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Factors affecting on employee job satisfaction in merged and acquired Nepalese private commercial banks

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Abstract

The study examines how mergers and acquisitions affect employee job satisfaction. Data from 400 employees, collected via convenience sampling and questionnaires, was analyzed using descriptive and causal-comparative research designs. Statistical tools such as correlation and regression analyses tested the relationships between organizational factors and satisfaction. Findings reveal that promotion opportunities and work-life balance are the strongest predictors of job satisfaction. Additionally, training and development, reward systems, and performance appraisals also have significant positive effects. Employees reporting better work-life balance and promotion prospects showed higher satisfaction, which contributes to organizational effectiveness. Overall, HR practices in these banks are positively linked to employee satisfaction, highlighting the importance of effective appraisal, recognition, and development systems post-M&A.

Keywords: Mergers and acquisitions, job satisfaction, work-life balance, promotion opportunities

Introduction

Mergers and acquisitions (M&As) have become a strategic necessity among the Nepal private banks due to the quest to be more financially powerful, expanded market presence and abidance of the regulatory directives of the Nepal Rastra Bank. Although such structural changes provide great possibilities in organizational development and competitiveness, they frequently produce uncertainties and chaos in the lives of employees (Gerling & Lessmann, 2024; Thapa & Thapa, 2023) ^[11, 22]. Change in political leadership, change in organizational culture, the change in roles of the organizations and institutional policies may significantly impact on the job satisfaction of the employees. Since the concept of job satisfaction is tightly connected to the level of engagement, morale, and productivity of employees, it is crucial to understand how it works when a company goes through M&A processes in order to remain successful in the long run (Shenoy & Sharma, 2022; Tran, 2021) ^[21, 23].

Given the fast-changing environment of Nepal banking industry, employee implications of M & As play a momentous role. Such emotional problems as job insecurity, incompatibility of the culture of merging institutions, and unclear career paths tend to lead to increased anxiety and dissatisfaction (Bach *et al.*, 2021; Iqbal & Waseem, 2023) ^[3, 15]. Nevertheless, under certain conditions, i.e. in case of managed strategically, M&As may also contribute to the professional growth, the increased access to resources and the new career options. The proposed research explores the impact of M&As on job satisfaction among employees of Nepalese private banks, and it is relevant to examine how transition management can adequately maintain employee morale by establishing a solid work environment (Raj and Pathak, 2022; Lim and Zabek, 2024) ^[19, 16].

In particular, the research design pays attention to such dimensions as communication, organizational culture, job security and the perception of fairness on the way to integration. Such analysis is expected to offer feasible knowledge to the executives of the banking world, policymakers, and human resource managers to ensure an easier transition, better employee experiences, and resilience in organizations when going through M&As.

Literature Review

Performance appraisal significantly influences employee job satisfaction, typically in a positive manner, though this can vary based on appraisal quality (Abdullah *et al.*, 2021) ^[12].

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Fair and constructive appraisals that recognize employee contributions enhance satisfaction by fostering feelings of value and motivation (Yustisar *et al.*, 2022) ^[24]. Conversely, biased or unclear appraisal processes may cause dissatisfaction (Hamidi, 2023; Hill & Plimmer, 2024) ^[13, 14]. Training opportunities that enhance skills and career growth increase job satisfaction by signaling organizational support and boosting competence (Diksha *et al.*, 2023; Caniango & Rustanto, 2022) ^[8, 6]. Poorly designed or irrelevant training can reduce satisfaction if employees find it unhelpful or frustrating (Benedicta, 2021; Fleming, 2024) ^[4, 9]. Rewards both financial and non-financial generally increase job satisfaction by acknowledging employee efforts (Tran, 2021; Francisco, Hermosa, & Ofrin, 2022) ^[23, 10]. However, perceptions of unfair or inadequate rewards can lead to dissatisfaction and demotivation (Maango, Zulkifli, & Supriyanto, 2023; Lim & Zabek, 2024) ^[17, 16]. Recognition enhances job satisfaction by validating employee contributions and boosting motivation (Ghimire, Rai, & Dahal, 2021; Francisco, Hermosa, & Ofrin, 2022) ^[12, 10]. Lack of recognition, or inconsistent practices, may result in disengagement and lower satisfaction (Ratnasih & Zulher, 2023; Lim & Zabek, 2024) ^[20, 16]. Promotions typically improve job satisfaction by offering career advancement and increased rewards (Abdelmoula & Boudabbous, 2021; Francisco, Hermosa, & Ofrin, 2022) ^[1, 10]. However, unfair or inaccessible promotions may cause frustration and reduce satisfaction (Clark *et al.*, 2024; Ratnasih & Zulher, 2023) ^[7, 20]. A positive work-life balance reduces stress and improves well-being, thus enhancing job satisfaction (Malik, 2023;

Lim & Zabek, 2024) ^[18, 16]. Poor balance can increase burnout and dissatisfaction (Tran, 2021; Bhandari, 2022) ^[23, 5].

