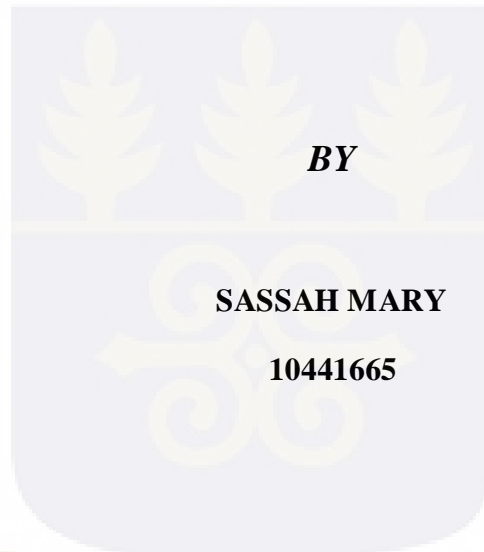


UNIVERSITY OF GHANA

**IMPACT OF ACQUISITION PROCESSES ON TURNOVER
INTENTION AND COMMITMENT AMONG EMPLOYEES OF
UNIVERSAL MERCHANT BANK, ACCRA**



BY

SASSAH MARY

10441665

**THIS THESIS IS SUBMITTED TO THE UNIVERSITY OF GHANA, LEGON IN
PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF AN
MPHIL HUMAN RESOURCE MANAGEMENT DEGREE**

JUNE, 2015

DECLARATION

I hereby declare that this work is the results of my own research and has not been presented by anyone for an academic award in other university. All references used in the work have been fully acknowledged.

I bear sole responsibility for any shortcomings.

.....
SASSAH MARY (10441665)

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DATE

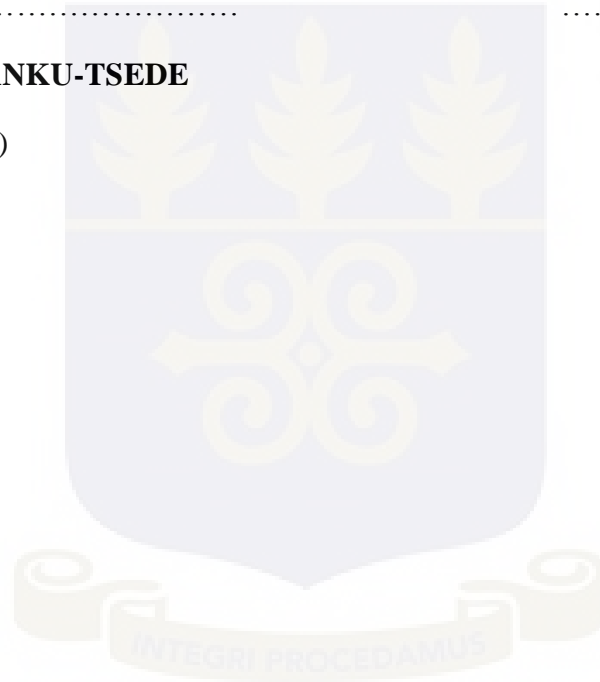


CERTIFICATION

I hereby certify that this thesis was supervised in accordance with the procedures laid down by the university.

.....
DR. OLIVIA ANKU-TSEDE
(SUPERVISOR)

.....
DATE



DEDICATION

This thesis is dedicated to my future children and my lovely late mum, Ms. Sarah Aborgeh.

Thank you for inculcating in me the spirit of perseverance. May your gentle soul continue to rest in perfect peace.



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Unto the Lord be all glory and honor for great things He has done and greater things he will do for me in the years to come. My highest gratitude goes to the sovereign Lord for his marvelous protection during the many times I jumped from one “trotro” to the other in pursuance of this course (Philippians 4:20).

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ACRONYMS / ABBREVIATIONS

Family woman: A woman who is married with or without children.

WFB: Work-family Balance

Working-to-rule: A situation whereby employees decide to limit their performance strictly to only what their job demands of them and nothing more.

UMB: Universal Merchant Bank

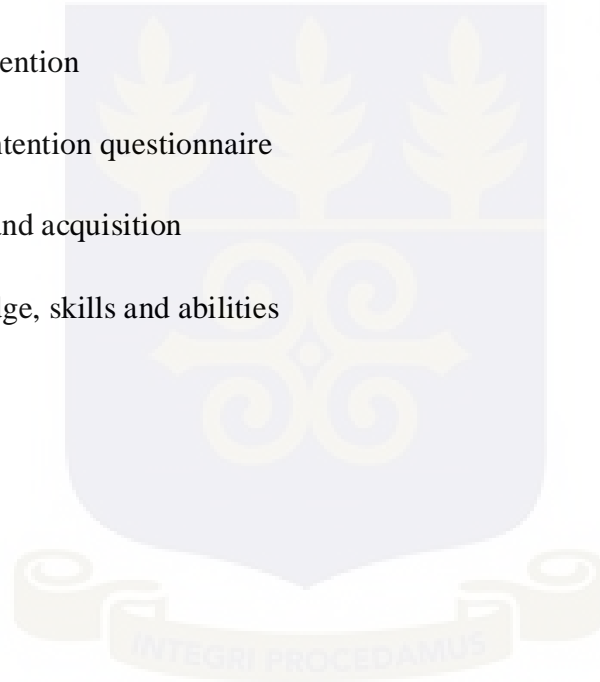
OCQ: Organizational commitment questionnaire

TI: Turnover intention

TIQ: turnover intention questionnaire

M&A: Merger and acquisition

KSAs: Knowledge, skills and abilities



ABSTRACT

This study investigated the impact of acquisition processes on turnover intention and commitment among employees of Universal Merchant Bank (UMB). The study which employed a mixed method was carried out in six main branches of UMB in Accra. Purposive, Stratified and convenience sampling techniques were used in selecting the branches as well as the 188 survey respondents plus 4 interviewees. Structured questionnaires together with an interview guide were adapted as instruments for data collection. The data was analyzed using descriptive, inferential and thematic methods for the quantitative and qualitative data respectively. The study revealed that acquisition processes has an insignificant relationship with the turnover intention of employees because they did not feel much job insecurity. It was also found that in the context of an acquisition, both the affective and normative components of employees' commitment were not significantly affected except the continuance component. The study again found that most of the employees were staff of Merchant bank before its acquisition and seemed to realize more opportunities awaiting them in the bank now and hence, did not show any intention of leaving. Based on these findings, it was argued that, in the context of an acquisition, employees' commitment is a "need- based" organizational phenomenon rather than "want" or "obligation" because the acquirer ends up ruling out most of the "favorite cultural practices and norms" of the acquired company's employees and introducing its new core values. It was recommended that management of UMB should design job-specific training for employees to equip them with relevant KSAs needed for their new job demands and other responsibilities since most of employees' jobs have been enlarged. It is equally recommended that management of the bank organize more seminars to elaborate the essence of the new core values of the firm and the need for employees to embrace them as early as possible to bridge any gaps of cultural misfit.

CHAPTER ONE INTRODUCTION

1.0 Introduction

This study investigated employees' perception of the acquisition exercise involving Universal Merchant Bank. It considered the post-acquisition process. The research focused on the newly acquired company's employees and how the changes during the post-acquisition phase are likely to influence their intention to commit or quit from Universal Merchant Bank.

The study has been organized into five interrelated chapters. Chapter one was designed to capture the background of this study, problem statement which was made up of the gaps identified in literature, specific objectives, research questions, hypotheses and implications for theory and practice, scope and assumptions. Finally, this chapter concludes with the disposition of the entire study.

1.1 Background of the Study

The persistent increase in economic down turn in many jurisdictions coupled with revision of fiscal policies which rather adversely affect interest rate etc, have necessitated the need for corporate organizations to revisit their strategic plans and this has led to restructuring exercises such as mergers and acquisitions (M&As). M&A as a practice of organizational restructuring has been part of business dating back to the 19th century (Hubbard, 2001).

The growing tendency towards M&As world-wide is found to be driven by intense competition, the need to reduce costs, reach global size, take advantage of economies of

scale, increase investment in technology for strategic gains, the desire to expand business into new areas and improve shareholder value (Akben-Selcuk & Altiok-Yilmaz, 2011; Bailey, 2001). With changes in policies regarding trade barriers and globalization increasingly becoming the order of the day, these corporate marriages (M&As) have evolved and continue to constitute a major business practice in the world economy (Akben-Selcuk & Altiok-Yilmaz, 2011). Mergers and acquisition in the Ghanaian context is rather a newly recognized approach for growing business because Ghanaians have been known for their entrepreneurial behaviours and passion for their businesses.

Besides, in spite of this new trend, mergers and acquisition activities are not well understood in Ghana especially when it comes to its impact of employees (Sanda & Adjei-Benin, 2011). As a grand business strategy, such marriages as M&A are considered the best options because of perceived common synergies. Thus, a common assumption that the merged firm would be able to enjoy cost savings, revenue enhancements and greater market strength in the global front (Andrade, Marks, & Stafford, 2001; Daly, Pouder, & Kabanoff, 2004).

However, M&A activities have been reported to have a very lean success rate. On the other hand, employees also turn to believe that management are likely to use M&As as opportunity to reduce staff and claw back employment conditions. Even in more benign M&A scenarios, staff fears that this may be the hidden management agenda (Bryson, 2002).

According to Weber and Tarba (2012), merger and acquisition (M&As) activities around the world recorded positive impacts in the last three decades, but the intense M&A activity is in sharp contrast with the high rate of failure and dissatisfaction with its performance (Siegenthaler, 2011). An analysis by the Hay Group in 2007 of more than 200 major European post M&As found that senior business leaders believe only 9% of such deals are “completely successful” in achieving their stated objectives. The reason for this occurrence has been attributed to the fact that merger integration consultants are often not brought into the merger process until these companies begin to experience challenges at post-combination stage, long after the merger or acquisition consummation (Buono, 2005). This is not different from what is recorded in other dispensations as another research by the Bolston Consulting Group (2007) found that megadeals of over \$1 billion mergers end up destroying value.

A meta-analysis conducted by King, Dalton, Daily, and Covin (2004) also shows that mergers and acquisitions do not contribute to increasing the performance of the acquiring firm. Many factors have been identified as possible causes of M&A failures. These factors include improper post M&A integration, management of the change process, the technological, prudent target selection as well as human factors (Hitt, Hoskisson, & Ireland, 1991; Ramaswamy, 1997; Sanda & Adjei-Benin, 2011; Schuler & Jackson, 2001; Schuler, Tarique & Jackson, 2004).

Despite its failure rate, M&A activities have been identified as one of those business practices that actually send shivers into the spines of employees. In other words, these activities cause some form of uneasiness among employees thereby causing them to exhibit different kinds of negative workplace attitudes such as poor commitment.

Besides, some studies have equally found that organizational practices such as these could equally trigger employees' turnover intentions (Appelbaum, Gandell, Yortis, Proper & Jobin, 2000; Schweiger & Denisi, 1991). But studies suggest companies are more interested in assessing the impact of mergers and acquisition deals on the financial performance of the newly merged or acquired entity (Lawlor, 2013).

According to Giles (2000), human issues even though sensitive, are often ignored in a merger and acquisition aftermath. When a decision is taken to merge or acquire, a company analyses its feasibility on the business' financial and legal fronts, but fails to recognize the importance attached to the human resources of the organizations involved. Considering the pivotal roles employees play in their organizations, no company can survive without them (Dartey-Baah & Amponsah-Tawiah, 2011). In their book, principles of management, Hill and McShane (2008) postulate that along with job satisfaction, managers need to ensure that employees have reasonably high levels of organizational commitment. They consider organizational commitment as the employee's pride and loyalty toward an organization. They suggest managers need to pay heed to this attitude because committed employees are less likely to absent themselves from work and involve in other negative job attitudes.

Besides, considering the cost of recruitment, training and loss of productive working hours, many organizations recognize employee commitment as a valuable and strategic practice in retaining knowledge and expertise and thus creating a competitive advantage for the organization (Guilding, Lamminmaki & McManus, 2014). This stems from the fact that, when an employee leaves an organization, a lot of time is needed to search for a replacement and orientation of the newly employed not forgetting the possible

inefficiencies of this new employee (Kumar, Ramendran & Yacob, 2012). Even in the case of transfers, or re-assignments during M&As, there is still a need for orientation and coaching for them (the newly recruited or transferred employees) to learn new job-specific skills. Increasingly, organizational commitment has been shown to reflect employees' attachment to the organization (Appelbaum et al., 2000; Brian & Christopher, 2011; Schweiger & Denisi, 1991).

The main challenge for organizations during M&A processes is how to provide an environment conducive for the development of emotional attachments of their employees in order to keep talented employees in the organization (Ciftcioglu, 2010). Turnover intention is one of the main problems in human resources (HR) and organizational management which does not only increase the cost of employing staff, but also diminishes the organization's knowledge capital and weakens its reputation (Liu, Liu & Hu, 2010). Over the years, assessing turnover intention has been considered to be the appropriate method of predicting actual turnover in organizations as studies have confirmed turnover intention to have consistently correlated with actual turnover (Firth, Mellor, Moore & Loquett, 2007; Griffeth, Hom, & Gaertner, 2000; Heydrian & Abhar, 2011; Price, 2001; Radzi, Ramley, Salehuddin & Jalis, 2009).

Employees evaluate their experiences of M&As in terms of whether these processes are fair and whether organizations show justice and fairness in the processes of these events. If the employees perceive a decision in an M&A process as being fair, the employment relationship is more likely to comprise higher commitment and greater job satisfaction (Colquitt, Conlon, Wesson, Porter & Ng, 2001). For this reason, a study which enables an early detection of employees' job dissatisfaction through turnover

intention measure in an acquisition context is justified and worth undertaking (Oluwafemi, 2013).

This study sought to assess the impact of post-acquisition processes on employees' commitment and turnover intention at Universal Merchant Bank. In other words, this study sought to investigate whether the acquisition processes affect employees' commitment and turnover intention in anyway.

1.2 Problem Statement

Empirical research (e.g. Cartwrig

ht & Cooper, 1993; Covin, Sigtler, Kolenko & Tudor, 1996; Schweiger & Denisi, 1991) have shown a link between the existence of a merger or acquisition and an increase in feelings of insecurity among employees, lower satisfaction levels at work (Fairfield-Sonn et al., 2002; Schweiger & Denisi 1991; Van Dick et al., 2004), less affective commitment to an organization (Schweiger & Denisi, 1991; Covin et al., 1996), loss of trust in the firm and its top managers (Schweiger & Denisi, 1991) and an increase in labour turnover (Covin et al., 1996).

Another study involving a closer look at the human side of mergers and acquisitions by Morán and Panasian (2005) found consistent results across a number of studies affirming that mergers and acquisition practices have bad implications for the employees of the firms involved. Evidently, the study found mergers and acquisition events to be considered as organizational change events which lead to some observed psychological and behavioral reactions such as increased stress and uncertainty thereby, affecting the general outcomes.

Notwithstanding this, Dessler (1999) notes that maintaining employees' commitment to an organization in the face of such turbulent times as M&As is a challenging dilemma for all managers today. Extant literature supports that these feelings of job insecurity and stress in the M&A process could lead to high rate of employee turnover or demoralize the survivors (Covin et al., 1996; Morán & Panasian, 2005). But are the issues of stress and anxiety solely as a result of the M&A activities or the degree of fairness and management of the entire integration process?

Studies have also found that employees are the indispensable assets of most successful organizations and as such any negative employee attitude such as intention to leave or reduction in commitment to the organization comes with significant business costs but much research attention is not paid to investigating the effect of this traumatic and chaotic event (Amiot, Terry, Jimmieson & Challan, 2006) on employees' commitment and turnover intention (DeLoria, 2001; Kacmar, Carlson & Brymer, 1999; Meryer et al, 2001).

The impact of acquisition processes on employees' commitment still remains an issue which has not received much attention in the research literature (Armstrong-Stassen, Cameron, Mantler & Horsburgh, 2001; Cartwright & Cooper, 1992; Morán & Panasian, 2005; Newman & Krzystofiak, 1993). Especially, studies assessing employees' attitudes towards organizational commitment and turnover intention in acquisition scenario are limited. The main concern of this research is to analyze organizational commitment and turnover intention following an acquisition to explain how individual organizational members understand and behave towards this organizational change process (La"msa" & Savolainen, 2000; Parish, Cadwallader & Busch, 2007). Earlier studies have focused on

the impact of M&As on organizational performance and culture. Thus, most studies on this phenomenon have focused on the accounting ratios or returns accruing to the M&A deals (eg. Akben-Selcuk & Altiok-Yilmaz, 2011; Capron & Pistre, 2002).

In a similar vein, others have equally concentrated on factors affecting merger success such as communication (Nikolaou, Vakola & Bourantas, 2011; Schweiger & Denisi, 1991), post-merger and organizational efficiency (Ralston, Wright & Graden, 2000), factors affecting employee commitment, effect of employee commitment on turnover intentions but not in acquisition scenarios (Yuan, Yu, Li & Ning, 2014). Some have also studied the role of HRs in the due diligence process of M&As (Shook & Roth, 2010), the impact of employees' turnover intentions on organizational performance but just a few have considered the impact of acquisition processes on these constructs.

Studying turnover intention, rather than actual turnover is considered very important according to Lambert and Hogan (2009) because it tends to be more accurate in measuring. Besides, Firth, Mellor, Moore and Loquet, (2004) contend that it is difficult to gain access to people who have already left a company to determine why they really quit, thus making the study of intention to quit more appropriate than actual turnover during acquisition.

Strategy has been regarded as a game plan (Pearce & Robinson, 2011); the better your experience in playing it, the better your chances of survival. In this era of competition, the task of the 21st century HR practitioner has moved beyond performing traditional responsibilities. Organizational leaders are expected to be strategic partners of their various firms, but much sensitivity and responsiveness have not been demonstrated by

HR and organizational leaders towards the implications of topical issues like acquisition processes on employees' commitment and turnover intentions. Again, in terms of level of analysis, the few similar studies in this regard saw limitations in examining middle level and shop floor employee positions concurrently (eg. Fairfield-Sonn, Ogilvie & Delvecchio, 2002). Most of them have focused on either shop floor or top level managers.

Contextually, the discussions have been bias towards the West African Sub region as most of these studies have focused on gathering evidence from the developed world (Haleblian, Devers, McNamara, Carpenter & Davison, 2009). This makes it difficult to generalize most of the research findings to cover other geographical locations. Since socio-cultural factors for example can influence or impact the results differently, it is necessary to see the results of same researches carried out in West Africa, particularly in Ghana. Besides, a chunk of literature on this issue has focused on the prospects or financial growths accruing to the surviving companies after the M&A deals through the use of secondary data (Abdul-Rahman & Ayorinde, 2013; Adebayo & Olalekan, 2012) with little attention towards the acquisition process and its effect on employees' commitment and turnover intentions (Haleblian, Devers, McNamara, Carpenter & Davison, 2009).

Still, concerning the method of analysis, only a few scholars have examined the issue at hand through a mixed method. Majority have been investigated through either quantitative [using secondary data] or qualitative approaches solely (e.g. Azila-Gbettor, Danku & Apreko, 2013). However, Haleblian et al. (2009) suggest that although such methods have provided scholars with valuable insights into the antecedents and

consequences of acquisitions, they limit scholars' abilities to get "inside" and provide better explanation of the phenomenon. Consequently, a study geared towards filling these gaps by employing a more in-depth technique for data collection is worthwhile.

This study therefore, focused on employees' organizational commitment and turnover intentions after the acquisition exercise of Merchant Bank by the Fortiz Equity Fund. The research focused on the newly acquired company's employees and how they perceive and respond to the changes of the post-acquisition.

1.3 Objectives of the Study

Guerrero (2008) has found that employees' workplace attitudes vary in the event of an acquisition and ultimately depend on the acquisition context. The main purpose of this study was to investigate the reality of this in the Ghanaian context. The specific objectives were to:

- Examine the acquisition processes in Universal Merchant Bank
- Ascertain the extent to which the acquisition processes affect employees' affective commitment
- Assess the effect of acquisition processes on employees' continuance commitment
- Examine the relationship between acquisition processes and employees' normative commitment
- Assess the effect of acquisition processes on employees' job turnover intention

1.4 Research Questions

The study sought to address the following research questions aimed at achieving the stated objectives:

- What are employees' perceptions of the Merchant Bank- Fortiz Equity Fund Acquisition deal?
- What is the relationship between acquisition process and affective commitment?
- Is there any relationship between acquisition processes and normative commitment?
- What is the relationship between acquisition processes and continuance commitment?
- Does acquisition processes affect employees' intention to leave their organization?

