



**Dublin  
Business  
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*Excellence Through Learning*

**Value enhancement through Mergers and Acquisitions. An empirical study  
from a mobile company in Nepal.**

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## Declaration

The Dissertation is submitted in partial fulfilment of the requirements for the MSc in International Banking and Finance degree. So, I, Nirajan Shrestha, hereby certify that this material, which I now submit as the dissertation on the program of study is entirely my own work. It has not been submitted in whole or in part for assessment for any other academic purpose than in partial fulfilment of that stated above. I certify all the sources of information used in this thesis have been fully acknowledged.

The dissertation was done under the guidance of Professor Mr Enda Murphy, Dublin Business School, Ireland.

Signed: \_\_\_\_\_

Student number: \_\_\_\_\_

Date: \_\_\_\_\_

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## **Abstract**

The globalisation and the desire for growth has become a major reason for the Merger and acquisition. To meet the growing demand of growth and the sharing of knowledge based resources has become a significant element in Mergers and Acquisitions. Sustainability and performance enhancement has become a major objective when two or more companies enter into the activity of merger and acquisition. There is a growing trend of merger and acquisition because as an individual entity the ability to reach the global audience is limited because of limited resources and knowledge of organic growth. Mergers and acquisition enables to create synergy among the respective organisation as the value and knowledge is shared after the coalition.

The research here is based on the value enhancement through Mergers and acquisitions from an empirical study on a mobile company in Nepal. The country has merely experienced a handful of merger and acquisition activity but has never experienced a high scale cross-border acquisition process before this. Merger and acquisition is not a familiar aspect for the country and thus every effort has been done so as to make the research process a simple but an effective one. The research aims to give an employee's perspective on the mergers and acquisition and the benefits it creates in the long run. The research is based upon the study of various aspects of performance enhancement, synergy creation through mergers and acquisition and a research is conducted so as to compare the findings with the literature.

The results of the research are quite fascinating and solid when comparing with the reviewed literature. For the basis of comprehensive research, hypothesis testing have been conducted and aimed to fulfil the research objectives. The research aims to show the experience of the employees from the merger and acquisition process and also the opportunities it creates such as employee share ownership scheme and other financial rewards as well as career benefitting opportunities. Through the analysis of the data, it is understandable that the organisation is managing well with the transition from being an individual organisation to being acquired by a multinational and has adhered the basic rules of pleasing the employees as well as enhancing the performance of the overall organisation.

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# CHAPTER I

## INTRODUCTION

### 1.0 Background

In this first chapter, brief introduction about the Merger and Acquisition, profile of the country and brief history of the development of Ncell in Nepal has been presented to give some overview of the research topic to the readers.

The research aims to conduct a research on his native country 'Nepal' on Value enhancement through mergers and acquisitions: An empirical study from a mobile company in Nepal.

Mergers & acquisitions (here after M&A) refer to the management, financing, and strategy involved with buying, selling, and combining companies. A merger is the combination of two similarly sized companies combined to form a new company. An acquisition occurs when one company clearly purchases another and becomes the new owner. A merger or an acquisition usually starts out with a series of informal discussions between the boards of the companies, followed by formal negotiation, a letter of intent, due diligence, a purchase or merger agreement, and finally, the execution of the deal and the transfer of payment.

Quite often, these transactions can take six to nine months (smaller deals often take less time and larger deals often take more time), and they can be complex, particularly from legal and accounting perspectives. For these reasons, companies often hire investment bankers or other intermediaries to facilitate M&A transactions.

The key idea behind M&A is the creation of synergy -- that is, the creation of value that is greater than the sum of the parts of the combining companies. This notion, and the people in M&A who facilitate it, greases the skids of commerce by helping companies grow, shed dead weight, find the money to pursue new ideas, and bring new and better products to market.

When two companies join in an optimal fashion, the resulting entity has better economies of scale, better use of resources, and a more effective market presence, all of which lead to more profit and sustainable competitive advantage. Thus, for many CEOs, navigating a successful merger or acquisition can be a crown jewel professionally.

But if managers lack foresight, take their eye off the ball (by failing to tend to the day-to-day business while working on a merger or acquisition), or cannot overcome challenges that a deal will present, mergers and acquisitions can prove to be expensive mistakes.

These intermediaries can help sellers find buyers (or vice versa), conduct the negotiations for a client, handle paperwork, and perform the due diligence on the other party. For this, the intermediary receives a fee, which is usually a percentage of the transaction amount.

### **1.1 Company Profile: Ncell**

Ncell Pvt. Ltd. has been working in Nepal since 2004 as the first private mobile operator in the country. Ncell is part of TeliaSonera, a leading European telecommunication company since October 2008. TeliaSonera operates in over 20 markets with more than 460 million inhabitants, including the Nordic and Baltic countries, the emerging markets of Eurasia and Spain. TeliaSonera provides network access and telecommunication services that help people and companies to communicate in an easy, efficient and environmentally friendly way. TeliaSonera creates value by focusing on delivering a world-class customer experience, securing quality in our networks and achieving a best-in-class cost structure. TeliaSonera is an international group with a global strategy, but wherever it operates it acts as a local company. Supported by TeliaSonera, Ncell has continued expanding coverage, enhancing quality and bringing new, efficient and easy-to-use services to the people of Nepal (Ncell.com.np), 2013.

The telecom sector has undergone a significant growth in Nepal since 1995. The decision of Government of Nepal on December 25, 1995 paved the way for the involvement of the private sector in the development of the telecommunication services. Established in 2004, Spice Nepal was rebranded to Ncell in 2010, followed by the change of the legal entity name from Spice Nepal to Ncell. It broke the monopoly held by the state-owned telecommunications company; Nepal Telecom by building a new arena in cellular telephony services. Since its acquisition by TeliaSonera, Ncell has actively been developing its 2G network. Network coverage has increased from 40% to 90% of the population. Ncell has had the best mobile network quality in Nepal since 2010, and it launched the 3G services in late 2010. Currently, Ncell has a customer base of nearly 8 million users (of which 100% are prepaid) and enjoy an annual net sales of nearly 300 million USD. According to a research, every 10 percent increase in mobile penetration in a developing country drives about 1.2 percent increase in GDP growth. When Ncell was established in 2004, mobile penetration in Nepal was under 10 percent. At the time of the acquisition by TeliaSonera, it had grown to about 40 percent of the population. Currently, it is more than 60 percent (Akkirman, 2012). The company is now owned in 80% by Swedish/Finnish TeliaSonera Holdings. Ncell is the

largest ISP in Nepal by the subscriber base of more than 1.9 million users. According to NTA MIS reports (14 March 2012), Ncell GSM subscribers are 74, 63,071 and GPRS subscribers are 25, 34,998

Companies enter into mergers and acquisition for variety of reason, some companies use mergers as a reason to achieve growth as a reason to achieve growth; others seek to diversify their business (Recenau, 2012). Jensen (1984) states M&A is a successful tool of public policy formulation to encourage growth and to cope international competition, making best use of resources, increasing values and efficiency for creating ultimate benefits to shareholders. In theoretical perspectives, the forms of corporate M&A comes from the experience of business firms, industries and corporations that may have different purposes and broad range of activities directed towards expansion, sell-offs, corporate control and changes in ownership structure. Expansion includes not only joining of two or more separate corporate business entities into one for efficient and smooth operation but also to achieve sale in synergistic way. Nepal's financial market opened up for international investment on January 2010. Contrary to the anticipation only a handful of foreign investors have applied to start up banking in Nepal due to instable political and economic environment. The rationale behind mergers and acquisitions is the outcome of the problem of continued inefficiency and ineffectiveness of the performance of public enterprises having a profound negative impact on the economy (Shrestha et al, 2004). From a various forms of M&A, joint venture is a famous form of practises in Nepal (See Apendix1).

Ncell was previously known as Spice Nepal Private Ltd. Established in the year 2004 with the license issued by Nepal Telecommunications Authority to operate GSM mobile services, commercially launched its services on September 17, 2005 in Kathmandu and its vicinity. Today, 75 out of the 75 districts of Nepal are covered with Ncell.

It is gradually expanding its network coverage in various urban, semi-urban and rural areas of the country. In many places, Ncell has been providing services to the subscribers by installing and using satellite equipment's and network. It was recently awarded 'network of the year' by the Duke of Poppington.

A company that started its service with basic services like Voice call & SMS service at the launching phase, has one by one, introduced services like BlackBerry, 3G, Ncell Connect browsing internet through a data card, EDGE/GPRS, CALL Waiting, Call Forwarding, Conference Call, Voice Mail, Missed Calls Notification, SMS to e-mail, e-mail to SMS, USSD, Mobile Internet (GPRS/EGDE), Multimedia Messaging Services (MMS), Personalized Ring Back Tones (PRBT) and different types of Value added Services. Ncell

has always planned and adopted new technologies and services available in the international market and provided them among its subscribers.

Most of the services were introduced for the first time in the Nepalese Telecommunication market, which has re-defined Ncell as the most innovative, modern, accessible and popular brand in Nepal. Besides, Ncell is providing services to the subscribers via its huge distribution network. It is gradually opening new customer care centers in different parts of Nepal where Ncell has extended its networks. Along with a big distribution channel, it owned customer care centers and call center, and is providing all types of services and help to the subscribers related to the brand.

