



A STUDY ON THE SATISFACTION OF EMPLOYEES OF STATE BANK OF TRAVANCORE TOWARDS ITS MERGER WITH STATE BANK OF INDIA WITH SPECIAL REFERENCE TO MALAPPURAM REGION

Ranzy.K.P* & Dr.P.S.Chandni

*M.Phil Scholar, PG & Research Department of Commerce, Sree Narayana Guru College, Coimbatore, India

Head of Department, PG & Research Department of Commerce, Sree Narayana Guru College, Coimbatore, India

DOI: 10.5281/zenodo.1043715

Keywords: State Bank of India, State Bank of Travancore, Merger.

Abstract

The State Bank of Travancore (SBT) is officially State Bank of India (SBI) now, with its merger with the latter. Through mergers with its associate banks, SBI will benefit from better reach and network, and will find itself among the world's largest banks. But it also risks ignoring local sensibilities. Though State Bank of India consolidation has many benefits, it's not without pitfalls. The five banks recently merged with SBI are State Bank of Travancore, State Bank of Bikaner and Jaipur, State Bank of Mysore, State Bank of Hyderabad and State Bank of Patiala. SBI also absorbed Bharatiya Mahila Bank.

One of the biggest challenges for the new entity will relate to human resources issues. The combined strength of all associate bank employees is estimated at around 70,000, or a third of SBI's 2,10,000 strong personnel. The problem of integrating the staff is likely to be cumbersome. There are bound to be questions over seniority and given the public sector character of the banks, the courts might intervene. Pension liabilities will also surge. There is, however, one significant argument against the merger of the five banks with SBI that needs to be understood in the context of regional and local sensibilities over which the merger will ride roughshod. SBI associate banks cater to specific regions, as their nomenclature indicates. State Bank of Travancore, for instance, caters to the Travancore region predominantly, although of course not exclusively. Such specialization brings with it unique insights into local customs. This study focuses on analyzing the opinion of eSBT employees towards the merger and to identify the various measures taken by SBI to protect the interest of eSBT employees.

Introduction

India's largest bank is facing a herculean task of integrating the five associate banks in view of concerns among employees of these banks that they may get a raw deal. The employees are worried that their promotion prospects may be hampered due to curtailment of seniority. Further, rationalization of branches due to overlap may lead to their relocation.

The 1,300 branches of the State Bank of India (SBI) and State Bank of Travancore (SBT) across Kerala were busy gearing up for their merger, which brought to an end the hallowed history of the SBT, the official banker to the State government. The 800-odd SBT branches started spotting the SBI name boards from April 3 onwards. Along with the SBT, the branches of four other associate banks — State Bank of Mysore, State Bank of Hyderabad, State Bank of Patiala, and State Bank of Bikaner and Jaipur - have merged with the SBI. And, the youngest public sector bank, the Bharatiya Mahila Bank, which has seven branches in Kerala, too has merged with the SBI.

Objectives Of Study

1. To analyze the satisfaction of eSBT* employees towards the merger.
2. To identify the various measures taken by SBI to protect the interest of eSBT employees.

*erstwhile SBT



Research Methodology

Sample design

The sample of the study consists of eSBT employees of various branches of State Bank of Travancore in Malappuram region.

Sample technique

For collecting the primary data from the employees of SBT in Malappuram region, Purposive sampling method is adopted.

Sampling size

The sample size is 200.

Data collection

The primary data of the research was collected through a pre-tested structured questionnaire. Various sources like data published by the State Bank of Travancore, information collected from print media like newspapers and journals, information available in the internet, past research works, etc...are referred.

Data collection instrument

In order to conduct this study, a questionnaire is used as the main instrument for collecting the relevant data. Likert scaling technique was used for analyzing the response for several questions.

Pilot study

In the present study, a pilot study was conducted to ensure that the questions stated are appropriate, easy to understand and the structure and layout is appealing to the respondent. Thus pilot study was conducted by personal interview with 70 respondents and parameters were altered, which helped in the final restructuring of parameters required for the study.

Result & Conclusion

Table 1 Level of opinion on merger

Level of Opinion	No. of respondents	Percentage
Poor	51	25.5
Satisfactory	94	47
Good	55	27.5
Total	200	100

Interpretation:

→ It is shown by the above table that 55 (27.5%) of the respondents have opined good on the merger whereas 51 (25.5%) have controversially opined that the merger is not good. 94 (47%) of them have expressed their opinion as 'satisfactory'.

