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A REVIEW OF MERGERS AND ACQUISITIONS IN THE BANKING SECTOR: COMPARATIVE ANALYSIS AND IMPLICATIONS

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ABSTRACT

This study looks at the effects of mergers and acquisitions (M&As) on banking rules, markets, and financial institutions. It lists reasons for M&As such as competitiveness and legal compliance, pointing out that while many have advantages, some are not profitable or provide value for shareholders. In order to maintain a balance between consumer protection and market efficiency, regulatory frameworks are essential. Successful cross-border M&A depends on encouraging international cooperation and harmonising rules. In order for M&As to be successful, the paper emphasises continuous research, strategic planning, and risk management. It also calls on policymakers to give transparency and regulatory clarity top priority in order to ensure the banking sector's resilience in the face of market fluctuations.

KEYWORDS: Mergers and Acquisitions; Banking Sector; Comparative Analysis; Financial Performance; Bank Consolidation; Synergies; Risk Management; Corporate Governance; Post-Merger Integration; Banking Efficiency.

INTRODUCTION

The banking industry is a crucial element in the current dynamic global economy, acting as the foundation of global financial systems. Mergers and acquisitions (M&A) have become essential tactics for expansion, flexibility, and market consolidation in this fast-paced business. In the banking industry, mergers and acquisitions (M&A) entail the merging or purchasing of financial institutions, resulting in structural changes that have a significant effect on various stakeholders, such as shareholders, staff, consumers, and regulatory agencies. In the banking industry, M&A transactions have a complex justification. These deals, which are frequently motivated by strategic imperatives, seek to accomplish several goals, including improving market presence, growing product offerings, increasing operational efficiency, breaking into new geographic markets, and realizing economies of scale. Moreover, M&A may be necessary in reaction to shifting industry financial difficulties, technology changes, regulatory needs, or competitive dynamics.

Economic cycles, regulatory changes, technology advancements, and geopolitical events have all influenced the rich and complicated history of M&A in the banking industry. Deregulation, globalization, financial crises, and information technology breakthroughs have all contributed to waves of industry consolidation over the years. The history of M&A illustrates how the banking industry has evolved, from historic mergers between industry titans to calculated purchases of niche businesses.M&A operations come with risks and obstacles in addition to the potential for strategic advantages and synergistic benefits. The complicated duties encountered by companies involved in M&A transactions include managing stakeholder expectations, integrating diverse organizational cultures, aligning business processes, navigating regulatory impediments, and mitigating financial uncertainties. Furthermore, careful planning, skillful implementation, and post-merger integration activities frequently determine whether these initiatives succeed or fail.

Against this background, it is critical for stakeholders, including legislators, regulators, investors, academics, and business professionals, to comprehend the nuances of M&A in the banking sector. Through a combination of historical precedent analysis, current trend analysis, and forward-looking analysis, stakeholders can get important insights into the dynamics, drivers, and consequences of mergers and acquisitions (M&A) in the banking sector. By offering a thorough examination of M&A in the banking industry, examining comparing methodologies, and clarifying the ramifications for diverse stakeholders, The seekings advance this understanding.

This study examines the financial performance of merged banking and financial institutions in Nepal, comparing it to pre-merger performance and stakeholders' perceptions. Six banks and 120 respondents were used as a sample. The study found that mergers positively impact performance when larger, stable parties like commercial banks act as bidders, while smaller BFIs, mainly other than commercial banks, are bidders. However, loan quality and profitability are adversely affected post-merger. The study suggests that mergers should not be the sole solution to market challenges, but require thorough evaluation before executing them [1, 2]

The study examines the impact of merger and acquisition activities on the performance of Indian banks. It reviews trends in M&As in Indian banking and examines the performance of three leading banks over six years. The study focuses on the post-merger financial performance of merged banks, analyzing financial parameters such as net profit margin, operating profit margin, return on capital employed, return on equity, earnings per share, capital adequacy ratio, and dividend per share. The findings suggest that strategies and policies in procedural, physical, and socio-cultural contexts are crucial for the post-merger and acquisition process. The qualitative impacts of post-M&A activities, such as accounting reports, market valuations, and key informant descriptions, are vital for improving the bank's performance and capabilities. The study recommends revising management policies, improving logistical framework support, and implementing a more comprehensive integrated marketing communications mix to gain more market share [3]. The study investigates market efficiency in evaluating merger announcements using a sample of 37 mergers from U.S. industries completed between 1992-1997. The research found partial support for the market efficiency hypothesis, with bidder abnormal stock return at the announcement period being a good predictor of post-merger cash flow changes. However, subsample analyses cast doubt on market efficiency, suggesting that the market adheres to dynamic clichés in evaluating mergers' future success in asymmetric information environments, which may include misleading information content [4]. The study examined the success of mergers in improving the financial performance of 22 Oklahoma cooperatives. The results showed that low profitability, efficiency, and sales growth were the driving forces behind these mergers. On average, the mergers were effective in improving profitability, efficiency, and sales growth. Five categories of annual financial ratios were calculated for each firm, and paired difference tests were used to analyze the success of the merger in improving financial performance. This indicates that efficient mergers can significantly enhance the financial performance of cooperatives, thereby contributing to their overall success [5].

The study analyzes the financial performance of the Royal Bank of Scotland (RBS) in Pakistan after a merger using accounting ratios. Using 20 vital ratios, the analysis shows that RBS's financial performance in profitability, liquidity, assets management, leverage, and cash flows was satisfactory before the merger deal. Despite limitations, accounting ratios remain a reliable analytical tool in financial decision-making processes. The merger deal failed to improve the bank's financial performance, highlighting the importance of accounting in evaluating financial performance [6].

In emerging countries, bank mergers and acquisitions (M&A) are often driven by promoting stability in the banking industry. However, the evidence supporting M&A's potential to improve bank performance is weak. The author investigated if this relationship is due to treating target and acquiring banks as the same type in empirical analysis. Results show that M&A can improve efficiency for the combined entity, with target banks being the main beneficiaries. The study emphasizes distinguishing between target and acquiring banks to obtain more accurate estimates of how M&A might affect bank performance [7]. The National Bank's merger with the Bank of Gujarat has significantly impacted the business environment, causing a loss of identity for the bank and affecting employees' emotions and feelings. Mergers can lead to challenges in learning new policies and procedures, as well as stepmotherly treatment by the management of the merged entity. Employees faced hardships in transfers, placement, promotion, and other HR decisions, leading to widespread dissatisfaction among the Bank of Gujarat employees. The strategic decisions made by the National Bank have a profound impact on the HR (human resource) of the organization, impacting not only their work but also the emotions and feelings of their employees [8]. Remote banking is a growing trend in rural India, enhancing the performance of Indian banks. The CAMEL Model is used to analyze the financial performance of major private sector banks in India, ensuring clean, strong, and transparent balance sheets. The study also compares the performance of these banks using the Composite Ranking Method [9].