1.5 Hypotheses

H1: there is a positive relationship between acquisition processes and employees' affective commitment

H2: there is a positive relationship between acquisition processes and employees' normative commitment

H3: there is a positive relationship between acquisition processes and employees' continuance commitment

H4: there is an inverse relationship between acquisition processes and employees' intention to quit

1.6 Significance of the Study

Many events of mergers and acquisitions have taken place worldwide both locally and across-borders with mixed reports on HR issues emanating in the aftermath. The significance of this study is viewed along three strands. The results or outcome of this research project has positive implications to the following:

This study provides better understanding for policy makers especially the sampled organization on issues bordering on the effect of mergers and acquisitions (M&As) on employees. It is expected to contribute immensely to the banking industry since most of the studies conducted concerning M&A activities have focused on financial ratios and neglecting the HR implications (Björkman & Söderberg, 2003; Jeris, Johnson & Anthony, 2002). This study provides evidence which could enlighten bank managers on these critical issues of employees' commitment and turnover intention during rigorous organizational transition events such as M&As.

It would enable the management of Universal Merchant Bank to understand issues that could compel their employees to quit or remain loyal to their organization and to know the possible mechanisms or strategies to adopt in order to respond proactively to actual turnover and disloyalty to save significant costs associated with employees' turnover.

The findings of the study could serve as a baseline for other researchers as it contributes to the body of knowledge on mergers and acquisitions in the sampled industry. This study could also serve as a reference material for future studies in this regard.

1.7 Scope and Limitations of the Study

There have been quite a number of M&A activities in Ghana. However, a few studies (eg. Sanda & Adjei-Benin, 2011) have been conducted on this organizational phenomenon. Majority of these studies, even though carried out in similar organizational settings, dwelled much on organizational performance. Remarkable among them are in the areas of accounting and other financial ratios.

Consequently, this particular study covered the views of employees in relation to matters concerning the post-acquisition integration process and its effect on employees' commitment and intention to leave the acquired bank. On a more specific note, the limits of this study were set to the perception of employees in Universal Merchant Bank. Because the sampled firm was acquired, the study was also limited to acquisition since no merged firm was investigated in addition to Universal Merchant Bank which is an acquired company. M&As are considered to be different approaches to growing business strategically (Dyer, Kale and Singh, 2004), but for better understanding and appreciation of these concepts, this study expanded the theoretical perspective and empirical review to include the two (mergers and acquisition) after which much emphasis was laid on the acquisition which is the main focus of this study.

Commitment was measured based on Meryer and Allen's (1990) three dimensions of organizational commitment (affective, normative and continuance). Turnover intention also sought to measure the probability that an employee would leave the newly acquired company in the near future by engaging in job search and thinking of quitting whilst on the current job. The acquisition process borders on communication, participation and

fairness. This selection was based on the fact that this bank embarked on an acquisition exercise less than a year before this research. Besides, the bank has played astounding roles as corporate advisor to other companies which underwent similar organizational events. Hence, a study of this nature was considered very relevant not only because it could assist management in making informed and strategic decisions but also to assist managers in other firms contemplating similar changes exercises to tap this experience in managing theirs.

1.8 Organization of Study

This research has been organized into five chapters. Chapter one, the introduction, captures the background of the study, statement of the problem, objectives of the study, research questions, hypotheses. It also discussed the significance of the study, summing up with the organization of the study. Next is chapter two which reviews of related literature and discusses the context of the study. It covers an overview of the banking industry of Ghana and profile of the sampled firm, reviewed both theoretical and empirical literature that underpins the M&A process, employees' organizational commitment and turnover intention.

Next after this is the chapter three which covers the methodological approaches used. It highlights the study population, type of research, sample and sampling technique, sample size, data collection instrument and method of data analysis as well as ethical considerations. The fourth chapter covers the data presentation, analysis and discussion of findings.

Finally, the summary, conclusions drawn and the recommendations constitute the final chapter of the study.



CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter gave an overview of employees' perceptions of mergers and acquisition processes in terms of the stress experienced in the M&A event as well as the application of organizational fairness. This chapter also reviewed literature on the implications of injustice and fairness in these processes for employee commitment and future turnover intentions. It sought to examine the implications of employee commitment and turnover intention in mergers and acquisition context. It further examines existing literature to aid in analysing the issues under study with more emphasis on acquisitions since the sampled firm is an acquired firm. To achieve the aim of this study, this chapter focused on related studies and theoretical frameworks commitment and turnover intention.

2.1 Overview of Mergers and Acquisition

Mergers and acquisitions have been variously defined. According to Hoyle, Schaefer and Doupnik (2001), a merger is the combination of two or more formerly independent firms on roughly equal terms under the joint ownership of these previous separate owners. Thus, it is a situation whereby business competitors decide to pool their resources together to create a new venture. An acquisition is a corporate strategy which occurs when a company purchases and completely absorbs another company or its division (Wheelen & Hunger, 2006). Usually, acquisitions involve a situation whereby one of the parties to the deal (mostly the acquirer) has stronger financial position compared to the acquired one. But in circumstances where the two firms integrate their

operations on a relatively coequal basis, such a deal becomes a merger. Even in some instances, one of the parties to a merger dominates with regards to market share as in the case of Daimler- Benz, Daimler Chrysler (Hoskisson & Duane, 2007).

According to Hayward (2002), acquisitions continue to be remarkably popular and controversial. As explained by Shenk (2000) and Yu (2013), the 1990s recorded the peak wave in mergers and acquisitions in the USA. Thus, an understanding of mergers and acquisitions as a growth strategy is increasingly important in modern business. Different sectors of an economy such as banking and finance, IT, Oil, Pharmaceutical, Telecommunications (Chambers & Honeycutt, 2009) and even education have witnessed many such corporate marriages in recent times (Lindblom & Von Knoch, 2002; Lawlor, 2013).

Aside its popularity and historical background, M&A deals entail huge sums of money (Gupta & Gerchak, 2002). The monies invested in some of such deals could be really astronomical. Firms spend over \$3 trillion on acquisition deals. According to Cartwright and Cooper (1993), in 1990 alone, the value of cross-border mergers and acquisitions in Europe was £33.5 billion.

According to Reuters (2014), the value of worldwide M&A totaled USD \$756.1 billion as at the first quarter of 2014. The statistics indicates a 52% increase from comparable 2013. Worldwide M&A has increased 36% compared to first quarter of 2013, marking the best annual start for worldwide deal making since 2011. Just over 8,200 worldwide deals were announced during the first quarter of 2014, a 10% decline from the previous year and the slowest opening period for M&A, by number of deals, since 2004.

In Ghana, mergers and acquisitions have been rather unpopular because most Ghanaian companies are controlled by their founders or families who are usually the top largest shareholders and the top management. Because of their personal interest in maintaining and growing such businesses as legacies, these owner/managers are usually not interested in selling these companies for any reason. Besides, political and economic instability in the past hindered the growth of businesses in Ghana to warrant such deals.

However, in the last two decades, as Ghana embarked on political democracy, economic liberalization and financial deregulation, corporate Ghana has come to face more intense competition and now sees mergers and acquisitions as alternative strategies to internal growth (Sanda & Adjei-Benin, 2011). Hence, there have been more frequent occurrences of mergers and acquisition activities in Ghana in recent times. The country has recorded a lot of such change practices in areas of Banking and Finance, Hotel, Mining, Manufacturing, Telecom and just to mention a few. For instance, mergers of La Palm Royal Beach Hotel, Berjaya Elmina Beach Hotel and Busua Beach Resort to form Golden Beach Hotels, National Savings and Credit Bank Limited and Social Security Bank Limited and subsequently the merged Social Security Bank Limited and Banc Societé Général to form S.G.- SSB Limited. Mobil Oil and Total oil also merged to form Total Ghana Limited while Kumasi Brewery Limited and Ghana Brewery Limited merged and adopted the name Ghana Breweries Limited among others.

The merged Ghana Breweries Limited subsequently merged with Guinness Ghana Limited to form Guinness Ghana Breweries Limited. The largest of the mergers, which

attracted a great deal of publicity, was between Ashanti Gold Fields Company Limited and Anglo Gold South Africa Limited to form AngloGold Ashanti Limited. Prior to this merger, Ashanti Goldfields Limited had acquired a number of companies in Ghana and other African countries and the recent Acquisition of Merchant Bank by the Fortiz Equity Fund. So far, the nation has recorded much M&A deals in the banking sector.

2.2 The Ghanaian Banking Sector

Ghana is a small open economy with a steady improvement in Real GDP from 3.7% in 2000 to 5.8% in 2004. The service sector which includes the banking and finance contributed 4.8% to GDP in 2004. In the same year, the inflation rate plummeted by 28.7% but rose to 16.3% in 2005. According to the Ghana Banking survey report (2005), the lending rate also fell 46% in 2000 to 28.8% in 2004 and further to 26% in the same year (www.bog.gov.com) with an intense competition in the banking sector. On the currency market, the cedi recorded mixed outturns against the world's major trading currencies. By 2013, the services sector had remained the largest sector of the economy with a share of 50% of GDP.

All banks in Ghana were able to meet the 31 December 2012 deadline for the GH¢60m minimum capital requirement set by the Bank of Ghana. The Central Bank is advocating for a further increase of the minimum capital to GH¢100m.

Between January and May 2012, the value of the Ghana cedi fell in the face of intense demand pressures for foreign exchange fuelled by strong import demand and premature redemption of portfolio investments by non-residents with the Bank of Ghana policy

rate shooting upwards to 15% by the second quarter of 2012 and remained unchanged till it was revised to 16% in May 2013 as a result of the elevation of the inflation outlook risks (Ghana Banking Survey, 2013).

As at 2012, the country witnessed two corporate marriages in the banking sector. The transactions between Ecobank Ghana Limited and The Trust Bank Limited (TTB) and between Access Bank Ghana and Intercontinental Bank Ghana, prompted by an acquisition of the latter's parent company in Nigeria by Access Bank Plc, were concluded (Ghana Banking Survey, 2013, p.25). The cedi depreciated on the Interbank Market by 17.5% against the US dollar in 2012, compared to 4.97% in 2011 and Headline inflation inched up from 8.6% in 2011 to 8.8% in 2012. But averagely, the currency (Ghana cedi) which depreciated against the US dollar (\$) was relatively stable with an inflation rate of 15.9% as at August 2014.

2.3 Regulations of Mergers and Acquisition in Ghana

In the Ghanaian context, business combinations or corporate marriages take various forms including acquisition (shares or assets), joint ventures, merger of two or more companies into one of the existing companies, merger of two or more companies into a new entity set up for that purpose, amalgamation etc. The Companies Act 1963 (Act 179) is the primary legislation governing business combinations in Ghana. This act provides for the manner in which business combinations should be effected. It provides for schemes of arrangement and amalgamation (found in sections 230 and 231) as the modes of achieving business combinations for companies incorporated in Ghana. Depending on the sector to which the target company or companies belong, other different statutes' codes equally govern the formation of a business combination. For

instance the Banking Act 2004 (Act 673) regulates the banking industry, the National Communications Authority Act 2008 (Act 769) and the Regulations 2003 (LI 1719) regulate the telecommunications industry, the Insurance Act 2006 (Act 724) takes care of the insurance industry whilst the Minerals and Mining Act 2006 (Act 703) and Petroleum (Exploration and Production) Law (PNDCL 84) regulate the minerals and mining as well as petroleum exploration and production respectively.

The Securities Industry Law 1993 (PNDCL 333), the Securities and Exchange Commission Regulations 2003 (LI 1728), the Securities Industry (Amendment) Act 2000 (Act 590) and the Securities Exchange Commission (SEC) Compliance Manual all serve to govern and regulate trading in securities in publicly listed companies.

In terms of other combinations such as M&A activities, the Takeovers and Mergers Code (the Takeover Code, 2008) also provides for the obligations and procedures to be complied. The code applies to all takeovers and mergers where the target company is a public company and all takeovers and mergers between or among public companies, whether listed or unlisted on the Ghana Stock Exchange (GSE). Also, publicly listed companies on the GSE may carry out M&As under the GSE's Rules on Takeovers and Mergers (the GSE Rules) (Kuenyehia, Agbemabiase & Baeta, 2011). Castel and Friedberg (2010) acknowledge the fact that organizational changes do not just happen but rather, interactive by nature. In respect to this, an organizational change exercise as massive as M&A can be better appreciated when premised on some theoretical assumptions.

2.4 Theoretical Perspectives

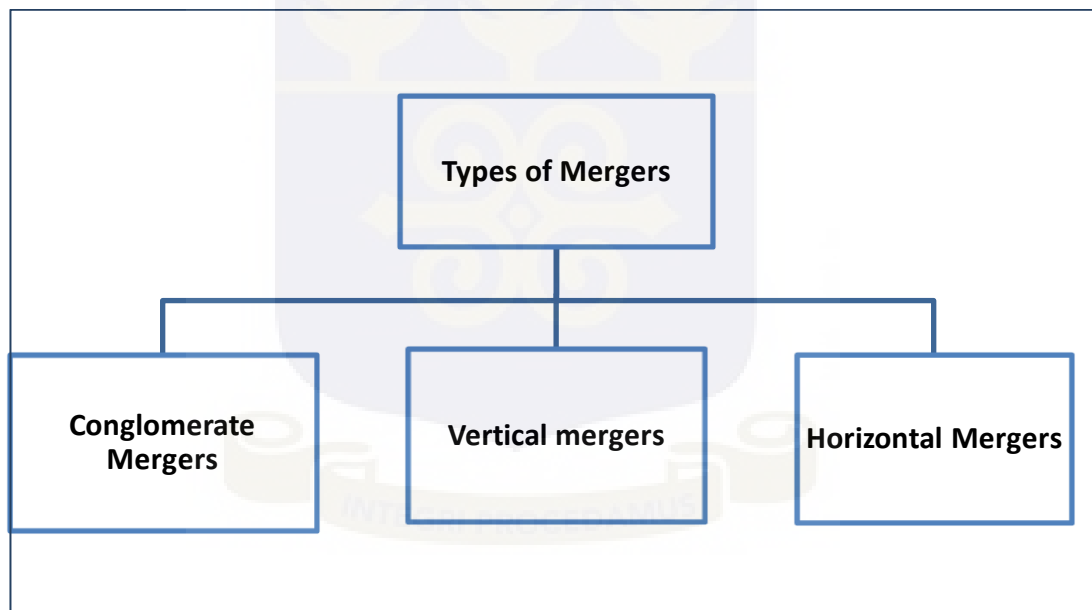
2.4.1 Mergers

VanHorne (1998) regards a merger as a combination of two corporations in which only one survives. According to Hoyle et al (2001), a merger is a business combination involving two or more formerly independent and roughly equal firms on equal terms under the joint ownership of the previous separate owners. Thus, basically, a merger is said to have taken place when two or more companies come together and the shareholders of both companies continue to have interest in the combined entity and no material resources leave the combined company because of the combination. VanDick, Wagner and Lemmer (2004) acknowledge that a merger involves a “tremendous process of organizational change” (p. 122). It is an agreement between previously separate companies to join their operations together. This agreement usually results in the formation of a new entity (Company A + Company B= Company C). Obviously, when this happens the two companies surrender their separate identities and a new company is formed. For the purpose of this study, mergers are business practices concerning the combination of two or more rival companies to form a single entity governed with the core values of the previously separate (rivals). Mergers and acquisitions are now common parlance within the business world. In today's global competitive environment, mergers are sometimes the only means for long-term survival. In merging, the newly merged company assumes all the rights, privileges, and liabilities of the merged businesses.

2.4.1.1 Types of Mergers

Like any other organizational phenomena, organizations may undergo a merger exercise in different ways. There are different types of mergers and other business combinations. The distinctions in these forms of business marriages can be of profound importance for legal, accounting and tax purposes. Different accounting and tax treatments are permitted under the different situations (Sally & Rhoades-Catanach, 2002). Thus sometimes, attempts are made to differentiate between forms of mergers and acquisitions. Figure 2.1 depicts the different forms of mergers as explained in literature;

Figure 2.1: Types of Mergers



Source; Author's Construct, 2015

Horizontal: In horizontal mergers, firms are combined across similar goods or services. Horizontal mergers are often used as a way for a company to increase its market share and improve organizational efficiency by merging with a competing company (Rafferty & Restubog, 2010). Thus the merger is between companies in the same industry. As a

result of such a merger, top management of the acquired firm is likely to be replaced by a new management team since there is usually duplication of resources leading to labour surplus (Brealey & Myers, 2000; Lawlor, 2013).

However, it seems not clear which category of merger or better still acquisition the case under study (Universal Merchant Bank) belongs since Fortiz Equity Fund, the acquirer seems to be very young as at the time it purchased Merchant Bank and its operations were not really known. A typical example of horizontal merger in Ghana is Vodafone and Ghana Telecom. Other horizontal mergers in Ghana within the last two decades include those of Ashanti Goldfields Limited and AngloGold S.A. Limited to form AngloGold Ashanti Limited (Annual Reports of AngloGold Ashanti Limited, 2004) and Ghana Brewery Limited (formerly ABC Limited) with Kumasi Brewery Limited (Annual Reports of Ghana Brewery Limited, 1998).

Vertical: There is a vertical merger when suppliers merge with buyers or distributors. In this type of merger, two firms are merged along the value-chain like a manufacturer merging with a supplier. It occurs when one firm supplies its products to the other and results in the consolidation of firms that have potential or actual buyer-seller relationship (Jimmy, 2008). Vertical mergers are often used as a strategy to gain a competitive advantage within the marketplace (David, 2011). In vertical mergers or consolidation, the firms involved need not be in the same industry but there must be the existence of a buyer-seller relationship among the parties. This sort of merger allows acquiring firms produce their own inputs or process further its initial outputs. In a situation where the merger or acquisition involves a producer and its suppliers, such a

merger is termed the backward integration but in the case of a distributor, it is a forward merger or integration.

Conglomerate: Conglomerates are types of mergers involving the merger of firms in different and diverse industries which have diverse product markets, production technology etc. Two firms in completely different industries merge, such as a gas pipeline company merging with a high technology company. Conglomerates are, usually, used as a way to smooth out wide fluctuations in earnings and provide more consistency in long-term growth.

Typically, companies in mature industries with poor prospects for growth will seek to diversify their businesses through mergers and acquisitions. For example, General Electric (GE) has diversified its businesses through mergers and acquisitions, allowing GE to get into new areas like financial services and television broadcasting. Because of the dissimilarities in the business operations of the merging or acquiring firms, the acquiring firm usually brings its team of employees from the headquarters to control the newly acquired unit (Nahavandi & Malekzadeh 1993). Walter (1985) notes this usually causes conflicts among the senior executives of the acquired firm and may result in a higher turnover rates among its employees and feelings of insecurity and instability.

2.4.2. Acquisition

This is defined as the process of gaining control of a target's assets or management. An acquisition involves a situation where one company purchases wholly, or partially, the assets of another company and results in the former controlling the affairs of the new entity (Pearce & Robinson, 2009). In acquisition, one company buys another company

which could be a competitor as in the case of Fidelity Bank and ProCredit Savings and Loans Company Ltd of Ghana with the intention of gaining more powerful strategies to chalk more opportunity for growth by controlling the activities and operations of the newly acquired firm ($A+B=A$). For instance, in the ProCredit Savings and Loans incident, Fidelity Bank's intention was to takeover and seize the strong SME processes as well as the competent staff of ProCredit to enhance its SME strategy. Usually, acquisition exercise could lead to a change of name. After the combination, the target loses its name to the acquirer but in some instances also, the new entity is formed with a new name like what is happening in the case under study where previously Merchant Bank has been taken over by Fortiz Equity Fund to form Universal Merchant Bank. Meanwhile, before the new name, the two separate entities had to go through some form of systematic processes to close the deal.

2.5 The M&A Process

In their study of a new perspective for the management of M&A process in the pharmaceutical industry of Japan, Shibayama, Tanikawa and Kimura (2011) posit that M&A is a systematic process which involves three different but interrelated phases involving pre-merger phase, initial planning phase and the integration phase and employees' perception of each of these phases in terms of fairness is highly critical because it could have a great bearing on their turnover intentions as well as commitment. From a process perspective, Haspeslagh & Jemison (1991) contend that merger and acquisition as organizational change events are not independent but rather, the actions and activities of managers during and after the agreement determines its outcome (p12). This means, the pre-acquisition decisions and the post-acquisition

integration processes are very vital. Risberg (2003) posits M&As are on-going processes which do not have a definite end as other researchers have interpreted it because it is difficult to identify when each phase ends and the next starts. For the purpose of this study, M&A process could be defined as the various interrelated activities and actions adopted from pre-combination phase throughout the post-integration phase geared towards the success of either a merger or acquisition. This process is often discussed in terms of different phases or stages. Therefore the next section briefly discusses the various phases of the process as identified in literature.