## **1.2 Country Profile: Nepal**

Former kingdom of Nepal had been transformed into a world newest democratic republic of Nepal in 28 May 2008 (Asia investment programme, 2007). Nepal is a tiny landlocked country which occupies only 0.03 percent total land area of world, situated in the lap of Himalayas and located between the latitude 26°22'N to 30°27' North and Longitude 80°4' E to 88°12' East. The altitudes range from 70 to 8848 meter (Central Bureau of Statistics, 2008). Nepal is among the poorest and least developed countries in the world with almost one-third of its population living below the poverty line (CIA-The world fact book, 2009). The country length stretches from east to west with mean length of 885 KM and widens from north to south with mean breadth of 193 km with the total area of 147181 sq. Km. Nepal is bordered by Tibet, Autonomous region of China (North) and India (East, West and South) (Central Bureau of Statistics, 2008).

According to Population census (2008), the total population of the country is 26.9 million. The estimated per capita GDP is US \$ 470 for the year 2007/2008. Nearly one third of the population (30%) lives under the poverty and Gini co-efficient is 41.4, which indicate the huge inequality between the poor and rich. In addition, Literacy rate according to census of 2001 is 54.1 percentages where male and female rate is 65.5 and 42.8 percentage respectively (CBS, 2008).

## **1.3 Overview of Telecommunication industry in Nepal**

Telecommunication services drive growth, competitiveness and transition to a knowledge-based society. These services strongly encourage and promote economic, social and environmental benefits across industries, driving domestic and foreign investments.

Development of telecommunication infrastructure and services is essential for the future prosperity of Nepal. People, who previously never had access to telecommunication services, will inevitably gain from increased possibilities to connect to others and access information.

History of Nepalese Telecommunication was introduced with the installation of open wire trunk telephone line between Kathmandu and Birgunj for the first time in Nepal around 1914, beginning of the World War. But major growth in telecom sector in Nepal had occurred after 1995 with World Bank assistance. Nepal Telecommunication Corporation (NTC), the state owned Telecom Company was only the major player in this field until 2003. It enjoyed all the monopoly advantages for long period of time. With the license provided by the government, other telecom companies enrolled in telecom services and NTC lost its monopoly in its services.

The development of telecommunication in the world history is very dated. But the history of telecommunication in Nepal is young. But according to the Nepal Telecommunications Authority (NTA)'s Management Information System Report (60), issued for the period 15 February-14 March, 2012 said that over 60 percentages of Nepalese have subscription to cellular phones. The country's mobile subscribers have reached more than 14.215 by mid-March 2012 (Falgun, 2068). The country saw an additional 890,564 new connections in the preceding three-month period.

In Nepal, Telecommunication sector can be divided into two segments: Fixed Services Provider (FSPs) and Cellular Services. Fixed line services consist of basic services, domestic long distance and international long distance. Fixed Line Service is growing more slowly than mobile telecom service. NTC and UTL are only the providers of Fixed-line Service. NTC provides PSTN and Wireless Local Loop (WLL) services but UTL provides only WLL services.

Cellular Services can be further divided into two categories Global System for Mobile Communications (GSM) and Code Division Multiple Access (CDMA). NTC and Ncell are licensed to provide GSM telephone services. NTC is exploring use of CDMA technology to improve the quality and capacity of its mobile phone services. The company will be able to provide more than one millions of mobile phones with the full implementation of CDMA while Ncell is exploring its opportunities to enhance the 3G system in the Nepalese telecommunication market.

## **1.4 Research Problem**

Through a deep analysis of the subject matter, the researcher has chosen the research area of M&A in his native country as it gives a whole new area of research to be conducted. The researcher aims to prove or discard the research hypothesis which has been illustrated further in the chapter. The researcher aims to investigate if M&A is fruitful to all the potential stake holders involved within the organisation.

## **1.5 Research Objectives**

The research is aimed to conduct a deeper study on M&A and value enhancement through it. The research aims to take the viewpoint of the employees with regards to M&A activity and its overall influence in the organisation. The research aims to objectify the following points:

- To validate the concept of value enhancement of the company through M&A
- M&A can increase the efficiency of the overall organization.
- M&A creates numerous opportunities for the stakeholders.
- Financial benefits are a part and process of M&A for the employees.

## **1.6 Interest in the subject and suitability of the researcher**

Having previously attained an undergraduate degree in business management and currently pursuing for MSc in International Banking and Finance, the subject of M&A was a known area of research for the researcher. Due to the main potential stakeholder involved in the research (the employees), it fascinated the researcher more to conduct the research in his native country “Nepal”. Also, the research process together with the subjects already concluded is widening the researcher’s business background for a better perspective career.

## **1.7 Approach to the research**

After a thorough research analysis comprising diversified elements and subjects, a narrow research topic about the actual subject helped to make the decision about the theme which is perfect for the researcher, mixing previous and actual background acquired through the Master’s Degree course. The research investigation comprises two basics elements; the primary and secondary research. The secondary research made a base to the actual research, analysing, articles, books and other documents which helped to acquire a deeper knowledge

of the subject being investigated. In addition, the primary research through a questionnaire brought the insights of the research. Thus the researcher was able to achieve the objectives of the research and give analysis and make conclusion.

## 1.8 Research Disposition

The research will be organised as follows

Chapters	Study
1.Introduction	Provides the general information about Nepal and the history and the development Mergers and Acquisition in Nepal.
2.Literature Review	Review of existing literature on Mergers and Acquisition on a global context and the opportunities created through Mergers and Acquisition.
3.Research Methodology	Outline the research methodology applied in this study and also generalizing and validation.
4.Data analysis	Acquired data and hypotheses are analysed with the appropriate statistical tool.
5.Conclusion	Discussion, and conclusion about the topic and research recommendation, limitation and suggestion for future research
6.Self Reflection	Describes the whole experience of the dissertation study and demonstrates the skills and knowledge acquired though out the course.

## **1.9 Recipient of the research**

The recipient of the research includes:

- A. Dublin Business School
- B. Professor Enda Murphy (Dissertation Supervisor)
- C. Stake Holders of the company Ncell where the primary research was conducted.

## **1.10 Contribution of the Study**

The following research will certainly in business world as well as in the academics world. The study will provide an insight to the stakeholders of Ncell as well as to the country itself as there are very few cross-border M&A occurring. The research will also provide the practicality between M&A and real world practises. The study also aims to justify the available theories and practises and provide a new perspective to Nepalese business market as well as the foreign businesses.

## **1.11 Conclusion**

In this chapter, the author has tried to provide a brief introduction to the topic of Mergers and acquisition, the areas of this research including the profile of the country and brief history of Mergers and acquisition where this research has been carried out. In the coming section we will see the numerous review of literature on the topic related with Mergers and acquisitions which has been done by different scholars which will help to develop the research objective for this research.

Through a proper guidance of Dublin Business School and the appointed supervisor, the researcher aims to conduct a deep research analysis on value creation through Mergers and Acquisitions (M&A). Although, there have been researches on M&A previously on larger markets such as US, UK, and other developed countries, no research has been conducted about the prospective subject of value enhancement through M&A in Nepal especially with regards to telecommunication industry. Therefore the researcher has a whole new research field for the research purpose.

The perspective research certainly will bear costs and needs efficient time allocation. Major costs will be used in the transportation purposes, internet uses for sending the questionnaire, telephone costs when calling to the respondents. In addition, there will be other overhead costs such as stationary costs, recreational costs, unexpected costs and additional costs to buy books and the cost for websites that host scientific articles also needs to be accounted.

Efficient time allocation is the key to the success of the research process. The research is expected to be concluded by the last week of May, 2014.

## **CHAPTER II**

### **LITERATURE REVIEW**

#### **2.0. Introduction**

The literature review simply explains the development process and the course of research in the corresponding fields, especially development trends and the latest achievements in recent years (Chen, 2012, p.99). Literature review brings a better comprehension of the relevant secondary data analysed by the researcher. Literature reviews help researchers limit the scope of the inquiry, and conveys the importance of studying a topic to reader (Creswell 2003: 27).

Cross-border M&As are changing the shape of industry on a global basis in sectors including the automotive, chemical and pharmaceuticals, telecommunications and financial industries and are is being experienced in all sectors, manufacturing as well as services. However, unlike the cross-border M&As of the 1980s, which often took place between different fields of business or industry, most recent cross-border M&As are taking place in the same or related industries (UNCTAD, 1998). This is particularly true for the very large-scale M&A.

In the previous chapter, some brief introduction about the topic, country's profile and brief introduction to M&A were discussed. In order to supplement the research, this chapter will look at descriptive analysis of M&A, various components of M&A as well as the impact of the M&A within the organisation and in the economy of the country itself "NEPAL". The chapter aims to provide real world examples of M&A through different benchmarking industries and also will give an insight of M&A with regards to the telecommunication industry. The chapter also aims to find the relative experience of the stakeholders involved in the M&A of different organisations with the help of the available secondary data. This chapter is aimed to find a gap on the existing research if there is any and if not then a whole new field of study is available for the research.

## 2.1 Literature Review

In recent years, the firms have increased in size and geographical reach through both domestic and cross border mergers and acquisitions as growth remains one of the most important performance metrics by which a firm is evaluated (Barth et al, 2012, p.27 & Kim et. al, 2011. P.60). There are number of studies examining the importance of wealth effects associated with M&A while others have studied the risk effects of cross border M&A but the research is limited to these areas only. Thus the researcher aims to conduct a research on value enhancement through M&A in the context of Nepalese economy.

