



DEMOGRAPHIC INFLUENCE OF MERGER ON INTERPERSONAL BEHAVIOR OF EMPLOYEES OF STATE BANK OF INDIA AND STATE BANK OF INDORE

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ABSTRACT

The present research study investigated the impact of demographic variables on interpersonal behavior of employees after the merger of State Bank of India and State Bank of Indore. Hypotheses on demography were formulated and tested. For the purpose of study 100 questionnaires were distributed to employees of both the Banks. Non Probability Convenience Sampling Method was used to distribute the questionnaire to the target sample respondents. Paired T-Test at .05 level of significance indicated that there was a significant impact of demographic variables on the interpersonal behavior of employees.

Keywords: Merger, Interpersonal Behavior, Demography, Age, Gender.

INTRODUCTION

In business, a merger is a combination of two companies into one larger company. Such actions are commonly voluntary and involve stock swap or cash payment to the target. A merger can resemble a takeover but result in a new company name (often combining the names of the original companies) and in new branding; in some cases, terming the combination a "merger" rather than an acquisition is done for marketing reasons.

Interpersonal behavior is the interaction between two or more persons. It is imperative to building and maintaining any type of relationship in our social world. However, when looking

at interpersonal behavior in the workplace, things become a little more complicated. Interpersonal behavior affects the relationships between coworker and coworker, coworker and supervisor, and even worker and customer. Interpersonal relationships are important in career and job success. Positive relationships can lead to harmonious work achievement, overall happiness, and even success. Negative relationships can lead to poor work performance and can hinder problem solving and conflict resolution.

The present study addresses the demographic influence of merger on interpersonal behavior of employees of State bank of India and State bank of Indore. This change directly affects the employees. These impacts can be studied with help of variables like group dynamics, personality, job expectations, role demands, role conflicts, ego clashes, power & politics etc. Various factors considered for the purpose of studying the interpersonal behavior are Interpersonal Cooperation and Experimentation, Interpersonal Needs, Interpersonal Trust and Communication, Motivational Behavior, Behavioral Style, Decision Making, Role Clarity and Superior Support.

LITERATURE REVIEW:

Mc Carthy (1963) defines merger as, ‘the combination of two or more business entities into a single economic enterprise. To be more exact, however, the only type of business combinations that should be designated as mergers are statutory mergers or consolidations, i.e., when one or more companies are merged into another or into a new corporation in conformity with the statutes dealing with such transactions in the states of their incorporation.

According to De Pamphilis (2001), ‘mergers can be described from a structural or industrial-operational perspective. From a structural standpoint a merger is a combination of two firms in which only one firm’s identity survives. A statutory merger is one in which the acquiring company assumes the assets and liabilities of the target company in accordance with the statutes of the state in which it is incorporated. A subsidiary merger of two companies occurs when the target becomes a subsidiary of the parent’.

Sharma Laxmikant (2015) in his study emphasized that due to the mergers of firms, the bank employees come under stress which affect their attitude, behavior and consequently upon their productivity. The researcher suggested that good communication strategy is a tool through which

the effect of most of the stressors like uncertainty, insecurity and fear of job loss can be minimized. Employee Development Programmes can be conducted so that employees can understand the working environment of the acquirer firm. Thus, effective stress management and professional help can improve the performance of employees. These stressors can affect the performance of employees. To achieve the desired target banks should focus on employees' satisfaction keeping in view the problem in the wider perspective

Research has found that demographic heterogeneity influences work processes and outcomes, but it is unclear whether it promotes or constrains group effectiveness. On the one hand, a "value in diversity" hypothesis has been supported. Compared to homogeneous groups, members of demographically heterogeneous groups behaved more cooperatively (Cox, Lobel, & McLeod, 1991), were more innovative (O'Reilly, Williams, & Barsade, 1997), and derived higher-quality solutions (e.g., Kirchmeyer & Cohen, 1992).