Economic liberalization and financial reforms introduced in 1991 in India have led to a surge in mergers, providing a competitive advantage for firms. However, studies on the long-term performance of firms in both developed and developing markets have not conclusively shown that mergers have a positive impact on their financial performance. The amendment of the MRTPA has allowed for the consolidation of group companies, eliminating duplication of resources and reducing costs. This has made mergers a viable strategy for growth in India, as the economy slows down and lower-income groups cannot participate in the consumer goods market. Thus, it is hypothesized that mergers in India have improved long-term post-merger firm operating performance through enhanced efficiency [10]. India has become a top country for mergers and acquisitions, with companies actively participating domestically and internationally. The value share of deals in India has risen significantly over the past decade, from $2.2 billion in 1998 to $62 billion in 2007. The impact of these deals on the operating performance of acquiring firms is influenced by market integration, cost and benefit structure, and synergies. This research study examined pre- and post-merger financial ratios of domestic and international/cross-border firms. Results showed that mergers have a positive effect on key financial ratios for firms acquiring domestic firms, while slightly negative impacts for firms acquiring cross-border firms. The study highlights the importance of understanding the impact of mergers on the operating performance of acquiring firms [11]. The corporate sector, particularly in hyper-competitive markets like India, is rapidly restructuring operations through mergers and acquisitions. Indian companies like HDFC Bank, ICICI Bank, and Airtel are global competitors in their sectors. M&As are used to monitor operational units and help them restructure financially. This dynamic aspect of corporate strategy and evolution is a driving force behind the restructuring of corporate entities through M&As. Researchers have studied the impact of M&As on financial performance and value creation of Indian companies, focusing on the case of ICICI Bank - Bank of Rajasthan Ltd [12].

The study explores the synergetic effect of merger and acquisition on firms' domestic and global strategies. It examines the impact of integration activities on firms, focusing on pre and post-merger performance. The results show significant positive value creation for acquired firms, providing new evidence for future growth and enhancing the potential of firms involved in such activities. The study aims to explore the potentialities and capabilities of firms involved in such activities [13]. The Indian banking system, initially insulated from the global financial crisis due to cautious management and heavy public ownership, experienced deposit flight as depositors shifted their money towards government-owned banks, particularly the State Bank of India. Although there was a tendency for healthier banks and stable funding, the reallocation of deposits towards the State Bank of India was primarily due to government guarantee of liabilities [14].

The chapter discusses the history of strengths, weaknesses, opportunities, and threats (SWOTs) analysis, its research base, applications, and its six-step process. SWOTs are categorized as strengths and weaknesses and can be used in various fields such as human performance technology (HPT), appreciative inquiry, benchmarking, industry analysis, situation analysis, and scenario planning. The chapter also discusses the importance of examining individual SWOTs about each other to estimate their contribution to desired performance and their control [15]. The study evaluates the financial performance of 10 banks in Pakistan after Merger and Acquisition (M&A), using data from the State Bank of Pakistan's Financial Statement Analysis. The analysis uses Profitability & Efficiency, Leverage, and Liquidity ratios to measure financial performance. Pre and post-ratio analysis is conducted, and the results show no improvement in the banks' financial performance after M&A. This highlights the importance of M&A strategies in the rapidly changing global business environment [16].

The financial performance of Jordan Ahli Bank was analyzed using two research methods: pre-merger comparison and ratio analysis using MS Excel 2010 and SPSS software. The results showed that 5 out of 12 ratios (41.67%) significantly improved after the merger, while 3 ratios improved insignificantly. However, 3 ratios deteriorated after the merger, and 1 ratio (8.33%) insignificantly deteriorated. The financial performance of Jordan Ahli Bank insignificantly improved in the post-merger period, with leverage and efficiency ratios significantly improving, but the cash flow ratio insignificantly improved. Liquidity ratios deteriorated after the merger, except for investment to total assets and net credit facilities to total deposits [17]. This study uses the Stochastic Frontier Approach (SFA) to examine the cost and profit efficiency effects of bank mergers on the US banking industry. Data Envelopment Analysis (DEA) is used to evaluate the production structure of merged and non-merged banks. Results show that mergers improve bank cost and profit efficiencies and that merged banks have lower costs due to the use of efficient technology and a cost-minimizing input mix. This suggests an economic rationale for future mergers in the banking industry, allowing the industry to capitalize on technological advancements [18].

The study examined the impact of mergers and acquisitions on the performance of seven Nigerian commercial banks, focusing on gross earnings, profit after tax, and deposit profile as financial efficiency parameters. Data was collected from their annual reports and accounts and analyzed using regression analysis. Results showed that post-merger and acquisition periods were more financially improved than pre-merger and acquisition periods. The study recommends banks be more proactive in driving profit to enhance financial performance in the Nigerian banking sector [19].

Egypt's recent economic reforms have significantly improved its macroeconomic indicators and financial sector, leading to significant merger and acquisition activity in banks. This study uses the Basic ROE Scheme to measure the performance of Egyptian banks that underwent mergers or acquisitions between 2002-2007. Results show that not all banks that have undergone mergers or acquisitions have shown significant improvements in performance and return on equity compared to their performance before the deals. Additionally, mergers and acquisitions have only had minor positive effects on the credit risk position, which does not support the current process of financial consolidation and banking reforms in Egypt. The findings provide weak evidence to support their constructive role in improved bank profitability and economic restructuring [20]. This study aims to identify factors influencing employee turnover intention after mergers and acquisitions. A conceptual framework was developed, considering pre-merger organizational identification, procedural justice, utility with the merger, non-monetary benefits, monetary benefits, trust with the merger, and adequate authority delegation. Results showed that pre-merger identification, utility with the merger, and trust with the merger significantly predicted post-merger organizational identification, while trust with the merger significantly predicted satisfaction with the merger. The study provides practitioners and policy-makers with a basis to develop effective strategies to prevent employee turnover during mergers and acquisitions [21]. Table 1 shows the A list of credit institutions under the supervision of FIN-FSA

Table 1
A list of credit institutions under the supervision of FIN-FSA

S. No.	Institution	Structure	Assets (million EUR)	Included in the sample
1	Nordea[a]	Commercial bank	551,400	No
2	OP Financial Group[a]	Amalgamation of 156 cooperative banks and other subsidiaries	140,400	Yes
3	Municipality Finance[a,b]	Special financial institution	35,700	No
4	Savings Banks Group	Amalgamation of 23 member savings banks and other subsidiaries	11,700	Yes
5	Aktia Bank	Commercial bank	9300	No
6	S-Bank	Commercial bank	6400	No
7	Danske Mortgage Bank	Mortgage lender owned by Danske Bank A/S and part of Danske Bank A/S, Finland Branch	5900	No
8	Ålandsbanken	Commercial bank	5600	No

9	POP Bank Group	Amalgamation of 26 cooperative banks and other subsidiaries	4400	Yes
10	Hypo Group	The Mortgage Society of Finland (mortgage lender) and Suomen Asunto-HypoPankki (deposit bank)	3100	No
11	Oma Savings Bank[c]	Commercial bank	2900	Yes
12	Evli Bank	Commercial bank	800	No
13	Handelsbanken Finance	Subsidiary of Svenska Handelsbanken AB	500	No

HISTORICAL CONTEXT AND EVOLUTION OF M&A IN BANKING

This delves into the repercussions of various independent variables, including cost efficiency, Return on Assets (ROA), Return on Equity (ROE), and capital, on the Earnings Per Share (EPS) of merged banks in Nepal. Employing statistical tools such as mean standard deviation, correlation, and regression analysis, the study aims to gauge the impact of bank mergers on shareholders' wealth. The findings reveal that, apart from ROA, none of the other independent variables exhibit a significant effect on earnings per share. Moreover, external factors like earthquakes, border blockades, and political instability are influential determinants affecting shareholders' earnings [22]. Another facet of the research investigates the aftermath of forced bank mergers on the shareholders' wealth of Malaysian banks. These forced mergers, often instigated by government intervention, are infrequent occurrences. The study uncovers that such mergers tend to erode economic value, with acquiring banks typically reaping benefits at the expense of the targeted banks. Furthermore, they draw a correlation between this discernible pattern and the prevalence of cronyism [23]. Additionally, the paper explores the implications of commercial bank mergers on operating performance. It demonstrates that post-merger, the industry-adjusted performance of merged banks experiences a significant enhancement. Notably, larger bank mergers yield more substantial performance gains compared to smaller ones, with mergers focused on specific activities outperforming those aimed at diversification or geographic expansion. The study underscores that the bolstered performance predominantly stems from revenue augmentation and cost-cutting endeavors, with revenue enhancement particularly pronounced in mergers accompanied by reduced costs [24].