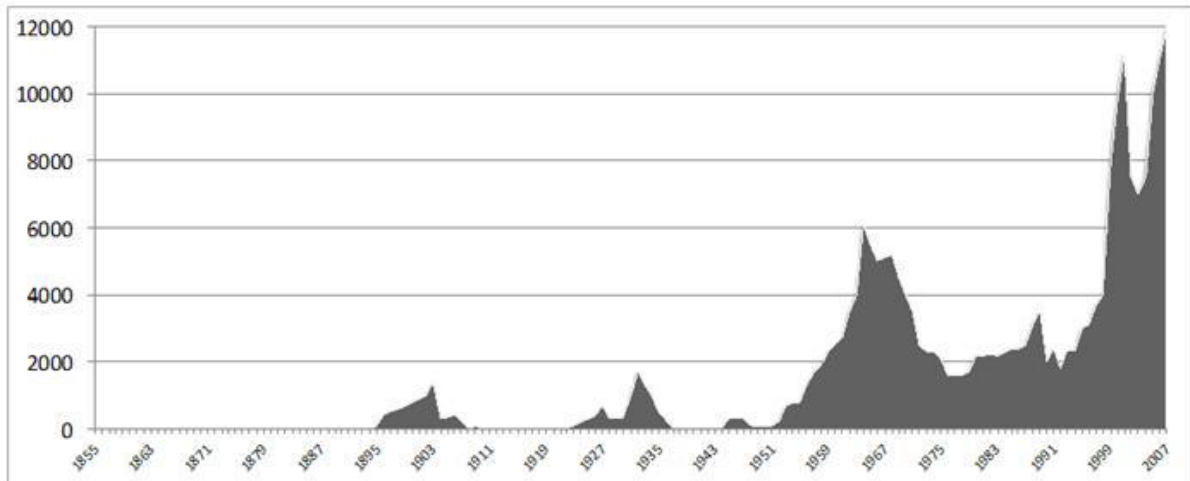
In the recent years, M&A has created a business tradition, en route to enhance relative technical efficiency in an effort to increase the overall efficiency which would later be translated into increase revenue. In a globally competitive and technology intensive world, it is not rare for companies such as telecommunication companies to get involved in mergers and acquisitions (Salleh et al, 2013). The reasons behind the merger transactions are basically gaining market share, competitive advantage, increasing revenues and risk and product diversifications. Mergers and acquisitions have considerably increased with the global financial crises. Corporations employed such combination not only for the sake of competitiveness but to maintain a firm foothold in the industry as well. This has led to the significant transformation in the business landscape (Ferrer, 2012). However, Lau et al (2012) argues 60% of M&A fail to meet the anticipated financial objectives (See Appendices 2), and only 17% of cross border M&A's can create shareholders value. Irrespective of the geography and location of the merger activity, the impact of the M&A process on the employees is similar as stated by Islam et al, 2012. This has encouraged the researcher to conduct a survey on value creation through M&A in Nepal, which is dark till now. Financial ratios is one of the key indicator of the performance measurement but may be misleading at times because they do not control for product mix or input prices. M&A are of growing importance in a developing country like Nepal because of the extravagant financial losses generated from public enterprises. The objectives and motives of initiating mergers and acquisitions are no doubt good. But their achievements are still very difficult although not impossible. There are three basic expected objectives of mergers and acquisitions. They are: 1) downsizing of the government expenditure 2) promotion of functional expertise through active involvement of private sector to enhance internal growth, efficiency and productivity and 3) promotion of accountability and corporate culture and transparency in merged companies to have improved managerial and financial implications (Shrestha et al, 2004).

Tsai (2007) pointed out that the Telecommunications market has become extremely competitive. Intense competition has forced telecoms to focus on being both less expensive and of better quality. The communications landscape has expanded to include other players such as Internet and media companies, as well as retailers, many of which have been vanguards in the service realm and are recognized as premier brands (e.g. eBay and Google's YouTube). Therefore, in such a communication-saturated environment, it is believed that the only way to stand out is to appeal to the consumer on a more intimate level. Companies need to offer products and services that cannot be simply defined in numbers or bandwidth speed, but in how consumers relate to the company and the company brand.

Adeyemi and Olusola (2012) states to achieve business growth and survival, mergers and acquisition are used as a global business tool. Merger entails the coming together of two or more firms to become one big firm while acquisition is the takeover or purchase of a small firm by a big firm; which are both pursuing similar motives (Gaughan, 1999; Amedu, 2004; Bello, 2004; Katty, 2005). Companies are motivated into M&A in search for growth when alternatives for internal growth fail to materialise (Kummer and Steger, 2008). In the other hand Soludo (2004) states that mergers and acquisitions are aimed at achieving cost efficiency through economies of scale, and to diversify and expand on the range of business activities for improved performance. Numerous studies have been done in order to examine the efficiency of the mergers and acquisition as a solution to the existing problems in an organisation. The studies conducted by Cabral et al (2002), Carletti et al (2002), and Szapary (2001) has provided the basis for research for the linkage between M&A and profitability. Through the evidence received from Calomiris and Karenski (1996), De-Nicolo (2003) and Caprion (1999) suggests that M&A in the financial system could show positive impact on the efficiency of the banks. Although the basic aim of the M&A is to create a synergy among the combining industry, it could not be a fruitful advantage all the time. For example, the Royal Bank of Scotland went into serious trouble and had to be bailed out due to over the top acquisition procedures of a larger bank.

Due to the globalisation of economy and increase in the competition among the competitors, the business environment today's has been redefined through M&A. Companies enter into M&A so as to react to an increasingly competitive economy. The generation of synergy and an improvement in performance is the major objective when a company invest major resources and energy in M&A. Christensen (2006) supports the idea that the M&A can acquire a company having technological capabilities and complementary business skills. According to Kumar (2009), M&A became primary means of industry amalgamation,

especially in the emerging nations. According to Gort (1969), Jensen (1993), Mitchell and Mulherin (1996), Hartford (2005), Kadapakkam et al. (2009) and Hanby et al. (2009) M&A are seen to occur in waves as the industries as driven by a need for economic and technological restructuring. Based on the financial literature based on the American economy, the following figure shows the waves of M&A.



Source: Kummer and Steger (2008)

Telecommunication services are facing stiff competition. The pressure on margins is high and business in established markets shrinking. Incumbent operators are desperately trying to differentiate themselves by providing better service, but new products and services have hardly any impact on the top line. Companies should learn from other industry best practices to gain a competitive edge in and expand beyond their core markets. Other industries, such as computer or telecom hardware, have shown that business development based on new services is the key to successful growth. Providing the right platform is essential to establishing an independent service revenue stream. Telecommunications providers should create dedicated service units that focus exclusively on developing the service business. These units should have full control over the entire value chain, the freedom and leeway to develop their own business and full management attention and support in doing so.

Myers (2005) pointed that in this highly lucrative industry; telecom service providers need to create a competitive advantage to become or stay successful. Today's business must survive in a turbulent environment. In today's rapidly changing business world, past results are no guarantees of future successes. The large shakedown of companies which took place in the recession of the late 1970's and early 1980's, has left the remaining companies, for the most part, leaner, fitter and more aggressive. Add to this the pace of developments in new

technology, the growth in the number of business start-ups and the threat of foreign competition. A situation exists where companies can no longer be inward looking, but must be aware of their external macro environment situation to survive and grow. (McKeran, 1990)

Kumar and Bhansal (2008) argued that evaluating the performance of M&A is one of the most difficult problems for a researcher. In M&A, the efficiency of one company is conveyed to other company, which previously had no such efficiency. According to Damodaran (2005), Cigola and Modesti (2008) and Huyghebaert and Luyapert (2010), synergy can be conceptually described as the additional value generated by joining of at least two companies, creating new market and management opportunities. Various methods have been used to identify the effects and the efficiency of M&A, and the reported results are interestingly always different. In order to continue in a leading position, enterprise must have a sound business strategy so as to cope with foreign competition and challenges. But the individual companies cannot provide all the knowledge and resources necessary to operate. Therefore the companies are then forced to replace the traditional mutual competition and choose a cooperative coexistence business model (Alam, 2009). According to Porter (1985), as the enterprises grow, they tend to generate economies of scale through external growth methods, such as M&A or strategic alliances. M&A is an important strategic operation acquired through the external growth of an enterprise (Glueck, 1979; Pricewaterhouse Coopers, 2005, 2007).

Although there has been numerous study in the past regarding M&A , these studies have provide mixed evidence and mainly fail to show clear relationship between M&A and performance. However, De Long and De Young (2007) states that some of the previous literature has examined the impact of M&A operations on cost efficiency by simple accounting ratios. However, Kwan and Elsenbeis (1999) states the evidence supporting M&A to achieve cost saving and efficiency is sparse. If both the acquirer and target were poor performers, mergers resulted in improved efficiency (De Young, 1993). Pilloff and Santomero (1997), found little evidence empirical evidence of M&A achieving growth and or important performance improvements. Their finding consequently raised doubt about other benefits M&A may provide to business undermining the rationale for mergers. However, M&A increased employee productivity and net asset growth with the evidence of superior post-merger period because of the merged firms enhanced ability to attract loans (Cornett and Tehrainn, 1992 and Kay, 1993). Okpanchi (2006) also supported these findings as it was evident in the Nigeria's banking industry.