2.5.1 The Pre-merger Phase

In general, top management considers M&A as an option to expand their business and gain competitive advantage at all times. This action is triggered by business environmental factors such as increasing competition in an industry, regulatory changes and trade liberalization and globalization (Sanda & Adjei-Benin, 2011). During these changes, management of the acquiring firm makes a move by searching for an appropriate target firm and a letter of intent is concluded.

Earlier studies (eg. Buono & Bowditch, 1989; Galpin & Herndon, 1999) note that, at this stage there is a need for the definition of SMART goals and a strategic rationale for the M&A between the partners (Schraeder & Self, 2003; Balmer & Dinnie, 1999) or at least one of them as key success factors. Unfortunately, most deals fail in this all important process and practices which are supposed to guide the negotiation decisions.

The decision-making process varies greatly between firms due to differences in corporate cultures and business strategies which causes difficulties in addressing many

issues in a limited time period. Moreover, an M&A is a highly complicated process that involves various interested parties. It is therefore advised that before the negotiation, a criteria is set to define the appropriate persons to involve in each stage.

Proper information handling is critical even at this stage. Parties need to address issues pertaining to advancing the subsequent M&A processes before concluding the letter of intention. Communication (Epstein, 2004) and HR participation is relevant because, studies suggest improper leakage of information could be detrimental to the success of the entire deal as rumors can cause anxiety and instability among employees, resulting in negative work attitudes (Pikula, 1999). Even though it is crucial to be confidential at this stage so as to avoid any information leakages which have the potential of influencing companies' stock prices, and complicating the valuation process, Shibayama et al. (2011) note the participation of some key shop floor employees is equally relevant in translating management's high-level visions into practical and realistic plans effectively to the staff in lower ranks to enhance a holistic approach to the entire deal. Besides, in another study in Brazil, Wagner & De Hilal (2014) also postulate the involvement of HR at this point is paramount to its success and to reduce what Hunsaker and Coombs (1988) term as the merger emotions syndrome.

2.5.2 Initial Planning Phase

This stage is characterized by the formation of cross-functional task forces as well as a wide group of experts that includes representatives from various corporate departments and external experts (Buono & Bowditch, 1989) whose job is to conduct more intensive feasibility and discussions (usually known as due diligence) of each firm's corporate

values, possible weaknesses, strengths which could be translated into opportunities after the marriage. Along with this, they discuss their M&A plan and future strategy in detail. If the outcome of the due diligence and future direction is satisfactory, the acquirers officially announce their intention with regard to an M&A. This phase is still confidential, so the participants are limited to top management and a small number of key personnel (Raukko, 2009). Due diligence should cover various aspects of the firms especially the intangible assets including key employees (Nonaka, 1994).

Next in this discussion is the final phase which is also the main focus of this study; the integration phase.

2.5.3 The Integration Phase

This stage is of key interest because it is the bedrock of this study. The integration stage of the M&A marks the implementation stage but rather least investigated or scantily researched area. Scholars have earlier noted that executives tend to be rather preoccupied with the returns and other aspects of the M&A and rarely focus on the impact on human resources (see Ivancevich, Schweiger, & Power, 1987). As noted in a two-year longitudinal study involving a mixed method of data collection, Raukko (2009) found the key employees' organizational commitment to be significantly related to the prior role they played in the acquired company, and how they perceive and experience the post-acquisition integration phase.

Consistently, there have been calls within literature for more research to be conducted into the aftermath of a merger (eg. Vaara, 2002; Kostuch, Malchione & Marté'n, 1998; Child, Pitkethly & Faulkner, 1999). It is a stage that usually follows after all the legal

conclusions official announcement of the M&A and is promoted by top management and other key stakeholders for integration of the organizational structures, business processes, and management systems. It is characterized by more issues of anxiety of personnel as employees' future jobs become unclear and uncertain, while their jobs become complicated with additional tasks (Buono & Bowditch, 1989; Seo & Hill, 2005).

Evidence in literature suggests the integration stage as amongst the critical stage which if mishandled could lead to the failure of the deal (Hubbard & Purcell, 2001). Sometimes during the integration process, problems usually occur that may obstruct or delay the integration. At this phase of the process, Haspeslagh and Jemison (1991) found three problems that may impede the chance of creating conducive atmosphere for the integration. They term these challenges as determinism, value destruction and leadership vacuum. Value destruction occurs when the acquiring firm begins to change reward systems and other policies such as those pertaining to promotion etc which can cause some employees to either resist the change integration process or probability of quitting the organization. They found leadership vacuum to be the lack of appropriate leadership to articulate a new purpose for the combined firms.

In this respect, (Cartwright & Cooper, 1993a ; Vaara, 2002) concludes that mergers are typically poorly understood and managed especially in relation to human resource issues. However, the success of these processes could have positive impact on employees' commitment and turnover intention, there a need for good communication and participation Smidts, Pruyn and Van Riel (2001) and Bartels, Douwes, De Jong and Pruyn (2006). The next section explains relevant theories pertaining to this discussion.

2.6 Mergers and Acquisition Theories

Human capital in the 21st century has been accepted in most human resource and organizational behaviour articles as the anchor of most business organizations (Dartey-Baah & Amposah-Tawiah, 2011). It has become virtually impossible for any organization to survive without its employees' agreement to contribute to the mission and vision (Iyigun & Tamer, 2012). As a result, businesses that aim at expanding and achieving organizational or operational growth are very careful with issues concerning employees due to their pivotal roles in these achievements. However, during major organizational restructuring exercises such as mergers and acquisitions, many firms underestimate human factors. On this ground, some researchers have confronted this from some theoretical backgrounds. Considering the nature of the issue under investigation, organizational justice, social identity and stress theories are considered relevant for discussing the topic under study.

2.6.1 Organizational Justice Theory

Based on the social exchange theory of motivation, Adams evaluate fairness and explain that employees are usually not concerned about absolute levels of outcomes per se but rather, whether those outcomes are fair in the manner or methods with which it was both calculated and how it was delivered or communicated (Colquitt, Conlon, Wesson, Porter & Ng, 2001). In this regard, Adams (1965) postulates that the best way to examine fairness is to consider the ratio of one's contributions to the organization which is termed as the "inputs" to one's outcome and compare with either coworkers or employees performing similar job in another organization (Demirel & Yücel, 2013).

The inputs here according to Adams (1965) refer to the employee's level of education, competence, on-the-job experience and intelligence. The outcomes are the rewards (examples, salary, transfers, promotions, bonuses, other fringe benefits etc) these employees receive as a compensation for the services rendered or jobs performed. During acquisition, employees' perception of justice is evaluated to include the processes of layoff, reassignments et cetera. Employees expect a balance in their input-output ratio as compared to their referent others. There is justice when employees perceive the ratio of inputs to outcomes received is similar to that of the referent. However, employees would perceive inequity when there is an unequal input-outcome ratio between the individual and the referent other.

Feelings of unfairness could cause both psychological and behavioral changes in employees' attitudes (Greenberg, 1990; Loi, Ngo, Foley, 2006). Employees' perception of justice explain unique variance in their workplace attitudes and behaviors including organizational commitment and trust in management (Cohen-Charash & Spector, 2001; Colquitt et al., 2001; Silva & Caetano, 2014). The main problem faced by organizations is how to provide an environment that facilitates the development of emotional bonds between members in order to keep talented employees in the organization (Ciftcioglu, 2010). During times of corporate marriages especially involving acquisitions, winning this emotional bond becomes difficult when the newly acquired firm's policies and practices are not just and fair. Employees, especially those acquired (the "joiners") evaluate their experiences at work in terms of whether the policies and experiences at the newly acquired firm are fair and whether the organization shows any concern as an

entity (Lind & Tyler, 1988). If the employees perceive a decision as being fair, the employment relationship is more likely to comprise higher commitment and greater job satisfaction (Cohen-Charash & Spector, 2001; Colquitt, Conlon, Wesson, Porter & Ng, 2001 as cited in Niazi & Ali, 2014). When the employees are subjected to unjust decisions or outcomes, negative reactions occur towards the organization, such as poor performance, increase in absenteeism, and turnover intentions (Folger & Konovsky, 1989).

Literature suggests there are different dimensions of organizational justice. The construct was identified as a three dimensional construct previously. Currently, this theory has been conceptualized as a four dimensional construct; distributive justice, procedural justice (Greenberg, 1996; Niazi & Ali, 2014; Folger & Konovsky, 1989; Roch & Shanock, 2006), interactional justice (Bies & Moag, 1986; Colquitt, 2001; Cropanzano & Greenberg, 1997; Moorman, 1991; Parker, Baltes, & Christiansen, 1997; Tyler & Lind, 1992) and informational justice.

However, this study focuses on the first two of these dimensions because according to Colquitt et al. (2001) and Cropanzano and Greenberg (1997), employees' perceptions of justice in organizational settings have been variously seen as focusing more on the antecedents and consequences of two main types of subjective perceptions. These are (1) the fairness in outcome distributions and (2) the fairness in the means or methods used to determine such outcome distributions. Besides, a number of empirical studies have confirmed the predictive roles of distributive justice and procedural justice on

employees' reactions to organizational outcomes (Greenberg, 1990; Silva & Caetano, 2014).

Likewise, literature indicates that the other two recent dimensions of justice (interactional and informational justice) are embedded in the procedural justice. In other words, these latter dimensions seem to be subsets of the earlier found procedural justice (Bies & Moag, 1986) as cited by (Demirel & Yücel, 2013). In Pakistan, a study by Malik, Nawab, Naeem, & Danish, (2010) suggest that in measuring employees' commitment and turnover intentions, with respect to organizational justice, distributive and procedural are the best dimensions to include since they seem to have strong influence on the two organizational outcomes under study.

2.6.1.1 Distributive Justice

Distributive justice refers to employees perceptions concerning whether work outcomes (rewards and benefits) are distributed fairly or not (Folger & Cropanzano, 1998). Distributive justice requires that rights, benefits and responsibilities are distributed on the basis of skills and contributions in order to motivate employees or win their commitment. The main concern of the distributive justice dimension is the degree to which gains made are right, appropriate, and ethical (O'zen, 2003). This dimension of justice has been found to be related to other organizational outcomes such as trust, commitment and job satisfaction (Cohen-Charash & Spector, 2001).

2.6.1.2 Procedural Justice

Scholars have noted that distributive justice is not enough to address individual's fair procedure pursuit (Greenberg, 1990). As a result, subsequent scholars like (Greenberg, 1990b; Leventhal, 1980; Thibaut & Walker, 1975) suggested the need to address the justice of the processes that led up to the decision outcomes. Beyond distributive justice, the key addition under organizational justice was procedural justice which is the perceived fairness of the process used to determine the distribution of rewards (Robbins & Judge, 2011).

Procedural justice is about how distribution decisions are made, and about subjective and objective conditions (Konovsky, 2000). Procedural justice refers to the perception of an individual concerning whether the procedures or methods used in the making of a decision about himself or herself or a third person are appropriate (Brockner, 2002; Greenberg, 1996). If the employees perceive that the procedures followed are fair, the results are perceived to be fair as well, regardless of whether they are positive or negative (Greenberg, 1996). Every employee, usually, the 'joiners', come to work with the newly acquired firm with a particular predetermined status (Beit financial or social) and expect that status to either remain same or change for the better. These employees expect fairness in the degree to which management handles the massive change that are inherent in the M&A exercises ranging from technology, compensation changes, prestige and changes in power and status (Schweiger & Ivancevich, 1985) because the M&A exercise in itself is a break in their comfort zone (loss of a sense of belongingness as cited in Jarzabkowski, 2005) and rebuilding which could cause long-term painful attitudinal changes in employees.

The significance of this theory lies in the fact that, after an M&A, employees consider the whole process of laying off, job re-assignments, promotions and demotions, compensation policies just to mention a few to be stressful and begin to exhibit behavioral changes in the workplace (Bourantas & Nicandrous, 1998). Employees are motivated to be emotionally attached and identified with the new firm when they realize justice in all the relevant processes involved in the organization's decisions. Otherwise, their intentions to leave would be high (Brockner & Greenberg, 1990). Besides, M&A could also be considered as an organizational construct or issue which has some form of connection with the stress theory. Next in this discussion is how the Lazarus' Transactional theory seems to have knitted inherently with the M&A phenomenon.

2.6.2 Transactional Stress Theory

Another theoretical lens through which this discussion can be viewed is the Transactional Stress Theory. A theory is an explanation of any observation or experience that teaches people how to intervene, predict future behaviours and guide research (Babbie, 2004; Burr, 1995). According to Lazarus (1991) and Cooper et al. (2001), generally, people experience stress when they perceive some form of imbalance in their external demands and their personal social resources. Stress denotes bodily processes that are created by circumstances that place physical or psychological demands on an individual (Selye, 1976). It is a state of mental or emotional strain or tension resulting from adverse or demanding circumstances. Stress is a reaction to a stimulus that disturbs a person's mental and physical equilibrium. In other words, in a typical organizational setting, employees would experience stress when their workloads exceed their capabilities and other resources needed to perform such tasks. Workplace

stress has received a substantial attention from practitioners and scholars as well as theorists (Hobfoll, 1989; Karasek, 1979; Lazarus, 1966; Siegrist, 1996).

According to Lazarus' (1991) transactional model of stress, two actions mediate between the environment and the subsequent responses one exhibits; cognitive appraisal and coping. The effect of stress on an individual is dependent on how threatened the individual feels and his vulnerability or ability to cope than the stressor. When the individual perceives that the stressor (event) is injurious, their next action is to assess the availability of resources which could help them cope or remedy the situation (Lazarus & Folkman, 1984). In another study of Lazarus (1991), it is noted that, the probability of employees feeling insecure depends on the meaning the employee ascribes to the situation, and the context in which he/she finds him or herself. Thus, an acquired firm's employees are likely to be more stressed than the acquirer's employees since they would have a sense of inferiority compared to their counterpart employees of the acquiring firm who will have a sense of continuity.

An employee's feeling of stress is therefore mediated by the event in question and available resources. According to Schaufeli and Bakker (2004), a resource is "physical, psychological, social, or organizational aspects of the job" that serves multiple purposes (p.296). The resource based view of the firm categorizes resources to encompass physical (equipment, location, technology, machines etc), human resource (employees, experience, knowledge, competences, training etc) and organizational resource (structure, processes, information systems (David, 2011) just to mention a few. When there is an imbalance between the environment (stressor) and resources, the outcome is for the individual to exhibit signs such as anger, disgust, disappointment, anxiety, fear,

distress etc (Hochwarter, Perrewé, Meurs, & Kacmar, 2007) which have been identified as possible factors of employees' commitment and turnover intentions.

M&As as organizational change events have been conceptualized as stress inducers (Sverke, Hellgren, & Öhrming, 1997; Nelson, Cooper, & Jackson, 1995). Moreover, in a longitudinal study of coping processes during a merger in relation to job satisfaction and organizational identification, Amiot, Terry, Jimmieson & Challan (2006) contend that M&A in itself is stressful as a result of the massive nature of the changes involving rapid speed with its associated uncertainties and employees' adaptation to or conformity to the newly merged organization. Its stressful nature is equated with the stress from gaining a new coworker, supervisor or employer and massive organizational change exercises such as layoffs just to mention only a few. M&A activities are noted to be highly correlated with stress (Cartwright & Cooper, 1993; Gibbons, 1998; Schweiger & Denisi, 1991; Siu et al, 1997).

From a management standpoint, the stress theory has important implications for management as far as M&As are concerned. Based on the resource based view of the firm, as M&As cause more work stress through consolidation of resources, employees' commitment plummets and this inversely affects turnover intentions as well (Buono, Bowditch & Lewis, 1985). According to Hambrick and Cannella (1993) acquired employees feel worthless and inferior due to loss of autonomy and status as a result of the massive changes in roles and even physical locations. Covin et al's (1996) research also suggests that acquired employees may face more stressors. Scheck and Kinicki (2000) and Fairfield-Sonn et al., (2002) in a study involving some changes in employees' workplace attitudes in the post-acquisition phase also suggested that the

more the merger calls into question employees' skills and their future within the company, the greater their feelings of insecurity will be and hence, their intention to leave.

In a longitudinal study of Changes in employees' attitudes at the workplace following an acquisition based on acquisition type, Guerrero (2008) notes that when an acquisition appears to be favorable to employees, they show positive reactions and these attitudes improve over time. By implication, employees are likely to respond positively to work expectations when the newly acquired organization ensures distributive and procedural justice as well as effective communication in their work practices (Bartels et al., 2006; Bourantas & Nicandrous, 1998; Lewis, 2000; Smidts, Pruyn, & Van Riel, 2001). The above theories especially the organizational justice theory are relevant to this study because it is based on them the conceptual framework of this study is constructed.

2.5.3 Social Identity Theory

M&As are social events which affect human behavior in one way or the other. Like other similar events, employees turn to be either supportive of the change or resistive. Literature shows a significant progress has been made in explaining employees' reactions to mergers and acquisitions but so far, the outcomes tend to depend on factors such as the attitudes of employees in the merging or merged firms, the friendliness or hostility of employees of both sides (Fairfield-Sonn et al., 2002), the nationality of either the acquired or acquirer (Covin et al., 1996; Dartey-Baah, 2011; Panchal &

Cartwright, 2001), and the anticipated impacts which could be loss or gain of individuals and the associated social benefits (Terry et al., 2001).

From the perspective of social identity theory, as employees work for one entity at a point in time, they tend to form a particular unique identity (culture). This identity could be a group or organizational or even task identity (Child & Rodrigues, 2003). When there is a change in that culture as a result of mergers and acquisition activities, employees feel some form of break in their comfort zones (loss of a sense of belongingness as cited in Jarzabkowski, 2005) and rebuilding this could cause long-term painful attitudinal changes in employees. M&As are noted for more change practices. After the M&A transactions, the newly merged organization undergoes a lot of restructuring and renovation exercises ranging from technology, compensation changes, prestige and changes in power and status (Schweiger & Ivancevich, 1985). Daniel (1999) contends working with mixed work teams may be an effective way for employees to learn about new work methods together, and may also strengthen them to work effectively but incorporating a new identity (culture) into the daily operations of employees can be problematic causing attitudinal changes. This change in attitudes is triggered when the merger questions employees' skills or autonomy and their future within the company (Fairfield-Sonn et al., 2002; Scheck & Kinicki, 2000). Thus employees' attitudinal changes or adjustments are directly related to the extent of variation in their routine job contents and personal relationships.

In a longitudinal study of Changes in employees' attitudes at the workplace following an acquisition based on acquisition type, Guerrero (2008) notes that when an acquisition appears to be favorable to employees, they show positive reactions and these attitudes improve over time. By implication, employees are likely to respond positively (compliance) to work when the newly merged organization when there is no or minimal change in their work practices. But when the exercise causes a total breakdown in their social identity which makes them feel a sense of belongingness (eg. change in work teams, working conditions, work schedules etc), then there is a possibility of receiving a negative reaction in the form of intentions to leave (Bourantas & Nicandrous, 1998).

The context of the merger or acquisition therefore has a significant impact on employee attitudes such as commitment and turnover intention and must therefore be taken into account when attempting to predict the risk of failure or success, and in advising the management on the implications of mergers and acquisitions.

With respect to this, Smidts, Pruyn, & Van Riel (2001) and Bartels et al. (2006) contend the need to formulate and implement a communication strategy aimed at enhancing the prestige of the firm by understanding its approaches. This would help those concerned, especially the acquired employees to understand and develop into the new organization's identity.

2.7 Significance of Mergers and Acquisitions

Mergers and acquisitions (M&As) are forms of corporate grand strategies and management which involves buying, selling and consolidation of companies. From economic perspective, there are many possible reasons why M&As occur. Considering

the competitive nature of the global economy, it has become more than necessary for companies to change their game plans to suite the rhythm of the global economy and as such, interventions like M&As play significant roles. Like any other business strategy, M&As are employed by companies for specific purposes. According to Banal-Estañol and Seldeslachts (2004), mergers and acquisitions are often created to increase market share and expand an organization or its operations to realize long term profitability. Mergers and acquisitions (M&As) have long been considered as a growth strategy for companies, offering various advantages such as market leadership, cost synergies, and innovation (Łupina-Wegener, 2013; Andrade, Mitchell & Stafford, 2001).