Therefore it is inferred that most of the respondents are satisfied in the merger of SBT with SBI.

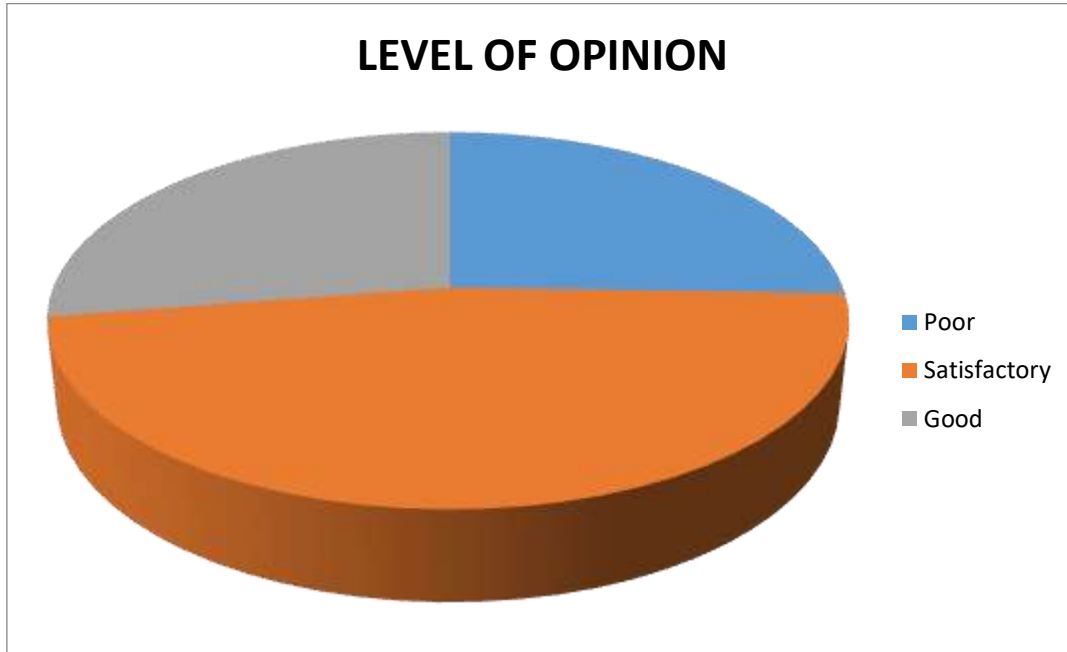


Chart 1 Level of opinion on merger

Anova test:

Ho: There is no significant difference in the mean scores of opinion of respondents on merger based on age

Table .2 Age and opinion on merger

Age	N	Mean	Std. Deviation
less than 33	50	87.2600	5.60543
34 to 41	93	84.3548	6.24090
42 and above	57	83.4912	6.73775
Total	200	84.8350	6.37345

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	418.399	2	209.200	5.377	.005(*)
Within Groups	7665.156	197	38.909		
Total	8083.555	199			

* Significant at 5% level

Interpretation:

→ The above table shows that the P value (0.005) is less than 0.05. Hence the null hypothesis is rejected. So it is inferred that there is significant difference in the mean scores of opinion of respondents on merger based on age.



INTERNATIONAL JOURNAL OF RESEARCH SCIENCE & MANAGEMENT

Anova test

Ho: There is no significant difference in the mean scores of opinion of respondents on merger based on gender

Table 3 Gender and opinion on merger

Gender	N	Mean	Std. Deviation
Male	126	85.2302	6.21503
Female	74	84.1622	6.62297

t	df	sig
1.145	198	0.254(NS)

Not significant

Interpretation:

→ The above table shows that the P value (0.254) is greater than 0.05. Hence the null hypothesis is accepted. So it is inferred that there is no significant difference in the mean scores of opinion of respondents on merger based on gender.

Anova test

Ho: There is no significant difference in the mean scores of opinion of respondents on merger based on educational qualification

Table 4 Educational qualification and opinion on merger

Educational Qualification	N	Mean	Std. Deviation
High school	100	84.3600	6.42363
Higher secondary	16	82.3750	5.89774
Diploma	10	88.2000	5.28730
Graduation	63	85.6825	5.80830
Post-graduation	11	84.8182	9.25006
Total	200	84.8350	6.37345

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	277.878	4	69.469	1.735	.144(NS)
Within Groups	7805.677	195	40.029		
Total	8083.555	199			

Not significant

Interpretation:

→ The above table shows that the P value (0.144) is greater than 0.05. Hence the null hypothesis is accepted. So it is inferred that there is no significant difference in the mean scores of opinion of respondents on merger based on educational qualification.