Moreover, through the utilization of Data Envelopment Analysis (DEA), the research evaluates the technical and scale efficiency of Malaysian commercial banks throughout the merger year and in the pre and post-merger periods. The findings indicate a commendable efficiency level of 95.9% during 1998-2003, accompanied by a minimal input waste of 4.1%. Notably, the merger program appears to have yielded favorable outcomes for small and medium-sized banks, which garnered the most benefits from economies of scale. However, it suggests that larger banks should downsize to leverage scale advantages, cautioning decision-makers against indiscriminate promotion of mergers for efficiency gains [25]. Furthermore, another study examines the impact of mergers and acquisitions on banks' profitability, utilizing six financial ratios: profit after tax, ROA, ROE, debt to equity ratio, deposit to equity ratio, and EPS. Analyzing data from ten banks spanning 2007-2010, the study indicates that only ROE is significantly influenced by mergers and acquisitions at a 5% level of significance, with other ratios demonstrating no discernible impact [26].

Lastly, despite the rapid consolidation witnessed in the banking industry, conclusive findings on the benefits of mergers and acquisitions remain elusive. While mergers aim to augment income from services, elevated staff costs counteract these gains. On the other hand, acquisitions seek to restructure loan portfolios and enhance lending policies, thereby potentially increasing profits. Nonetheless, the lack of definitive conclusions underscores the necessity for further research and comprehensive analysis in this domain [27-29].

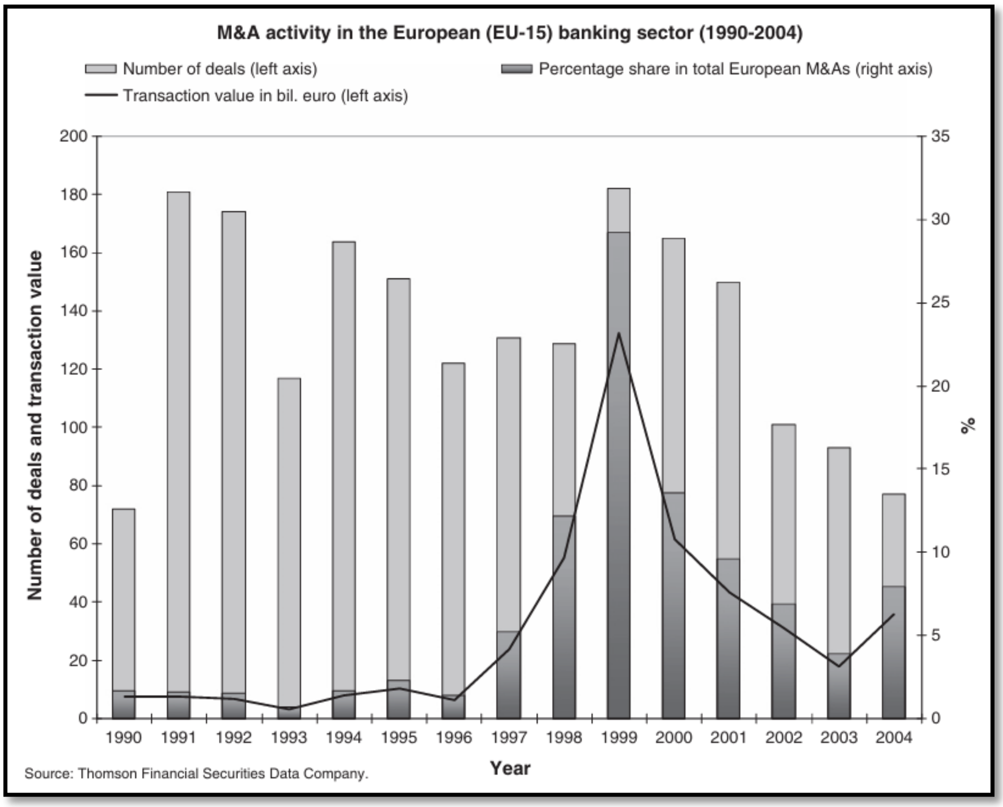

Figure 1: M&A activity in the European (EU-15) banking sector

MOTIVATIONS BEHIND MERGERS AND ACQUISITIONS

The study investigates the main motives driving mergers and acquisitions (M&As), which include synergy, economies of scale, increased market power, revenue growth, and managerial efficiency improvement. It also examines various aspects of M&As such as types, financing methods, relative size, and the number of bidders for target firms [30]. The financial performance of the Royal Bank of Scotland (RBS) in Pakistan post-merger is analyzed using accounting ratios. Despite limitations, accounting ratios remain a reliable tool in financial decision-making. The study covers the period from 2006-2009, evaluating 20 vital ratios. Results suggest that RBS's financial performance remained satisfactory before the merger, indicating that the merger did not significantly enhance the bank's financial performance [31]. A comprehensive review of M&A literature from 1993 to 2017 examines theories, impacts on banking performance, and associated factors. Over thirty investigations from this period are analyzed using a theoretical and analytical approach. The evidence suggests that M&A affects conventional and Islamic banks differently, possibly due to varied handling approaches and decision-making factors. The study also highlights a lack of empirical research on M&A in the Islamic banking sector, emphasizing the need for systematic conceptual analysis and empirical study [32].

The performance of Malaysian local banks after the consolidation of the banking sector in 2000 is evaluated, comparing the pre-merger (1999-2000) and post-merger (2006-

2007) periods. Results indicate that while mergers do not necessarily improve profitability, cost savings have increased. Most banks have seen improvements in shareholders' wealth, but not in return on assets [33].

Recent mergers in the Greek banking system have significantly impacted financial performance. The study employs the operating performance (OP) methodology to analyze pre- and post-merger financial performance. Despite the lack of evidence of performance gains from mergers, merged banks seem to outperform non-merging banks, suggesting that mergers create value on a net aggregate basis [35]. The impact of consolidation on the profitability of selected bank consolidation deals in India from 1995 to 2013 is examined. Consolidation is found to significantly impact profitability, with some indicators showing positive results while others show negative ones. The study underscores the importance of considering both the positive and negative impacts of consolidation on the profitability of consolidated banks [36].