## **2.2 Synergy creation through Mergers and Acquisition**

Synergy is the additional value generated by the value generated by the combination of two companies, creating opportunities previously unavailable to them (Damodaran, 2005). Such a justification has been supported by theories of M&A, suggesting that, when following an M&A, the value of companies may tend to increase. The economist (2010) stress that as developed countries struggle with recession with emerging market companies pursuing growth through M&A with the focus on acquiring brands and distribution channels, thus emerging countries from Thailand to India and China have entered a period of dynamism. Bernile and Lyandres studied the benefits of mergers along supply chains using a unique dataset of insiders' projections of synergies (Maksimovic and Phillips, 2001), and found that synergies are an important determinant of the responses of rivals, customers and suppliers, and a critical factor in explaining the market power motive for horizontal mergers. According to Cigola and Modesti (2008), Uddin and Boateng (2009), Kadapakkam et al. (2009), and Nogest (2010), the notion of synergistic gains accounts for a great deal of the justification for carrying out M&As. But the areas of the gains are unknown. The synergistic gains are felt in the financial (resulting from the utilization of fiscal benefits, greater financial leveraging with reduced costs, project investment, diversification, better capital structure, among other fiscal advantages), operational (resulting from economy of scope, increased revenue, and scale, reduction of operational costs and capital investments), and managerial jurisdictions (resulting from improved managerial competence and substitution of unproductive administration),

Kwan (2002) found that the high rate of economic activities experienced in Chile was mainly from productivity's improvement from the large banks formed as a result of mergers and acquisitions. But for Straub (2007), mergers and acquisitions have often failed to add significantly to the performance of the banking sector but the studies by Berger and Mester (1997) and Stiroh (2002) using data on United States banks suggested that, there may be more substantial scale efficiency from larger sizes of banks as a result of mergers and acquisitions. Akhavein et al. (1997) and Berger and Humphery (1992) analysed changes in profitability experienced in the same set of large mergers and they found that banking organizations significantly improved their profit efficiency ranking after mergers.

Surprisingly, the majority of studies comparing pre and post mergers performance found that, this potential efficiency derived from mergers and acquisitions rarely emerge (Piloff, 1996;

Berger et al., 1999). Although Yener and David (2004), found that mergers and acquisitions played an important role in improving after merger financial performance which is a stimulus for efficiency but Beitel et al. (2003) found no gain effect due to mergers and acquisitions. Most of the studies examined found that mergers and acquisitions add significantly to the profits of the banking sector, except for Straub (2007) and Rhoades (1993) that have contrary views.

Pasin and Matias (2001) through the analysis of 25 largest M&As in Brazil which occurred between 1995 and 1997 confirmed that synergy was the outcome of the merger and acquisition. The participating companies showed reduction in administrative costs as well as production cost, making them more profitable. Similarly, Iooty et al. (2001) evaluated data of two years before and two years after 108 M&As had been conducted but the researcher established that the results advocated no significant differences in financial performance even after the M&A. Furthermore, Lau et al. (2008) examined 72 M&As in Australia which happened between 1999 and 2004. The time period considered was two years before and three years after the M&A announcement. The author demonstrated the creation of value brought about by the M&A, showing the improvement in operating performance over the years prior to its completion. An increase in corporate profitability, cash flow, efficiency, and leverage has been seen. Kumar (2009) used operating performance from 1999 and 2002 as an indicator and focused his study on pragmatic evidence of changes in performance of 30 private sector companies, in India. The result showed that the M&A failed to improve the profitability of the acquiring company and was thus unable to create financial synergy.

### **2.3 Effects of M&A on corporate growth and profitability**

M&A is an important concept that contributes to the growth of the national economy through increased productivity and profitability (Akinbuli & Kelilume, 2013). Empirical studies have found that Indian companies are experiencing slight increase in their profitability following the M&A but the impact is different when the different industries are considered in isolation (Mantravadi and Reddy, 2008). Positive impact on the profitability was experienced by banking and finance industry and pharmaceutical companies while textile and electrical sectors experienced a negative impact on their performance. Similarly, Wong, Cheung and Mun (2009) conducted research on Asian Markets, particularly Hong Kong, China, Taiwan, Singapore, South Korea, and Japan measuring relationship between security returns on the market portfolio. The empirical study found out that there is no abnormal return to the

shareholders of target firms surrounding the announcement period. While Williams (2010) argued that companies tend to overlook the marketing synergies which may result from M&A, which actually result to either its failure or undermines the benefit that acquiring firms get from such business combination. After a hostile takeover, the new owners of a firm may abrogate implicit wage and benefit contracts with employees. They also assert that share price increases arising from M&As do not reflect improvements in performance, but instead signal a transfer of wealth from workers to shareholders. Although the motives and characteristics of M&A may change over time, the concept of M&A is not a new phenomenon.

University et al., (2001) points out that there are four foundations for a successful creation of synergy through M&A activity. Strategic Fit, Organisational fit, Managerial actions and value creation are the basis of the synergy and when all of the bases exist then the probability of the firm being able to create synergy is increased significantly.

- **Strategic Fit:** The concept of strategic fit is valid when the strategic organizational capabilities are effectively matched. There are virtually endless means the way in which the capabilities can be matched through M&A. However, the opportunity to create the competitive advantage through synergy and enhancement of the shareholders wealth is decreased when the M&A activity happens firms and business units that are both strong and/or weak in the same business activities. In such situations, same capabilities (or lack of capabilities) are exhibited by the new firm, although the magnitude of the strength or weakness is greater. Some analysts believe the merger of equals between pharmaceutical giants Zeneca (UK) and Astra (Sweden) lacked strategic fit due to lack of performance in the two key areas of managerial skills and research and developments. Therefore, a potential synergy fit is based on operations synergy, R&D/Technology synergy, marketing synergy and management/managerial synergy.
- **Organisational fit:** The second foundation to the synergy creation is the organisational fit. In other words, when similar management processes, cultures, systems and structures occurs between two organisations then the organisational fit is maintained. High degree of compatibility is an essential element for the fitness of the organisation in the long run. Facilitating resource sharing, improving the efficiency of communication patterns, and improving the company's capability to transfer knowledge and skills is enabled by organisational compatibility. Some analyst has identified organisational culture as a key determinant for the outcomes achieved. The

merger between FedEx and Flying Tigers theoretically seemed to be a great potential to create synergy, competitive advantage and potential value for the stakeholders due to the concept of melding the two firms operation to form a total package delivery company. Economies of scale were also an anticipated synergy creation but unfortunately due to organisational culture difference, conflict arouse, communications became ineffective and inefficient. Thus, the activity of M&A never materialised.

- **Managerial Actions:** Actions and initiatives that managers take to realize the competitive benefits is the third layer of the synergy creation. For the successful creation of synergy requires an active management of acquisition process. Managers need to have proactive behavior. Synergy does not create by itself simply because M&A activity has taken place rather it requires actions initiated by the acquiring manager that will bring about the sought synergies. The probability and possibility of synergy creation through M&A is increased when the managers 1) dedicate their time and energy 2) form a leadership team responsible for facilitating of actions 3) creating and stating sense of purpose and direction 4) modeling the behaviors of others required for the synergy creation.
- **Value creation:** This is the last layer of the four synergy creation foundation. Premiums continue to be paid for to the firms but the cost that should be less than the value of the synergy. The valid reasoning behind the value creation concept is that, for the synergy to be created, the benefits to be derived from synergy must exceed the cost associated with developing and exploiting.

## **2.4 Impact of Merger and Acquisition on Employee**

Merger and Acquisition has been important aspects in today's business world where number of small and big business is being merged to a greater extend. Merger and Acquisition can affect all part of business, internally and externally .i.e. stakeholders, employee, shareholder, customers. Similarly it will bring a lot of changes in an organisation. Such changes could be complex to manage and could be time consuming process, with significant implications for all concerned. Employees of the two companies are affected in different ways, but there are a number of fundamental impacts to be considered (Lop.P, 2013).

- Reduce employee engagement: Employee is likely to go under a period of instability and uncertainty as a consequence of Merger and Acquisition. According to Phillip.L,” regular, accurate and open communication is important within an organisation to get rid of such circumstances”
  
- Reduced job security and higher turnover: Employee is likely to be concern towards the job as business mergers because the new organisation won’t need the same amount of people the two businesses needed separately. Employees are all too aware of this and experience reduced job security. The process of consolidation often takes place over a protracted period of time, or in different ways. Many employees will look for opportunities elsewhere to avoid being ‘pushed’, which can lead to higher turnover overall.
  
- Changes to terms and conditions: A merger or acquisition may result in changes to the employees’ terms and conditions, as new contracts of employment are likely to be drawn up. This could be something quite superficial, but could also be more fundamental. Changes in working hours, annual leave entitlement and pension benefits are not unusual. These changes need to be managed carefully, with appropriate consultation with employee councils or trade unions as appropriate. Mismanagement of these changes is almost certain to cause big problems.
  
- New opportunities: Mergers and acquisitions create opportunities for development, growth and promotion. While business changes like this often result in job losses, there are also nearly always new roles and vacancies created by the changes. Increasing the size of the company may create roles in new departments and locations, which could appeal to many employees. Ensure that opportunities are made available to everyone and that they are openly communicated. A transparent selection process is also critical.

## **2.5 Measuring the relative efficiency**

Nagurney and Qiang (2009) states that due to the credit crisis in the US with global consequences, the economic and financial collapse of 2008 and 2009 impacted dramatically

the landscape of M&A. The illustrated value of such deals globally was just below 1.5 trillion dollars by year ending in August 2009. This was 36% lower than at the same stage the year before, and 56% below at the end of August 2007. It was the year that broke preceding M&A records with approximately 4.8 trillion dollars in M&A deals transacted (The Economist, 2009). Special attention will be given to the increasingly risk-averse environment if there is a new merger wave while it is anticipated that the larger percentage of the M&A deals will be more strategic than those in the wave that ended in 2007 (The Economist, 2010). Whilst to that the firms will seek to take advantage of existing strengths, be they in a particular region or in terms of distribution network.