Besides, evidence from literature shows that, the stated objective of all mergers and acquisition is to achieve synergy and potential economies of scale (Cartwright & Cooper, 1993). This is characterized by the integration of the strategic capabilities of the two companies in order to realize the potential synergies and to create the expected value added (Buono & Bowditch, 1989). Synergy effect is usually explained based on the popular saying the ‘two heads are better than one’. In a study of 200 executive officers of a firm, it was found that a high rate of merger and acquisition activity is often concomitant with high rate of divestiture as cited by Cartwright and Cooper (1993). As a result of this, they concluded that, in reality, the combination or acquisition is likely to rather reduce ‘synergy’ as one of the main expectations or motives of embarking on the corporate marriage in the first place. Synergy is defined as the increase in the merging firms’ competitive capabilities and resulting cash flows beyond which the two companies are expected to accomplish independently (Seth, 1990; Sirower, 1997) as

cited in Capron and Pistre (2002). Thus, in an empirical study involving hypotheses testing on a sample of 101 U.S and European acquiring firms involved in horizontal acquisitions, Pistre and Capron (2002) found that for M&A to actually yield synergy, then there is a need for both the acquirer and the target to jointly contribute their resources in terms of technology, core competencies and human capital to the corporate marriage otherwise, as Cartwright and Cooper (1993) suggest, the synergy effect of $2+2=5$ is likely to yield $2+2<4$. Studies of Kusstatscher and Cooper (2005) suggest effective communication, respect for each other's culture and interaction between the merging partners are key components for the creation of an atmosphere that allows for the transfer of these core capabilities.

Lawlor (2013) noted that M&As also have the potential of yielding economies of scale for the surviving or newly formed organization. Especially in higher academic institutions, Norgard and Skodvin (2002) contend that this fosters the creation of larger units of what they termed as academic and administrative economies of scale. In this way, the M&A enhance the quality of administrative functions and academic work through the creation of larger administrative and academic units which helps in the development of new and broader academic programs (Norway & Kyvik, 2002).

Besides, other firms employ the M&A strategy with the hope of achieving growth, efficiency and profitability. Based on their findings from the Ghana Stock Exchange, Oduro and Agyei (2013) contend this exercise has a dwindling effect on profit margins and growth. In this respect, the study recommended that M&As are properly planned, executed and evaluated with much efforts geared towards attraction and retention of key personnel of the merged firms.

2.8 Implications of M&A processes on Employees' Attitudes

Historically, M&A deals have been considered as one of the costly activities of an organization (Martin & Roodt, empirical research paper). Nikandrou, Papalexandris and Bourantas (2000) contend that acquisitions often have a negative impact on employee behavior resulting in counterproductive practices. Consequently, it pays for researchers and business advisors to take a critical look at the impact it makes in the life of a business. The effect of this organizational practice has been measured based on performance (Haleblian, Devers, McNamara, Carpenter & Davison, 2009; Moctar & Xiaofang, 2014; Oduro & Agyei, 2013). On this basis, evidence from Weber and Tarba (2012), Buono (2005) and Mergerstat Review (2013) indicates Mergers and Acquisition (M&As) activities around the world have recorded both positive and negative impacts in the last three decades.

However, considering the pivotal roles of employees in today's organizations (Dartey-Baah & Amponsah-Tawiah, 2011), there is a need to equally have a closer look at how M&As affect them. Thus, it has become a matter of necessity to find out how the processes of this organizational event affect the long term behaviours of employees. According to Giles (2000), human issues have been the most sensitive but often ignored issues in a merger and acquisition. When a decision is taken to merge or acquire, a company usually analyses its feasibility on the business' financial and legal fronts but fails to recognize the importance attached to the human resources of the organizations involved. The organizations fail to realize that people have the capability to make or unmake the successful union of the two organizations involved. The M&A activities can lead to important changes in employees' behaviour in the aftermath. This stems from

the fact that, according to Bruner (2005), it is already difficult to manage a group of employees who have been in one organization with common values and how much more when a merger or acquisition occurs in which two independent groups of staff with different histories, practices, and experiences are joined. The difficulty is likely to be greater.

Pikula (1999) links these behavioral patterns to what has been identified in Hunsaker and Coombs (1988) as the 'merger-emotions syndrome.' Pikula (1999) notes that, changes in employees' behavior following an M&A are in three phases called merger emotion syndrome. The phases are downswing, plateau, and an upswing. The initial stage which is exhibited before the announcement of the M&A is characterized by a strong denial by employees. Most employees at this stage perceive the deal as just a rumor and tend to laugh about it. The next thing is for employees to start showing signs of fear of the unknown (Astrachan, 2004) especially in the case of those in the target firm. This could be followed by sadness when the employees realize it's no longer a rumor but an actual fact that no one can prevent.

Employees feel "being bought", loss of corporate identity and reminisce about the good old days before the merger" (Pikula, 1999, pp.7) and this could last for as long as the deal is not favorable to them. This judgment is based on how the acquirer's managers and their employees behave towards the acquired firm's employees in terms of its application of distributive and procedural justice (Fried, Tieg, Naughton, & Ashforth, 1996; Gutknecht & Keys, 1993). With regards to these stressful and anxious feelings, Lazarus and Folkman (1984) suggest social support from the supervisors and favorable working conditions are very relevant in alleviating the sensitivity of employees' stress

and uncertainty (Guerrero,2008), resistance (Jimmieson, Terry & Callan, 2004; Nelson, Cooper, & Jackson, 1995; Rafferty & Griffin, 2006) and other job related attitudes (Pikula, 1999). Proper implementation of this recommendation, and of course other success factors such as effective communication (Cartwright & Cooper, 1992) and HR participation (Rafferty & Restubog, 2010) leads to the next phases which starts with a plateau and a subsequent upswing. Thus, after employees begin to accept the news and try to fit into the situation. Employees feel relieved and enjoy the change and resort to other behaviours such as commitment or leave the organization eventually if they perceive unfairness in the newly acquired companies' policies and practices.

Organizational commitment and turnover intention as employee behaviours have been selected as the attitudes to be discussed in this study because other studies have identified them as predictors of other organizational outcomes such as absenteeism etc. (Chambers & Honeycutt, 2009).

2.9 The Concept of Organizational Commitment

Over the years, employees' commitment has been defined and measured differently by different researchers. Indeed, this lack of consensus in the definition of these terms has contributed to their usage as a multidimensional construct (Meyer & Allan, 1991). Earlier studies of this phenomenon have shown that there are different basis for which employees show their commitment. An employee could be committed to his or her organization, supervisor or just his job and for various reasons.

According to Robbins and Coulter (2007), organizational commitment is the degree to which an employee identifies with a particular organization and its goals and wishes to

maintain membership in that organization. It is the relative strength of an individual's identification with, and involvement in a particular organization (Armstrong, 2006).

Employees' commitment involves;

- a strong desire to remain a member of the organization;
- a strong belief in, and acceptance of, the values and goals of the organization;
- a readiness to exert considerable effort on behalf of the organization.

This psychological and multidimensional construct can be categorized into three distinct forms: affective, continuance, and normative commitments (Allen & Meyer, 1991 & 96).

2.9.1 Affective Commitment

An employees' affective commitment refers to his or her emotional attachment to, identification with and involvement in an organization. This deals with the employees' emotions, involvement and sense of pride for the organization. Employees with this level of commitment towards their organization believe in the shared values of the organization and have personal involvement in the day to day operations of the organization.

As Meyer and Allan (1991) explain, those who have strong affective commitment towards an organization will also stay and work for the organization because they want to. They added that, this form of commitment is highly dependent on the working conditions like equity and justice in reward distribution and opportunity for career advancement. It has also been demonstrated that the affective characteristics impact

greatly on outcome variables such as absenteeism and turnover (Dunham et al., 1994; McFarlane-Shore & Wayne, 1993; Somers, 1995). Thus, affective commitment remains the dominant measure in commitment studies (Mathieu & Zajac, 1990; Randall, 1990). Thus, employees' affective commitment is achieved when such they are emotionally and psychologically attached or bond themselves with an organization because they feel a sense of belongingness. Thus, when the employee feels that his personal values knit well with the mission and core values of the organization in question.

2.9.2 Continuance Commitment

Continuance commitment concerns a focus on the costs associated with leaving an organization. Unlike affective commitment, continuance commitment involves a situation whereby the employee weighs his chances of either not getting a similar or better job elsewhere or the amount of personal investment made to the organization in terms of tenure to inform his decision as to whether to stay or leave. A continuance commitment of employees occurs when employees begin to have a calculated cost rather than emotional attachment to the organization (McShane & Glinow, 2007). The potential cost of leaving an organization could be the threat of wasting the time and efforts spent acquiring nontransferable skills, losing attractive benefits, and forgoing seniority-based privileges. Employees may again develop this form of commitment as a result of lack of alternative employment (Mowday, Porter & Steers, 1979; Stallworth, 2004).

According to Ogboro (2006), employees could also develop normative commitment towards their organizations due to some personal nontransferable investments such as close cordial relationships with their current coworkers, perceived retirement benefits

and career investments, specially acquired on -the -job skills which are unique to that particular organization, and other benefits that make it too costly for the employee to leave and seek employment elsewhere (Falkenburg & Schyns, 2007). Employees whose primary link to the organization is based on continuance commitment choose to remain because they need to (Meyer & Allan, 1991). An employee's affective commitment is found to correlate with his continuance commitment.

Therefore, it is not doubtful for one to boldly suggest that organizational commitment can lead to lower levels of both absenteeism and turnover. No wonder some studies have considered it a better indicator of employee turnover compared to job satisfaction. Meyer and Allen (1991) argue that one of the most important reasons for distinguishing among the different forms of organizational commitment is because they have very different implications on behaviour. Although all three forms tend to bind employees to the organization, and therefore relate negatively to turnover, their relations with other types of work behaviour can be quite different (Meyer et al., 2002). Indeed, research shows that affective commitment has the strongest positive correlation with job performance, organizational citizenship behavior, and attendance, followed by normative commitment (Shore & Wayne, 1993; Somers, 1995; Stinglhamber & Vandenberghe, 2003). Continuance commitment tends to be unrelated, or negatively related, to these behaviors. Consequently, Roundy (2010) note that because of the positive contributions affective commitment makes to both the organization and individuals during M&A integration and post-merger phases, they are universally desirable.

A committed employee is always feeling attached to an organization either emotionally or physically or both. He or she is proud of being associated with the organization and forgoes other job opportunities no matter how high it might benefit him or her. These kinds of employees are emotionally troubled whenever the organization's output falls beyond expectation.

2.9.3 Normative Commitment

Meyer and Allen (1991) also identified another form of commitment called normative commitment as the third form of organizational commitment. This form of commitment as far as Allan and Meyer are concerned is an employee's feeling of obligation to continue working for a particular organization. This is a commitment dimension based on an obligation to stay. Employees with a high level of normative commitment feel that they ought to stay in the organization. This feeling to remain in the organization could be as a result of the internalization of pressure exerted on the employee prior to his entry into the organization by family and cultural orientation or following entry (organizational orientation). Also, normative commitment may be developed when an organization provides some financial assistance to the employee in the form of training geared towards an increase in the employee's skills and competences. Employees therefore feel obliged to reciprocate this investment with their commitment to the organization.

The normative kind of commitment is when an individual based on his moral judgment decides to remain in an organization (Meyer & Herscovitch, 2001). Meanwhile, in M&A activities, the acquirer's core values and culture affect the running of the acquired

firm. The exercise usually ends up introducing a lot of changes in most of the practices and values employees are used to (Wagner & De Hilal, 2014). This is to say that employee commitment is characterized by a strong belief in and acceptance of the organization's values and goals, a willingness to exert considerable effort on its behalf and a strong desire to remain a member of it. Under normal circumstances, an organization may aim at having only affectively committed employees because affectively committed employees are found to add value to an organization, determined, proactive and increase productivity as well as quality.

2.10 Turnover Intention

Employee turnover intention refers to a conscious and deliberate desire to leave ones organization in the near future (Basak, Esin, Yagmur, & Yasemin, 2013; Tuzun & Kalemci, 2011). It is an individual's perception towards leaving an organization (Lioun & Cheng, 2010). This involves the individual's behaviour towards planning and desiring to quit a job by searching for alternative job vacancies whilst on the current job (Ahmad, Shahzad, Rehman, Khan & Shad, 2010; Lawrence, Celis, Kim, Lipson & Tong, 2014).

According to Denisi and Griffin (2009), the basic reason why people decide to leave their organizations is because of their dissatisfaction with their present jobs. Numerous research results show that job satisfaction is found to be significantly and inversely related to turnover intentions on a consistent basis (Susskind, Borchgrevink, Kacmar & Brymer, 2000). Recently, research discussions on turnover intentions have also linked perceived organizational justice with turnover intentions through various intermediate

withdrawal cognitions including organizational commitment (Mikkelsen, Ogaard & Lovrich, 2000). Employees' intention to quit has been identified as a logical and systematic process. It is revealed through research that the decision to quit can be made in different ways and in response to different stimuli. This intention begins the moment individuals start evaluating their current jobs against their levels of satisfaction or dissatisfaction. The more employees get dissatisfied, the more likely they would think of quitting and in doing this, they assess the costs of quitting and the likely success in finding an alternative job which offers better satisfaction as compared to their existing jobs.

2.11 Empirical Evidence and Hypotheses Development

2.11.1 M&A Processes and Employees' Commitment

Studies show no doubt that employing employees with extraordinary skills and competence is critical to the survival and competitiveness of today's organizations (Rad & Yarmohammadian, 2006) but what is really significant is how to win the commitment and retention of such employees. Thus, an organization's ability to win its employees' continuous attachment to, internalization and identification with such organization's missions and visions during M&A is of utmost importance (McElroy, 2001). Hill and McShane (2008) suggest that along with job satisfaction, managers need to ensure that employees have reasonably high levels of organizational commitment. They consider organizational commitment as the employee's pride and loyalty towards an organization. As far as they are concerned, managers need to pay heed to this attitude because loyal employees are less likely to quit their jobs and absent themselves from

work unnecessarily. In view of this, one of the objectives of this study is to determine how employees' perceptions of M&A processes affect their levels of commitment.

In a longitudinal study of the relationship between measures of change process and employees' reactions to a merger, Rafferty and Restubog (2010) found that as the number of the formal change information communication sessions attended increased, employees' level of anxiety decreased. The study equally found an inverse relationship between the quality of change information and anxiety and a direct relationship between employees' affective commitment to the change. Affective commitment was positively associated with job satisfaction and negatively associated with turnover intentions.

Among the factors affecting employees' commitment, fairness in M&A is recognized as the most sensitive and key factor considered by employees. Wagner and De Hilal (2014) note that, employees' perception of their working conditions at the time of M&A is very important. The extent of fairness employed, extent to which the acquirer's organizational culture and policies value employees are greater predictors of employees' commitment. But the question which is equally important as far as this study is concerned is whether organizational events such as M&As can cause employees to exhibit any of the above degrees of commitment to their organizations.

Evidence from literature suggests that such traumatic events as M&As increase employees' uncertainty and stress levels and this could bring about a decrease in satisfaction and commitment when common practices such as promotions, pay policies, workloads or even layoffs in the M&A processes are not fair to employees (Fairfield-Sonn et al., 2002; Mikkelsen, Ogaard, & Lovrich, 2000; Silva, & Caetano, 2014;

Williams, Konrad, Scheckler, Pathman, Linzer, McMurray, Gerrity, & Schwartz, 2001). This is likely to affect employees by causing them to have less intention to remain with the organization and lower perceptions of the organization's trustworthiness (Appelbaum et al., 2000; Schweiger & Denisi, 1991) as cited by Nikolaou, Vakola and Bourantas (2011). Fairness in organizational processes during acquisition is found to have a direct relationship with employees' commitment and inverse relationship with turnover intentions. The more management exhibits fairness in their M&A processes and implementations, the more likely employees' work beyond organizational expectations and commit to both the change exercise as well as the organization in itself.

A number of studies have confirmed that ensuring fairness in organizational change events as well as effective communication affects employees' attitudes and behaviours at the workplace (Cohen-Charash & Spector, 2001; Colquitt et.al, 2001; Fields, Pang & Chiu, 2000; Hassan, 2002; McFarlin & Sweeney, 1992; Rafferty & Restubog, 2010). According to Yavuz (2010), organizational justice affects all the dimensions of employees' commitment among teachers. Equally, Fatt, Khin and Heng (2010) report that employee's perception of procedures in change exercises such as M&A tend to increase their levels of job satisfaction which invariably affects their organizational commitment. As a result of this, Najafi, Noruzy, Azar, Nazari-Shirkouhi and Dalvand (2011) in their assessment of the interrelationship among organizational justice and other constructs like organizational commitment and organizational citizenship behavior of university faculty members postulate organizations that take a proactive approach towards employee's perceptions of fairness by providing appropriate working

environment are likely to reap benefits including cost associated to employee retentions (Cai & Zhou, 2009).

Jones (2000) in an investigation of the effect of merger involving professional nurses in surgical units contends that none of the nurses in the three merging hospitals showed commitment to the merged hospital and also did not indicate any intention of either quitting or staying with the hospital.

In their study of organizational justice and managerial commitment in corporate mergers, Klendauer and Deller (2009) also found that merger activities often have a negative influence on employees' perceived organizational justice which then negatively influences employees' affective commitment. On the basis of these findings, this research hypothesized that;

H₁: there is a positive relationship between acquisition processes and employees' affective commitment

H₂: there is a positive relationship between acquisition processes and employees' normative commitment

H₃: there is a positive relationship between a acquisition processes and employees' continuance commitment

2.11.2 M&A Process and Employees' Turnover Intention

Most often than not, after M&A activities especially during horizontal mergers, employees face threatening challenges of massive attrition, pay cuts with most similar responsibilities condensed for the few survivors (Hopkins & Weathington, 2006).

Sometimes, there is a total reshuffle of all employees of which the manner in which these changes are effected are based on the total discretion of the acquirer. Except in some few cases like micro-mergers where the combination involves merging of different units in a single entity creating a possibility of duplication of organizational practices as a result of labour surplus [eg. in terms of supervisory and managerial roles] (Lawlor, 2013). This action is likely to increase the level of role ambiguity (Jackson & Schuler, 1985), stress, anxiety and employees' uncertainty which only ends up affecting their psychological well-being and subsequently, their commitment and turnover decisions (Cartwright & Cooper, 1996; Ivancevich et al., 1987 as cited in Sanda & Adjei-Benin, 2011).

Considering the traumatic nature of M&As, the implications are likely to be stormy when the processes are not fair in terms of the change's communication and employees' participation. As new assignments are reviewed upwards in terms of requirements of new work practices and probably even new leadership, the possibility of employees understanding their tasks could be minimal and hence, reduction in their level of commitment.

The distinctive capability of a firm lies in its ability to employ more capable and skilled employees or acquire special materials than its rivals (Armstrong, 2006). However, in M&A activities, the new entity undergoes varying forms of consolidations that affect both material and human resources. Consequently, there is resource inadequacy causing departments to rely on few resources which have been noted as antecedent conditions of

conflict in organizations (Robbins & Judge, 2013) thereby undermining employees' motivation to commit to the organization and triggers their intentions to leave. As cited in Bhatti, Nawab and Akbar (2011), Koivula (2009) contends that as an organization adopts good communication strategies, employees' commitment to both the change exercise and the organization is likely and this indirectly affects turnover intentions.

Empirically, studies on the relationship between a major change process like M&As and turnover intention are somehow mediated by the perceived organizational justice. Some studies posit that employees choose to quit their jobs in order to end inequity if they perceive unfairness in an organization's practices after the change (Cohen-Charash & Spector, 2001; Colquitt et al., 2001). Kim (2009) found that when employees perceive justice and fairness in organizational practices, they tend to emotionally attach their services to the company such that it affects their future intentions with the company. Similarly, Radzi, Ramley, Salehuddin, Othman & Jalis (2009) in their study of the impact of organizational justice on turnover intentions of hotel managers in Malaysia establish the first two dimensions of justice; distributive justice and procedural justice, significantly affect managers' turnover intentions negatively. The perceptions of fairness in organizational practices like reward allocations and the manner or procedure through which these allocations are made prompt employees to reciprocate their turnover intention behaviours. Employees assess justice and fairness in M&As based on the truthfulness in the information used in decision communication process (accuracy), how consistent the method of distribution of rewards, layoff etc are used across time, how the process conforms to ethical and moral standards, availability of means of

correcting possible errors, free of bias and fair representation of the affected parties (as cited in Ponu & Chuah, 2010). Thus when employees perceive fairness in the M&A processes, they feel more satisfied with their current organization and they are likely to remain with it. On this basis, the study proposed that:

H₄: there is an inverse relationship between acquisition processes and employees' intention to quit

2.11.3 Organizational Commitment and Turnover Intention Nexus

According to Mathieu (1991), employee behaviors are largely influenced by elements in their working environments. For instance, Herscovitch and Meyer (2002) affirm that commitment to changes in organization predicts employees' behavioral support to the change than organizational commitment. This makes change processes important. The manner in which a change exercise like M&A is carried out is likely to predict employees' commitment to the success of the entire change and to the organization itself.