The Economic Literature explores the motives behind mergers and acquisitions in the Nepalese financial sector. A questionnaire survey method was used to gather the views of 122 bankers from 21 post-merged financial institutions. A two-stage multivariate procedure was employed to identify the important factors driving mergers. The first stage involved an exploratory factor analysis using ten statements in the Likert scale. The second stage involved an ordinary least squares regression using the factors extracted from the analysis. The paper concludes that the three most important motives for mergers in Nepalese financial institutions are meeting regulatory requirements, realizing economies of scale and scope, and generating efficiencies due to synergistic gains [37]. The banking industry has undergone significant transformation due to competition, leading to the adoption of mergers and acquisitions to gain a competitive advantage. The study aimed to determine the effects of these mergers on employee productivity, revealing that a higher percentage of banks were either in acquisition or horizontal mergers. This increased stress and tension for employees can lead to staff turnover and absenteeism. The study concluded that management should provide equal treatment to all staff, avoid job insecurity, and maintain communication to ensure staff feel part of the team. It recommended organizations maintain their standards and be attentive to employee perceptions, and further research should be conducted in different industries to understand the effects of mergers on employee productivity [38].

The USGSA highlights the growing importance of technological competence and social skills in the workplace. Workplace design can significantly impact organizational and employee outcomes, such as better communication, collaboration, creativity, and employee engagement. This research provides an extensive review of academic literature on the impact of the physical work environment on organizations and their employees, helping leaders make better decisions about the environment and its success [39]. Organizations have a fundamental objective of reforms to reposition their status to achieve an effective and efficient state, consistent with best practices. In the banking industry, consolidation, competition, and convergence are key objectives, with capitalization being the core. However, the path towards integration is complex and requires effective management to manage risks, control, and exploit growth areas. A well-defined strategy covering strategic priorities, business models, and governance processes is crucial for successful postconsolidation efforts. A proper management program should be in place to define the integration roadmap, and processes, and ensure the organization's readiness to provide leadership, staffing, execution plans, and change management support. This ensures the organization's readiness to provide the requisite leadership, staffing, execution plans, and change management support [40]. The study investigates the impact of mergers and acquisitions on bank productivity in 23 European Union countries. It reveals a unidirectional causality from liquid assets to fixed assets, while the causality between fixed assets and labor is bidirectional. The error correction term (ECT) is negative and statistically significant, indicating a bidirectional relationship among all selected variables. The long-term dynamic panel estimates suggest that the strategic fit of mergers and acquisitions has the potential to create long-term productivity improvement. The study highlights the importance of understanding the causal relationship between mergers and acquisitions in the European Union [41,42]. Mergers and acquisitions are often encouraged by managers and policymakers to increase productivity in involved firms. However, measuring productivity change can be challenging due to the shift from individual predecessor firms to integrated companies. A new adaptation of the Malmquist index is proposed to analyze the effects of mergers on productivity change. This methodological approach helps identify past mergers' contributions to productivity growth. Using a sample of Japanese water supply systems from 2003 to 2009, the study finds that mergers positively contribute to productivity change and contribute to a better understanding of the determinants of productivity performance in the Japanese water sector [43]. In China, the adoption of electronic human resource management (E-HRM) is transforming the management of human resources, enhancing HRM effectiveness. E-HRM enables dynamic and operational capabilities, contributing significantly to HRM. This article provides an in-depth understanding of E-HRM, its types, role, factors influencing its effectiveness, and determinants of attitude towards it. It aims to provide a comprehensive and systematic understanding of E-HRM in China [44]. Table 2 shows the descriptive statistics calculated across all banks in their respective groups in all years without consideration of the panel data structure. Table 3 depicts the Motives and risks of domestic and cross-border M&As.

Table 2

The descriptive statistics are calculated across all banks in their respective groups in all years without consideration of the panel data structure

S. No.	Variable	Mean	SD	p25	p50	p75	Min	Max	Exp. sign
1	Acquirers (n = 738)								
2	Assets	410,953	594,120	87,640	178,492	437,895	16,313	3,826,789	+
3	Cost/income ratio (CIR)	60.82	13.11	51.6	60.45	70.1	14.8	137.78	—
4	Equity/assets (CAR)	11.59	4.71	8.1	11.0	15.16	1.41	28.84	∓
5	Non-interest income/assets (FCI)	54.47	18.57	40.74	53.79	67.12	10.04	116.31	+
6	Loans/assets (Loans)	87.17	6.86	83.91	88.94	92.62	63.46	96.58	∓
7	Loan growth (Growth)	8.66	13.4	2.93	6.63	10.41	– 26.53	128.84	+
8	Return on assets (ROA)	1.07	0.59	0.66	0.96	1.42	– 0.34	6.57	+
9	Savings bank	0.102	0.304	0	0	0	0	1	
10	Targets (n = 1346)								
11	Assets	99,152	121,495	32,098	61,851	104,827	4,008	806,066	∓
12	Cost/income ratio (CIR)	64.92	14.08	55.9	63.68	72.4	22.39	169.86	+
13	Equity/assets (CAR)	11.89	3.85	9.15	11.73	14.24	2.84	27.75	∓
14	Non-interest	48.2	19.08	34.43	47.84	59.83	– 1.12	137.72	—

	income/assets (FCI)								
15	Loans/assets (Loans)	86.17	8.53	82.01	88.66	92.53	46.02	98.13	—
16	Loan growth (Growth)	7.01	5.96	3.2	7.4	10.7	– 20.08	33.56	∓
17	Return on assets (ROA)	1.14	0.60	0.70	1.16	1.54	– 0.949	4.08	—
18	Savings bank	0.124	0.33	0	0	0	0	1	
19	Others (n = 2662)								
20	Assets	188,108	437,344	48,539	80,185	152,693	10,218	10,095,361	
21	Cost/income ratio (CIR)	62.85	17.14	53.01	62.2	71.8	10.40	518.8	
22	Equity/assets (CAR)	12.31	4.36	9.02	12.15	15.15	0.33	29.74	
23	Non-interest income/assets (FCI)	47.33	20.43	32.96	45.72	60.45	– 8.11	130.41	
24	Loans/assets (Loans)	85.42	7.78	80.58	86.78	91.69	47.51	98.99	
25	Loan growth (Growth)	6.09	5.92	2.35	6.06	9.79	– 12.53	86.31	
26	Return on assets (ROA)	1.04	0.669	0.58	0.93	1.42	– 5.18	6.43	
27	Savings bank	0.125	0.331	0	0	0	0	1	

Table 3
Motives and risks of domestic and cross-border M&As.

S. No.	**Domestic M&As**		**Cross-border M&As**
1	Motives and rationalisation	Economies of scale (cutting distribution networks and administrative functions rationalization including information technology and risk management. Economies of scope Size	Diversification Revenue efficiency Economies of scale and scope Size
2	Risks	Operating (integrating risk management, customer and account systems, and internal control procedures) Cultural Reputation Strategic	Operating (increased compared to domestic cases because of cultural differences) Regulation issues, accounting and Reporting, Foreign exchange risk (when applicable) Reputation Strategic

COMPARATIVE ANALYSIS OF M&A STRATEGIES

The profitability of merger activity is a popular view that suggests it is highly unprofitable. Using evidence from 130 studies from 1971 to 2001, the research suggests that target shareholders earn significant positive market returns, bidders earn zero adjusted returns, and bidders and targets combined earn positive adjusted returns. The findings suggest that M&A does pay, but the broad dispersion of findings around a zero return to buyers suggests executives should approach this activity with caution. The review comments on various research approaches and highlights the importance of understanding the potential benefits of merger activity [45, 46]. The study explores the relationship between strategic vision alignment and employee productivity, highlighting its crucial role in an organization's success. It highlights the importance of encouraging creativity and implementing management best practices that align with the vision to enhance performance and achieve organizational goals. The research also explores the impact of strategic vision alignment on student enrolment [47]. The survey reveals a favorable appraisal of mergers, despite negative findings from ex-post evaluations. The study highlights managerial behavior as an inefficient deterrent to mergers, while bidders' managerial behavior promotes excessive mergers. Therefore, positive ex-ante valuations of selloffs and spinoffs are unsurprising [48].