Based on the above information, the hypotheses of the study are as follows

- **H₁:** There is significant impact of Performance Appraisal on employee's job satisfaction.
- **H₂:** There is significant impact of Training and Development on Employee's Job Satisfaction.
- **H₃:** There is significant impact of Reward on Employee's Job Satisfaction.
- **H₄:** There is significant impact of Recognition on Employee's Job Satisfaction.
- **H₅:** There is significant effect of Reward on Employee's Job Satisfaction.
- **H₆:** There is significant effect of Work-Life Balance on Employee's Job Satisfaction.

Methods: Primary data were gathered via electronic and printed questionnaires from 400 employees (assistant, executive, and manager levels) at ten top Nepalese private banks. Using descriptive and causal-comparative designs, the study examined how HR practices (performance appraisal, promotion, rewards, training & development, recognition, and work-life balance) affect job satisfaction. Each construct was measured with Likert-scale items adapted from validated HRM instruments, and data were analyzed in SPSS using descriptive stats, Pearson correlations, multiple regression, and Cronbach's alpha.

Table 1: Correlation Analysis

Constructs	PA	TD	RD	R	P	WLB	EJS
PA	1						
TD	.537**	1					
RD	.495**	.584**	1				
R	.538**	.556**	.641**	1			
P	.469**	.501**	.584**	.713**	1		
WLB	.557**	.625**	.588**	.524**	.604**	1	
EJS	.538**	.556**	.641**	.557**	.604**	.537**	1

** Correlation is significant at the 0.01 level (2-tailed).

The uniformly positive and significant correlations (all $p < .01$) mean that better HR practices are associated with higher job satisfaction. In particular, the Reward System ($r = .641$) and Promotion ($r = .604$) show the strongest links, suggesting they may be especially impactful. Training & Development ($r = .556$), Recognition ($r = .557$), and

Performance Appraisal ($r = .538$) also exhibit substantial associations, while Work-Life Balance ($r = .537$) shows a moderately strong relationship. In practice, this implies that investing in these areas can meaningfully boost employees' satisfaction.

Table 2: Regression Coefficient Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.743	.141		5.267	.000
	Performance Appraisal	.397	.046	.312	4.289	.000
	Training and Development	.168	.030	.142	5.600	.000
	Reward	.284	.111	.406	4.775	.000
	Recognition	.309	.149	.452	5.123	.000
	Promotion	.221	.054	.216	4.093	.000
	Work Life Balance	.263	.081	.373	5.469	.000

a. Dependent Variable: EJS

Performance Appraisal ($\beta = 0.312, p < .001$) and Training & Development ($\beta = 0.142, p < .001$) indicate that clear feedback and skill development opportunities contribute positively to satisfaction. Reward ($\beta = 0.406, p < .001$) and Recognition ($\beta = 0.452, p < .001$) had strong positive effects, showing that fair compensation and acknowledgment of efforts are crucial. Promotion ($\beta = 0.216, p < .001$) supports the idea that career growth boosts satisfaction, while Work-Life Balance ($\beta = 0.373, p < .001$) emphasizes that managing professional and personal responsibilities increases contentment.

Conclusion

This study found that rewards and promotions significantly influence employee job satisfaction, while recognition has a lesser effect. According to Maslow's Hierarchy of Needs, tangible rewards and career advancement meet fundamental needs like financial security and self-esteem, which are crucial for satisfaction. Recognition mainly fulfills higher-level esteem needs and may not motivate as immediately. Organizations should focus on providing competitive salaries, bonuses, and clear promotion paths to enhance satisfaction. Although recognition supports long-term engagement, concrete rewards tend to have a stronger immediate impact.

Performance appraisals showed no significant effect on satisfaction, possibly because employees view them as disconnected from meaningful rewards. This aligns with the contingency perspective, which stresses aligning organizational practices with employee expectations. Conversely, training and development positively impact job satisfaction by fostering skill growth and self-efficacy. Tailored learning opportunities can create a supportive work environment, consistent with Contingency Theory's call for adaptable HR practices.

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