Organizational commitment has been viewed as an unchanging employee attitude which reflects employees' identification and attachment to an organization. Organizational commitment is a construct with a long history. It is a subject of a great deal of research and empirical attention. This multi-dimensional construct has been viewed both as an important organizational antecedent to other work-related behaviours and outcome (Meyer & Allen, 1997; Meyer et al., 2002). As an antecedent, it is considered to have an inverse relationship with turnover intention as Chris, Catherine,

Ian and Antonio (2010) noted that committed employees are less likely to leave the organization as their study on examining the relationship between organizational commitment, perceived organizational support and turnover intentions in a large Australian public sector organization found both affective and continuance commitment to have inverse relationships with turnover intention. As an outcome, committed employees have been found to exhibit positive work attitudes such as job satisfaction, higher performance and citizenship behavior.

Consequently, Chris et al. (2010) contend that studies geared towards establishing better appreciation of the relationships between employees' commitment and turnover intention are not limited to theoretical interest, but are also of great value to managers as this will enable them to address challenges associated with the outcomes of actual turnover.

However, findings on the relationship between organizational commitment and turnover intentions are inconclusive as studies have found commitment to predict turnover intention through other organizational outcomes like job satisfaction. For instance, Boyer, Price and Iverson (1994) and Martin (2011) are of the view that motivation and job satisfaction are the best predictors of employees' turnover intentions but Vanderdenberghe and Tremblay (2008) content that organizational commitment rather does better. Extant literature links organizational commitment and turnover intention but the relationship is mediated by other outcomes. For instance in a study of 225 white collar employees' intentions to quit using structural equation model, Basak et al. (2013) after examining its (intention to quit) link with job satisfaction, organizational

commitment, perceived organizational support and job stress found job satisfaction to be the most precursor of intention to quit. In another study, interaction between perceived organization support and organizational commitment was found to be a significant predictor of turnover intention (Allen et al., 2003; Maertz, Griffeth & Allen, 2007; Rhoades & Eisenberger, 2002). Employees could have low levels of commitment, but if the level of support received from the organization is high they are less likely to leave. Employees might commit to their organization because of their relationship with their managers, co-workers and the not necessarily the M&A exercise.

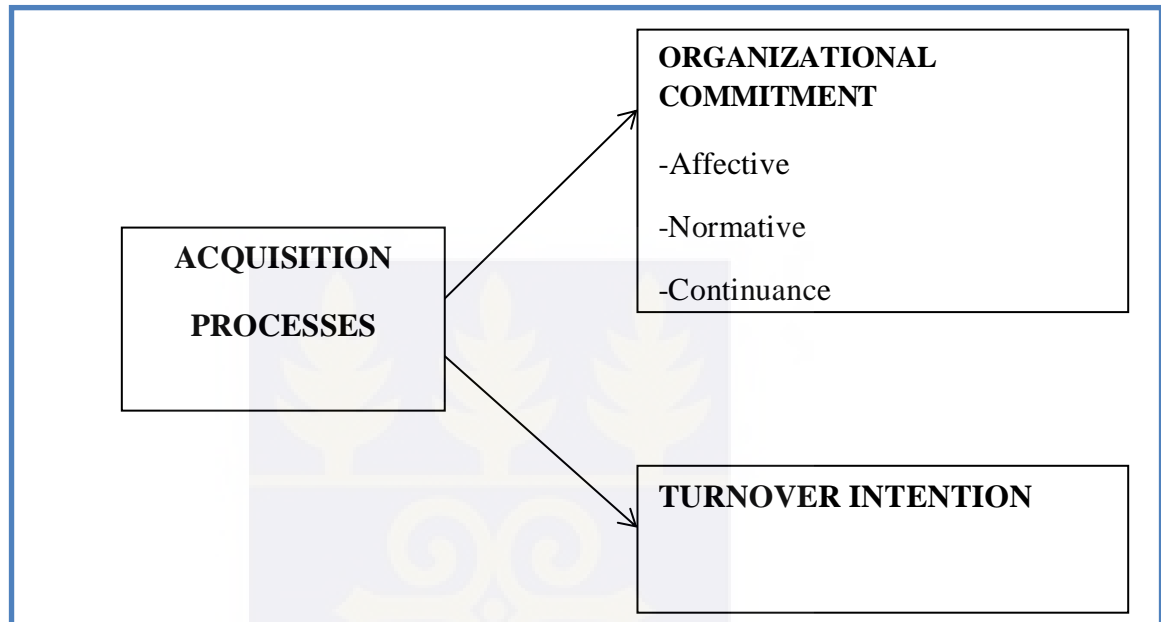
Jones (2000) also investigated the effect of merger in a health sector and found that nurses in the three merging hospitals did not show commitment to their hospitals as well as their jobs neither did they also indicate any intention to quit or stay with the hospital. Empirically, the nexus between employees' commitment and turnover intentions vary according to each employee's basis of organizational commitment as well as the context of study (Allen & Meryer, 1990; Allen, 1996; Kristina & Thomas, 2014). Accordingly, the researcher proposes that in the context of M&A events, the manner in which the newly acquired firm's processes are carried out will induce employee's commitment and this will equally affect employees' decisions towards their future intentions with the organization.

2.12 Conceptual Framework

According to Coetzee (2005), there is a behavioral correlation between commitment and turnover in an organization. Based on the discussions and hypotheses developed above, this study proposes this conceptual framework. Thus, Acquisition processes have a

significant relationship with employees' commitment and employees' turnover intentions as depicted in the framework below;

Figure 2.2 Relationships among Acquisition Processes, Commitment and Turnover Intention



Source; Author's Construct, 2015

As delineated in the previous sections, despite the large number of studies that focus on the outcome of M&A, the effect of the processes on organizational outcomes have received little attention. Thus, employees' perception of M&A as against organizational commitment and turnover intentions have not been thoroughly studied and the question of whether these constructs have any connection or freely correlate with each other remains unanswered. Based on the objectives and hypotheses of the study, a conceptual framework has been developed (see Figure 2.2) to demonstrate the interrelationships among the different constructs; acquisition processes as independent variable and two key employee outcomes as the dependent variables.

In a nutshell, employee outcomes during acquisition would depend on practices adopted in the newly acquired firm's processes. The extent to which management adheres to some fairness principles in the change process in terms of communication and participation as well as mastery over issues of anxiety and uncertainty would determine employees' reactions to organizational commitment and turnover intentions. It is anticipated that employees of UMB would affectively commit to the company if they believe in its vision and values regardless of the acquisition exercise. Those who have invested a lot in the organization or think there are no alternative jobs for them would do likewise (continuance commitment) but others have no choice but ought to stay.

As depicted in the Figure 2.2, the acquisition processes are hypothesized to have some relationship with employees' commitment as well as their turnover intentions. The directions or extent of this relationship would be either affirmed or rejected based on the outcome of the study.

The outcome of the study has been presented based on an appropriate research methodology which is the conceptual structure within which this research was conducted. The next chapter explicitly explains the methodology indicating type of research and among other scientific measures such as the procedures for data collection, method of analysis and interpretation of data.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter presents the philosophical assumptions and strategies underpinning this research and discussed the data collection techniques as well as method of analysis. As such, this chapter entails the research design, the population under study, the sample, sample size and sampling techniques, the instruments for data collection and method of data analysis. The reliability and validity of the research instruments are also addressed as well as ethical considerations pertaining to the data collection.

3.2 Research Design

Dawson (2002) surmises that a research design is the conceptual structure within which research would be conducted. In the words of Creswell and Clark (2007), research designs are useful because they help guide the methods and decisions that researchers must make during their studies. This sets the logic by which researchers make interpretations at the end of their studies. In this regard, this study adopted both quantitative survey approach as suggested in Panchal and Cartwright (2001), Terry, Carey & Callan (2001), Fairfield-Sonn, Ogilvie & Delvecchio (2002) and Bartels, Douwes, De Jong & Pruyn (2006) and qualitative research methods. Basically, the study adopted a mixed method of research. This was considered the appropriate design for this study since it enables a researcher to use objective methods to measure the incidence of various views and opinions in the chosen sample (Creswell, 2003). It was equally considered appropriate in the sense that, it enhances an in-depth, rich account and

generalization of the constructs under investigation since a single approach could not bring out the full understanding of the investigation (Rubin & Rubin, 1995; Saunders, Lewis & Thornhil, 2007; Scholz & Tietje, 2002; Yin, 2003).

The quantitative survey approach was used because the researcher sought to find out the relationship between certain variables at the end of the study and the best way to achieve this was by employing a research design that would allow for the collection of numerical data that can be analyzed mathematically (Aliaga & Gunderson, 2000).

According to Zikmund (2000), the most common method of generating primary data is through survey. Zikmund (2000) defines a survey as a research technique in which information is gathered from a sample of people through a questionnaire. According to Neuman (2003), survey enables researchers to test for several hypotheses. It enables the researcher to generalize results of findings from a smaller selected group to a larger one (Neuman, 2003). Besides, a survey is appropriate because Fraaenkel and Wallen (2003) and Gay (2002) opine that this approach produces a good response rate and also gives meaningful pictures of events and explains people's opinion and behaviour. A cross-sectional survey was used to assess the reactions of employees following the acquisition exercise of Universal Merchant Bank of Ghana. Cross sectional survey design allows for collecting original data at one point in time and allows generalization of findings from a smaller selected group to a larger group at once (Devetak, Glažar, & Vogrinc, 2010).

Besides, this approach was used since this study was an academic exercise with specific report submission deadline and therefore, needed a data collection approach which

could allow data to be collected at one particular point in time for analysis. Interviews were also conducted to gather data about employees' perception of the post-acquisition process to compliment the quantitative data collected.

As per Johnson, Owuegbuzie & Tuner's (2007) study which aimed at reviewing and providing current answers to what a mixed research method is, they found many studies suggesting mixed research method allows for triangulation, uncovering contradictions and allowing for complementarity by allowing for elaboration, enhancement, illustration, clarification of the results for one method with results from the other method.

3.3 Population of the Study

The population of a study is operationally defined as the sum total of all the items under investigation in any field of inquiry. Kumekpor (2002) also notes that a research population could be considered as the units of the phenomenon to be investigated that exists in the area of investigation. All the branches of Universal Merchant Bank (UMB) in the Greater Accra Region of Ghana constituted the study population. The choice of this bank was based on the fact that, despite the fact that numerous banks in the country have undergone mergers and acquisitions over the years, (eg. SSB Bank by Societe' Generale and the merger of Ashanti Goldfields and AngloGold, Fidelity Bank and ProCredit Savings and Loans Company Ltd, National Savings and Credit Bank Limited and Social Security Bank Limited etc), the most recent acquisition in Ghana at the time of this study was that of Universal Merchant Bank. Besides, it was one of the oldest banks in Ghana of over 40 years old to have undergone acquisition exercise. The

country currently has 28 banks out of which about six have involved in mergers and acquisition exercises.

Mergers and acquisition exercises have gained much scholarly attention in many companies from manufacturing, mining, service industry among others of which the banking industry is no exception but this study intends to focus on a banking institution because the country seems to be recording more M&A transactions in the banking industry [eg. between National Savings and Credit Bank Limited, EcoBank and TTB, Société Générale and Social Security Bank, UT bank etc.]. This is because, like other countries such as Nigeria and Malaysia (Bala, 2004; Onaolapo & Ajala, 2013), the bank of Ghana (BoG) in the year 2007 revised its monetary and capital requirement policies rather upwards for banks operating in the country. This action compelled most local banks to consider grand strategies such as mergers, inter-bank acquisitions or enlistment on the stock market in order to meet the BoG's capital base requirement of GH¢60 million (Sanda & Adjei-Benin, 2011).

Besides, the service industry contributes almost half of Ghana's GDP (Ghana Statistical Service, 2014). Moreover, finance among other service activities continue to record increasing growth rates in the country. For such a promising industry, it is not startling that it arouses researchers' interest.

In this regard, some major branches of the Bank within the Accra Metropolis (specifically, the Head office, Adabraka, Accra Main or UTC, Labone, Abeka, and the Kaneshie branches) served as the accessible population for the study.

3.4 Sample Size

Sampling refers to the statistical process of selecting a subset of a population of interest for purposes of making observations and statistical inferences about that population (Bhattacharjee, 2012). It is extremely important to choose a sample that is truly representative of the population so that the inferences derived from the sample can be generalized to the population of interest (Creswell, 2012).

Bartlett, Kotrlik and Higgs (2001) suggest that a sample size needs to be determined by either direct calculations through statistical formulas appropriate to the study or by making reference to tables with recommended sample sizes based on the population under consideration. The sample included the UMB Head office, Adabraka, Accra Main or UTC, Labone, Abeka and Kaneshie branches with a total staff strength of 417 (UMB HR data base, 2015) . These comprised of direct contract, outsourced, and permanent workers. Considering the population under study, different sampling techniques were used.

The sample size was obtained based on a mathematical equation developed by Miller and Brewer (2003).

$$n = \frac{N}{1 + N(\alpha^2)}$$

Where

N= accessible population

n= sample size

α = the error term (0.05)

Based on the sample size computation, out of a population of 417 employees, a sample size of 204 employees was obtained for this study. The sample size obtained for the study constituted employees from various departments of the organization including retail banking, corporate affairs, human resource management, procurement, accounts etc.

However, concerning the sample size for the qualitative respondents, the choice was made based on Galvin's (2015) findings which suggest that the number of interviewees chosen should be sufficient to ensure saturation or based on the "wisdom of the elders" (p.7). The 'wisdom of the elders' approach in determining sample number of interviewees means the researcher is supposed to look to the past and follow the precedents set by other authors in the field of study who have conducted similar research and follow suit. The assumption is that, since the approach worked for those earlier authors it would equally work for current studies. But this approach is however, associated with some logical challenges since the "elders" might not always be right.

3.5 Sampling Techniques

The sampling procedures adopted for this study were both the non-probability and probability sampling techniques. A stratified sampling technique was adopted because it ensures that respondents are gathered from all the departments (Strata) in the bank's branches in Accra to participate in the study. The purposive sampling technique was used to select six branches of the selected bank and employees who experienced the acquisition event and are still working with the bank were chosen. The convenient sampling technique was finally used to select employees who were willing to participate

and give information needed for the study. This was because, as one of the ethical provisions underlying a behavioral research, no participant is to be forced to respond to a research questionnaire or partake in a study. The purposive sampling technique also ensured that service personnel and casual employees of the organization were restrained from participating in the study.

3.6 Research Instruments

The main data collection instrument for the study aimed at gathering quantitative data for the study. Earlier proven and tested measures of each of the study variables were adapted. As a strategy for gathering the primary data, structured survey questionnaires on organizational commitment (OCQ) by Mowday, Steers, & Porter (1979), turnover intentions Questionnaire (TIQ) by Hom and Griffeth (1995) as well as M&A process questionnaire by Buono, Bowditch and Lewis (1985) and Sanda and Adjei-Benin (2011) were adapted as the instruments in gathering the quantitative data. The 15-item organizational commitment questionnaire (OCQ) developed by Mowday, Steers, & Porter (1979) has received wide recognition and tested by other researchers (eg. Bozeman & Perrewe, 2001; Hockwarter, Perrew, Ferris & Gercio, 1999; Kacmer et al. 1999; Mathieu & Zajac, 1990; Reichers, 1985). Besides, Cooper-Hakim and Viswesvaran (2005) recommend it as the most frequently used and hence, appropriate scale for measuring employee commitment. Besides, these scales were chosen for the study because their items have direct relations with the objectives of the study and hence are considered appropriate. In spite of this, the instrument was again given to some lecturers for proof reading and review for face validity and later to the study supervisor for further reviews and approval.

According to Kumekpor (2002), a questionnaire is a form of document containing a number of questions on a particular topic of interest to a researcher. The items in the questionnaire were designed according to the variables of the theoretical framework in order to obtain a concise view of the study. This strategy offered the researcher the opportunity to gather data directly from the respondents. The instruments were adapted with few modifications where necessary even though they had been pre-tested and used in several other similar studies and known to be reliable and consistent in literature. This was done to enhance the simplicity and respondents' understanding of the instrument since they were developed in different contexts.

As stated earlier, the scales were revised into a slightly shorter version for measuring employees' commitment because some items such as Item 10 "I am extremely glad that I chose this organization to work for over others I was considering at the time I joined" and Item 15 "Deciding to work for this organization was a definite mistake on my part" were removed as the respondents at the target organization had not chosen or decided, as such, to work for the acquiring company when they were acquired even though some of them quit voluntarily during the acquisition process. Besides, it was envisaged that too many questions could negatively affect the response rate due to the pressure of work at the bank (Yammarino, Skinner & Childers, (1991).

The responses for the TIQ and OCQ scales were measured using the seven-point likert scale response style ranging from 1=strongly agree, 2=moderately agree, 3=slightly agree, 4=neither or disagree agree, 5= slightly disagree, 6= moderately disagree and 7= strongly disagree. Turnover intention scale was measured via a 4-item scale adapted from Hom and Griffeth (1995) because it related and measured the research objectives.

For instance, items included “*I plan to leave this company as soon as possible*”. The M&A process questionnaire adapted used a 5-point likert scale. The likert scales were employed because according to Yates (2004), it is the most reliable scale used for measuring people’s attitudes and perceptions. Apart from the other sections, background information on respondents (section A) did not adopt the likert scale response strategy but rather, both closed and open-ended type of questions.

In order to obtain a deeper understanding of key persons’ perceptions or opinions of the acquisition process, interview data was also collected. Some four heads of the branches sampled were interviewed with semi-structured questions based on literature and the objectives of the study. The researcher sampled some heads of the branches visited because they were considered as those who were very involved and played much significant roles in the acquisition process and hence, in the right position to provide valid information for the study.

3.6.1 Pre-testing of Questionnaire

Saunders, Lewis and Thornhill (2009) opine that the design of a research questionnaire can determine not just a response rate but also the reliability and validity of the data collected for a study. Hence it is advisable to design the questionnaire carefully by ensuring clarity, lucid declaration of the purpose of study, pre-testing and carefully planning the method of instrument administration (Bell, 2005; Fink, 2003b).

The questionnaire was pre-tested on a small number of respondents to assess any challenges and possible hiccups that could arise during the main data collection period. In this regards, Saunders et al. (2009) posit the number of respondents chosen for even

the pilot study is equally important. They suggest the number of respondents for a pilot study should be sufficient in order to bring out the possible challenges which might occur during the actual data collection stage of the study. Accordingly, ten respondents in the case of students' research pre-testing was considered sufficient per Saunders et al.'s (2009) criteria. This study involved a pilot study using fifteen (15) randomly selected respondents from another bank which had experienced an acquisition. The outcome of this was analyzed for validity and reliability of the instrument before data was collected. Even though most parts of the instruments were adapted from already pre-tested measuring scales, for the purpose of the modifications made, the pre-test was done to clear and correct all ambiguities and possible issues of poorly worded questions which could inhibit easy reading and understanding. All sections of the instrument were subjected to the Cronbach's alpha reliability test. All notable challenges encountered during the pre-testing were addressed before the main data gathering.

For reliability of the scales, the reliability coefficient for each measure piloted was again tested with the Cronbach's alpha. After running the test, only values which were ≥ 0.70 were accepted (Hair, Black, Babin, Anderson & Tatham, 2006; Pallant, 2001). The Cronbach alpha obtained for the acquisition processes, OCQ and TIQ are presented in table 3.1 below.

Table 3.1 Reliability Analysis of constructs

Construct	Number of items	Cronbach's Alpha	Number of respondents
Acquisition processes	15	0.898	15
Organizational commitment (OCQ)	13		15
• Affective	5	0.745	15
• Normative	4	0.727	15
• Continuance	4	0.688	15
Turnover intention (TIQ)	4	0.956	15

Source: Field work, 2015

3.7 Data Collection

This section of the study involved the source of data, instrument for data collection and the data collection procedure adopted for this study. Data refers to facts, opinions and statistics that have been collected together and or recorded on a research sample for reference or for analysis (Sharma, 1996).

