disagree</td>
<td>8</td>
<td>9.2</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
<td>12</td>
<td>13.8</td>
</tr>
<tr>
<td></td>
<td>Neutral</td>
<td>19</td>
<td>21.8</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>38</td>
<td>43.7</td>
</tr>
<tr>
<td></td>
<td>Strongly Agree</td>
<td>10</td>
<td>11.5</td>
</tr>
<tr>
<td>I am committed to this company’s success</td>
<td>Strongly Disagree</td>
<td>10</td>
<td>11.5</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
<td>8</td>
<td>9.2</td>
</tr>
<tr>
<td></td>
<td>Neutral</td>
<td>16</td>
<td>18.4</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>35</td>
<td>40.2</td>
</tr>
<tr>
<td></td>
<td>Strongly Agree</td>
<td>18</td>
<td>20.7</td>
</tr>
<tr>
<td>I feel there is fair opportunity for advancement in the company</td>
<td>Strongly Disagree</td>
<td>10</td>
<td>11.5</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
<td>15</td>
<td>17.2</td>
</tr>
<tr>
<td></td>
<td>Neutral</td>
<td>28</td>
<td>32.2</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>21</td>
<td>24.1</td>
</tr>
<tr>
<td></td>
<td>Strongly Agree</td>
<td>13</td>
<td>14.9</td>
</tr>
</tbody>
</table>
From table 4.5.1, approximately forty-eight percent (48%) of the respondents expressed that they feel supported, valued and appreciated. Forty-seven percent (47%) expressed that they have fair and equal opportunity to air their grievances as opposed to approximately twenty-four percent (24%) and thirty-three percent (33%) disagree respectively.

Also, approximately fifty-five percent (55%), sixty-one percent (61%) and thirty-nine percent (39%) respectively expressed that they are given sufficient responsibility in their jobs, are committed to the company’s success and feel that there is fair opportunity for advancement in the company; with a percentage disagreement of twenty-three (23), twenty-one (21) and twenty-nine (29) respectfully.

4.5.1 Relationship between sense of ownership and belongingness and employee morale.

Hypothesis:

\[ H_0: \text{sense of ownership and belongingness and employee morale are not related.} \]
\[ H_1: \text{sense of ownership and belongingness and employee morale are related.} \]

\[(4.3)\]

Table 4.5.2 A chi-squared test between sense of ownership and belongingness and employee’s efficiency

<table>
<thead>
<tr>
<th>Variables</th>
<th>Chi-Square Value</th>
<th>Degree of Freedom</th>
<th>p-Value</th>
<th>Phi</th>
</tr>
</thead>
<tbody>
<tr>
<td>I feel supported, valued and appreciated</td>
<td>13.598</td>
<td>16</td>
<td>0.629</td>
<td></td>
</tr>
<tr>
<td>We have fair and equal opportunity to air our grievances</td>
<td>21.777</td>
<td>16</td>
<td>0.151</td>
<td></td>
</tr>
<tr>
<td>I am given sufficient responsibility in my job</td>
<td>34.623</td>
<td>16</td>
<td>0.004</td>
<td>0.631</td>
</tr>
<tr>
<td>I am committed to this company’s success</td>
<td>38.097</td>
<td>16</td>
<td>0.001</td>
<td>0.662</td>
</tr>
</tbody>
</table>
I feel there is fair opportunity for advancement in the company 26.062 16 0.053 0.547

From table 4.5.2, since the p-values of “I am given sufficient responsibility in my job”, “I am committed to this company’s success” and “I feel there is fair opportunity for advancement in the company” are less than the significance level (\( \alpha = 0.05 \)), we reject the null hypothesis and conclude with 95 percent confidence that there is a relationship between the above-mentioned variables and employee efficiency. This relationship according to the Phi’s values are strong and positive relationship with values of 0.621, 0.662 and 0.547 respectively.