The United States has seen a significant increase in mergers and acquisitions over the past decade, particularly in the telecommunications industry. The recent megamergers between MCI and Verizon, Sprint and Nextel, and BellSouth and AT&T have significantly changed the telecom landscape. However, evidence suggests that most mergers and acquisitions have failed to improve performance and achieve strategic and financial objectives. Human resources factors such as culture, management, poor motivation, and talent loss contribute to these performance failures. This research study examines the impact on employee morale and turnover intention related to a recent merger between two telecommunications conglomerates, highlighting the importance of effective management in overcoming these challenges [49,50]. The study examines the efficiency of mergers among Italian mutual cooperative banks (Banche di Credito Cooperativo, BCCs) using a two-step procedure. The researchers estimate bank-level cost efficiency scores over 1993-2013 and explain these scores using a set of merger status dummies and a vector of control variables. They find that mergers only increase mutual banks' cost efficiency in 5% of the mergers, particularly those where a BCC has merged at least three times with other BCCs. The study also suggests that serial mergers may lead to large BCCs, potentially harming marginal borrowers, development, inequality, and violating BCCs' ethics and mission [51]. Post-acquisition performance of large bank mergers between 1982 and 1987 reveals that merged banks outperform the banking industry, largely due to improvements in loan and deposit attraction, employee productivity, and profitable asset growth. A significant correlation exists between announcement-period abnormal stock returns and performance measures, indicating market participants can anticipate improved performance associated with bank acquisitions [52, 53].

Previous studies have identified various impediments in knowledge transfer within organizations, largely due to the knowledge base and organizational context. However, these studies often overlook the role of individuals in articulating and legitimizing the knowledge base and shaping the organizational context. This article examines the merger process within six accounting and consulting firms, finding that professionals resist knowledge transfer when they perceive differences in their external image and knowledge base. This resistance is influenced by commercial and objective concerns, as well as personal and subjective factors, such as fears of exploitation and contamination [54]. The Equatorial Commercial Bank in Kenya has been implementing a strategy of mergers and acquisitions to expand its branch network and balance sheet. This study aimed to explore the impact of these mergers on employee performance, focusing on the bank's commercial operations. A descriptive research design was used, with a sample of 48 respondents. The data was analyzed using SPSS, revealing that compensation strategy, strategic integrations, management structure, and strategic placement significantly influence organizational performance at the bank. This study highlights the importance of strategic integrations in enhancing the bank's performance [55]. The investigations of the merger of Laiki Bank with Greek Marfin Investment Group on the profitability of the new bank. Data from the financial statements of the banks was collected four years before and four years after the merger. The ratios of ROE and ROA were measured using DuPont ratio analyses, with graphs showing periodic changes. The paper provides an overview of bank mergers and acquisitions, their advantages and disadvantages, and the historical elements and financial statements of Laiki and Marfin before and after the merger. The results show significant growth of MarfinLaiki Bank, indicating the importance of financial statements in understanding the financial performance of mergers [56]. The Indian Banking Industry has seen a surge in mergers, with the Bank of Rajasthan Ltd. and ICICI Bank Ltd. being prime examples. This review article examines the motives behind these mergers, focusing on the Indian Banking Industry. The study examines 17 post-liberalization mergers, analyzing branch numbers, market penetration, and benefits. It also explores the impact of mergers on Human Resources Management and organizational behavior. The findings provide valuable insights for future studies on mergers and acquisitions in the banking industry [57].

Regulatory Environment and Policy Implications

Regulatory Frameworks and Compliance Requirements: The regulatory landscape governing mergers and acquisitions in the banking sector is multifaceted and varies significantly across different jurisdictions. In many countries, regulatory authorities such as central banks, financial regulatory bodies, and competition commissions oversee M&A activities to ensure compliance with relevant laws and regulations. These frameworks often encompass stringent approval processes, disclosure requirements, and antitrust considerations aimed at safeguarding market integrity, protecting consumer interests, and maintaining financial stability. Moreover, regulatory authorities may impose conditions or restrictions on M&A transactions to address concerns related to market concentration, systemic risk, and potential anti-competitive behavior. Impact on Market Dynamics and Competition: The regulatory environment surrounding M&A activities in the banking sector has a profound impact on market dynamics and competition. Stringent regulatory requirements may act as barriers to entry for smaller banks or new market entrants, thereby consolidating market power among larger institutions. Additionally, regulatory scrutiny of M&A transactions aims to prevent monopolistic practices, promote healthy competition, and ensure consumer choice. However, critics argue that excessive regulatory burdens may stifle innovation and hinder market efficiency, leading to unintended consequences such as reduced access to financial services or limited product offerings for consumers.

Financial Stability and Systemic Risk Management: Regulatory policies governing M&A activities in the banking sector are intricately linked to efforts to enhance financial stability and mitigate systemic risks. Mergers between large, systemically important banks may raise concerns about concentration risk and interconnectedness within the financial system. Regulatory authorities often conduct comprehensive assessments of proposed M&A transactions to evaluate their potential impact on systemic stability, liquidity, and the overall resilience of the banking sector. Moreover, regulatory stress testing and capital adequacy requirements are key tools used to assess the resilience of banks to adverse economic conditions and ensure the continuity of essential financial services. Cross-Border Mergers and Regulatory Harmonization: In an increasingly globalized banking industry, cross-border mergers and acquisitions present unique regulatory challenges and policy implications. Divergent regulatory frameworks across jurisdictions may complicate the approval process and pose barriers to seamless integration between banks operating in different countries. Regulatory harmonization efforts seek to address these challenges by promoting consistency and coordination among regulatory authorities globally. Initiatives such as Basel III and international regulatory forums facilitate dialogue and cooperation among regulators to develop common standards and best practices for supervising cross-border M&A transactions, thereby enhancing regulatory certainty and promoting financial stability on a global scale.

Policy Considerations and Future Directions: As the banking sector continues to evolve and adapt to changing market dynamics, policymakers face ongoing challenges in balancing regulatory objectives with the need to foster innovation, competition, and sustainable growth. Regulatory reforms aimed at streamlining approval processes, enhancing regulatory clarity, and promoting market transparency can help facilitate M&A transactions while safeguarding the integrity of the financial system. Moreover, policymakers must remain vigilant in monitoring emerging risks and market developments to ensure that regulatory frameworks remain effective and responsive to evolving threats. Collaborative efforts between regulators, industry stakeholders, and policymakers are essential to navigate the complex regulatory landscape and address the policy implications of mergers and acquisitions in the banking sector effectively. Ownership changeover in companies is crucial for the successful conclusion, as it increases workload and morale. To maintain morale, companies must prepare for change, plan communication well, develop a new strategic plan, and invest in the development and retraining of survivors. Downsizing, layoffs, and increased workload can have positive effects on remaining staff. Flexibility and creativity are essential when dealing with job changes, and companies should invest in the well-being of their employees [58, 59]. This study investigates the impact of work engagement on employee productivity in Malaysia's higher education sector. Data was collected from 242 employees at public universities in northern Malaysia using an online survey method. The data was analyzed using SPSS and Structural equation modeling on AMOS. The results showed that work engagement had a significant positive effect on employee productivity, with dimensions such as vigor, dedication, and absorption showing significant positive effects. This highlights the importance of understanding key factors influencing productivity for long-term performance in the Malaysian higher education sector. [60-62].

