Employee Perception towards Bank Merge in Sri Lanka

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Abstract

Bank merger is a new restructuring concept to the banking industry in Sri Lanka. Central Bank of Sri Lanka introduces Master plan on consolidation in 2014 to the banking industry in order to achieve goals in 2016. This study was done to gather employee perceptions regarding the bank merge in Sri Lanka. To collect data on performing this research it was selected 150 bank employees from the Colombo district as a sample and a structured questionnaire was developed to gather employee perceptions on the current organization, whether bank can get benefit from the mergers and the satisfaction level, if there is a merge in present organization. As per findings majority of the employees are very happy to spend their career with present organization. And they stated that the organization deserves their loyalty. Majority of employees think that bank can gain benefits from the merge due to market leadership, growth and diversification. The other employees think bank cannot gain benefits due to the Cultural Mismatch and the lower Competition. If the merge is with an underperforming bank, probably the bank has to bare the losses of the merged bank while bearing own expenses and other losses of the company itself. This may lead to Operational issues and Cutting down of employee promotion opportunities. Even though majority of employees think bank can gain benefits through a merger, majority dissatisfied if there would be a merge in current organization. It is evidenced with the reasons concluded that the cultural differences and job loss due to mergers are negatively affected to employees. These reasons paved the way for recommending policy makers to conduct training programs and increase confidence level of employees about job security to overcome negative perception about bank merge.

Keywords: *Sri Lanka, Bank Merge, Employee Satisfaction, Market Leadership, Cultural Differences.*