Table 4.5.3 A chi-squared test between sense of ownership and belongingness and employee’s personal satisfaction

<table>
<thead>
<tr>
<th>Variables</th>
<th>Chi-Square Value</th>
<th>Degree of Freedom</th>
<th>p-Value</th>
<th>Phi</th>
</tr>
</thead>
<tbody>
<tr>
<td>I feel supported, valued and appreciated</td>
<td>40.817</td>
<td>16</td>
<td>0.001</td>
<td>0.685</td>
</tr>
<tr>
<td>We have fair and equal opportunity to air our grievances</td>
<td>24.459</td>
<td>16</td>
<td>0.08</td>
<td>0.53</td>
</tr>
<tr>
<td>I am given sufficient responsibility in my job</td>
<td>15.496</td>
<td>16</td>
<td>0.489</td>
<td></td>
</tr>
<tr>
<td>I am committed to this company’s success</td>
<td>34.433</td>
<td>16</td>
<td>0.005</td>
<td>0.629</td>
</tr>
<tr>
<td>I feel there is fair opportunity for advancement in the company</td>
<td>37.348</td>
<td>16</td>
<td>0.002</td>
<td>0.655</td>
</tr>
</tbody>
</table>

From table 4.5.3, since the p-values of all the variables except “I am given sufficient responsibility in my job” and are less than the significance level (\( \alpha = 0.05 \)), we reject the null hypothesis and conclude with 95 percent confidence that there is a relationship between those variables and employee efficiency. This relationship according to the Phi’s values are strong and positive relationship with values of 0.685, 0.53, 0.629 and 0.655 respectively.
4.5.2 Logistic regression models of sense of ownership and belongings and employee morale.

**Table 4.5.4 Logistic Model of employee’s efficiency**

<table>
<thead>
<tr>
<th>Variables</th>
<th>B</th>
<th>S.E.</th>
<th>Wald</th>
<th>df</th>
<th>Sig.</th>
<th>Exp(B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am given sufficient responsibility in my job</td>
<td>.491</td>
<td>.234</td>
<td>4.385</td>
<td>1</td>
<td>.036</td>
<td>1.634</td>
</tr>
<tr>
<td>I am committed to this company’s success</td>
<td>.334</td>
<td>.214</td>
<td>2.423</td>
<td>1</td>
<td>.120</td>
<td>1.396</td>
</tr>
<tr>
<td>I feel there is fair opportunity for advancement in the company</td>
<td>.026</td>
<td>.214</td>
<td>.015</td>
<td>1</td>
<td>.902</td>
<td>1.027</td>
</tr>
<tr>
<td>Constant</td>
<td>-1.610</td>
<td>1.206</td>
<td>1.781</td>
<td>1</td>
<td>.182</td>
<td>.200</td>
</tr>
</tbody>
</table>

From table 4.5.4, since the p-value of only “I am given sufficient responsibility in my job” is less than 0.05, we say that the slope is significant and therefore only the variable (I am given sufficient responsibility in my job) would be used for the logistic model.

\[ \text{Employee Efficiency} = -1.61 + 0.491 \text{ (I am given sufficient responsibility in my job)} \]

(4.4)

**Table 4.5.5 Logistic Model Summary of “I am given sufficient responsibility in my job” on employee’s efficiency**

<table>
<thead>
<tr>
<th>Model Summary</th>
<th>-2 Log likelihood</th>
<th>Cox &amp; Snell R Square</th>
<th>Nagelkerke R Square</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>86.517</td>
<td>.105</td>
<td>.157</td>
</tr>
</tbody>
</table>

From table 4.5.5, the model summary states that the model explains 10.5 percent and 15.7 percent of the variability of the employee’s efficiency data according to cox & Snell and Nagelkerke respectively. Although again, this is the best model based on the variables, the model happens to be very weak.
Table 4.5.6 Logistic Model of employee’s personal satisfaction

<table>
<thead>
<tr>
<th>Variables</th>
<th>B</th>
<th>S.E.</th>
<th>Wald</th>
<th>df</th>
<th>Sig.</th>
<th>Exp(B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I feel supported, valued and appreciated</td>
<td>.234</td>
<td>.199</td>
<td>1.374</td>
<td>1</td>
<td>.241</td>
<td>1.263</td>
</tr>
<tr>
<td>We have fair and equal opportunity to air our grievances</td>
<td>-.094</td>
<td>.208</td>
<td>.205</td>
<td>1</td>
<td>.651</td>
<td>.910</td>
</tr>
<tr>
<td>I am committed to this company’s success</td>
<td>.559</td>
<td>.207</td>
<td>7.323</td>
<td>1</td>
<td>.007</td>
<td>1.749</td>
</tr>
<tr>
<td>I feel there is fair opportunity for advancement in the company</td>
<td>.327</td>
<td>.211</td>
<td>2.396</td>
<td>1</td>
<td>.122</td>
<td>1.387</td>
</tr>
<tr>
<td>Constant</td>
<td>-2.509</td>
<td>1.442</td>
<td>3.026</td>
<td>1</td>
<td>.082</td>
<td>.081</td>
</tr>
</tbody>
</table>