The study examines the impact of mergers and acquisitions on employee morale in the Kenyan insurance sector. The research used SPSS to analyze data from 12 insurance companies, revealing that mergers and acquisitions significantly improved employee morale. The study found that economies of scale, reduced costs, and a virtuous work environment contributed to increased job satisfaction. However, other factors also contributed to job satisfaction. The study highlights the importance of organizational objectives and the need for a balanced approach to mergers and acquisitions to ensure the satisfaction of organizational objectives and maintain employee morale [63]. The conceptual model developed in this article integrates an HRM practices framework with a transactive memory system (TMS) to understand the impact of global mergers and acquisitions. The model aims to bring together AMO-enhancing HRM practices and TMS, highlighting their influence on post-merger agility (PMA) in the context of global M&As. This model provides a comprehensive understanding of the relationship between HRM and M&As [64]. Empirical research employs meta-analytic techniques to assess the impact of commonly researched antecedent variables on post-acquisition performance. Results show that acquiring firms' performance does not significantly change based on acquisition activity, and unidentified variables may explain significant variance. This suggests the need for additional theory development and changes to M&A research methods. [65].

Table 4
ANOVA

Model	SS	df	MS	F	Significance
Regression	621.04	5	621.4	776.005	0.0942
Residual	361.40	362	0.950		
Total	982.44	367			

Table 5
Regression Coefficients

Model	Unstandardized coefficients		Standardized Coefficients	T	Sig
	B	Std Error	Beta		
Constant	6.86	0.654		7.012	0.000
Operational synergy	0.755	0.022	0.811	14.15	0.00
Differential efficiency	0.886	0.033	0.120	11.04	0.000
Risk diversification	0.885	0.029	0.127	1.15	0.000
Market share development	0.959	0.031	0.384	4.42	0.000

CHALLENGES AND RISKS ASSOCIATED WITH M AND A

Mergers and acquisitions have emerged as prevalent growth strategies in Kenya, particularly evident in the collaboration between the Central Bank of Kenya (CBK) and Equatorial Commercial Bank. This strategic merger aimed to bolster the bank's branch network and balance sheet. However, there remains a dearth of studies examining project planning and management within commercial banks undergoing such mergers, where differences in structures and cultures can significantly impact employee performance. To address this gap, a study was conducted to investigate the influence of mergers and acquisitions on employee performance within Equatorial Commercial Bank. The findings underscored the importance of factors such as employee pay, remuneration, sense of ownership and belonging, job security, and chain of command in shaping employee performance. As a recommendation, the study advocates for the implementation of formal and informal training programs to bolster employee motivation and job security [66, 67]. In the context of developing countries like Nepal and India, fostering sustainable growth hinges significantly on the banking industry's productivity, wherein human resources play a pivotal role. This study focuses on estimating employee productivity in public sector commercial banks of India and Nepal, employing metrics such as 'Business per Employee' and 'Profit per Employee'. Such insights are invaluable for managers and investors in making informed managerial and financial decisions [68]. Moreover, training programs have become pivotal in organizational settings, accentuating the crucial role of human capital in enhancing productivity. The study underscores the importance of effective development and training initiatives to unlock short and long-term benefits, given the evolving technological and social dynamics in today's organizations [69].

Revisiting existing studies on the human impacts of mergers and acquisitions, this research sheds light on individual, organizational, and managerial factors influencing post-acquisition outcomes. It reveals that while influential factors are often studied in isolation, their direct relationship with post-acquisition performance remains underexplored [70]. In another vein, the Indian banking sector's response to economic reforms following the 1991 balance-of-payments crisis offers insights into productivity dynamics. Despite heightened competition and reduced interest rates, productivity indicators like business per employee and profit per employee witnessed improvements, signaling positive momentum amidst evolving market dynamics [71].

Examining factors affecting employee productivity at Equatorial Nut Processor Limited (ENP), this study underscores the significance of organizational goals, work commitment, teamwork, and performance appraisal in driving higher productivity levels. Additionally, an enabling working environment and supervisor support emerged as critical factors, alongside personal characteristics like training, relationships, and age. The study advocates for institutional factors' consideration and the provision of ample training and career development opportunities to foster enhanced productivity and overall performance [72]. The authors sponsor the 2020 SAGE Keith Roberts Teaching Innovations Award, enabling graduate students and early career faculty to attend the annual ASA pre-conference teaching and learning workshop. The Ninth Edition of "Social Statistics for a Diverse Society" underscores intuition and common sense, demonstrating the link between statistics and social issues. Through real research examples, the text facilitates learning key statistical concepts, problem-solving skills, statistical software use, and interpreting research literature. The password-protected Instructor Resource Site offers access to all text-specific resources [73].

The study delves into the impact of employee motivation on organizational productivity levels, revealing a significant relationship between employee motivation and productivity. Extrinsic factors were found to have a more significant impact on organizational productivity than intrinsic factors, with 35.8% of productivity variations attributed to motivation. The study recommends that organizational management identifies motivating factors and implements measures to enhance performance and productivity levels. Future research avenues could explore other industries, such as pharmaceutical manufacturing, to further understand the motivation-productivity nexus [74]. Examining the impact of mergers and acquisitions (M&As) on employee productivity in Nigerian banks, this study focuses on pre- and post-merger performance. Despite operational inefficiencies and governance challenges, M&As were found to positively impact employee productivity in the Nigerian banking sector. The findings emphasize the need for financial institutions to consider the implications of M&A strategies on human elements, given their direct influence on overall organizational performance [75]. A study by KPMG in 1999 revealed that a significant proportion of European mergers and acquisitions failed to deliver promised benefits to stakeholders. However, recent studies indicate a shifting trend, with fewer companies experiencing value loss and a notable proportion experiencing positive impacts following mergers and acquisitions [76, 77]. Furthermore, an exploration of the human impacts of mergers and acquisitions underscores the importance of understanding individual, organizational, and managerial factors and their implications on post-acquisition outcomes [78]. Investigating the impact of merger-induced organizational changes on employee satisfaction and merged-firm performance in local markets, this study emphasizes the importance of addressing human resource challenges in mergers. Effective communication systems and participatory approaches in job redesign processes are recommended to enhance employee satisfaction and productivity. These insights are crucial for merging firms navigating human factor challenges [79, 80]. Examining the effects of the 2011 mergers and acquisitions wave in Nigeria's banking sector triggered by the Central Bank of Nigeria, this study evaluates the comparative effects on employee productivity levels before and after mergers. Data analysis using SPSS software and Trend Analysis indicates an overall increase in employee productivity post-merger, suggesting a positive impact of M&A activities on employee productivity in the Nigerian banking industry [81]. Production is crucial for improving living standards and prosperity, requiring the elimination of waste and waste in resources. This leads to economic growth, increased profitability, and social progress. Employee engagement is essential for productivity, profitability, and job involvement. Companies with high employee engagement levels are more likely to meet strategic objectives, as employees are willing to put forth discretionary effort. Herzberg's Motivation-Hygiene theory supports this, and various research findings measure the effect of employee engagement on productivity and profitability [82].