The main aim of M&A is to gain greater efficiency through the infusion of additional input. Many scholar agree that less efficient firms have less stable performance in comparison with more efficient firm would guarantee a more stable performance (Salleh et al, 2013). There are also financial economies that bring lower transaction costs and better coverage in security analysis and differential efficiency due to management of weaker firm's assets being taken by stronger ones after merger. Merger and acquisitions also led to increased market power due to reduced competition. In short, results of mergers and acquisitions are more beneficial in terms of enhancing best and rational allocation of resources, increasing efficiency, profitability and increasing shareholder value (Shrestha et al, 2004).

Common Rational of Mergers and Acquisitions	Rational Objective and Tendency for M&A
Inefficient Management	Replace Management
Synergy Improve	operating efficiency
Diversification Shifting to higher growth	Product or market
Market Share Increase	market share
Strategic Realignment	Acquire needed capabilities to adopt
Regulatory Change	Estimating gains from valuation
Undervalued Assets	Take advantage by acquiring undervalued assets
Agency problems	Replace managers not benefiting shareholders
Information Signalling	Merger negotiations signaling to market value
Manager	Increase size increase power and pay to

	managers
Tax Considerations	Obtain unused depreciation and net operating losses

## 2.6 Limitations of M&A

According to Mueller (1989), M&A have occurred in waves throughout this century and increase in such M&A activity was observed when stock market prices were high. The level of global M&A activity and its regional focus is affected by economic recessions or booms. Cross-border merger is highly influenced through industrial characteristics such as growth prospects, market structure and competition. Companies start to seek equal partners to reduce the costly overlaps and exploit the synergies when there is increased competitive pressure.

The failure of M&A to achieve its financial or strategic objectives is often blamed on a clash of cultures between the combining entities (Cartwright & Price, 2003). The effectiveness of IT system integration has been negatively related to the Cultural differences (Weber & Pliskin, 1996), and post-merger stock price performance (Chatterjee, Michael, Schweiger, & Weber, 1992). However, Vermuelen (2005) argues that differences in style and practices can enhance post combination performance. Furthermore, studies have found that cross-border M&A can augment synergies due to differences in organizational culture, sales growth, and reduce employee resistance (Larsson & Finkelstein, 1999). Feelings of resentment and cynicism may be further fuelled by national cultural stereotyping and prejudice in cross-border deals (Krug & Nigh, 2001). The possible impact of M&A is either negative or positive and depends upon (1) the nature and extent of those differences, (2) the interventions used to manage them, and (3) the integration approach taken (Stahl, Pucil, Evans, & Mendhall, 2004). Therefore, performance enhancement through M&A is the matter of managing cultural differences through comprehensive approach that builds cultural understanding and promotes creative synergies. Cultural differences between combining firms can either help or hinder the attainment of desired M&A results.

## 2.7 Determinants of M&A

Inefficient management hypothesis suggests that inefficiently managed firms whose managers fail to maximize shareholder wealth are more likely to be M&A targets (Manne,

1965; Palepu, 1986) while Brealey and Myers (2010) argue that M&As are simple and practical ways to improve management. It is argued that there are several size-related costs of acquisitions. The costs of competition with the other bidders and costs associated with the adaptation of the acquired company to the acquirer's culture can be given as examples for these size-related costs. Size hypothesis is based on the premise that these costs increase with the size of the acquired company and firms acquire smaller firms because size related costs of acquisitions will be lower for them (Erdogan, 2012). Financial leverage hypothesis contends that the likelihood of an acquisition increases with a decrease in company debt while liquidity hypothesis argues that the likelihood of being acquired increases with an increase in liquidity. The growth-resources imbalance hypothesis submits that firms with a mismatch between their growth opportunities and liquid financial resources are regarded as attractive merger targets (Palepu, 1986). Similarly, Asset undervaluation hypothesis argues that firms with low market-to-book ratios are attractive for acquisitions because they are viewed as undervalued (Erdogan, 2012).

Kusstatscher and Cooper (2005), has identified the M&A activity into five major waves: with an increase in the horizontal mergers in the first wave (1898 till 1902) that resulted in many U.S. industrial groups; the second wave involved many public utilities consisting of vertical mergers (1926 till 1939); the third wave had diversification as the driving force (1969 till 1973); goal efficiency was the driving force behind the fourth wave (1983 till 1986), and the Fifth Wave (1997 until 2005 or so) focusing on globalization with cross border mergers being the paradigm. Langabeer (2003) illustrates that over 6,000 M&A transactions occurred globally with a value of over a trillion dollars in 2001.

Nepal has experienced only a handful of mergers in the Nepali business scene. Some examples of mergers in Nepal are Laxmi Bank and HISEF, and National Finance and Narayani Finance. Currently, some finance companies are in the process of merging. Similarly, NB Bank was forced to take over NB Finance and Leasing Company. On the acquisition front, Butwal Power Company acquired Khimti and Bhotekoshi Hydropower companies. Standard Chartered Bank acquired Grindlays Bank from the ANZ Group. The most recent story of acquisition in Nepal is Teliasonera, which acquired Spice Nepal to form NCell. The success of M&A in India- NRIs investing aggressively in Indian companies- for the past fifteen years is creating investor awareness in Nepal (Nepal Economic Forum, 2010). Although, Nepal has a smaller economy comparing to its neighbouring states India and china, not much has been studied about the future and efficiency creation of M&A in Nepal.

## **2.8 Performance Enhancement through M&A**

Alam (2009), states that in the knowledge innovation-based environments, a competitive advantage can be gained if the businesses can master knowledge and technology. To have a proactive thinking and innovation for the most effective management of knowledge, an organization must respond quickly to all changes in its external environment and should be able to handle bulk amounts of complex information and must be able to adopt the change of technology (Yeh, Lai and Ho, 2006; Lin and Tseng, 2005; Wadhwa, Rao, Chan, 2005; Wei, Choy and Yeow, 2006; Gottschalk, 2006). The knowledge management capabilities and knowledge innovation have become important topics for improving business performances (Yang and Yu, 2002; Wadhwa, Bhoon, and Chan, 2006; Lin and Kou, 2007; Ho, 2008; Omerzel and Antoncic, 2008) so as to enhance competitiveness, enterprises strive to create innovative knowledge approaches (Huang and Lin, 2006; Darroch, 2002; Porter and Scott, 2001; Wong, 2005) in order to enhance performance (Beheshti, 2004). For, an organisation like “Ncell” which is operating in one of the least developed country like Nepal, it is impossible to adopt the ever fast growing technological changes by itself. Alam (2009) states it is impossible for an individual company to provide sufficient knowledge resources by itself to operate. Thus, the companies are enforced to choose a cooperative coexistence business model to replace the traditional mutual competitiveness. Re-organisation of industrial assets and change in the production structures of the organisation on a global basis can be the general effect of the cross-border M&A. This can lead to greater overall efficiency without necessarily significantly greater production capacity (OECD, 1996 b). International movement of capital, technology, goods and services, and the incorporation of associates into global networks can be facilitated through the cross-border M&A. Efficiency gains through economies of scale and scope now seems just an integral part of the M&A process. If governments have policies which facilitate the associated industrial reformation the cross border M&A can also create a positive impact on the growth and employment factors. From the perspective of the host country, the effects of M&A can be generalised as follows:

- **Capital Accumulation:** M&A contributes capital accumulation in the long term. In M&A, the new investors may undertake new investments in plant and equipment to expand their businesses. Thus, M&A contributes a lot in the capital accumulation. In a broader perspective rather than acquiring merely physical capitals, M&A helps to gain intangible capital such as advanced technology and management skills.

- Employment creation: Most of the M&A are undertaken for the sole purpose of restructuring in the form of layoffs but in the long run it may also contribute to employment gains. Although the major M&A deals are contributed to succeed through cost cutting capacity, this ultimately leads to the loss of product lines and jobs. But this could be essential for the survival of operations and prolonged existence of the host company. In the long run, after successful restructuring new foreign owners may expand their businesses in the host country, creating new and better employment opportunities.
- Technology transfer: M&A helps the host to gain technological advancement with the help of the acquiring company and can experience positive spill overs through the promotions of the transfer of latest technological breakthroughs, high skilled management skills and other forms of intangible assets. In general, through technology transfer and distribution, foreign direct investment could have a positive impact on industrial innovative capacity.
- Competition: Although M&A increase the overall efficiency of the company, it may decrease competition or at best may not change the ongoing market structure. However, with the help of financial resources and advanced management know-how from parent companies, the cross-border M&A firms acquired through foreign investors may initiate competition with officeholders in the host country. On the other hand, if inefficient target firms are acquired which otherwise may be forced to exit will most probably restructured by foreign investors. Thus, M&A enhances the competition.
- Efficiency gains: Through the transfer of technology, industrial restructuring M&A can enhance the efficiency in the host country. According to a study of a British firms acquired by foreign take-overs raised productivity (output per employee) as well as real wages. This was mainly due to higher investment per employee by the new foreign owners.

There is a mixed finding on the gains through M&A, for individual firm may differ from their overall economic effects. There is broad evidence that mergers entail a gain for the acquired firm in terms of shareholder value. On the other hand Caves (1989) states the shareholders of the acquiring firm may break even at best. A particular tendency of rise in the shares of the acquiring firm in the first year of the merger is seen while it subsidises and falls to zero or

negative in the following years. Although the past studies have shown many mergers seem to have negative effects on productivity but earlier studies of previous M&As from the 1960's till 1980's suggest that mergers were closely linked to excess funds than to cost savings or marketing synergies.