To ensure acceptance, an introductory letter was taken from the department of Organization and Human Resource management of the University of Ghana Business School and presented officially to the firm's head office for appointment concerning administration of the survey questionnaires and the interview arrangements with the consent of the research supervisor in November 2014. This introduction was meant to convince Universal Merchant Bank to permit the researcher to use their outfits for this investigation.

After receiving the study supervisor's approval for the instruments, the researcher notified the department of research and corporate affairs of the bank personally and the head of this department then sent an email to all the heads of the sampled branches informing them of this exercise. On reaching the branches, some of the unit heads demanded a student's identification card to confirm if really the researcher was a student of the University of Ghana, Legon.

Following the data collection, the completed survey questionnaires were gathered by the researcher for data entry and analysis.

Except for some few instances, a maximum time interval of one month was allowed for the data collection because this study was expected to be completed within a specified period of time. In some instances, the heads of the branches visited introduced and allowed the researcher to do the distribution of the questionnaire during early morning devotional meetings (from 7 to 8:00 am) before everyone dispersed to their various departments of work. For each of the branches, the researcher was assisted by some employees of the sampled organization for distribution and data collection. This was to ensure an effective response rate. Interview sessions were held face-to-face with the heads of the branches.

3.7.1 Source of Data

Primary sources of data were drawn for the study. According to Booth, Colomb and Williams (2008), primary data sources provide raw data used for testing hypotheses and serves as a basis for either confirming or rejecting a study's claims. The data was

sourced primarily through research questionnaire and interview whereas other empirical findings were as secondary sources to support the discussion (Booth, Colomb & Williams, 2008). Primary data was collected from the six different branches of the sampled organization in Accra.

3.8 Data analysis

As a method of data analysis, both descriptive and inferential statistics were used for the analysis of the quantitative data. According to Alhojailan (2012), the advantage of using different research data analysis methods is that it makes the description of the phenomenon under study clearer and increases the overall reliability of the research to make it valid for other researchers. The first section of the presentation was a descriptive analysis of some basic information about the respondents. This was in line with Pallant (2001) which asserted that descriptive statistics expresses the characteristics of any study's sample through the provision of summary statistics such as mean, median or standard deviation for continuous variables, or frequencies on how many people gave each response for categorical variables. Besides, Creswell (2012) contends that an appropriate way of analyzing a quantitative data is to conduct a descriptive analysis of the data to report measures of central tendency and variation in responses. The descriptive statistics were used for the demographic data whereas simple regression analytical techniques were adopted to test the extent of the relationship existing or otherwise between the M&A process and commitment as well as turnover intention of the employees.

For the inferential statistical outputs, p-values greater or equal to the level of significance ($\alpha = 0.05$) was considered as a non-significant difference, correlation or association based on which the hypotheses were either supported or rejected. On the other hand, p-values less than the level of significance were accepted to mean a significant correlation or association between or among the variables under consideration. Secondly, the qualitative data was meticulously analyzed according to a coding method which identified key themes which related closely to the research questions. This informed the use of a thematic analytical method.

3.9 Ethical Considerations

According to Creswell (2012), a research data collection procedure could be considered ethical when it shows respect to the individual respondents as well as the web sites visited for the data collection. “Obtaining permission before starting to collect data is not only a part of the informed consent process but is also an ethical practice” (p.169). Some of the ethical issues considered in this study include observing institutional protocols before collecting data from the sampled organization. An email was sent from the head office of the organization to the various heads of the branches considered for the study prior to the researcher’s visit. The right to respondents’ privacy was respected by ensuring that acceptance and participation in the survey was based on the respondents’ sole willingness. The data collected was also treated with confidence and for academic purposes only as promised in the introductory letter.

In ensuring confidentiality, the questionnaire was developed in a way that did not allow respondents to write their names or contact details. Besides, an envelope bearing the

researcher's contact details was left at each branch for employees to submit their completed questionnaires at their own convenient times.

Anonymity was equally adhered to by ensuring that no completed structured interview schedule was linked to any specific participant. Respondents' names and designations were equally omitted in the data analysis so that no quotations could be linked to any respondent. The completed questionnaire and interview schedules were accessible to only the researcher. The researcher treated all information with the strictest confidence and did not divulge any of the information gathered to any other person or institution.

3.10 Profile of Universal Merchant Bank

The sampled firm for this study was known previously as Merchant Bank Ltd which commenced operation on 15th March 1972 as the premier merchant bank in Ghana. In 2005, it introduced Retail Banking after acquiring a Universal Banking License. By the end of 2013, the bank was acquired by Fortiz Equity Fund and thereafter, the name changed to Universal Merchant Bank (UMB). Currently the bank has 22 branches nationwide. The bank has two fully owned subsidiaries.

UMB is recognized for its entrepreneurial approach, innovative use of technology, and its distinctive banking solutions. Strategically, the bank considers its People, Service, Products and Technology as its pillars. Existing for the past four decades, the bank has chalked many noteworthy feats including: the establishment of a hire purchase and leasing business in Ghana, the promotion and formation of the first Discount House in Ghana, Handled the share issues of 8 out of 10 companies when there was no Stock

Exchange in Ghana in the 1970's, served as an advisory body in the acquisition of SSB Bank by Societe' Generale and the merger of Ashanti Goldfields and Anglogold.

The next chapter presents the analysis and discussion of the results.



CHAPTER FOUR

ANALYSIS OF DATA AND DISCUSSION

4.0 Introduction

This study sought to determine the impact of acquisition processes on turnover intentions and commitment among employees of universal merchant bank, Accra. Specifically, the study sought to find out whether the processes in the Merchant Bank versus Fortiz Equity Fund acquisition deal affected the commitment and the turnover intention of the employees' who experienced the event and are currently working with the bank. In order to achieve this purpose, five hypotheses were stated and tested. This chapter presents the results generated from the data collection. Raw data from the questionnaires administered were processed and analyzed with SPSS version 21. The presentations in this chapter are in three sections using descriptive, thematic and inferential statistics. The first section addressed some basic characteristics of the respondents using descriptive statistics. This section captured demographic variables such as gender, age, department, tenure etc. The second section presented the qualitative findings while the last section presented findings on the objectives (2 to 4) which were translated into hypotheses of the study using inferential statistics. Regression analysis was used to assess the relationship between the predictor variable and outcome variables used in the study. Out of 255 questionnaires administered, 188 were retrieved representing a response rate of 73.7%. The results were discussed in relation to the research questions as well as the literature reviewed and the theories espoused in Chapter Two.

4.1 Analysis of Demographic Data

This section gives the background information of the respondents. It deals with the gender, age, age group, tenure, level of education, possible change in job after the acquisition, department of respondents and the previous employers of the respondents before the acquisition exercise. The first variable was respondents' age group and the findings are displayed in Table 4.1 below;

Table 4.1: Age of Respondents

Age	Frequency	Percentage (%)
20-25	29	15.4
26-30	49	26.1
31-35	55	29.3
36-40	38	20.2
Above 40	17	9.0
Total	188	100

Source: Field Data, 2015

Results from Table 4.1 above showed that out of the 188 respondents, the age distribution of the respondents ranged from 20 to more than 40 with the age group 31-35 being the majority (55 representing 29.3%) of the respondents. Respondents between the ages of 26-30 constituted 26.1% of the sampled population. Further, respondents between the ages of 20-25 were also represented by 15.4 % while 9.0 % represented respondents who were above 40 years. These results imply that the employees in Universal Merchant Bank are in their youthful ages. This implies that the bank has an active workforce and would be making good investment if they target the youth group

in the organization when designing future policies that would help retain the employees. This preponderance number of youth also means that UMB has employees who are likely to work for the organization for long before going on retirement. Hence, addressing issues affecting their turnover intention is very necessary so as to win their identification and attachment to the organization.

Table 4 .2: Gender of Respondents

Gender	Frequency	Percentage (%)
Male	79	42.0
Female	109	58.0
Total	188	100

Source: Field Data, 2015

As shown in Table 4.2, majority of respondents who participated in the study were females (58.0%) while the minority of respondents were males (42.0%). This implies that the total number of respondents for this study was dominated by females. The reason for the high number of female employees as compared to the male counterpart might be because the banking job has been dominated by more women than men in general.

Table 4.3: Educational level of respondents

Education Level	Frequency	Percentage (%)
Diploma or Equivalent	16	8.5
Undergraduate degree	105	55.9
Postgraduate degree	67	35.6
Total	188	100

Source: Field Data, 2015

The study also examined the level of education of respondents. The results from table 4.3 showed that majority (105 representing 55.9%) of respondents were undergraduate degree holders. Further, 35.6% of the respondents were postgraduate degree holders while 8.5% of respondents had diploma certificates.

Table 4.4: Department of Respondents

Department	Frequency	Percentage (%)
Business Banking	2	1.1
Business Intelligence	5	2.7
Corporate Affairs	22	11.7
Credit	4	2.1
Customer Service	47	25.0
Finance	13	6.9
HR	6	3.2
Operations	22	11.7
Remittance	2	1.1
Research and Corporate Affairs	3	1.6
Retail Banking	31	16.5
Risk	10	5.3
Sales	10	5.3
Service Quality	2	1.1
Telephone Exchange	6	3.2
Treasury	3	1.6
Total	188	100

Source: Field Data, 2015

Table 4.4 provides details of the various departments from which the respondents were chosen. Majority (25.0%), of the respondents work in the customer service department. This was followed by the retail banking department which represented 16.5% of the

respondents. The corporate affairs department and operations department were both represented by 11.7% respectively. Finance department constituted 6.9% while the Risk and Sales departments were both represented by 5.3% respectively. The Telephone Exchange Department and HR department both constituted 3.2% respectively. Business Intelligence Department was represented by 2.7% while Credit Department constituted 2.1%. The Treasury Department was represented by 1.6% while Service Quality and Business Banking Departments were both represented by 1.1% respectively.

Table 4.5: Previous Employer of Respondents before the Acquisition Process

Previous Employer	Frequency	Percentage (%)
Merchant Bank	176	93.6
Fortiz Equity Fund	12	6.4
Total	188	100

Source: Field Data, 2015

From Table 4.5, it could be deduced that, majority (93.6%) of the respondents were previously employed by Merchant Bank Ltd before the acquisition process. Only 6.4% of the respondents were previously employed by Fortiz Equity Fund. This outcome implies that, most of the employees would be less anxious about job insecurity. This is because most researchers of major organizational change events such as acquisition (Mikkelsen et al., 2000; Nikolaou et al., 2011; Rafferty & Restubog, 2010; Silva, & Caetano, 2014) have found the exercise to have a negative implication on job security of employees of the target (acquired) firm. This insecurity creates much anxiety, stress and loss of organizational commitment. Even those employees who are fortunate to be

retained feel they have been bought and suffer some level of loss in their social identities. The majority of the employees being those from the acquired firm means employees would feel more secure with their jobs and this has the possibility of equally minimizing the level of stress and anxiety as predicted in earlier studies.

Table 4.6: Tenure of Respondents

Tenure	Frequency	Percentage (%)
1-2 years	15	8.0
3-4 years	102	54.3
More than 5 years	71	37.8
Total	188	100

Source: Field Data, 2015

The study again investigated how long employees have been with their previous employers (either Merchant Bank or Fortiz Equity Fund) before the acquisition. This was to ensure that the respondents give valuable information for this study because Armstrong, 2006, Armstrong and Brown, 2006 as well as Moncarz, Zhao and Kay (2009) are of the view that, employee's ability to express his or her opinion about an organization's policies depends on how long that employee has established relation with the organization. According to Table 4.6, above, a majority of the respondents had spent between 3-4 years working with their organizations. On the other hand, 37.8% of the respondents had worked in their respective organizations for more than 5 years. However, only 8.0% of respondents had worked in their organization for between 1 to 2 years. From these results, it can be inferred that all of the respondents were in the

position to have witnessed the acquisition exercise and therefore provided the information need to achieve the objectives of this study.

Table 4.7: Job Change as a Result of the Acquisition

Job Change	Frequency	Percentage (%)
Yes	37	19.7
No	151	80.3
Total	188	100

Source: Field Data, 2015

Results in Table 4.7 revealed that 19.7% of the respondents had undergone job change as a result of the acquisition. On the other hand, the majority (80.3%) of the respondents were still on their current jobs despite the acquisition that took place.

The next section of this chapter presents the findings based on the objectives of the study. The first presentation is based on objective one which sought to examine employees' perception of the acquisition process in Universal Merchant Bank. The data on this was sourced both quantitative and qualitatively and presented in the next section.

4.2. Research Objective one: Perception of the Acquisition process

This section of the study analyzed the qualitative data collected during the interview sessions. From the various heads of branches, it was found that the acquisition exercise was one of the best strategies in the history of Universal Merchant Bank. One of the interviewees has this to say;

“Personally, I think this was a good strategy worth adopting for the bank because before the change, the bank was having serious liquidity challenges. This change has brought about a lot of operational restructuring which significantly impacted on the bank”.

To them, the exercise has ended up in generating more working capital for the firm.

The branch heads explained that after the acquisition, structures of the organization have improved and efficiencies and effectiveness are increasing. Apart from the capital injection, the exercise has also re-branded and boosted the image of the bank. Before the acquisition, much was not known about the bank in terms of popularity since it had branches and regional coverage as compared to other banks of its age. Being an indigenous bank of over forty years of operation, one would have expected it to cover most of the regions in the country but this was not the case. But after the intervention of the acquisition deal, the bank is soaring higher and getting brighter by the day.

Besides, other respondents explained that the acquisition exercise was necessary especially in such a time where competition was so tight in the banking industry. The exercise therefore, led to a massive improvement on the bank’s image due to the fresh funds that the Fortiz injected into the business. There is much security of customers’ money. *“The brand image has become very strong and easy to identify with. It is trendy and profitability keeps improving”* said, the interviewees.

With regards to the effect of the acquisition on employees, the interview findings showed that, most of the heads of the branches were involved in every stage of the acquisition process. Series of meetings were held to enable each branch manager report

to management on employee related issues arising in their specific branches. This was coupled with other internal research exercises which were geared towards identifying any significant change and developments in employees' attitudes.

Excerpts from the corporate affairs department of the organization's head office revealed this *“as the head of research and corporate affairs, I played very significant intermediary roles. Much was done in terms of research to find out the implications of the change on employees' attitudes and their expectations. The outcomes of these investigations were communicated to top management in informing other strategic actions.*

Further, the majority of the interviewees admitted that the exercise did not create any form of inconvenience to its employees. In other words, the entire process has been considered to be fair to employees. One of the interviewees had this to say *“to the best of my knowledge, everyone here is happy about the whole deal”.*

The head of another branch confirmed that;

“I was not affected in any way by the changes at all because I am personally open to change. I felt involved in every stage of the exercise. I attended meetings as a business unit head, relayed information to both the top managers and the lower level employees. As a unit or branch head, I was also responsible for everything that goes on in my unit in terms of any change in employees' attitude or work activities and reporting to top management on what was happening”.

Another remarkable observation made was that, like in other change events, employees of UMB were very much anxious about the whole exercise and uncertain about their

jobs and the possibility of the organization retaining them such that some decided to leave for other jobs elsewhere. But this however, did not affect the heads of the units as much as it did in the case of junior level staff. This is because, according to Table 4.5, the acquirer did not bring in much leaders with “better experience in banking operations” as in the case of other acquisition exercises where the acquirer’s employees normally dominate. Employees’ behavior after the acquisition has not been the same. Whilst those in managerial positions feel more committed and comfortable because the structures of the organization as well as efficiencies seem brighter, the non-managerial employees were rather uncertain about their commitment as well as their turnover intention.

From one branch, the interview session with the business manager revealed this *“I was personally thrilled about the change and feel it is just normal for employees to experience some forms of agitations but with time, they were okay. This is because communication was great. She added that “the company adopted an organized communication process where every stage of the process was communicated step-by-step to employees to reduce much tension”.*

Aside the communication and other organized processes the acquisition exercise might have adopted, what really gave them the relief was their knowledge that Fortiz Equity Fund Ltd, their acquirer was not coming with enough employees since it had just been established with some small number of employees who are perceived to be less experienced in the field of banking operations. Besides, much did not change in terms of employees’ compensation and benefits. Retained employees are still enjoying

everything they used to receive as reward from the company in the same manner as it used to be. The only change was the fact that some roles and jobs have been enlarged.

The business manager of the last branch interviewed also has this to say;

“Nothing has really changed in terms of staff benefits but for promotion and transfers, the various strategies are still been tested and changes come here and there. The acquisition exercise brought about realignment of roles and job enlargement. For example, me like this, extra responsibilities were added to what I was doing previously.

The respondents were again asked as to whether the change has affected the policies of the organization in any and this is what respondents shared;

“These are being handled” this change is not an outright process so policies are still being tested and changes follow when necessary.

Because most of the employees were workers who have served long in the bank, there seems to be no form of intergroup conflicts since most of the employees have been working with the firm for quite some time and therefore are comfortable with most of their co-workers especially those in the same departments. The finding revealed this *“UMB was acquired by a fund which had vertically no employees so there are no such conflicts in the organization”. Most of the employees are “old workers of merchant bank” Therefore intergroup conflict situations are minimal”.*

However, in as much as the bank tried to exercise fairness in the process, some managers rather felt the wrong side of it as one of the interviewees revealed to the researcher that *“the process was unfair because it did not go down well with some of the*

employees” although he was not ready to spill out the exact action or activity that created the inconvenience for those affected.

It was equally found that some branches of the bank are having issues in terms of trust. Even though Fortiz Equity Fund was the acquirer in this case, the employees from Merchant bank are still struggling with how to give them their trust probably because the staff population of Merchant Bank’s employees (the acquired firm) still dominates all the branches with just a few coming from the Fortiz.

It was observed that almost all the respondents as far as the interview is concerned showed no sign of leaving UMB at least right now except one. She admitted that she would like to quit not so much because of the acquisition process but rather the nature of her job. Her intention to quit is rather based on social issues. She says “the sheep sweats but because of its fur, no one really see it”. As she explained, the banking job in itself is admired by most people but what goes into working there is just too much for her as a family woman. From observations, it was found that her intention to quit her career was because she was having issues with work-family balance (WFB). This intention or behaviour of the heads of the branches is not surprising at all. In another study by Zhao and Lehn (2006), it was found that, leaders (for that matter CEOs) of merged or acquired firms are not usually affected by acquisition or merger inverts. Rather, their intention to quit and actual turnover is triggered only when the acquisition or merger fails to yield the necessary returns expected. But as long as the acquisition or

merger continues to present opportunities, the heads or leaders of such deals do not usually quit, neither are they neither demoted nor fired.

Table 4.8: Perception of Merchant Bank versus Fortiz Equity Fund Acquisition Process

Acquisition Process	Mean	Std. Deviation
All things being equal, I think the acquisition of merchant bank by Fortiz Equity Fund should not have taken place	2.31	1.25
The majority of the employees are comfortable with the acquisition process between merchant bank and Fortiz	3.28	1.398
I think universal merchant bank has been strengthened after the acquisition process	2.82	1.604
I feel I have been treated fairly in the acquisition process	3.09	1.385
I feel the acquisition process in terms of its effect on the organization and my job was communicated accurately and on time by management	3.14	1.267
There was a lot of conflicts between employees of Merchant Bank and those from Fortiz during the acquisition process	3.65	1.157
Top management's commitment to the change process was great	3.24	1.185
The communication of the acquisition process increased my anxiety, stress and uncertainty	3.22	1.407
The acquisition process included the participation of teams cross the various departments	3.27	1.493
The acquisition process has affected my work environment, job characteristics and work relationships	3.65	1.157
The stress and anxiety associated with the acquisition process was handled by management satisfactorily	3.53	1.322
On the whole, I think the entire acquisition process was satisfactory	3.18	1.424

Source: Field Data, 2015

The results as shown in Table 4.8 above shows that on the average most employees perceive the acquisition process in terms of its effect on their job characteristics and work relationships to less than satisfactory. On a five point likert scale where one implies strongly disagree and five meaning strongly agree, the mean of 2.31 means that they admitted that the exercise really affected their job characteristics and work relationships. The next section of the presentation was based on the hypotheses tested.

4.3 Research Hypotheses Testing

This section presents analysis of the hypotheses tested. The researcher tested all the hypotheses using simple regression analysis except the final hypothesis. Saunders et al. (2009) contend that regression analysis enables a researcher to find out how likely it is that two variables are associated. It helps to find out the causal effect of one variable upon another. In this instance, the variables considered were acquisition processes, commitment and turnover intention where acquisition processes was the independent or predictor variable and its causal effect was assessed on two dependent or outcome variables (commitment and turnover intention).

