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IMPACT OF MERGERS AND ACQUISITIONS ON EMPLOYEE COMMITMENT IN SELECTED BANKS IN ASABA

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Abstract

This study seeks to determine the impact of mergers and acquisitions on employee job satisfaction and commitment to the organization. So many organizations today are beginning to see mergers and acquisitions as an option for survival in the dynamic world. However, too much attention is being paid on the financial aspect of the acquisition with little consideration for the impact life changing activities like an acquisition can have on employees. This study adopts a micro approach with more emphasis on the impact of mergers and acquisitions on employees. A questionnaire made up of four separate scales investigated the perceptions of 264 employees from two different organizations that have experienced an acquisition. Simple linear regression analysis and descriptive statistics were used to analyse the data gathered for this study. Findings revealed that significant relationships exist between satisfaction with the acquisition, perceived organizational support, perceived fairness and employee commitment. Results led to the rejection of the four null hypotheses proposed in this study suggesting positive relationships between Perceived organizational support, satisfaction with acquisitions, perceived fairness and employee commitment and also lending support to the work of previous scholars. This paper establishes support for the relationship between the antecedents highlighted in this study and employee-organization commitment. The study recommends that managers in an acquired organization need to focus on the human aspect in order to maximize the benefits of the acquisition.

Key Words: Mergers, Acquisitions, Satisfaction, Commitment, Work-Life Balance

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