On the other hand, Williams and O'Reilly (1998) concluded that they agree with prevailing group norms, and the impact on group activities and outcomes of norms favoring independence or cooperation could depend on whether group members unanimously or partially share norms (e.g., Kenny & LaVoie, 1985). Chatman and Flynn (2001) created diversity typically has negative effects on individual and group behavior, citing studies showing that homogeneous, not heterogeneous, groups were more cooperative (e.g., Alagna, Reddy, & Collins, 1982), were more innovative (e.g., O'Reilly & Flatt, 1989), performed better (e.g., Watson, Kumar, & Michaelsen, 1993), and experienced less turnover, alienation, and dissatisfaction among members (e.g., Tsui, Egan, & O'Reilly, 1992).

One reason for these diametrically opposed results may be that researchers have often neglected to specify the psychological mechanisms underlying the relationship between demographic heterogeneity and work processes and outcomes, relying instead on demographic characteristics as proxies for such mechanisms (e.g., Lawrence, 1997). A growing number of studies have acknowledged the complexity of demographic effects and identified factors that influence whether demographic diversity enhances or detracts from performance, including group structure, process, conflict (e.g., Jehn, Northcraft, & Neale, 1999), and organizational culture (Chatman et al., 1998).

Interestingly, in many of these studies, particularly those relating to cooperation and conflict, norms are central to the group composition-outcome link. For example, Simons (1995) found that demographic heterogeneity was only advantageous when teams were able to manage conflict. Members' tolerance for others' points of view influenced the link between compositional heterogeneity and creative solutions (Hoffman, Harburg, & Maier, 1962). And cooperative cultures in which members' shared fate was salient determined whether group heterogeneity influenced work effectiveness (e.g., Chatman et al., 1998). This discussion suggests that, in addition to being influenced by composition, a group's emphasis on cooperative norms may mediate the relationship between demographic heterogeneity and work processes and performance. Although heterogeneity influences cooperative norms, it may be less potent than norms in affecting work processes and outcomes. As we proposed above, salient demographic differences influence members' behavior early in a group's existence. This influence may occur because of a lack of knowledge of group norms (among new members) or because of an absence of specific group norms (in newly formed groups) (e.g., Levine & Moreland, 1991). But, as a group forms more specific norms, these norms may eclipse the use of demographic differences as proxies for how members should act and treat others. As time passes, group norms strengthen, and the degree to which they are enforced intensifies, while members' tendencies to react to surface-level differences dissipate (e.g., Harrison et al., 1998).

OBJECTIVE OF THE STUDY:

The objective of the study is to identify the demographic influence of merger on interpersonal behavior of employees of State bank of India and State bank of Indore.

RESEARCH METHODOLOGY:

A study undertaken is of descriptive and exploratory in nature. The present study has been carried out in Indore City. Indore city has been considered as a parent city for State Bank of Indore and due to this reason the researcher has selected Indore City for the purpose of research. For the purpose of this research all employees of State Bank of Indore and State Bank of India (SBI) working with different branches of SBI in Indore City are taken in to consideration. Sample size selected for the present study comprises of 100 employees of State Bank of Indore

(later on becomes State Bank of India) and State Bank of India in Indore City. Indore city is considered as the major city in the state of Madhya Pradesh with around 111 branches of State Bank of India. Due to this reason researcher have chosen Indore city for the purpose of research. For the purpose of this study Non Probability Convenience Sampling was used. Data collected was analyzed by using Paired T-test and for the representation of data Pie Charts, Tables and Graphs were used.

RESULTS OF THE STUDY:

Results on the basis of Gender:

Impact of Merger on Interpersonal Behavior of Male Employees:

Ho₁: There is no significant impact of merger on interpersonal behavior of male employees of State bank of India and State bank of Indore.

H_{1,1}: There is a significant impact of merger on interpersonal behavior of male employees of State bank of India and State bank of Indore.

Table No 1.A

Mean Difference between Pre and Post effect of Merger on male employees of State Bank of Indore and State Bank of India

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Pre-Effect	123.5000	74	14.47080	1.68220
	Post-Effect	123.1757	74	15.13171	1.75903

Table No.1.B

Paired t test for Pre and Post effect of Merger on male employees of State Bank of Indore and State Bank of India

Paired Samples Test

	Paired Differences					t	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Pair 1 Pre-Effect - Post-Effect 2	.3243	17.30793	2.01201	-3.68560	4.33425	.161	73	.872

Table No 1.B represents the result of paired t-test which indicates that the P value is $0.872/2=0.436$ which is greater than α value 0.05, which shows that null hypothesis H_{09} is accepted. Thus it is said that there is no significant impact of merger on interpersonal behavior of male employees of State Bank of Indore and State Bank of India.

