

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

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Abstract

Purpose: *The purpose of this study was to investigate the impact of acquisition processes on turnover intention and commitment among employees of Universal Merchant Bank (UMB).*

Design/methodology/approach: *This study employed a mixed research approach. Purposive, Stratified and convenience sampling techniques were used in selecting six main branches of UMB in Accra as well as the 188 survey respondents in addition to four 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.*

Findings: *The study revealed that acquisition processes have 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.*

Limitations of the study: *This study is limited to UMB. Future study could draw data from multiple acquired firms.*

Practical implications: *For policy purposes, it was suggested 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 introduces its own 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 the employees' jobs have been enlarged.*

Originality/Value: *The outcome of this study is very valuable especially in such time as this when the financial sector of Ghana is undergoing a lot of cleanup. Managers in the financial sector could draw more knowledge from this to make informed decisions.*

1. Introduction

The persistent increase in economic down turn in many jurisdictions coupled with revision of fiscal policies which rather adversely affect interest rate amongst others have necessitated the need for corporate organizations to revisit their strategic plans leading 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.

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. In spite of this new trend, business owners in Ghana are yet to appreciate fully mergers and acquisition activities especially when it comes to its impact on employees' workplace attitudes (Sanda & Adjei-Benin, 2011).

Nevertheless, 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 or acquired firm would be able to enjoy cost savings, revenue enhancements and greater market strength in the global front (Abugre, 2014; Andrade, Marks, & Stafford, 2001; Daly, Pouder, & Kabanoff, 2004). However, most of these M&A activities have been reported to have a very lean success rate apart from employees perceiving such initiatives as their management's tactics for reducing staff and clawing back employment conditions (Bryson, 2002). For instance, in an interview concerning the role of HR managers in facilitating acquisition of publicly owned enterprises by Multinational corporations in Abugre (2014) "one of the HRs revealed that laid off employees perceive HR managers are the cause of their misfortunes (p.6)."

Giles (2000) notes that 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 its psychological and behavioral implications on the retained employees. Much investigation has not been carried out regarding employees' commitment and turnover intentions after acquisition exercises. Beside, in terms of the level of analysis, the few studies sourced data solely from managerial perspectives (Abure, 2014; Fairfield-Sonn, Ogilvie & Delvecchio, 2002) and hence, saw limitations in

examining middle level and shop floor employee positions concurrently. But considering the cost of orientation and coaching in the case of employee transfers and re-assignments, recruitment, training, loss of productive working hours and the inefficiencies of new recruits after acquisition exercises, winning the retained employees' commitment and predicting turnover intention has been identified by many organizations as a valuable and strategic practice in retaining knowledge and expertise for organizational success (Guilding, Lamminmaki & McManus, 2014; Kumar, Ramendran & Yacob, 2012; Liu, Liu & Hu, 2010). For this reason, a study which enables an early detection of employees' commitment through turnover intention measure in an acquisition context is justified and worth undertaking

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 therefore to investigate the reality of this in the Ghanaian context. The specific objectives of the study were:

- i. To examine the acquisition processes in selected organization
- ii. To ascertain the extent to which the acquisition processes affect employees' affective commitment
- iii. To assess the effect of acquisition processes on employees' continuance commitment
- iv. To examine the relationship between acquisition processes and employees' normative commitment
- v. To assess the effect of acquisition processes on employees' job turnover intention

2. Literature Review and Hypothesis Development

Overview of Context of Study

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.

3. Theoretical Review

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 & Robbinson, 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.

4. Turnover Intention

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.

The main challenge of 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; Heydrarian &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 managers 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).

5. 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 or 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).

6. Empirical Review and Hypotheses Development

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) indicate 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 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.

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

8. Methodology and Data

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 method. This was considered the appropriate design for this study since it enables a researcher to objectively measure the incidence of various views and opinions in the chosen sample (Creswell, 2003). Besides, the mixed research design was considered appropriate because it enhances an in-depth analysis and generalization of the constructs under investigation since a single approach could not reveal the information fully

(Rubin & Rubin, 1995; Saunders, Lewis & Thornhil, 2007; Scholz & Tietje, 2002; Yin, 2003). A sample size of 204 employees from six branches of UMB were served with questionnaires to solicit data for the study based on Miller and Brewer's (2003) sample size determination formula while four branch heads were interviewed through stratified, purposive and convenient sampling technique. This was to ensure that only employees who have served not less than a year in the firm and witnessed the acquisition exercise qualify to take part in the study.

Both descriptive and inferential statistics were used for analyzing of the quantitative data. Different methods were used for the analysis to make the description of the phenomenon understudy clearer and increase the overall reliability of the results of the study (Alhojailan , 2012). The first section of the presentation was a descriptive analysis of some basic information about the respondents. According to Creswell (2012), 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 technique was adopted to test the extent of the relationship existing or otherwise between the acquisition process and commitment as well as turnover intention of the employees. Also, the qualitative data was meticulously analyzed according to a coding method which identified key themes which related closely to the research questions.

1. Empirical Results and Discussions

Perception of 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 anyway 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 according to these findings is as a result of the fact that the acquirer did not come in with much leaders with "better experience" 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 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.

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 equally 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 old workers of 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.

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

Table 1: Summary of Regression analysis for the Relationship between Acquisition Processes and Affective Commitment

Variables	β -value	R ²	p -value
Acquisition Process			
Affective Commitment	-.044	0.2	0.56

Source: Author’s 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 an inversely 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 is a positive relationship between acquisition process and normative commitment.

Table 2: Summary of Regression analysis for the Relationship between Acquisition Processes and Normative Commitment

Variables	β -value	R ²	p -value
Acquisition Process	0.124	0.15	0.092
Normative Commitment			

Source: Author's Field Data, 2015

As evidenced in table 2, 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 is a significantly positive relationship between acquisition processes and continuance commitment was not supported.

Table 3: 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: Author's Field Data, 2015

Results from Table 3 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: 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: Author's Field Data, 2015

As shown in table 4, 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.

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.

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 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).

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 UMB (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. 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

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 three. 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 "continuance" 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.

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

Conclusions and Policy Recommendations

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 available to them, shop floor employees experienced uncertainty and though not totally committed, chose to “hang” 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. There was also an insignificant negative relationship between acquisition processes and employee turnover intention but only 2% of the variation in affective commitment was caused by the acquisition processes. There was also 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.

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

- The study shows that UMB continue 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 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.
- 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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