Anova test

Ho: There is no significant difference in the mean scores of opinion of respondents on merger based on designation

Table 5 Designation and opinion on merger

Designation	N	Mean	Std. Deviation
Officer	74	85.5541	6.36158
Clerk	126	84.4127	6.36776



INTERNATIONAL JOURNAL OF RESEARCH SCIENCE & MANAGEMENT

t	Df	Sig.
1.224	198	0.222(NS)

Not significant

Interpretation:

→ The above table shows that the P value (0.222) is greater than 0.05. Hence the null hypothesis is accepted. So it is inferred that there is no significant difference in the mean scores of opinion of respondents on merger based on designation.

Anova test

Ho: There is no significant difference in the mean scores of opinion of respondents on merger based on working experience

Table 6 Working experience and opinion on merger

Years of Experience	N	Mean	Std. Deviation
less than 7	51	87.4118	5.65394
8-15	93	84.2151	6.14472
16 and above	56	83.5179	6.79570
Total	200	84.8350	6.37345

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	471.521	2	235.760	6.101	.003(*)
Within Groups	7612.034	197	38.640		
Total	8083.555	199			

* Significant at 5% level

Interpretation:

→ The above table shows that the P value (0.003) is less than 0.05. Hence the null hypothesis is rejected. So it is inferred that there is significant difference in the mean scores of opinion of respondents on merger based on working experience.

Chi-square test

Ho: There is no significant association between age and opinion on merger

Table 7 Age and opinion on merger

Age	Opinion on merger			Total
	Poor	Satisfactory	Good	
less than 33	6(12.0%)	23(46.0%)	21(42.0%)	50(100.0%)
34-41	23(24.7%)	49(52.7%)	21(22.6%)	93(100.0%)
42 and above	22(38.6%)	22(38.6%)	13(22.8%)	57(100.0%)
Total	51(25.5%)	94(47.0%)	55(27.5%)	200(100.0%)

Pearson Chi-Square	Value	df	Sig
		14.034 ^a	4

* Significant at 5% level



INTERNATIONAL JOURNAL OF RESEARCH SCIENCE & MANAGEMENT

Interpretation:

→ The above table shows that the P value (0.007) is less than 0.05. Hence the null hypothesis is rejected. So it is inferred that there is a significant association between age and opinion on merger.

Chi-square test

Ho: There is no significant association between working experience and opinion on merger

Table 8 Working experience and opinion on merger

Years of Experience	Opinion on merger			Total
	Poor	Satisfactory	Good	
less than 7	6(11.8%)	23(45.1%)	22(43.1%)	51(100.0%)
8-15	23(24.7%)	50(53.8%)	20(21.5%)	93(100.0%)
16 and above	22(39.3%)	21(37.5%)	13(23.2%)	56(100.0%)
Total	51(25.5%)	94(47.0%)	55(27.5%)	200(100.0)

Pearson Chi-Square	Value	df	Sig
		16.112	4

* Significant at 5% level

Interpretation

→ The above table shows that the P value (0.003) is less than 0.05. Hence the null hypothesis is rejected. So it is inferred that there is a significant association between working experience and opinion on merger.

Table 9 Measures taken by SBI to protect eSBT employees

Measures taken	No. of respondents	Percentage
Attractive VRS	42	21
Improvised pension plan	28	14
Protected from dislocation	16	8
No measure has been taken	114	57
Total	200	100

Interpretation:

→ The above table reveals that out of 200 respondents, 114 (57%) opine that SBI has not taken any measure to protect the interest of eSBT employees. 42(21%) of the respondents feel “attractive VRS” as the measure taken, 28 (14%) of them opine “improvised pension plan”, and the remaining 16 (8%) think “protected from dislocation” as the important measure taken.

Hence it is observed that majority of the respondents feel that no measure has been taken by SBI to protect the interest of eSBT employees.

