



An empirical Study of bank employee's perspective over the effect of merger of Oriental Bank of Commerce and Punjab National Bank

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Abstract

Almost a couple of years have passed, and the banking sector in India has seen various mergers. These Mergers may have a supportive financial effect, to learn about the opinion of Bank Employees of the merged banks this research study was interpreted in this context, as well as their views and contentment with bank rules and regulations. This study analyzed the positive and negative impact of the Merger Oriental Bank of Commerce and Punjab National Bank.

Keywords: Merger, Public Sector Banks, Awareness, Perceptions, and Banking Service Quality.

I. Introduction

The present research study is about the actual scenario of the Bank Employee's appearance on Merger and it has been nearly four years. A merger is another method for uniting two commercial firms that do not share ownership. Bank merger occurs when two or more formerly self-directed banks pool to become one organization. Merger is known as when an independent bank loses its charter and merges with another bank to form a neighborhood bank with a single headquarters and shared branch network. In today's social group, the merger were crucial. Government agencies in India were the first to introduce the concept of Mergers, along with a few recognized financial system. Organizations also made the necessary changes to the business sector. The merger of ten nationalized banks into four was announced on August 30, 2019, by the Ministry of Finance of the Government of India. This change required the merger of Oriental Bank of Commerce and Punjab National Bank into a single organization, and the new bank that resulted from the merger had to begin conducting business on April 1, 2020. With thousands of branches and

employees, merging two very different banks within a given time frame would be stimulating enough in normal circumstances, but the arrival of COVID-19 and the accompanying national lockdown in March 2020 made the task even more challenging. In the case study, the combination process is described in detail. Therefore, it remained to be seen whether merging the two Indian Public Sector Banks would be advantageous for the future growth of Indian Banks.

II. Review of literature

According to Abhirami R & 2 others (2020)³, SBI's fusion into one of India's largest financial specialty organizations produced benefits and drawbacks for its clients. The "State Bank of India" merged with the

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"Bharatiya Mahila Bank" and its five partner banks, which include the "State Bank of Bikaner & Jaipur," "State Bank of Mysore," "State Bank of Hyderabad," "State Bank of Travancore," and "State Bank of Patiala." A few clients are of the opinion that consolidation significantly affected them, although consolidation is supported to an extraordinary level, according to this research. As a result, the researchers claim that "SBI's" consolidation with its partners is one of the crucial advancements in the financial sector that will raise Indian banking to a global level.

According to Dr. Aneeb K. Jose and two other authors (2021)⁴, states that, Banking is likely the sector of the economy that is the most stable. Security and consolidation are crucial in the public sector. Banks give banks the tools they need to grow and improve. While Merger and Acquisition (M&A) might have a number of advantages, they can also have drawbacks. In this paper, researchers have made an effort to examine customer awareness



of and response to the merger of Indian Bank and Allahabad Bank in light of primary data.

Patil Jaya Lakshmi Reddy, Mahesh Chandra (2020)⁵ pointing that, Banking is one of the fastest growing industries in India and holds a significant place in every economy. The worldwide challenge is quite great and difficult for players i.e., foreign banks. On the other hand, there is fierce competition between public and private banks to reach the intended audience. An alarming aspect is that non-performing assets are growing at the same time as core business. As a result, banking industry mergers are made to lower the NPA. The State Bank of India and its affiliated banks underwent the largest and most recent merger in the history of the banking industry on April 1, 2017.

III. Research questions

1. How is the workload of Bank Employee's present after all those years passed after Merger?
2. Does the present working environment are satisfied after all those years passed after Merger?
3. Whether the Bank Employees achieved the targeted promotions in a timely manner?

IV. Objective of the Study

1. To analysis the level of satisfaction of the Bank Employees after the Mergers.
2. To assess the workload of the Bank Employees after the Merger.
3. To evaluate the Bank Employee's working environment after the Merger.

| | | | | |
|-----|------------------------|----|------|-------|
| Age | Between 20 to 24 years | 27 | 27.0 | 27.0 |
| | Between 25 to 35 years | 35 | 35.0 | 62.0 |
| | Between 36 to 45 years | 20 | 20.0 | 82.0 |
| | Between 46 to 55 years | 11 | 11.0 | 93.0 |
| | Above 56 years | 07 | 7.0 | 100.0 |

V. Hypothesis

1. There is a significant relationship among Age, and Gender of the Bank employees and their perception of workload after the merger.
2. There is a significant relationship among Age, and Gender of the Bank employees and their level of satisfaction of working environment after the merger of Oriental Bank of Commerce and Punjab National Bank

VI. Research Methodology

The research is based on an Empirical method of research and data is collected from the primary source through the structured questionnaire distribution and Secondary data collected from articles, Journals, books, etc. The convenience sampling method used to collect data from targeted respondents, who are the Bank Employee's in the Oriental Bank of Commerce and Punjab National Bank. Sample sizes for this study consist of 100 respondents, who are the employees of the Oriental Bank of Commerce and Punjab National Bank working in Bhopal, Madhya Pradesh.