The study sought to establish the effect of acquisition processes on employees' commitment and turnover intention in Universal Merchant Bank. The linear regression was used to test whether there is any significant association between the variables in hypotheses 1 to 4.

Based on literature reviewed, the researcher came up with the following hypotheses;

H₁: there is a positive relationship between an acquired firm's employees' perception of the acquisition processes and their affective commitment

H₂: there is a positive relationship between an acquired firm's employees' perception of acquisition processes and their normative commitment

H₃: there is a positive relationship between an acquired firm's employees' perception of an acquisition processes and their continuance commitment

H₄: there is an inverse relationship between acquisition processes and employees' intention to quit.

In order to decide whether to use parametric or non-parametric analysis, the assumption of normality must be met. The test of normality in data analysis is a test which is based on the assumption that a sample data are drawn from a normally-distributed population (Hair et al., 1998). According to Field (2013), Stevens (2002) and Tabachnick and Fidell (1996), this test is supposed to be conducted in conjunction with visual inspection of histograms as well as skewness and kurtosis measures. The researcher therefore checked for the skewness and kurtosis of the variables and also supported it with histograms (see appendix) in testing for the assumption of normality.

Table 4.9: Checking for Normality using Skewness and Kurtosis

Variable	Skewness	Kurtosis
Acquisition Processes	-.219	-1.551
Affective Commitment	.876	.442
Continuance Commitment	.908	.112
Normative Commitment	-1.137	1.211
Commitment	-.596	.475
Turnover	.813	.772

Source: Field Data, 2015

According to Tabachnick and Fidell (1996), the normality of data is attained when kurtosis and skewness are between -2 and +2. From table 4.9 above, all the variables fall within the ranges for skewness and kurtosis. Hence, all the variables that the researcher used were normally distributed based on Tabachnick and Fidell's threshold hence, the further analysis can proceed.

H1: There will be a positive relationship between acquisition process and affective commitment

Table 4.10: Summary of Regression analysis for the Relationship between Acquisition Processes and Affective Commitment

Variables	β-value	R²	p -value
Acquisition Process			
Affective Commitment	-.044	0.2	0.56

Source: Field Data, 2015

As shown in Table 4.10, there was an insignificant negative relationship between acquisition processes and affective commitment at 5% significant level ($\beta = -.044$, $p =$

.56). The table also depicted that only 2% of the variation in affective commitment was explained by the acquisition process. Therefore the hypothesis was not supported. The correlation coefficient for the relationship between the independent variable and the dependent variable ($\beta = -.044$) is considered as a weak relationship using the rule of thumb for interpreting the size of a correlation coefficient which indicates that a correlation coefficient between 0.0 and 0.20 is very weak; 0.20 to 0.40 is weak; 0.40 to 0.60 is moderate; 0.60 to 0.80 is strong; and greater than 0.80 is very strong (Hinkle, Wiersma, & Jurs, 2003).

H2: There will be a positive relationship between acquisition process and normative commitment.

Table 4.11: Summary of Regression analysis for the Relationship between Acquisition Processes and Normative Commitment

Variables	β-value	R²	p -value
Acquisition Process	0.124	0.15	0.092
Normative Commitment			

Source: Field Data, 2015

As evidenced in table 4.11, it could be deduced that, there is an insignificant positive relationship between acquisition processes and normative commitment ($\beta = .12$, $p = .092$). The R² value as depicted in the table explains the amount of variation in the outcome variable which is caused by the predictor variable. In this case, the regression explains 15% of the variation in employees' normative commitment is caused by the acquisition processes was. Therefore, the second hypothesis which states that there will

be a significantly positive relationship between acquisition processes and continuance commitment was not supported.

Table 4.12: Summary of Regression analysis for the Relationship between Acquisition Processes and Continuance Commitment

Variables	β -value	R ²	p -value
Acquisition Process	0.193	0.037	0.008**
Continuance Commitment			

Note: **denote p-value<0.01, * denotes p-value<0.05; Source: Field Data, 2015

Results from Table 4.12 shows that there is a significant but weak positive relationship between acquisition processes and continuance commitment ($\beta = .19, p = .01$). From the table, it could also be inferred that 3.7% of the variation in continuance commitment was explained by the acquisition processes. The hypothesis was therefore supported.

Hypothesis 4: there is an inverse relationship between M&A processes and employees' intention to quit.

Table 4.13: Summary of Regression analysis for the Relationship between Acquisition Processes and Turnover Intention

Variables	β -value	R ²	p -value
Acquisition Process	-.078	0.006	.292
Turnover Intention			

Source: Field Data, 2015

As shown in Table 4.13, there is a negative relationship between acquisition processes and employee turnover intention ($\beta = -.078, p = .292$). This implies that the variation in employee turnover intention explained by the acquisition processes was 0.6%. Even though the relationship was indeed an inverse, the hypothesis was not supported because the relationship was not significant. This means that even though there is an

inverse relationship between the acquisition processes and employees' turnover intention, the relationship is insignificant. The hypothesis was therefore not supported.

4.4 Discussion of Major Research Findings

4.4.1 Acquisition processes of Universal Merchant Bank

On the whole, the study revealed remarkably that even though literature reports that many acquisition practices turn out to be another business failure, the case of UMB is totally different. The bank is doing far better than before. As Schuler and Jackson (2001) explained earlier, managers of current and future mergers and acquisition deals are supposed to learn from the past deals to be better at doing M&A deals. UMB seems to be growing faster than it was before the acquisition because management has gathered more experience over the years after serving as an advisory body in the acquisition of SSB Bank by Societe' Generale and the merger of Ashanti Goldfields and Anglogold. With this exposure, management of UMB accumulated all the best practices of managing acquisition deals and it is therefore not surprising that the change is soaring the bank higher in terms of profitability, efficiency and growth.

From the findings, it was also uncovered that employees' behaviour after the acquisition has not been the same. Whilst those in managerial positions feel more committed and comfortable because the structures of the organization as well as efficiencies seem brighter, the non-managerial employees were rather uncertain about their commitment as well as their turnover intention. This finding is in line with findings of Zhao and Lehn (2006) where it was found that top managers do not leave their merged or acquired organizations until the acquisition or merger begins to show signs of failure. In

the case of Universal Merchant Bank, because of the success stories the bank has started recording, none of the middle managers interviewed showed any sign of leaving except one. Even so, the reason was not because the organization is not successful but the amount of enlarged job responsibilities which is conflicting with her other responsibilities as a family woman. Aside the communication and other organized processes the acquisition processes might have adopted, what really gave them the relief was knowing that Fortiz Equity Fund Ltd, their acquirer was not coming with enough employees since it had just been established with some small number of employees who are perceived to be less experienced in the field of banking operations. Besides, much did not change in terms of employees' compensation and benefits. Retained employees are still enjoying everything they used to receive as reward from the company in the same manner as it used to be. The only change was the fact that some roles and jobs have been enlarged. Besides, some employees were transferred to other branches where their routine job contents changed totally.

4.4.2 Effect of Acquisition Processes on Employees' Affective Commitment

The results of this study revealed that acquisition processes do not significantly affect the affective commitment of employees in UMB. Only 2% of the variation in employees' affective commitment was explained by the acquisition processes. Meyer and Allen explained that the affective component of commitment has to do with employees' attachment to an organization because its values and mission knit well with the employees' personal values. But according to Wagner and De Hilal (2014) and

Klendauer and Deller (2009), during M&A processes, the acquirer's shared values and culture affect the operations of the acquired firm.

The findings according to Table 4.13 indicate that employees are not affectively committed to UMB. From the interview data some respondents explained that “...*UMB is still undergoing structural changes as most of its policies are still being tested*”. Explaining from social identity perspective, these structural changes have caused a huge loss to the employees because they feel being bought and the special “culture and values” they were accustomed to have been destroyed. This aspect of the study is not really based on organizational justice theory per se, but the degree to which the current employees fine tune with the current culture of the organization as most of them lose their familiar points of reference for where they belong in the organization and some may interpret this loss of identity as a threat to their self-esteem. The more these structural changes and core new core values of UMB differ from the personal values of the employees, the more difficult and longer it would take for the employees to build their affective commitment towards the organization (Jarzabkowski, 2005).

4.4.3 Effect of Acquisition Processes on Employees' Normative Commitment

The aim of the second objective of this study was to ascertain the relationship between the acquisition processes and normative commitment on the part of employees. The researcher therefore hypothesized for a significant positive relationship between acquisition processes and employees' normative commitment. However, the results of the study showed an insignificant and positive relationship between acquisition

processes and normative commitment among the employees ($\beta = .124$, $p = .092$). The finding however proved that, acquisition process did not enhance employees' normative commitment towards the organization. In much more the same way, employees do not see the need to remain committed towards the organization based on their moral judgment after the acquisition processes. This explains that the bank has not done much investment in their employees in terms of training and development to warrant their obligation to reciprocate by remaining "normatively" committed to UBM (Basak, et al., 2013; Meyer & Herscovitch, 2001). According to Lazarus (1991) and Cooper et al. (2001), employees experience stress when they perceive some form of imbalance between their job demands and their personal capabilities.

This imbalance between employees' current capabilities as against the amount of their job demands is causing them to claw back their normative commitment to the organization. Karasek (1979) and Karasek and Theorell (1990) contend that job pressures or demands could cause both psychological and physical strain to employees. However, the amount of the pressure or stress employees experience is highly dependent on the amount of control these employees have over their work. Employees can deal better with such job demands when they are sufficiently prepared or better still, when their capabilities have been upgraded through training and retraining programmes. When this happens, the employees then feel somehow obliged to the organization and hence commit normatively. But from the data gathered, it seems UMB is lacking a post-acquisition training for its employees especially those who had their responsibilities changed totally due to the job rotation and transfers.

The findings of the study could also be explained based on the argument by Wagner and De Hilal (2014). According to Wagner and De Hilal (2014) and Schuler and Jackson (2001), during Mergers and Acquisition processes, the acquirer's core values and culture affect the running of the acquired firm. The acquisition processes therefore end up introducing a lot of changes in most of the practices and core values that employees are used to. It is therefore reasonable to argue that, because the acquisition processes between Fortiz Equity Fund Ltd and Merchant Bank brought about changes in practices and some core values that employees are not very much used to, the acquisition processes did not motivate them to remain normatively committed to the organization.

Drawing from the social identity theory, as employees work for one entity at a point in time, they tend to form a particular unique identity. This identity could be a group, organizational or even task identity (Child & Rodrigues, 2003).

However, when there is a change in that identity (culture) as a result of the acquisition activities, employees feel some form of break in their comfort zones which is a loss of a sense of belongingness as cited in Jarzabkowski (2005) and rebuilding this could cause long-term painful attitudinal changes in employees. M&As are noted for more change practices. Literature has found that after such transactions, the newly acquired organization undergoes a lot of restructuring and renovation exercises ranging from technology, compensation changes, prestige and changes in power and status (Schweiger & Ivancevich, 1985). It is therefore not surprising that the employees have lost their normative commitment to the organization.

Meanwhile, in earlier studies it was found that employees tend to become highly engaged when their company makes an acquisition that has no impact on their jobs. This is more evident when they perceive the acquisition to come with more opportunities for the future without any personal threats. This suggest that the acquisition process in itself does not influence employees' normative commitment but rather, other factors such as the extent to which the acquisition affects an individual's job and the degree to which such individual has control over his or her work (mean = 2.61).

4.3.4 Effect of Acquisition Processes on Employees' Continuance Commitment

Findings of the present study agree to some extent with the theoretical principles and empirical results espoused in chapter two of this work. The analyses of the results did not confirm most of the stated hypotheses except hypotheses 3. The third objective of the study was aimed at finding the relationship between acquisition processes and continuance commitment. It was hypothesized by the researcher that, there would be a significant and positive relationship between acquisition processes and employees' continuance commitment.

The findings of the study indeed showed a very significant but weak positive relationship between acquisition process and employees' continuance commitment ($\beta = .19, p < .01$). The coefficient of determination (R^2) in table 4.11 above shows that the acquisition process has caused 3.7% change in employees' continuance commitment towards Universal Merchant Bank after its acquisition.

According to McShane and Von Glinow (2007), continuance commitment occurs when employees have a calculated cost rather than an emotional or obligatory attachment to the organization. The potential cost of leaving an organization could be the threat of wasting the time and efforts spent acquiring non-transferable skills, losing attractive benefits, and forgoing seniority-based privileges. Employees may again develop this form of commitment as a result of lack of alternative employment (Mowday, Porter & Steers, 1979; Stallworth, 2004). From the foregoing discussion, it could be fairly argued that, employees have remained in Universal Merchant Bank after the Acquisition processes because of the attractive benefits they receive and also the difficulty in finding alternative jobs in Accra but not based on their emotional attachment (affective) or sense of moral judgment (normative).

This significant relationship between the acquisition processes and employees' continuance commitment ($\beta = .19, p = 0.008^{**}$) supports the organizational justice theory (Cohen-Charash & Spector, 2001; Colquitt et al., 2001; Niazi & Ali, 2014). This theory states that employees will respond positively towards their organizations once they perceive some level of fairness in the organization's practices. Once the processes involved in the acquisition employed more fairness in terms of accuracy of information, fairness in job enlargement, participation in decisions affecting employees and fairness in compensation and benefit administration, the employees will be glad and therefore "continuancely" committed.

Extant literature has supported the idea that when common practices such as promotions, pay policies, workloads or even layoffs in the acquisition processes are not fair to employees, their level of job satisfaction would decrease and invariably affect their level of commitment (Fairfield-Sonn et al., 2002; Mikkelsen, Ogaard, & Lovrich, 2000; Silva, & Caetano, 2014; Williams, Konrad, Scheckler, Pathman, Linzer, McMurray, Gerrity, & Schwartz, 2001).

However, in the work of Jones (2000) in an investigation of the effect of merger involving professional nurses in surgical units, it was found that none of the nurses in the three merging hospitals showed commitment to the merged hospital and also did not indicate any intention of either quitting or staying with the hospital.

Explaining further based on the social identity theory, it is obvious that the employees are suffering as a result of the departure of their colleagues. Most of the employees are demoralized because some of their work mates have left. Besides, some have been transferred to new branches while others to new departments. According to Yin-Fah, Foon, Chee-Leong and Osman (2010), such changes can even affect effectiveness of and abilities of employees to complete their tasks.

4.4.4 Effect of Acquisition Processes on Employees' Turnover Intention

The fourth objective of the study was concerned with finding out the relationship between acquisition process and employee turnover intention. It was therefore hypothesized that, there will be a significant positive relationship between acquisition

processes and employees' turnover intention. However, the findings of the study proved otherwise. The results of the study found an insignificant negative relationship between acquisition processes and employees' turnover intention ($\beta = -.078$, $p = .292$). This gives the indication that, the acquisition processes did not have any influence on the turnover intention of employees. Similarly when interrogated as to whether the acquisition has been favorable to employees or not, one of the interview respondents answered emphatically that "...*they (employees) would have left by now..*". This implies that the acquisition process did not predict employees' turnover intentions either due to the fairness in the processes or other organizational practices. This could be linked to a popular idiomatic expression - a bird in hand is worth two in the air. From table 4.5, it is obvious that most of the original employees of merchant bank are likely to be retained to their positions because just some few employees moved in to join them from the acquirer's organization (Fortiz Equity Fund Ltd). Besides, UMB continue to open new operational branches and needs more hands on deck.

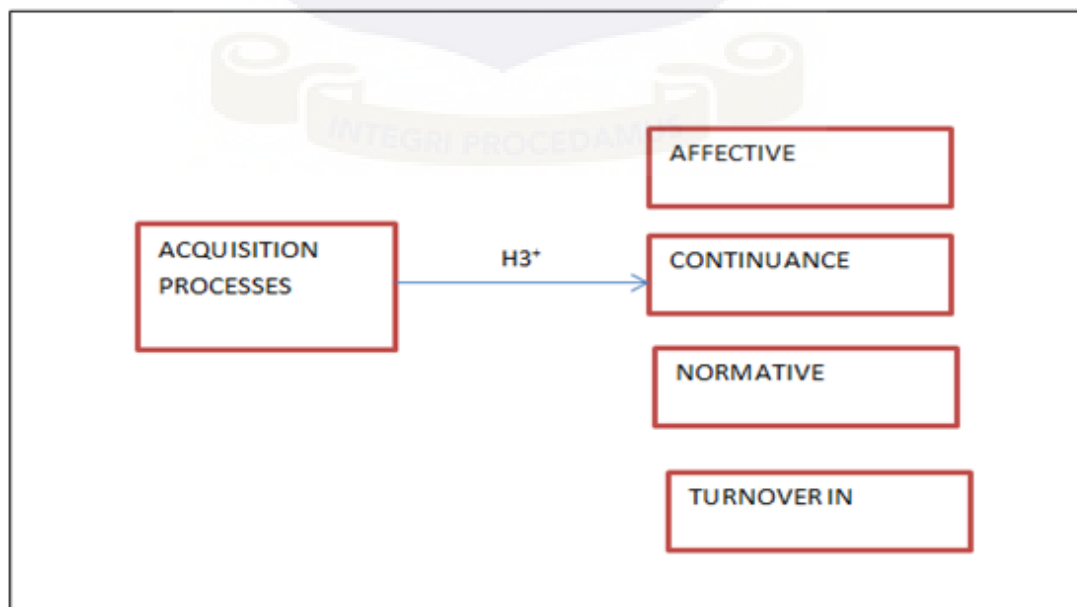
This finding was however inconsistent with existing literature. According to Lawlor (2013), Mergers and Acquisitions normally lead to threatening challenges of massive attrition, pay cuts with most responsibilities condensed on few surviving employees. Sometimes, there is total reshuffling in the organization according to the discretion of the acquirer. Such activities however increases the level of role ambiguity, stress, anxiety and employees' uncertainty which ends up affecting their psychological well-being, their commitment and turnover intention negatively (Cartwright & Cooper, 1995; Sanda & Adjei-Benin, 2011).

Thus in the context of the acquisition between Fortiz Equity and Merchant Bank, employees do not have the intention of quitting probably because of the benefits and the lack of alternative jobs despite the possibility of massive changes in core values and roles currently assumed by employees.

By understanding the relationship between the acquisition processes and commitment, it is envisaged that UMB can increase its employee's level of job satisfaction to win their commitment, thereby reducing possible future employee turnover intention.

From the discussions, it is obvious that in the context of acquisition, employees show varying degrees of organizational commitment. The acquisition processes predicted only the continuance (need-based) aspect of commitment but did not affect employees' turnover intention as shown in the framework below;

Figure 4.1: Conceptual Framework after finding



As depicted in the conceptual frame work above, the acquisition process predicted only the continuance component of employees' commitment because the exercise presents more benefits and opportunities for the employees. The employees have realized that after the exercise, their responsibilities which have given these employees some sense of "relevance". The joy of having job security is another factor which has resulted in this findings. On the contrary, the other dimensions of organizational commitment; normative and affective, were not predicted by the acquisition because even though employees seemed to be enjoying more rewards now, at the same time, the previous cultural fabric of the organization has been torn apart. The new organization (UMB) has taking to a new form of organizational culture thereby causing the employees to withdraw their affective commitment to the organization in the interim (Hilal, 2014).

Besides, employees are also not committed normatively because according to the data collected, UMB has not invested much into employees' development to match up to the requirements of their jobs. Meanwhile, the employer-employee relation is a mutual contract. There more the employer invests into the employees, the more likely employees are willing to reciprocate by remaining with their organization.

CHAPTER FIVE
SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This serves as the final chapter of the study. It provides a summary of the major findings. The chapter also gives the conclusions and recommendations for managerial and future research.

5.1 Summary of Findings

This study examined the influence of acquisition processes on turnover intention and employees' commitment after the acquisition exercise involving Merchant Bank and Foriz Equity Fund. A total of 188 respondents participated in the study. The summary of findings is presented below.

The study addressed four hypotheses which were stated based on the literature reviewed as well as the objectives of the study. The relationship between acquisition processes and all the three dimensions of organizational commitment and employees' turnover intention in UMB were tested to ascertain whether the predictor variable (acquisition processes) and the outcome variables (turnover intention and employees' commitment) were related. The first hypothesis stated that, there will be a significant positive relationship between acquisition processes and employees' affective commitment but the outcome of the study showed there was rather an insignificant negative relationship between acquisition processes and affective commitment at 5% significant level ($\beta = -.044, p = .57$) hence, this hypothesis was not supported.