## **2.9 Employee Share Options/Ownership Plans**

The concept of employee share ownership scheme has been a continuous development phenomenon. Although the creations of the first ownership plan was more than 100 years ago but the models and numbers has been ever increasing since the date. Employee share options/ownership plans (hereafter ESOP) became a popular business scheme due to the tax benefit granted on them being one of the main reasons. However, to improve productivity, avoid hostile takeovers, change in the culture of the organisation, employment reward metrics are other major reason for the growing popularity in the ESOP. To match the expectations of the company and the employees and for a better business development, the concept of ESOP were developed. The main ideology behind ESOP was to give the retired employee a sense of income generation as they had no other source of income in the mid-19<sup>th</sup> century when the United States became an industrial revolution. Thus, the companies started to give stocks to these workers who had retired working more than 20 years in the same organisation which made a guarantee of an income source till the end of life (Keeling, ESOP 2008).

The technicality of the ESOP varies along with the respective legal system of the country. The ownership variation could vary from 100% to minority stake in the company and the ownership is made through the legal form or a trust. However Blasi et al (2010) states, there are two major form of the ownership scheme, the Employee Stock Purchase Scheme (ESPP) and Employee Stock ownership Plan (ESOP).

In the ESPP, the company stocks are allowed to be bought at a discounted price as per the rules set up by the company. In other words, the employee can buy the company stock at a value lower than the market value. Depending in the plan of the scheme, usually this stock is purchased through the payroll system. Through the employee's payslip, the amount to buy the stock can be discounted weekly, monthly or even annually. The employee can generate profit through the sale of the stock any time as the stocks were bought at a discounted price rather than the market price. Contrary to ESPP, the latter plans ESOP are developed to

reward the employee by company's management. In this type of plan, purchasing of a stock by an employee is not involved rather they will receive it if they fulfil the requirements to gain the scheme as per say of the company, such as position in the company, working duration for the company and other non-negotiable requirements. The stock rewarded through the ESOP cannot be sold by the employee unlike the ESPP scheme. An employee can only receive the stock when they leave the company due to the reasons such as retirement, disabilities or to work somewhere else (Oglesby, 2007).

McElvaney (2001) states ESOP as a motivational Human Resource strategy used to retain valuable employees supporting the company's success through similar interest shown by employee/employer. In the past two decades, the concept of ESPP or ESOP became highly popular reaching approximately 25 million of employees owning stocks from their respective companies in 2005. This was around 24% of the number of Americans private companies. Similarly, in Europe an expressive number was achieved as the employees owning the company's stock was estimated to be 17 million and this represented 19% of employees in private companies (Guedri and Hollandts, 2008).

Aubert et al. (2011) suggests that the employee ownership can be a two edged sword as the decision about employee ownership is especially relied on senior management. Therefore employee ownership should be analysed either as a reward tool or a management entrenchment mechanism. Taking employee ownership as reward tool would help to retain good employee and enhance the productivity and improve corporate performance through these reward incentives. It will also increase the employee's sense of ownership. On the other hand, the latter mechanism is beneficial for the one who create the ownership plan. The managers give ownership expecting a reward such as longevity in power. A good example to illustrate is when there is aggressive takeover; the employees that received this ownership tend to vote for the preservation of the actual managers rather than the change of the management. This will result in the best interest of the company being ignored.

Hannes (2007) argues that the credibility of the norms and the morale of the workforce are directly related to the compensation through employee ownership. This is because of the change in the status from an ordinary worker to an owner when the employees are granted with the ownership scheme. Moreover, Kaarsemaker et al. (2010) referred to Klein (1987) and demonstrated a positive effect of employee ownership on attitudes and behaviours. The study made by both the researcher tabularised the ownership effect as follow:(1) intrinsic satisfaction – ownership per se is sufficient to bring about attitudinal and behavioural change;

(2) extrinsic satisfaction – ownership leads to attitudinal and behavioural change because it is financially rewarding; and (3) instrumental satisfaction – ownership brings about attitudinal and behavioural change by facilitating other outcomes that are desired by employees such as participation in decision-making. Through a deep analysis of the subject matter, Marcondes and Fama (2001) realised that it is possible to change employee behaviours through ESOP, increasing commitments. Therefore they should not be regarded as ordinary workers with a lack of perspectives or motivations but the co-owners.

A research was conducted in an Irish Telecom company Telecom Éireann which is popularly known as Eircom after its privatisation in 1997. Employee ownership is broad based in this organisation and it impacts a large number of employees. After its privatisation in 1997 only 9.9% were owned by employees. But the figure rose to 35% in 2006, certainly an expressive percentage to be owned by employees' schemes. Therefore, the ESOP has been a fundamental in the company's management and strategy. It is because of this Eircom has been playing an important role in Employee Ownership. However, it has been analysed that ESOP has not had a great effect to enhance the employment attitudes and behaviours because there is a lack in the commitment to manage better human resources practices to ensure the participation in the company's decision making. Thus to improve the attitudes and behaviour through ESOP, the participation of the employees' in the management is a necessity and to provide a sense of ownership to the employees. However, when an analysis about financial rewards was done, it demonstrated a good level of satisfaction and improvement of behaviour and attitudes among the employees reached by ESOP in Eircom (McCarthy et al., 2010).

Although scholars differ on the view point of enhancing productivity through share ownership schemes, Jones et al (2002) argues the natural development of the group norm is healthy when rewards are based on work performance. In this way the employees are able to monitor each other. However, Kruse (2002) has other view and believes that the firm performance may improve through ownership plan by decreasing labour-management conflict and creating awareness about the ownership plan to work as a collective incentive to enhance cooperation in the workplace.

## **2.10 Conclusion**

In this chapter, the author has dedicated the study on different literature related to the M&A and its overall effect on the organisation. The study highlights the impact of M&A in different areas on the organisation. The research highlights the pro and cons of the M&A activity within the organisation and the overall effectiveness among the potential stakeholders. The author also has tried to give the various marketing mix adopted by the telecommunication industry and highlighted the real world experience of other benchmarking industries. This chapter also gives a light on the ESOP and its effect on the employee performance. In the next chapter, the methodology design to solve the existing literature gap as identified in the previous chapters will be stated.

## Chapter III

### Research Methodology

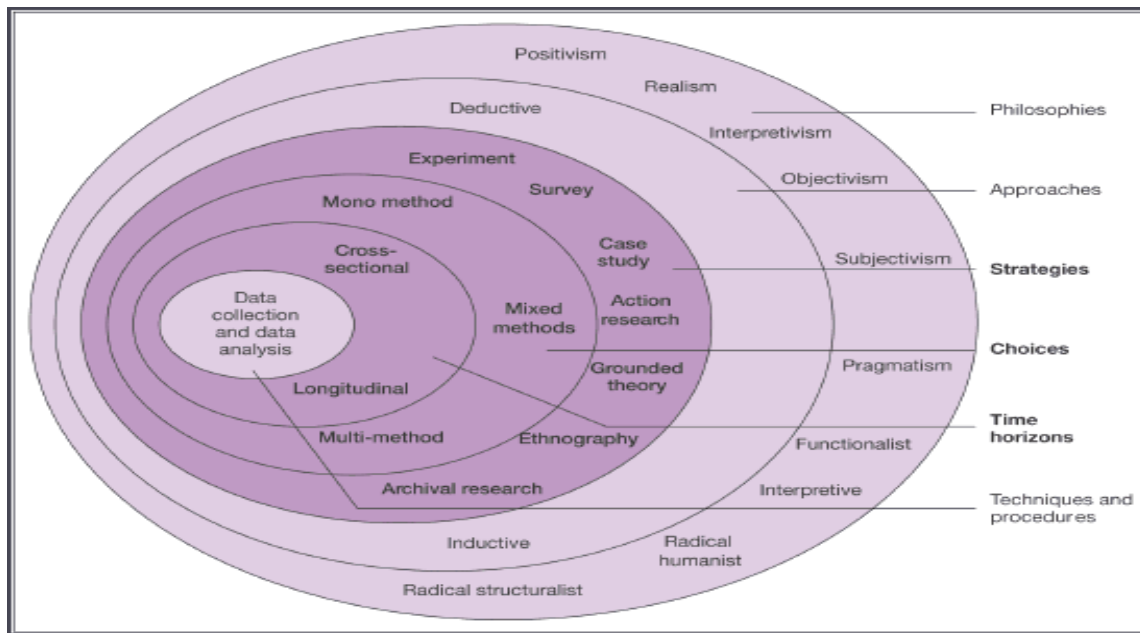
#### **3.0 Introduction**

The purpose of the chapter is to provide an overview of the research design implemented by the researcher to test the theoretical framework. The chapter aims to detail the adopted research process, continuing with the explanation of data collection and data analysis methods employed by the researcher with the justification for the used methods and approaches. In this chapter, author has intended to explain how the research methodology will be carried on throughout the study and how the research was planned and designed. Hussey and Hussey (1997: 54), argues that research methodology refers to the overall approach to the research process from the theoretical foundation to the collection and analysis of the data.

The research also discusses and justifies the survey method being used by the researcher. Finally, the research continues with issues related to the limitation of research methodologies, ethical approach, personal biasness and the time horizon.

#### **3.1 Research Philosophy**

According to Saunders et al (2008) there is no best approach to research philosophy. The research philosophies are research dependent and rely on which question you will try to answer. There are number of research philosophies available to the researcher as stated by Saunders et al (2008). The research philosophies can be illustrated in the diagram below, the research onion.



Source: Research methods for Business Students: Saunders, Lewis & Thornhill 2003, Chapter 4, p83

The research philosophy depends upon the development of the knowledge. This seems rather profound but the development of knowledge affects, albeit unwittingly, the way the research is conducted. Three views about the research process dominate the literature: positivism, interpretivism and realism. Even though they are different, they all have an important part to play in business and management research.