V. Data Analysis

| Description of Demographics of the Respondents in the Study | | Frequencies | Percentage | Cumulative Percentage |
|---|--------|-------------|------------|-----------------------|
| Gender | Male | 62 | 62.0 | 62.0 |
| | Female | 38 | 38.0 | 100.0 |

Table no 1 : Demographic profile of respondents

Source: primary data

Above Table represents respondent's awareness about bank mergers on the basis of their gender as well as age. It is found on the basis of data collected from respondents that out of 100 Respondents, majority 62 are male and 38 are females. It is observed that 27% respondents belong to the age group of 20 to 24 years, 35% respondents

belong to the age group of 25 to 35 years, 20% respondents belong to the age group of 36 to 45 years, 11% respondents belong to the age group of 46 to 55 years and a small number of 7% belong to the age group above 56 years aware about the term Bank Mergers.

Gender and perception of the workload of the Merged Banks

Table No 2

| S. No | Gender | Agree | Strongly agree | Disagree | Strongly disagree | None of the above | Total |
|-------|--------|-------|----------------|----------|-------------------|-------------------|-------|
| 1 | Male | 28 | 19 | 10 | 2 | 3 | 62 |
| 2 | Female | 5 | 8 | 10 | 9 | 6 | 38 |
| Total | | 33 | 27 | 20 | 11 | 9 | 100 |

Chart No 1

The above Table (Table 2) shows the Respondents perception about the post Mergers situation based on the gender of the respondents. From the above analysis, it is interpreted that majority of males (i.e., 28 out of 62 males) are agreed with the perception and minority of males (i.e., 2 out of 62 males) are disagreed. Majority of females (10 out of 38 females) are disagreed and minority of females (i.e., 5 out of 38 females) are agreed over the perception.

Hypotheses

H1 There is no significant relationship between the Gender of the respondents and their perception over

workload after the merger of Oriental Bank of Commerce and Punjab National Bank.

H2 There is a significant relationship between the Age of the respondent and their perception of **workload** after the merger of Oriental Bank of Commerce and Punjab National Bank..

Observed Value

| S. No | Gender | Agree | Strongly agree | Disagree | Strongly disagree | None of the above | Total |
|-------|--------|-------|----------------|----------|-------------------|-------------------|-------|
| 1 | Male | 28 | 20 | 10 | 2 | 2 | 62 |
| 2 | Female | 5 | 7 | 11 | 9 | 6 | 38 |
| Total | | 34 | 27 | 20 | 11 | 8 | 100 |



Expected Value

| S. No | Gender | Agree | Strongly agree | Disagree | Strongly disagree | None of the above | Total |
|-------|--------------|-----------|----------------|-----------|-------------------|-------------------|------------|
| 1 | Male | 19.76 | 17.28 | 12.8 | 7.04 | 5.12 | 62 |
| 2 | Female | 13.24 | 9.72 | 8.2 | 3.96 | 2.88 | 38 |
| | Total | 33 | 27 | 21 | 11 | 8 | 100 |

| Category | (Observed-Expected) ² Male | (Observed-Expected) ² Expected Male | (Observed-Expected) ² Female | (Observed-Expected) ² / Expected Female |
|-------------------|--|---|--|---|
| Agree | 67.9 | 3.12 | 67.9 | 5.55 |
| Strongly agree | 7.4 | 0.43 | 7.4 | 0.76 |
| Disagree | 7.84 | 0.61 | 7.84 | 1.09 |
| Strongly disagree | 25.4 | 3.61 | 25.4 | 6.41 |
| None of the above | 9.73 | 1.9 | 9.73 | 3.38 |
| Total | 11.56+15.28=26.84 | | | |

$$\chi^2 = \sum(O_i - E_i)^2/E_i$$

Where O_i is the observed value and E_i is the expected value here Chi Statistic is 27.05

Let's compare it to the chi-square value for the significance level 0.05.

The degrees for freedom = $(3-1) (5-1) = 2(4) = 8$

Using the table, the critical value for a 0.05 significance level with $df = 8$ is 15.507.

That means that 95 times out of 100, a survey that agrees with a sample will have a χ^2 value of 15.507 or more.

The Chi-square statistic is 27.05, so the null hypothesis is rejected, and alternative hypothesis is accepted. Hence, there is a significant relationship between the Gender of the respondents and their perception of workload after the merger of Oriental Bank of Commerce and Punjab National Bank.