Table 6
Different models and their accessibility to explanations

Models	Post-hoc interpretability			Performance
	Visualization	Local	By example	
Rule-based	High	High	Medium	Low
Tree-based	High	High	Medium	Medium
Linear	High	High	High	Medium
Distance-based	Low	Medium	High	Low
Probabilistic	High	High	High	Medium
Ensemble	Low	Medium	Medium	High
Deep neural network	High	Medium	High	High

RESEARCH OBJECTIVES AND SCOPE FOR REVIEW

The regulatory reforms implemented by the Indian government aimed at enhancing employee productivity in the banking sector amidst heavy reliance on government-owned banks signify a pivotal moment in the sector's evolution [83]. As the industry strives for profitability and competitiveness in a dynamic landscape, understanding the strategies adopted by private-sector banks to bolster productivity becomes imperative [84, 85]. This study endeavors to analyze the productivity trends of leading private sector banks in India spanning from 2002 to 2012 [83]. Through rigorous statistical analysis, the study seeks to unearth insights crucial for informed financial decision-making [83]. Productivity, a key metric gauging organizational efficiency, particularly in the banking realm, assumes central importance in assessing the sector's growth trajectory [84, 85]. By delving into financial ratios such as Business Per Employee and Profit Per Employee, the research aims to shed light on the performance trajectories of prominent Indian private sector banks, including Axis Bank, HDFC Bank, ICICI Bank, Kotak Mahindra Bank, and Yes Bank, over a significant period [84, 85].

The Silang Area, Cavite, Philippines, serves as a hub for talent retention, a critical aspect for maintaining a competitive advantage [86]. Sinha & Authour's cross-sectional survey revealed that factors such as mission attachment, organizational commitment, and employee engagement significantly influence retention [86]. The findings provide valuable insights for organizations seeking to sustain their competitive edge in the region, encompassing both not-for-profit and for-profit sectors [86].

The complexity of the merger process, accentuated by various organizational factors, underscores the significance of effective communication in navigating the intricacies of corporate culture and its impact on employees [87]. This includes managing the transition to a new culture characterized by change and potential resistance [87]. The article delineates the pivotal role of communication, corporate culture, change management, stress mitigation, and strategic maneuvering in successfully navigating the post-merger landscape [87]. The merger between Westpac and Trust Bank in New Zealand highlights the critical role of Human Resource Management (HRM) initiatives in managing risk within the banking sector [88]. Poor merger outcomes are often attributed to HRM and organizational challenges [88]. This underscores the importance of workforce stability and effective management of HRM risk in merger scenarios [88].

The United States and Europe have witnessed a surge in mergers and acquisitions (M&As), accompanied by varying success rates [89]. Understanding the multifaceted nature of M&A processes, encompassing motives, approaches, and success factors, is imperative for stakeholders [89]. This entails delving into factors such as the relative size of M&A partners, managerial involvement, cultural compatibility, and organizational structural considerations [89].The study explores the impact of organizational culture and HRM effectiveness on financial performance in Singapore-based companies involved in mergers and acquisitions. Content analysis was used to collect information on cultural values and HRM effectiveness. Results showed that organizations with an elite or leader value profile, complemented by effective HRM, had better financial performance. This study contributes to the literature on the relationship between organizational culture and financial performance [90]. Bank mergers, despite not creating value, continue to occur. A cross-sectional analysis of 54 mergers between 1991 and 1995 reveals that the market rewards mergers focusing on geography, activities, and earnings streams. Focusing on earnings streams enhances long-term performance, while other factors like inefficient acquirers and reduced bankruptcy costs also improve performance. Despite the paradox, bank mergers continue to occur [91]. Mergers have relative importance in generating synergies, with the average synergy gains in a broad sample of 264 large mergers estimated to be 10.03% of the combined equity value. The underlying sources of these gains include taxes, market power, and efficiency improvements. Tax savings contribute only 1.64% in additional value while operating synergies account for 8.38%. Operating synergies are higher in focused mergers, while tax savings constitute a large fraction of gains in diversifying mergers. These synergies are primarily generated by cutbacks in investment expenditures rather than increased operating profits. Overall, mergers generate gains by improving resource allocation rather than reducing tax payments or increasing market power [92]. The literature on mergers and acquisitions in financial institutions has revealed several robust themes. North American bank mergers have shown efficiency improvement, while European bank mergers have resulted in efficiency gains and stockholder value enhancement. High CEO compensation is linked to merger activity, with deals motivated by obtaining 'too-big-to-fail' status and subsidies. However, evidence on the impact of geographic and product diversification via mergers is mixed. Financial institution M&As can adversely impact certain types of borrowers, depositors, and other external stakeholders [93]. Customer complaints are a significant issue in banking services, particularly in erstwhile socialist and mixed economies. The article aims to address this issue by focusing on the triumphant customer's perspective and the managerial viewpoint. It emphasizes the importance of employee satisfaction and motivation for customer satisfaction and competitiveness. The article suggests that sustainable advantage is possible only through people, and a shift from viewing service production and consumption as isolated systems to a network relationship among stakeholders is necessary. This perspective should guide the formation of policies and training for frontline personnel to handle customer complaints effectively [94]. The evaluation of service quality in retail banking in the Middle East, specifically Qatar, using data from four Qatari banks: Qatar National Bank, Doha Bank, Qatar International Islamic Bank, and Arab Bank. The study found that customers' perceptions are highest in tangibles and lowest in competence areas. To improve service quality, banks should focus on infrastructure facilities, timing, and return on deposit. With increasing competition, customer service is crucial, and managers should rethink improving service quality [95]. European banking has experienced technical change, with a cost function identifying payment sources and associated benefits. As electronic payments increased in 12 European countries, bank operating costs decreased by $32 billion, saving 0.38% of GDP. Policies facilitating these changes, such as antitrust exemptions, could help realize these benefits more fully [96]. A longitudinal study examining mergers between three large public-sector organizations reveals that cultural change is often imposed on leaders themselves, and the pace of change can inhibit successful re-engineering of the culture. The success of any merger hinges on individual perceptions about how the process is handled and the direction in which the culture is moved. Communication and a transparent change process are important, as they determine how a leader will be regarded and who will be regarded as a leader. Leaders need to be competent and trained in the process of transforming organizations to ensure that individuals within the organization accept the changes prompted by a merger [97]. The merger of the Royal Bank of Scotland (RBS) and Pakistani bank, ICICI Bank, has been analyzed using accounting ratios to assess its financial performance. The study, which spanned from 2006-2009, used 20 vital ratios to analyze the bank's financial statements. Despite its limitations, accounting ratios remain a reliable analytical tool in financial decision-making. The results indicate that RBS's financial performance in profitability, liquidity, assets management, leverage, and cash flows was satisfactory before the merger, suggesting that the merger deal did not significantly improve the bank's financial performance [98]. An individual bank's acquisition target is increasing due to the increasing wave of mergers and acquisitions. Bank employees often view M&A as a threat to their jobs, as shareholders demand limitations on employed staff. The examination of the impact of M&A on employment and human resource efficiency in the Hellenic bank market. During the 1998-2003 period, 3,627 jobs were canceled due to merged or acquired banks. However, data confirms that large Greek banks that chose to grow through mergers have been justified in their choice, resulting in a more efficient distribution of staff [99]. The banking sector in Greece is experiencing rapid consolidation, with one out of four mergers and acquisitions occurring within this sector. This study aimed to examine how bank employees perceive these transactions and their impact on their personal and professional careers. Results showed that employees feel personally threatened by M&As, which are not considered justified entrepreneurial activities conducive to enhanced, quality banking services. This highlights the need for more comprehensive studies on the impact of M&As on the banking sector in Greece [100]. The negative impact of acquisitions on employee relations can lead to counterproductive practices, absenteeism, low morale, and job dissatisfaction. To ensure successful acquisitions, top management must gain trustworthiness from employees. Factors such as frequent communication before and after acquisition, and the quality of existing employee relations play a crucial role in fostering trustworthiness. A well-planned, employee-centered communication program and good employee relations are essential for a successful outcome in the face of acquisitions [101]. The corporate world has long viewed mergers and acquisitions as a vital stratagem to maximize profits, avoid competition, and expand their business landscape. Initially adopted in the USA in the late 1800s, numerous mergers and acquisitions have occurred globally in the last half-century. This study aims to analyze the factors contributing to the success and failures of these transactions, particularly in the banking sector, by analyzing the history and literature available on Mergers and Acquisitions [102]. The nine case studies on the efficiency effects of bank mergers focused on large banks with substantial market overlap during the early 1990s. All nine mergers resulted in significant cost reduction, aligning with premerger projections. Four of the nine mergers improved cost efficiency, while five did not. The most common issue was unexpected difficulty in integrating data processing systems and operations, making it difficult to isolate specific factors that yield efficiency gains [103].