Impact of Merger on Interpersonal Behavior of Female Employees

H_{02} : There is no significant impact of merger on interpersonal behavior of female employees of State bank of India and State bank of Indore.

H_{12} : There is significant impact of merger on interpersonal behavior of female employees of State bank of India and State bank of Indore.

Table No 2.A

Mean Difference between Pre and Post effect of Merger on female employees

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Pre- Effect	126.0769	26	13.28435	2.60527
	Post- Effect	117.6154	26	12.49344	2.45017

Table No 2.B

Paired t test for Pre and Post effect of Merger on female employees

Paired Samples Test

	Paired Differences					t	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Pair 1 Pre- Effect - Post- Effect	8.46154	12.28407	2.40911	3.49989	13.42318	3.512	25	.002

Table No 2 B represents the result of paired t-test which indicates that the P value is $0.002/2=0.001$ which is less than $\alpha= 0.05$, which indicates that null hypothesis H_{010} is rejected. Thus it is said that there is a significant impact of merger of state bank of India and state bank of Indore on the Female employees.

From table no 2 .A it is observed that Mean value of interpersonal behavior of female employees pre-merger is 126.07 and post-merger is 117.61. Thus it may be said that interpersonal behavior amongst female employees before the merger of State bank of India and State bank of Indore is better than post-merger of both the banks.

Thus it may be concluded that there is a significant impact of merger on the interpersonal behavior of employees on the basis of gender. Table No1.A and Table no.1.B reveals that interpersonal behavior of female employees is affected after the merger of state bank of India and State Bank of Indore but no significant impact of merger have been found on the interpersonal behavior of male employees of both the banks.

Results on the basis of Age of Employees

For finding the impact of merger on interpersonal behavior of employees of various age groups, for the purpose of research study sample is divided in to four age groups i.e. 21-30 years, 31-40 years, 41-50 years and 51 & above years. Impact of merger on interpersonal behavior of employees of different age groups is discussed as follows:

Impact of Merger on Employees of Age Group 21-30 Years:

H_{01} : There is no significant impact of merger on interpersonal behavior of employees of age group 21-30 years.

H_{11} : There is a significant impact of merger on interpersonal behavior of employees of age group 21-30 years.

Table No 1.A

Mean Difference between Pre and Post effect of Merger on age group of employees (21-30 years)

Paired Samples Statistics					
		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Pre- Effect	125.9130	23	13.01367	2.71354
	post-Effect	122.6087	23	14.60927	3.04624

Table No 1.B

Paired t test for Pre and Post effect of Merger on age group of employees (21-30 years)

Paired Samples Test										
		Paired Differences						t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference					
					Lower	Upper				
Pair 1	Pre- Effect - post-Effect	-3.30435	12.67580	2.64309	-2.17708	8.78577	1.250	22	.224	

Table No **1.B** represents the result of paired t-test which indicates that the P value is $0.224/2=0.112$ which is greater than α value 0.05, which shows that null hypothesis H_{011} is accepted. Thus it is said that there is no significant impact of merger on interpersonal behavior of employees of age group 21-30 years of State Bank of Indore and State Bank of India

Impact of Merger on Employees of Age Group 31-40 Years.

H_{02} : There is no significant impact of merger on interpersonal behavior of employees of age group 31-40 years.

H_{12} : There is a significant impact of merger on interpersonal behavior of employees of age group 31-40 years.

Table No 2.A

Mean Difference between Pre and Post effect of Merger on age group of employees (31-40 years)

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Pre-Effect	122.6071	56	15.26574	2.03997
	Post-Effect	121.8393	56	15.30511	2.04523

Table No 2.B

Paired t test for Pre and Post effect of Merger on age group of employees (31-40 years)

Paired Samples Test

	Paired Differences					t	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Pair 1 Pre-Effect - Post-Effect 6	.7678	19.03298	2.54339	-4.32921	5.86492	.302	55	.764

Table No **2.B** represents the result of paired t-test which indicates that the P value is $0.764/2=0.382$ which is greater than α value 0.05, which shows that null hypothesis H_{012} is accepted. Thus it is said that there is no significant impact of merger on interpersonal behavior of employees of age group 31-40 years of State Bank of Indore and State Bank of India.