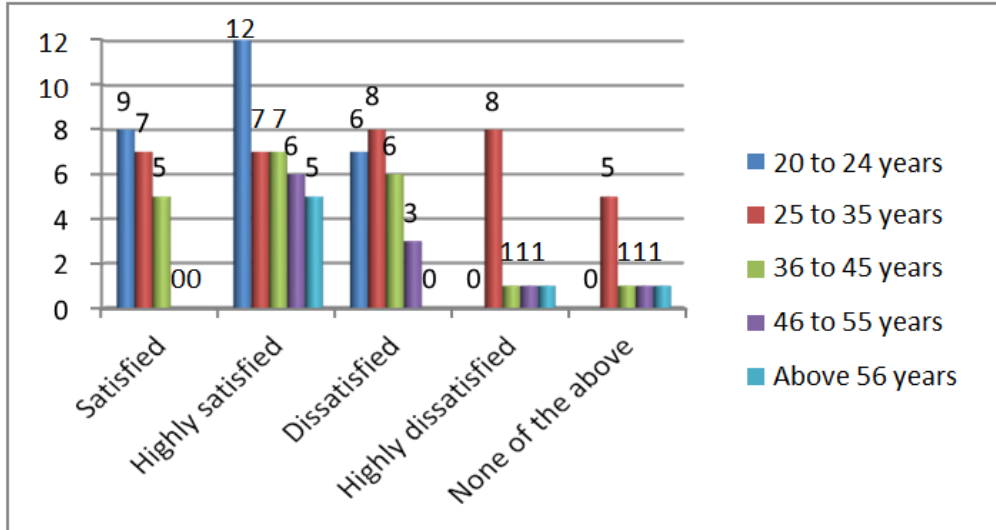
Age and Satisfaction of the working environment in Merged Banks

Table No 3

| S.No | Age | Satisfied | Highly satisfied | Dissatisfied | Highly dissatisfied | None of the above | Total |
|--------------|----------------|-----------|------------------|--------------|---------------------|-------------------|------------|
| 1 | 20 to 24 years | 9 | 12 | 6 | 0 | 0 | 27 |
| 2 | 25 to 35 years | 7 | 7 | 8 | 8 | 5 | 35 |
| 3 | 36 to 45 years | 5 | 7 | 6 | 1 | 1 | 20 |
| 4 | 46 to 55 years | 0 | 6 | 3 | 1 | 1 | 11 |
| 5 | Above 56 years | 0 | 5 | 0 | 0 | 2 | 7 |
| Total | | 21 | 37 | 23 | 10 | 9 | 100 |



Chart No 2



The above Table No 3 and Chart No 2 shows the Respondents satisfaction about the working environment in Merged Banks based on the age of the respondents. From the above analysis, it is interpreted that majority are highly satisfied with the working environment in Merged Banks and minority of respondents are highly dissatisfied over the working environment in Merged Banks.

Hypotheses

H0 There is no significant relationship between the **Gender** and their satisfaction of **working environment** after the merger.

H1 There is a significant relationship between the **age** and their satisfaction of **working environment** after the merger.



Observed value.

| S.No | Age | Satisfied | Highly satisfied | Dissatisfied | Highly dissatisfied | None of the above | Total |
|-------|----------------|-----------|------------------|--------------|---------------------|-------------------|-------|
| 1 | 20 to 24 years | 8 | 12 | 7 | 0 | 0 | 27 |
| 2 | 25 to 35 years | 7 | 7 | 8 | 8 | 5 | 35 |
| 3 | 36 to 45 years | 5 | 7 | 6 | 1 | 1 | 20 |
| 4 | 46 to 55 years | 0 | 6 | 3 | 1 | 1 | 11 |
| 5 | Above 56 years | 0 | 5 | 0 | 1 | 1 | 7 |
| Total | | 20 | 37 | 24 | 11 | 8 | 100 |

Expected value.

| S.No | Age | Satisfied | Highly satisfied | Dissatisfied | Highly dissatisfied | None of the above | Total |
|-------|----------------|-----------|------------------|--------------|---------------------|-------------------|-------|
| 1 | 20 to 24 years | 5.40 | 9.99 | 6.48 | 2.97 | 2.16 | 27 |
| 2 | 25 to 35 years | 7 | 12.95 | 8.4 | 3.85 | 2.8 | 35 |
| 3 | 36 to 45 years | 4 | 7.4 | 4.8 | 2.2 | 1.6 | 20 |
| 4 | 46 to 55 years | 2.2 | 4.07 | 2.64 | 1.21 | 0.88 | 11 |
| 5 | Above 56 years | 1.4 | 2.59 | 1.68 | 0.77 | 0.56 | 7 |
| Total | | 20 | 37 | 24 | 11 | 8 | 100 |