From table 4.5.6, since the p-value of only “I am committed to this company’s success” is less than 0.05, we say that the slope is significant and therefore only the variable (I am committed to this company’s success) would be used for the logistic model.

\[
\text{Employee Personal Satisfaction} = -2.509 + 0.559 \ (I \ am \ committed \ to \ this \ company's \ success)
\]  

(4.5)

Table 4.5.7 Logistic Model of “I am committed to this company’s success” employee’s personal satisfaction

<table>
<thead>
<tr>
<th>Model Summary</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>-2 Log likelihood</td>
<td>95.761</td>
<td>.112</td>
</tr>
<tr>
<td>Cox &amp; Snell R Square</td>
<td>.112</td>
<td></td>
</tr>
<tr>
<td>Nagelkerke R Square</td>
<td>.159</td>
<td></td>
</tr>
</tbody>
</table>

From table 4.5.7, the model summary states that the model explains 11.2 percent and 15.9 percent of the variability of the employee’s personal satisfaction data according to cox & Snell and Nagelkerke respectively. Although this is the best model based on the variables, the model happens to be very weak.
CHAPTER FIVE

Summary, Conclusion and Recommendations

5.1 Introduction
This is the final section in this research that provides summary results, analysis, conclusions, research recommendations centered on the research goal and suggestions for further studies. It follows the identification of the background, the problem at hand and the objectives in chapter one, the literature review in chapter two, chapter three laid out the methodology used to obtain information and chapter four evaluated the information from the research. Finally, this section
offers suggestions for further research. The research attempted to determine the impact of mergers and acquisitions on employee morale working in Ghana Commercial Bank. The various objectives were to identify the impact of work place environment and job satisfaction on employee morale after M&A; to analyse the role of job security on the morale of employees working in Ghana Commercial Bank; and to examine the degree to which sense of ownership and belongingness affects the morale of employees working in Ghana Commercial Bank.

5.2 Summary of Findings
Mergers and acquisitions have diverse effects on employee morale and consequently employee’s performance in the institution they find themselves in. This therefore affects the performance of the institution as a whole and thus affect the productivity and efficiency of such institutions. This study shows that job security, employee’s sense of ownership and belongingness, and also the role of the work place environment had no significant relationship on the morale of employees after a merger or acquisition.

Although this study was unable to build strong logistic regression models, it produced strong positive/direct relationships between an employee being involved in decisions affecting position/work; feeling secured in one’s employment; being given sufficient responsibility with regards to an employee’s job; and employee morale. Also, there is a relationship between personal satisfaction and an employee being involved in decisions affecting his/her position/work, feeling secure in one’s employment and satisfaction with the relations and professionalism of fellow peers, as well as having employees’ duties and position clearly defined.
5.3 Conclusions

The study concludes from the findings of the study that employee morale after mergers and acquisitions is not affected by employee’s sense of ownership and belongingness, job security and also work place environment.

The study also revealed that approximately 47% of the respondents agree that they are provided with a safe working environment whilst approximately 56% and 46% agree that they have access to supervisors and they are engaged in decisions influencing their position or work respectively. Clark (1997) stated that the majority of unsatisfied staff are those who feel disconnected from the organization due to the workplace setting. In addition, he highlighted that enterprises can’t accommodate unhappy staff in the present moments as they will not deliver to their supervisors’ or managers’ norms or expectations.

The study also concluded that approximately 53% of respondents agree that there is a clear definition of their positions and so also did 48% of the respondents agree that they are given adequate training, authority and resources for their jobs in trying to measure job security. Kivuti (2013), says it is plausible to say that an acquisition acts as a catalyst for executives to make hard organizational adjustments, such as dismissing unproductive employees or recruiting better ones. She also noted that the thoughts and feelings of insecurity and loss of employees through the organization may cascade downward. Anxiety and uncertainty will distract employees from the demands of companies and focus on adverse elements, such as why the partnership will not function and thus affect their morale or performance. This study however showed that majority of the respondents felt secured in their jobs even after a merger and acquisition.