Impact of Merger on Employees of Age Group 41-50 Years:

H_{03} : There is no significant impact of merger on interpersonal behavior of employees of age group 41-50 years.

H_{13} : There is a significant impact of merger on interpersonal behavior of employees of age group 41-50 years.

Table No 3.A

Mean Difference between Pre and Post effect of Merger on age group of employees (41-50 years).

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Pre-Effect	126.3529	17	10.35580	2.51165
	Post-Effect	120.5294	17	12.49058	3.02941

Table No.3.B

Paired t test for Pre and Post effect of Merger on age group of employees (41-50 years)

Paired Samples Test

	Paired Differences					t	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Pair 1 Pre-Effect - Post-Effect	5.82353	13.37084	3.24291	-1.05112	12.69818	1.796	16	.091

Table No **3.B** represents the result of paired t-test which indicates that the P value is $0.002/2=0.001$ which is less than $\alpha= 0.05$, which indicates that null hypothesis H_{013} is rejected. Thus it is said that there is a significant impact of merger on interpersonal behavior of employees of age group 41-50 years.

From table no.**3.A** it is observed that mean value for interpersonal behavior of employees pre-merger is 126.35 and post-merger is 120.52. Thus it may be said that interpersonal behavior of employees of age group 41-50 pre-merger of State Bank of India and State Bank of Indore is better than post-merger of both the banks.

Impact of Merger on Employees of Age Group 50 & above years.

Ho: There is no significant impact of merger on interpersonal behavior of employees of age group 50 & above years.

H₁: There is a significant impact of merger on interpersonal behavior of employees of age group 50 & above years.

Table No 4.A

Mean Difference between Pre and Post effect of Merger on age group of employees (50 & above years)

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Pre-Effect	126.7500	4	20.43486	10.21743
	Post-Effect	120.2500	4	19.01534	9.50767

Table No 4.B

Paired t test for Pre and Post effect of Merger on age group of employees (50 & above years)

Paired Samples Test

	Paired Differences					t	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Pair 1 Pre-Effect - Post-Effect 00	6.5000	7.32575	3.66288	-5.15691	18.15691	1.775	3	.174

Table No **4.B** represents the result of paired t-test which indicates that the P value is $0.174/2=0.087$ which is greater than α value 0.05, which shows that null hypothesis H₀₁₄ is accepted. Thus it is said that there is no significant impact of merger on interpersonal behavior of employees of age group 50 & above years.

Thus it may be concluded that merger of state bank of India and State Bank of Indore have significant impact on the interpersonal behavior of employees of age group 41-50 years but no significant impact is found on the interpersonal behavior of employees of age group of 21-30 years, 31-40 years and 50 & above years.

FINDINGS & CONCLUSION:

From the analysis it was found that merger of selected banks may have significant impact on the interpersonal behavior of employees on the basis of gender. It is evident from the research that interpersonal behavior of female employees is affected after the merger of state bank of India and State Bank of Indore but no significant impact of merger have been found on the interpersonal behavior of male employees of both the banks.

Age of an employee plays a major role in the adjustment of an employee takes place due to changes in an organization after the merger. In the present study it was found that merger of state bank of India and State Bank of Indore have significant impact on the interpersonal behavior of employees of age group 41-50 years but no significant impact is found on the interpersonal behavior of employees of age group of 21-30 years, 31-40 years and 50 & above years. Thus it may be said that employees with an age group 41-50 are not accepting the changes taken place due mergers easily as it will be accepted by young and middle age group employees. It was observed that people in the age group 41-50 yrs have their own way of doing things, any changes in power bases, work structure, teams, and loss of positions in hierarchical level etc. may affect them adversely. Whereas no impact of merger is found on the employees of age group 21-30, 31-40 and 51& above years is may be due to changes in the benefits, facilities, pay scale and the policies of the central government is applicable to the bank after the merger.

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