| Category | (Observed-Expected) ² /Expected Satisfied | (Observed-Expected) ² /Expected Highly Satisfied | (Observed-Expected) ² /Expected Dissatisfied | (Observed-Expected) ² /Expected Highly dissatisfied | (Observed-Expected) ² /Expected None of the above |
|----------------|--|---|---|--|--|
| 20 to 24 years | 1.25 | 0.40 | 0.04 | 2.97 | 2.18 |
| 25 to 35 years | 0.14 | 0.07 | 0.02 | 4.47 | 1.73 |
| 36 to 45 years | 0.25 | 0.26 | 0.3 | 0.65 | 2.25 |
| 46 to 55 years | 2.2 | 0.91 | 0.05 | 0.03 | 1.01 |
| Above 56 years | 1.4 | 2.24 | 1.68 | 0.06 | 0.34 |
| Total | 11.21+15.69=26.90 | | | | |



$$\chi^2 = \sum (O_i - E_i)^2 / E_i$$

Where O_i is the observed value and E_i is the expected value here Chi Statistic is 26.90

Let's compare it to the chi-square value for the significance level 0.05. The degrees of freedom = $(5-1) (5-1) = 4(4) = 16$

Using the table, the critical value for a 0.05 significance level with $df = 16$ is 26.29.

That means that 95 times out of 100, a survey that agrees with a sample will have a χ^2 value of 26.29 or more. The Chi-square statistic is 26.90, so the null hypothesis is rejected, and alternative hypothesis is accepted. Hence, there is a significant relationship between the age and their satisfaction of working environment after the merger.

VII. Findings

Based on the account holder's perception

- 1) Majority of the respondents fall into the age range of 25 to 35 years.
- 2) Majority of the respondents are males and a smaller number of females.
- 3) From the study it is found that the respondents are predominantly affected by the Mergers of the Oriental Bank of Commerce and Punjab National Bank.

VIII. Suggestions

Merger challenge and give excitement to its employees at the same time. By being open, communicative, and cooperative, one can help ensure a smooth transformation and build a successful future for the organization. Here are some suggestions for bank employees following a merger.

- a) Except change: After a merger, there will be changes in the organizational structure, policies, and procedures. Be open to adapting to these changes and embrace the new culture.
- b) Positive attitude : A merger can be a stressful task, but it's important to be positive and patience. Focus on the benefits of the merger, such as increased opportunities for growth and development and react to it with maturity.
- c) Build new relationships: You will be working with new colleagues, so take the opportunity to build new relationships. This will help you understand the new dynamics of the organization and work together as a team.
- d) Communicate effectively: Communication is the most important pre and post merger. Make sure you keep your colleagues, managers, and customers informed on regular basis about the changes, and address any concerns or questions they can ask.

e) Upskill is the key: As merger bring new opportunities and challenges with a twist, so it's important to develop your skills and knowledge to adapt to the change environment.

f) Seek clarity: There may be confusion about roles and responsibilities after a merger. If you're unsure about something, don't hesitate to ask for clarification from your manager or HR department.

g) Flexible: A merger may lead to changes or a shift in your job responsibilities, location, or schedule. Be prepared to be flexible and accept to any changes that may occur.

h) Stay informed: Stay up to date on any developments related to the merger. Attend any meetings or training sessions, read company emails or newsletters, and stay engaged with the company's communication channels.

IX. Conclusion

The merger between Oriental Bank of Commerce and Punjab National Bank. presents a unique possibility for bank employees to come jointly and build a powerful, more competitive organization. As with any merger, there will be demanding and changes that employees will need to navigate. However, with the right mindset and approach, employees can play a key role in ensuring the prosperity of the union. Bank employees should be open to change, hold the new culture, and build new relation with their colleagues. Effective communication, both internally and outwardly, will be critical in addressing any concerns or questions that may arise. Employees should continue to focus on providing superior customer service to reassure customers that the quality of service will not be impacted by the merger. Bank employees should also maintain confidentiality and be mindful of any sensitive information that needs to be kept confidential during the merger process. Proactively, adaptability, and a focus on skill modification are key attributes that employees should adopt to help navigate the changes that comes. Staying familiar and occupied with the company's communication channels will help employees stay aligned with the organization's values and goals. By staying optimistic, maintaining a work-life balance, and celebrating successes along the way, employees can contribute to the long-term success of the merged administration. The merger between Oriental Bank of Commerce and Punjab National Bank presents a unique opportunity for bank employees to come jointly, collaborate, and build a stronger, more competitive organization. Furthermore, bank employees should also be patient as a merger can



take time to fully compound and settle. They should seek clarity and be flexible in their roles and responsibilities, as well as be open to learning from their colleagues' experiences and view. Embracing diversity and collaborating with their new colleagues can help build trust, foster creativity, and modify overall presentation.

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