For the second hypothesis, the study proposed a significant positive relationship between acquisition processes and employees' normative commitment. After the regression analysis, it was found that there is indeed a direct but insignificant relationship between acquisition processes and normative commitment among the employees ($\beta = .124$, $p = .092$). The finding however proves that, acquisition processes did not enhance employees' normative commitment towards the organization. In much more the same way, employees do not see the need to remain committed towards the organization based on their moral judgment after the acquisition processes. Even though this hypothesis was not supported, it was in line with the findings of Wagner and De Hilal (2014) who contend that during M & A processes, the acquirer's core values and culture affect the running of the acquired firm and this in one way or the other, ends up affecting the moral judgments of employees.

The study again hypothesized a significant positive relationship between acquisition processes and employees' continuance commitment. This was supported significantly with the coefficient of determination (R^2) showing that the acquisition processes caused 3.7% change in employees' continuance commitment towards Universal Merchant Bank (UMB) after its acquisition. However, this study considered this finding not to be too good since employees' continuance commitment is based on a calculated cost rather than an emotional attachment to the organization (McShane & Glinow, 2007; Stallworth, 2004). This study, therefore suggested that employees of UMB are committed to the organization because they feel threatened that the time they have spent with the organization acquiring certain job-specific skills might not easily be transferred or useful to any other possible jobs elsewhere even if they get one. Besides,

the fear of losing attractive compensation and benefits, and forgoing seniority-based privileges such as promotions are the possible reasons why these employees are still with the organization but not because they feel their values and personal goals are compatible to those of UMB. In addition, Employees' perception of finding it easy to get another job elsewhere soon was another important determinant of their loyalty affiliations with UMB.

The study also found an insignificant and negative relationship between acquisition processes and employees' turnover intention ($\beta = -.078$, $p = .292$). This gives the indication that, the acquisition processes could not significantly predict the turnover intention of employees. The outcome of this hypothesis was not supported and also was rather inconsistent with existing literature because Lawlor (2013), Cartwright and Cooper, 1996 and Sanda and Adjei-Benin (2011) contend that M&A exercises come with threatening challenges of massive attrition, pay cuts with most responsibilities condensed on few surviving employees and these actions or practices instigate employees' probability of leaving their organization. It is obvious that employees of UMB equally experienced such "pressures" but as the researcher explained earlier, the employees could not indicate their intention of quitting possibly because of not getting another job which might be better than or similar to their current job hence they decided to be rather silent on issues concerning their future plans as far as their relationship with the organization was concerned.

This study has proven that the acquisition processes did not cause much change in employees' level of affective and normative commitment but any changes in the calculated benefits these employees are enjoying currently at Universal Merchant Bank

coupled with availability of alternative jobs elsewhere are likely to influence employees' intention to leave the organization. These results mean that even though employees are currently less committed to the organization, they have no intention of quitting now and this is because, the acquirer did not bring in more employees who could be seen as threats to them which is rather contrary to literature. Earlier, Zao (2007) found employees' organization commitment as a key attitude which plays a pivotal role in employees' turnover decisions. Besides, other studies have equally found committed employees to feel reluctant towards leaving their organizations as compared to those who were not committed (Allen et al., 2003; Angle & Perry, 2003; Pare & Tremblay, 2007; Rhoades & Eisenberger, 2002; Steel & Grifeth, 2007; Vanderdenberghe & Tremblay, 2008).

5.2 Conclusion

The outcome of this study shows that the acquisition processes were felt in different manners and there are varying degrees to which employees exhibit their commitment to UMB. Whereas middle level managers feel comfortable with the change and had no intention of leaving because of the perceived opportunities, shop floor employees experienced uncertainty and though not totally committed, chose to "hang on" in the organization due to the difficulty in finding alternative jobs. The findings suggest that indeed there is a very significant but weak positive relationship between acquisition processes and employees' continuance commitment, an insignificant negative relationship exists between acquisition processes and employee turnover intention but only 2% of the variation in affective commitment was caused by the acquisition processes. There was an insignificant relationship between the acquisition processes and

the normative commitment of employees of UMB. It was also found that employees were neither committed normatively nor affectively after the acquisition. Even though the acquirer did not come in with many employees who could take over most of the roles of the current employees, the sheer feeling of “being bought” and “spied” killed the emotional attachment employees had towards UMB. It is therefore prudent to argue that in the context of an acquisition, employees’ commitment is a “need - based” phenomenon rather than “want” or “obligation” as employees showed varying levels of commitment.

In a nutshell, the acquisition process was able to impact only the continuance component of employees’ commitment but did not significantly predict the turnover intention of the employees’ of Universal Merchant Bank.

5.3 Limitations of the Study

Some limitations of this research were identified and these could be taken up in other future studies since other organizations may have distinctive features and change management practices which may have stronger influence on acquisition processes. It is therefore estimated that studying only one of these organizations could not be enough premise to generalize the findings to all the Ghanaian organizations.

Again, the researcher was unable to sample respondents from all acquired organizations in Accra that might have gone through major changes like this because this study was time bound and the work was to be completed within a specified time frame.

Besides, the qualitative aspect of this study covered only some heads of the various branches sampled for the data collection. Hence, there is a possibility of these heads

manipulating or cooking up information that might not really reflect actual actions in the acquisition processes just to save the organization's reputation.

Also, the limitation in time and resources on the part of the researcher restricted the study to be centered on only the branches of the acquired organization in the Greater Accra Region of Ghana although the study organization has other branches outside the Greater Accra Region. This limitation influenced the size of the sample for the study.

Moreover, another typical challenge was that, unlike other qualitative data collection where responses are usually recorded and transcribed for analysis, the data was gathered by direct note taking since the respondents were uncomfortable with the recording as per the companies' policies. For ethical reasons, the researcher had to respect that by relying heavily on the demeanor of the respondents as the discussions went on. It was not easy to collect the data through this means though; hence the researcher had to dictate the pace of the exercise by creating enough time for writing before asking the next question.

Again, since the quantitative results of this study depended on the responses gathered with the questionnaire, it took a long time in retrieving the questionnaires from some branches even with the assistance of some staff of the bank. Above all, due to the vast and busy nature of the study area (Accra), it was difficult commuting between the various branches. In spite of these challenges, the researcher managed to gather enough valid data.

5.4 Recommendations

Based on the findings of the study, the following recommendations were made;

Employees of UMB should be seen as the anchors of the organization and therefore be treated as such. Currently the employees are not affectively committed to the organization but this strategically, is a very serious weakness of the organization because affectively committed employees are willing to sacrifice their time and energy beyond the demands of their job but since this is lacking, it is envisaged that these employees will be “working-to-rule” because they are still not personally identified with the values and mission of the organization yet. This brings a serious and urgent call on management to support these employees by stopping the “we” – “they” syndrome through effective communication to allay all fears of the employees and get them along. Management should ensure that all the leaders of the various branches of the bank are exhibiting the vision, mission and values of the bank by coaching and explaining the importance of the major changes made since most of the employees don’t find tune with the current values of the organization and hence, find it difficult to attach emotionally.

Also, management can win the commitment of employees through supervisory support. Even the most difficult change implementation can gain commitment from employees; hence, management should employ other strategies such as effective communication and fairness in decisions pertaining to employees’ welfare to win employees’ commitment to the organization.

It is again recommended that since the acquisition processes predicted positive continuance commitment, it is important that management of UMB capitalizes on these

practices as competitive strategies by ensuring more fairness and if possible increase employees' rewards to maintain the continuance commitment of employees.

Furthermore, the study shows that UMB continues to expand by opening new branches. This has caused more job enlargements and creating a lot of stress. It is therefore recommended that management of UMB design as early as possible, job-specific training and seminar sessions for employees to enable them quickly get accustomed to their new job demands and other responsibilities.

It is also recommended that, the above strategies must be complemented with elements of professionalism and efficiency to improve the outlook of employees of UMB towards their commitment to the organization and cause a significant decrease in their turnover intention. That is when all policies stated concerning employees' transfer and job enlargements are fair and strictly adhered to.

It is equally likely that the effect of the acquisition could linger even though employees are not showing any signs of turnover intention now. They might change their intention whenever there is a greener pasture elsewhere but when management strategically develops policies and implement strategies and practices fair enough to the expectations of the employees, they (employees) could adjust to their job roles and other responsibilities and regain their commitment to the organization.

Management of UMB should equally not hesitate to also train their supervisors to assist employees in enabling them adapt quickly to changes and enhance a smooth transition from an undesired state to a desired state.

5.5 Direction for Future Research

The study further recommends that future studies may be conducted as follows;

Much as there are several change exercises in the Ghanaian context, this study was restricted to an acquired organization. This restriction was based on the fact that UMB seemed to be the only organization to have recently undergone a major acquisition exercise and therefore likely to have most of its affected employees still around. It is recommended that other similar studies could be conducted by sampling organizations which have undergone acquisitions concurrently with other merged firm(s) if available to draw a much “balanced” inference.

Again, based on the findings of this study which confirmed that UMB derived significant relationship between the acquisition processes and continuance commitment, it is recommended that future studies should expand the population to include other companies in different sectors of Ghana.

Also, the current study looked at the impact of acquisition on employees’ commitment and turnover intention using a mixed method. It is therefore recommended that future studies could be conducted by equally using a mixed method but drawing qualitative information from the affected employees to provide additional qualitative views to the quantitative where interview guides would capture the specific change processes and reactions that account for the affective commitment and turnover intention of the employees. Finally, even though the employees are not showing any signs of turnover intention now, it is envisaged the effect of the acquisition could linger. Therefore a longitudinal study is recommended to statistically ascertain this fact.

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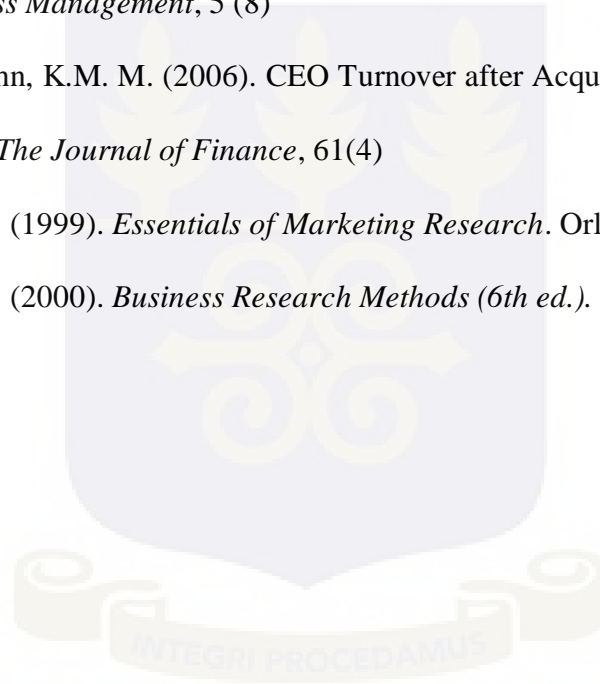
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APPENDIX A

RESEARCH QUESTIONNAIRE

**DEPARTMENT OF ORGANIZATION & HUMAN RESOURCE
MANAGEMENT**

UNIVERSITY OF GHANA BUSINESS SCHOOL

P. O. BOX LG 78, LEGON, ACCRA, GHANA

Dear Respondent,

This questionnaire is soliciting data for a research on the “*Impact of Acquisition Processes on Turnover Intentions and Commitment among Employees of Universal Merchant Bank, Accra*”. The researcher is conducting this study as part of the requirements for the award of Master of Philosophy (MPhil) degree in Human Resource Management from the above mentioned institution. Your participation would therefore provide valuable and insightful information that would contribute immensely to the objectives of this study. Please be assured that your response will remain strictly confidential and will be used only for academic purposes. Should you have any queries regarding this study, kindly contact me on 0249518686 or email me through msassah@st.ug.edu.gh.

Thank you.

SECTION A

1. Age 20-25 [] 26-30 [] 31-35 [] 36-40 [] Above 40 years []
2. Gender? Female [] Male []
3. Highest level of education? Senior High School [] Diploma or equivalent [] Undergraduate Degree [] Master’s degree [] other educational achievements _____
4. Department.....
5. Who was your previous employer before the acquisition exercise? Merchant Bank [] Fortiz Equity Fund [] None []

6. How long had you worked for the above-mentioned company [Q5] before the acquisition?

1-2 years [] 3-4 years [] More than 5 []

7. Has your job roles changed from what it used to be as a result of the acquisition?

YES [] NO []

How?

.....

SECTION B:

The following section measures your perception of the acquisition process involving formerly Merchant bank and Fortiz Equity Fund. On a scale of 1-5, where 1=strongly disagree, 2= agree, 3=uncertain, 4= agree, and 5=strongly agree, please indicate the degree to which you think the acquisition process was carried out appropriately.

STATEMENTS	LIKERT SCALE				
	1	2	3	4	5
All things being equal, I think the acquisition of merchant bank by Fortiz Equity Fund should not have taken place					
The majority of the employees are comfortable with the acquisition process between merchant bank and Fortiz					
I think universal merchant bank has been strengthened after the acquisition process					
I feel I have been treated fairly in the acquisition or transition process					
I feel the acquisition process in terms of its effect on the organization and my job was communicated accurately and on time by management					
There was a lot of conflicts between employees of Merchant Bank and Fortiz during the acquisition process because of the differences in organizational cultures					
Extent of top management's commitment to the change process was great					
The communication of the acquisition process increased my anxiety, stress and uncertainty					
The acquisition process included the participation of teams					

cross the various departments					
The acquisition process has affected my work environment, job characteristics and work relationships					
The stress and anxiety associated with the change process was handled by management satisfactorily					
On the whole, I think the entire acquisition process was satisfactory					

SECTION C

The following section measures your intentions to leave this organization. On this scale 1=strongly agree, 2=moderately agree, 3=slightly agree, 4=neither or disagree agree, 5= slightly disagree, 6= moderately disagree and 7= strongly disagree, please indicate the degree to which you are likely to quit any moment from now.

STATEMENTS	LIKERT SCALE						
	1	2	3	4	5	6	7
<i>Because of the acquisition exercise</i>							
I Plan to leave this organization as soon as possible							
I would actively look for a new job next year							
I Often think of quitting my current job							
I will Leave this organization as soon as I find a better job							

SECTION D

With respect to your commitment to Universal Merchant Bank for which you are now working, please indicate the extent to which you agree or disagree with each statement in the table below by ticking one of the alternatives: 1=strongly agree, 2=moderately agree, 3=slightly agree, 4=no idea, 5= slightly disagree, 6= moderately disagree and 7= strongly disagree. A statement with an [R] denotes a negatively phrased and reverse scored item.

STATEMENTS	LIKERT SCALE						
	1	2	3	4	5	6	7
<i>Because of the acquisition exercise.....</i>	1	2	3	4	5	6	7

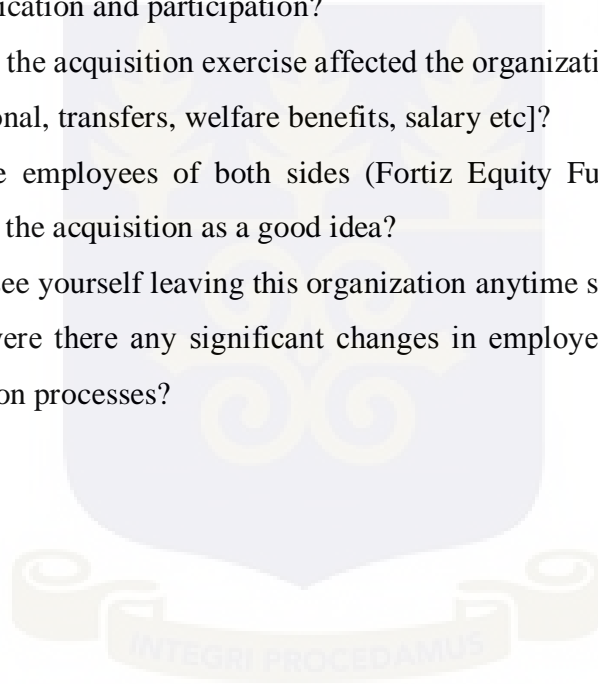
<i>Affective Commitment</i>	1	2	3	4	5	6	7
I am willing to put in a great deal of effort beyond what is expected of me to make this organization successful	1	2	3	4	5	6	7
I tell my friends about Universal Merchant bank as a great place to work	1	2	3	4	5	6	7
I feel very little loyalty to this organization[R]	1	2	3	4	5	6	7
I accept almost any kind of job assignment in order to keep working for this organization	1	2	3	4	5	6	7
I find that my values and those of this organization are very similar	1	2	3	4	5	6	7
<i>Continuance commitment</i>	1	2	3	4	5	6	7
I am proud to tell others that I am part of this organization	1	2	3	4	5	6	7
I could just as well be working for a different organization so long as the type of work is similar [R]	1	2	3	4	5	6	7
This organizational really inspires the best in me in terms of job performance	1	2	3	4	5	6	7
It will take very little change in my present condition to convince me to leave this organization [R]	1	2	3	4	5	6	7
<i>Normative commitment</i>	1	2	3	4	5	6	7
There is not much to gain by sticking to this organization indefinitely [R]	1	2	3	4	5	6	7
Often, I find it difficult to agree with sticking to this organization indefinitely [R]	1	2	3	4	5	6	7
I really care about the faith of this organization	1	2	3	4	5	6	7
For me, this is the best organization for anybody to work	1	2	3	4	5	6	7

Your time and assistance is very much appreciated. Thank You.

APPENDIX B

INTERVIEW GUIDE

1. Do you think the acquisition between Fortiz Equity Fund and Merchant Bank is worth it? Why?
2. Please how active were you in inducing the change process?
3. Are there frictions/ conflicts between Fortiz Equity Fund and Merchant Bank's employees? why
4. Please how do you feel as an employee after this acquisition exercise?
5. What do you think of the acquisition processes in terms of fairness in communication and participation?
6. How has the acquisition exercise affected the organization's policies [eg. promotional, transfers, welfare benefits, salary etc]?
7. Have the employees of both sides (Fortiz Equity Fund and Merchant Bank) accepted the acquisition as a good idea?
8. Do you see yourself leaving this organization anytime soon?
9. Please were there any significant changes in employees' behaviour during the acquisition processes?



APPENDIX C

SPSS Data Output

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.518	1	1.518	1.115	.292 ^b
	Residual	247.808	182	1.362		
	Total	249.326	183			

a. Dependent Variable: Turnover

b. Predictors: (Constant), AcquisitionProcess

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.571	.416		8.592	.000
	AcquisitionProcess	-.122	.115	-.078	-1.056	.292

a. Dependent Variable: Turnover

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	AcquisitionProcess ^b	.	Enter

a. Dependent Variable: AffectiveCommitment

b. All requested variables entered.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.044 ^a	.002	-.004	1.22074

a. Predictors: (Constant), AcquisitionProcess

b. Dependent Variable: AffectiveCommitment

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.518	1	.518	.347	.556 ^b
	Residual	266.749	179	1.490		
	Total	267.266	180			

a. Dependent Variable: AffectiveCommitment

b. Predictors: (Constant), AcquisitionProcess

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.724	.437		6.227	.000
	AcquisitionProcess	-.072	.123	-.044	-.589	.556

a. Dependent Variable: AffectiveCommitment

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	AcquisitionProcess ^b	.	Enter

a. Dependent Variable: ContinuanceCommitment

b. All requested variables entered.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.193 ^a	.037	.032	.91864

a. Predictors: (Constant), AcquisitionProcess

b. Dependent Variable: ContinuanceCommitment

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.040	1	6.040	7.158	.008 ^b
	Residual	156.120	185	.844		
	Total	162.160	186			

a. Dependent Variable: ContinuanceCommitment

b. Predictors: (Constant), AcquisitionProcess

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.389	.325		7.361	.000
	AcquisitionProcess	.241	.090	.193	2.675	.008

a. Dependent Variable: ContinuanceCommitment

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	2.9516	3.4743	3.2380	.18021	187
Residual	-1.85367	2.64633	.00000	.91616	187
Std. Predicted Value	-1.589	1.311	.000	1.000	187
Std. Residual	-2.018	2.881	.000	.997	187

a. Dependent Variable: ContinuanceCommitment

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	AcquisitionProcess ^b	.	Enter

a. Dependent Variable: NormativeCommitment

b. All requested variables entered.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.124 ^a	.015	.010	1.08579

a. Predictors: (Constant), AcquisitionProcess

b. Dependent Variable: NormativeCommitment

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.389	1	3.389	2.874	.092 ^b
	Residual	215.746	183	1.179		
	Total	219.135	184			

a. Dependent Variable: NormativeCommitment

b. Predictors: (Constant), AcquisitionProcess

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.949	.385		7.652	.000
	AcquisitionProcess	.182	.107	.124	1.695	.092

a. Dependent Variable: NormativeCommitment

Charts