The APA conducted a study on the relationships between employees and customers in service organizations. The research involved analyzing survey data from 142 employees and 968 customers from 28 branches of a bank. Moderate support was found for the research on stress correlates for boundary-role employees. The study also found significant relationships between branch employees' perceptions of organizational human resources practices and customers' attitudes about service. Employee and customer attitudes were related to turnover intentions, promoting the integration of consumer and organizational behavior in the service sector [104]. A representative design was used to diagnose effectiveness in retail service organizations, involving employees and customers from 23 bank branches. The design, based on boundary-spanning theory and practical realities, collected data from both groups. Results showed strong relationships between employee perceptions of branch practices and procedures and customer perceptions of service practices and quality. This study highlights the importance of integrating organizational and consumer behavior in understanding customer perceptions and improving service quality [105]. Interpreting hostile takeover events offers a deeper understanding of inter-organizational phenomena and illuminates important social issues. These events, which threaten organizational identity and integrity, can be revealed through psychoanalytic readings. The media coverage of these events reflects and constructs social reality, reflecting contemporary culture. Thus, interpreting hostile takeover texts enriches our understanding of inter-organizational phenomena and sheds light on complex social issues [106].

Organizational strategy and organizational culture play a crucial role in the success rate of mergers and acquisitions (M&As), which are essential for maintaining a competitive advantage. However, the success rate of these events is often low. Research indicates that organizational culture can be a catalyst for M&A success. This article reviews the literature to identify the reasons for this, focusing on cultural implications before and after the event. It also synthesizes strategic alternatives from organizational change, strategy, and development/management research to offer a comprehensive perspective on improving M&A success rates [107]. Business Week highlights the increasing trend of mergers and acquisitions in the U.S. industry, as numerous companies use these strategies for corporate growth, economies of scale, vertical integration, and diversification. However, our understanding of the full effects of mergers on organizations and their human resources is limited. Existing literature focuses on the strategic, financial, and operational consequences of merger activity, while less fully documented are the perceptions of merger partners, attitudes towards the job and other aspects of organizational life, and the process through which these perceptions and attitudes are formed [108].

In developed countries, mergers and acquisitions (M&As) between credit institutions reached unprecedented levels during the 1990s. Factors such as financial deregulation and technological progress have intensified synergy and improved the management of acquired institutions. A multinomial logit analysis of continental European financial institutions between 1995 and 2001 reveals that size is an important factor in M&As, but economies of scale are not sought. Improving the management of acquired institutions has also played a crucial role in this process [109]. Malaysian financial institutions have experienced a surge in mergers and acquisitions, driven by factors like globalization, liberalization, and information technology developments. The 1997 Asian financial crisis accelerated the process, leading to the formation of ten anchor banks from 54 financial institutions by the end of 2001. This explores the causes, processes, and future implications of these mergers and acquisitions in the Malaysian banking system [110]. The SERVQUAL instrument, a widely used model in service quality research, has been criticized for not being comprehensive in its conceptualization, measurement, and applications across various industrial and commercial settings. This research aims to address these controversies by proposing a comprehensive model and instrument framework for measuring customer-perceived service quality. The instrument, designed specifically for the banking sector, was empirically tested for unidimensionality, reliability, and construct validity using a confirmatory factor analysis approach. This systematic procedure could provide further insights into customer-perceived service quality and its constituents, enhancing the understanding of service quality in various industries [111]. The collaborative merger in Sri Lanka has been a topic of interest in recent years, particularly in the Asian developing country context. The study aimed to examine employee experiences in two types of bank mergers: extension and collaborative. The results showed that employees' perceptions were influenced by the type of merger, with collaborative mergers being less satisfied. Age, gender, and marital status also played a role in employee perceptions. The findings suggest that understanding and addressing people management issues in M&As can be more effective in Asian countries like Sri Lanka. The study's findings have implications for further research and understanding in the Asian context. [112].

CONCLUSION

To sum up, the analysis of mergers and acquisitions (M&As) in the banking industry highlights the intricate and diverse effects that these transactions have on financial institutions, markets, and regulatory structures. M&As are driven by a variety of factors, such as boosting market competitiveness, meeting regulatory requirements, and obtaining economies of scale and synergies. Empirical data, however, indicates that while many M&As result in cost savings and enhanced market performance, others might not produce the expected advantages, especially about profitability and shareholder value. The legislative framework for mergers and acquisitions also has a significant impact on the competitive landscape, financial stability, and market dynamics. The goals of protecting consumer interests, enhancing market efficiency, and reducing systemic risks are all balanced by regulatory bodies. Navigating various regulatory frameworks and compliance standards, however, can be difficult, especially when dealing with cross-border operations. Efforts to harmonize regulatory standards and enhance cooperation among regulatory authorities globally are essential to fostering a more conducive environment for cross-border M&As while ensuring financial stability and consumer protection. Moreover, continuous research and empirical analysis are necessary to better understand the drivers, outcomes, and policy implications of M&A activities in the banking sector. All things considered, meticulously thought-out strategic goals, exhaustive due diligence, efficient post-merger integration, and proactive risk and regulatory compliance management are necessary for successful M&As. Policymakers and industry stakeholders may enhance the resilience and sustainability of the banking sector in the face of persistent market dynamics and global uncertainty by promoting openness, accountability, and regulatory certainty.

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