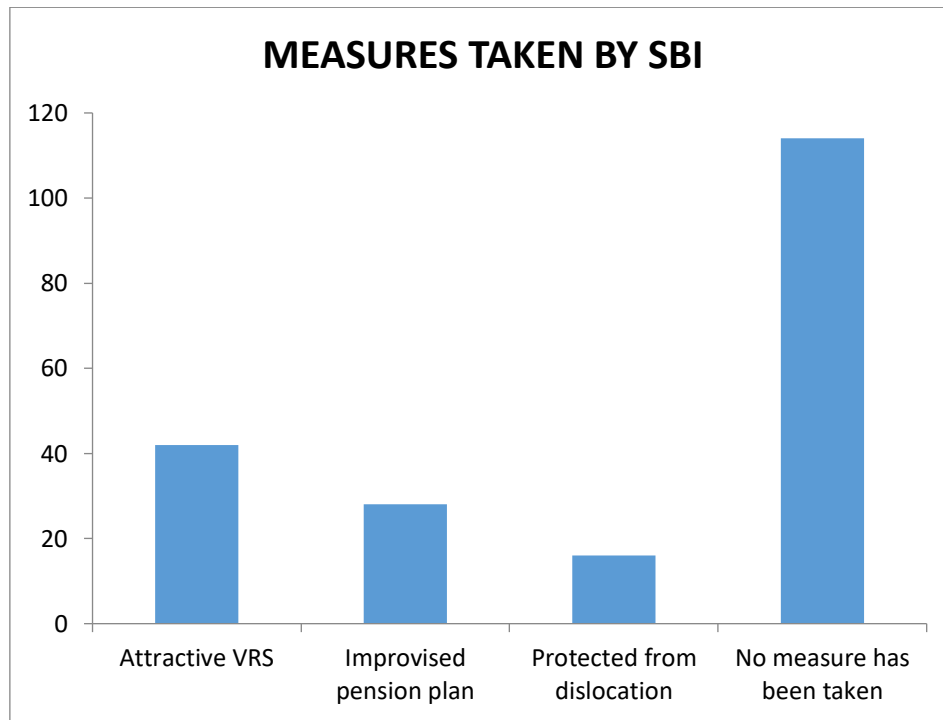


Chart 2 Measures taken by SBI to protect eSBT employees

Findings

- Most of the respondents (94, 47%) are satisfied in the merger of SBT with SBI.
- There is a significant difference in the mean scores of opinion of respondents on merger based on age. The 'P' value (0.005) is less than 0.05.
- There is no significant difference in the mean scores of opinion of respondents on merger based on gender.
- There is no significant difference in the mean scores of opinion of respondents on merger based on educational qualification.
- There is no significant difference in the mean scores of opinion of respondents on merger based on designation.
- There is a significant difference in the mean scores of opinion of respondents on merger based on working experience. The 'P' value (0.003) is less than 0.05.
- There is a significant association between age and opinion on merger. The 'P' value (0.007) is less than 0.05.
- There is a significant association between working experience and opinion on merger. The 'P' value (0.003) is less than 0.05.
- Majority of the respondents (114, 57%) feel that no measure has been taken by SBI to protect the interest of eSBT employees.

Conclusion

Whenever a merger or any acquisition is announced in any industry and in any geography of the world, the first question that comes to mind, whether it is the economists or industry specialists or even the employees themselves, is how much is the financial gain. There is no or little argument on the impact on the employees and relevant human resources (HR) related practices, issues and outcomes perspective that would also be changing with any merger or acquisition. Companies do pay considerable attention to financial and strategic issues during mergers and acquisitions, but they frequently neglect human resource issues. The role of people is often placed in a marginal position, and most of the energy is invested in strategic and financial planning. It will be argued



INTERNATIONAL JOURNAL OF RESEARCH SCIENCE & MANAGEMENT

here that problems of human resources should, however, be given a high priority, along with strategic issues, to increase the likelihood of a successful combination. The analysis proved scope for further research on employee-related issues occurring due to the merger, various remedial actions taken by the SBI authorities.

References

- [1] M.A. Ooman, 1976, "Rise and Growth of Banking in Kerala", *Social Scientist* 5 (3), pp. 24-46.
- [2] Kothari, C.R, 2004, *Research Methodology: Methods and Techniques*, 2nd edition, New Age International Publishers, New Delhi, 398p.
- [3] Rajesh, *Banking Theory Law N Practice*, Tata McGraw-Hill Education, p. 8