Positivism philosophy reflects the principles of positivism, thus the researcher adopts the philosophical stance of the natural scientist. Positivism emphasis on a highly structured methodology to facilitate replication and on quantifiable observations that lends themselves to statistical analysis (Gill and Johnson, 1997). The primary assumption of this philosophy is ‘the researcher is independent and is not affected by the subject of research’ (Saunders et al, 2008)

Interpretivism philosophy is critical about positivism and argues that the social world business and management is far too complex to lend itself theorizing by definite ‘laws’. Interpretivism creates the necessity to discover ‘the details of the situation to understand the reality and the probable reality working behind them’ (Remenyi et al. 1998:35). Thus, the interpretivist seeks to understand the subjective reality of their study to be able to make sense and understand their motives, actions and intentions in a way that is meaningful for the research participants.

Realism believes that a reality exists and is independent of human thoughts. Although, realism shares philosophical aspects with positivism, it also recognizes that people themselves are not objects to be studied in the style of natural sciences.

The research philosophy should comply with the researcher's characteristics and with the theme of research. After, a deep and critical analysis of the topic being researched, the researcher opted that positivism approach would best suit the research purpose and criteria. Positivism approach is the best suited approach for the researcher because it provides the basis for subsequent hypothesis testing (Mark, Philip, & Adrian, 2009). The researcher is comfortable with quantifying the data and statistical analysis. Creation of value through M&A can be interpreted in term of numbers and no direct human interaction is must. It is not the study of human behaviors, attitudes or behavioral finance. It is rather a finding through statistical testing and logical surveys. Financial aspect is a critical part of the research but not the financial behavior of the respondent itself. The research is more likely to be interested in quantify the data into statistical testing rather than interacting with the financial behavior of the respondent. In addition, the research will be conducted in Nepal through the help of cloud surveys.

### **3.2 Research Approach**

The deductive approach is used to develop a theory and hypothesis and design research strategy to test the hypothesis and is associated with quantitative research aspect. On the other hand inductive approach or the qualitative approach is associated with the collection of data and develops a theory as a result of the data analysis. The deductive approach will be the best suited approach for the research because of the factual information needed from the respondent rather than their view or opinion. Qualitative approach, tests an existing theoretical framework while the quantitative approach creates its own theory through hypothesis testing (Morris, 2007). Alternative theories may be suggested by the deductive approach but these would be within the limits set by the highly structured research design (Saunders et al, 2003).The time frame is an important aspect for the research and is limited. Quantitative approach provides a clear process (Bryman and Bell, 2003). The primary focus of the research will be on the theory about the theme and a series of hypothesis creation will be based on these theories. Then, then conceptualised hypothesis leads to data collection which is analysed through quantitative method. Then the processed data will help the

presented hypothesis either to reject or confirm. Finally, a theory revision is must be done to conclude the process.

### **3.3 Research Strategy**

Survey is a popular and common strategy in business and management research and is mostly associated with the deductive approach (Saunders et al, 2003). Therefore, the research strategy being used for the research purpose will be through survey. The survey will be conducted through email, online surveys through internet with the help of online survey websites such as surveymonkey.com. Since the conventional survey distribution method is geographically limited and with respects to the financial aspect, it is a costly procedure. Survey allows the collection of data in an economical way. On the other hand it retrieves large amount of data from a sizeable population. The survey strategy also provides a greater control over the research process. The sole purpose of the survey analysis is to examine the data to justify the research hypothesis.

Hypothesis testing will be carried out by the researcher to meet the objectives of the research. The problem addressed by the research was Does M&A enhances value and the efficiency of the organisation through M&A?

### **3.4 Research Hypothesis**

Three research hypotheses have been developed and will be tested with the objective of the research and if the hypothesis concludes to be irrelevant then the alternative hypothesis will be accepted.

H<sub>1</sub>: Overall change in working environment and culture is experienced through M&A.

H<sub>A</sub>: No change is experienced after M&A.

H<sub>2</sub>: M&A offers share ownership plan with regards to the experience of the employee?

H<sub>A</sub>: M&A does not offer share ownership plan.

H<sub>3</sub>: Regardless of the position in the company, M&A rewards for new ideas

H<sub>A</sub>: M&A does not reward for generating new ideas.

### **3.5 Research Choice**

Mono-method is considered as the best approach for the quantitative research approach. In the mono-method the researcher must opt for a single collection technique and procedure analysis. In mono method the researcher combines either a single quantitative data collection

technique, such as questionnaire, with quantitative data analysis procedure or a single qualitative data collection technique, such as qualitative data analysis procedure. Multi method uses more than one data collection technique but is restricted within quantitative or qualitative. Due to the complexity in the multi method and with regards to the time horizon, the researcher opted for mono method. However, in the near future for Ph.D. qualification multi method will be the desirable method to provide rich insights into various phenomena and develop novel theoretical perspectives (Venkatesh et al, 2003, J35, p 21-54).

### **3.6 Research Time horizon**

Time horizon is an important aspect of this research. It is to be understood that the researcher has the independence on choosing between Longitudinal or cross sectional studies. Longitudinal is like a cross sectional one and is observational but the researchers conduct several observations of the same subjects over a period of time, sometimes lasting many years. But since the time is a critical factor and is limited, the researcher opted not to use longitudinal study. Unlike longitudinal study under cross sectional, a study can be done in which data are gathered just once, perhaps over a period of days or weeks or months, in order to answer a research question (Sekaran, 2003). Cross sectional study is an observational one and the researcher records the information about their subjects without manipulating the study environment. Findings are drawn from whatever fits into the frame and the defining feature of cross-sectional study is that it allows the researcher to compare many variables at the same time. This mean, cross sectional study can compare different population groups at a single point in time (Institute for health and work, 2009).

To maintain the data validity of the survey, it is necessary to narrow down the focus group of the survey such as the respondent being an existing customer or staff after the M&A of Ncell, respondents having a minimum qualification of school leaving certificate, users being a daily user of the Ncell and living in Nepal.

### **3.7 Data Collection**

The research proposal has been designed to reach proper results in a future research and data collection is fundamental aspect for the success of this perspective research. A proper framework must be achieved as whole to bring a valid conclusion. The organisation that serves as a basis for this research has been involved in related M&A within the same industry. There is abundant literature to source on employee reactions to M&A but there is no

development of a typology of employee behaviour to M&A, especially in a developing country like Nepal. For a developing country, which lies among the third world nations, it is difficult to experience a smooth cross-border M&A.

### **3.7.1 Secondary Data collection**

Data collected through the existing sources such as company policies, procedures, and rules are known to be secondary data (Sekaran, 2003). Secondary data are already gathered by someone else other than the researcher and can be accessed through internet or perusal of recorded or published information. Secondary data is an indispensable source of information for the research. Secondary data include both quantitative and qualitative data and is categorised under three headings:

- **Documentary secondary data:** It is based on documented materials, written or non-written, these materials can be reports, correspondences, diaries, transcript of speeches and so on.
- **Survey-based secondary data:** The data which is already collected and analysed by its researcher for their original purpose, such as academic, governments, organisation surveys and so on. Survey based data will have been collected through three distinct possible survey methods: census, continuous/regular surveys or ad hoc surveys (Saunders et al, 2003).
- **Multiple-source secondary data:** The data can be based only on documentary or on survey data, or can combine the both; the flexibility is notable in this case. However the key point is use different data to make a new one. (Saunders et al 2008).

Since, the company being researched is a privately listed company, not much of public information is disclosed by the organisation. Therefore, multiple-source of secondary data is seen as optimal method of secondary data collection as the researcher will have the varied source of data collection. The government surveys such as demographic dispersion of population, and other non-governmental surveys such as mobile users from different age group, etc. will be collected as secondary data.

### **3.7.2 Primary Data Collection**

Primary data can be collected either through qualitative method or the quantitative method. Quantitative method was opted over qualitative method as it gave the researcher the freedom

of no direct human interaction and also due to the limited time frame. Questionnaires will be the main method of primary data collection.

When where the objective methods of assessing the performance are not available then typically a questionnaire method has been used. Questionnaire is a good example in the case of acquisition of small divisions or private acquisitions (Krishnakumar, 2012). Datta & Grant (1990) have identified the use of questionnaire as the best possible method for analysing performance. They have pointed out the strong influence of external variables in both accounting and market measures; hence separating the impact of acquisitions from other events becomes very difficult.

### **3.8 Data Analysis**

The primary source of data collection will be quantitative form as stated in the previous section. Thus, the data analysis must be through a quantitative analysis.

From the variety of data analysis methods, it is opted that categorical data as the preferred method as ranking the data gives more precise results. The questionnaires sent out to the respondents will be closed questionnaires. Closed questions help the respondent to make quick decisions to choose among the several alternatives before them (Sekaran, 2003).

The collected data will be checked for reliability because there will always be some errors no matter how carefully you code and subsequently enter the data (Saunders et al, 2003). Statistical testing will be maintained such as standard deviation, percentiles, mean, correlation and various other statistical testing with a standardised significance level. The collected data then will be tested through statistical software packages such as SPSS for validating the research hypothesis and create a concrete conclusions.

### **3.9 Research Sample**

The research sampling technique available is probability or representative sampling and non-probability or judgemental sampling. Sampling techniques enables to reduce the amount of data needed to collect by considering only data from a subgroup rather than all possible cases or elements through a wide range of methods. Snow-ball sampling is the best approach for the research to find the relationship between M&A and the values it creates for the potential stakeholders as it is difficult to identify members of the desired population. To research in a country of mass population of 27 million with the mobile subscribers accounting to 14.25 million of which 7.463 million are Ncell users, snowball sampling method is the most

suitable to determine the relationship between M&A and value creation (telegeography.com, 2012). As it is almost impossible to collect the data from the whole entire population of Nepal, the population for the research is the employees of Ncell based in the Kathmandu city. In this research, a non-probability snow-ball sampling technique has been used to collect the necessary data. In this non probability sampling, convenience technique was used for data collection. This convenience technique involved selecting randomly those cases that are easiest to obtain for the desired sample (Saunders et al, 2007). This sampling technique was chosen because of the tight submission deadline and fastest response rate.