The study also finally deduced that approximately 48% of the respondents expressed that they feel supported, valued and appreciated whiles 47% expressed that they have fair and equal opportunity
to air grievances. Nelson (2006) indicated that surveys demonstrate that productivity is not predicted by job satisfaction among staff on its own. Productivity is strong only when job satisfaction is combined with psychological well-being at work. She also described psychological well-being in the workplace as a sense of intent and a sense of achievement in one's job. This demonstrates that the best way to support sense of ownership and belonging is to give them ownership of their job.

5.4 Recommendations
Most institutions tend to ignore the working environment within their institution which can negatively affect the morale of employees. To fulfil the organization's requirements, staff would need a healthy operating atmosphere that would allow them to function freely and without issues that might limit their output.

This research proposes that post-mergers and acquisitions, organizations should boost their staff's official and unofficial training programs to have a beneficial effect on employee morale in terms of job security. Measures and policies should be accomplished to improve job security among the merged institution's staff by establishing an atmosphere that improves their motivation levels to satisfying levels.

5.5 Recommendation for Further Studies
This research evaluated and recognized the impact of mergers and acquisitions on the morale of employees in Ghana Commercial Bank, and has identified that work place environment and job satisfaction, job security, and sense of ownership and belonging has no significant relationship with employee morale. I would strongly recommend further study on the effect of mergers and acquisition on employee morale in the banking sector and other industries using larger samples and various research techniques to add to the literature of academic and industrial purposes.
REFERENCES


Appendix I

QUESTIONNAIRE

THE EFFECT OF MERGERS AND ACQUISITIONS ON EMPLOYEE MORALE: A CASE STUDY OF GHANA COMMERCIAL BANK.

I humbly seek your audience to help with the data collection in respect of my thesis at the University of Ghana Business School (UGBS). You are very much assured of the confidentiality of all information provided as it will solely be used for the purpose of this study.

This questionnaire consists of two (2) major parts; Part A on general information and Part B on influence of mergers and acquisitions on employee morale. Kindly answer all the questions to the best of your ability. Indicate with a tick or filling in the space(s) provided.
PART A: GENERAL INFORMATION

A1. What is your gender?

   Male [ ]   Female [ ]

A2. What is your highest qualification?

   Certificate [ ]   Diploma [ ]
   Bachelor’s Degree [ ]   Masters Degree [ ]
   Others [ ]

A3. What bank employee were you pre-acquisition?

   UT Bank [ ]   Capital Bank [ ]

A4. What department were you in (pre-acquisition)?

   Front-line Employee [ ]   Operations/IT/HR [ ]
   Credit/corporate/Asset Finance [ ]   Marketing/Product Management [ ]
   Admin/Finance/Treasury [ ]   Others (specify ………………………) [ ]

PART B: INFLUENCE OF MERGERS AND ACQUISITIONS ON EMPLOYEE MORALE

(Please tick the appropriate answer from the following;)

<table>
<thead>
<tr>
<th>Questions</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Strongly Disagree</td>
<td>Disagree</td>
<td>Neutral</td>
<td>Agree</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>-------------------</td>
<td>----------</td>
<td>---------</td>
<td>-------</td>
</tr>
<tr>
<td>B1</td>
<td>I am provided with a safe working environment (physical, mentally and free from harassment)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B2</td>
<td>I feel supported, valued and appreciated</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B3</td>
<td>I have access to supervisors when I need to make a decision</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B4</td>
<td>I am involved in decisions affecting my position/work</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B5</td>
<td>My work gives me the feeling of accomplishment and pride</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B6</td>
<td>I feel secure in my employment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B7</td>
<td>The duties of my position are clearly defined</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B8</td>
<td>I am given adequate training, authority and resources for the job</td>
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<td>Questions</td>
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<tr>
<td>B9</td>
<td>Employee turnover is reasonable - not high</td>
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<tr>
<td>B10</td>
<td>We have fair and equal opportunity to air our grievances</td>
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<tr>
<td>B11</td>
<td>I am given sufficient responsibility in my job</td>
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<tr>
<td>B12</td>
<td>Senior management is open and honest</td>
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<tr>
<td>B13</td>
<td>I am satisfied with the relations and professionalism of my fellow peers</td>
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<tr>
<td>B14</td>
<td>I am committed to this company’s success</td>
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<td></td>
<td>Statement</td>
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<tr>
<td>B15</td>
<td>I feel there is fair opportunity for advancement in the company</td>
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<td>B16</td>
<td>The efficiency of the employees are excellent</td>
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<tr>
<td>B17</td>
<td>Overall, I am personally satisfied with everything around my job</td>
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</table>