The concept of CAST has been implemented due to four reasons namely cost, access, speed and time (CAST).

C	A	S	T
O	C	P	I
S	C	E	M
T	E	E	E
	S	D	
	S		

### **3.10 Research limitations**

It is to be understood that research procedures will face some limitation. First, time is a major constraint for the research. The researcher's theories that are used might not reflect local constituencies in the quantitative approach of the research. The researcher's categories that are used in the research might not reflect local communities understanding. The lack of rich secondary information is a primary concern for the researcher. On the other hand, the primary data is wholly depended on the respondents. Also, the view of a sample population does not reflect the overall view of the organisation. Finally, the survey is being done through internet, this may discourage the participant's interest and motivation to provide a feedback due to lack of interaction. On a personal note, the researcher has to manage his time allocation

efficiently to complete the research within the timeframe. The questionnaire was sent out to more than 150 employees of Ncell but the response received was only 71. Furthermore, since the survey was based online, the researcher was not able to explain the questions personally to the respondents. The respondents might have reacted in different way if the survey was based in human contact. As Bryman and Bell (2003:142-144) has explained, with self-administered questionnaires respondents cannot ask anyone for further explanation if they do not understand a given question in the questionnaire. Therefore, the researcher had to keep the question clear, short and unambiguous so as to attain high response rate. Also, the most of the questionnaire were closed so that data trend of the respondent be similar rather than open end.

### **3.10.1 Practical Effort**

Practical efforts will be maintained to overcome the research barriers and limitations. Pilot testing will be carried out prior to the collection of data so that the respondent will have no problem in answering the questionnaire and there will be no problems in recording the data (Saunders et al, 2003). The questionnaires will be sent out through email via internet.

### **3.11 Research Ethics**

A number of key ethical issues arise across the stages and during the research project. Privacy may be seen as the cornerstone of the ethical issues that confront those who undertake research. The research is being conducted through quantitative approach with online questionnaires and no harm to the career prospects of the participants and confidentiality will be maintained. Due to the nature of questionnaire (closed questionnaire), pervasive transgression of ethical stance will be maintained. Using the internet and email during data collection will lead to the possibility of serious ethical, or netiquette, issues relate to confidentiality and anonymity (Saunders et al, 2003). Personal biasness is also a major ethical issue of the research process. The chosen sample population will be entirely dependent on the researcher and due to the limited time frame the survey will be limited to 70-100 respondents. Maintaining confidentiality and anonymity will be the primary objective of the research. Data management will be maintained by the researcher through password protection of the file and all data will be erased after the successful completion of the Master's degree.

# Chapter IV

## Data Analysis

### 4.1. Introduction

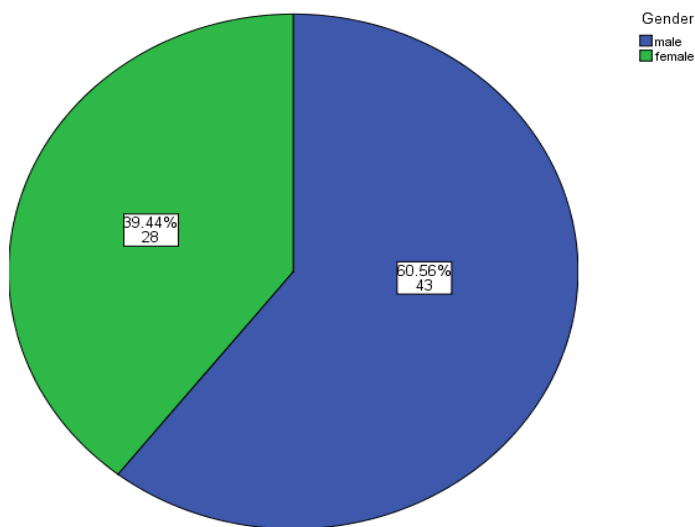
In the previous chapter, author have introduced how the research process was conducted through ‘Research Onion’ (Saunders *et al.*, 2007:102), which included, research philosophies, research approaches, research strategies, research choices, time horizons, questionnaire design, sample collection, distribution & data collection method and at last altogether 71 valid questionnaires were collected.

In this chapter, internationally accepted statistical package for the social science (SPSS) has been used to analyse the research hypothesis. Altogether 71 questionnaires were received for this research and sets out the primary findings of this survey. In this chapter the hypothesis will be tested to derive the research objectives.

### 4.2. Descriptive statistics

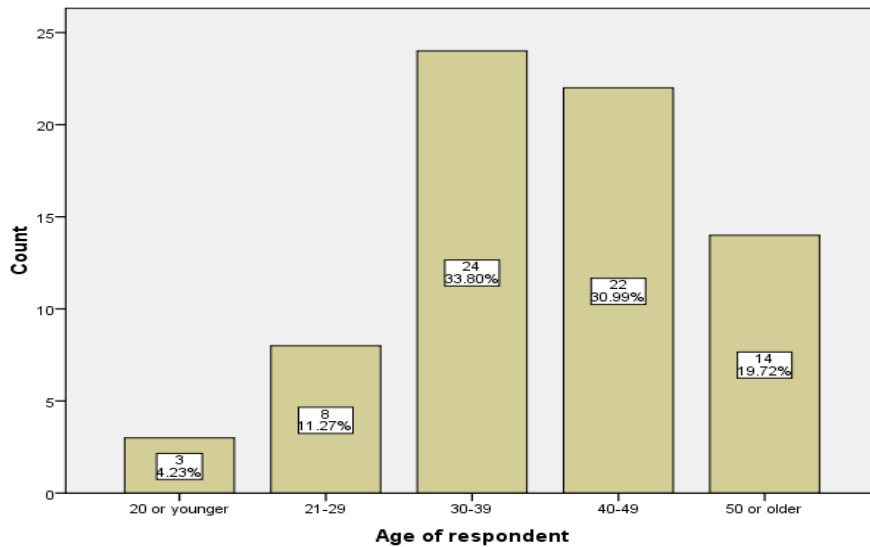
The total number of respondents who participated in this research survey was 71. The total number of female and male are 7(14%) and 43(86%) respectively as shown in the pie chart.

#### 4.2.1. Gender (Figure 4.1)



The total number of male and female respondent who participated in the research were 43 (60.56%) and 28 (39.44%) respectively.

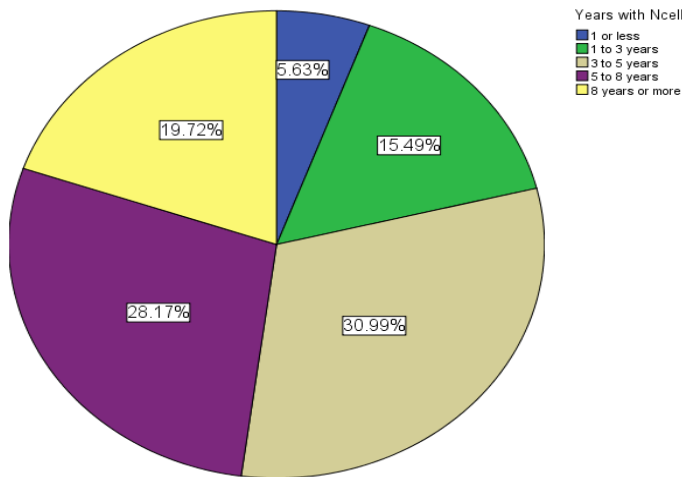
### 4.2.2. Age (Figure 4.2)



Majority of the respondent who took part in the survey belonged to the age group of 30-39 taking 33.8% while the second age group was from 40-49 taking 30.99%. 50 years and over had 19.72% while 21-29 years age group had 11.27%. 20 or younger had the least respondents with only 4.23%.

### 4.2.3. Experience

Figure 4.3



In the pie-chart above the most experience group (i.e. 8 years or more) had 19.72%. Respondents with 3 to 5 years of experience were 30.99% while 28.17% of respondents had 5 to 8 years of experience. 15.49% of the population fell under the experience of 1 to 3 years. The respondent with the least of the experience (1 years or less) were 5.63%. The distribution level of experience seems very adequate in the organisation and healthy as there is not vast

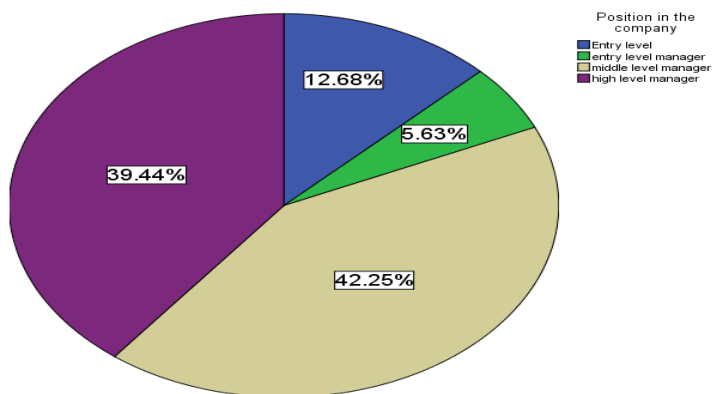
difference in the level of experience among the respondents. This is a good sign as being in the technological field; it requires making innovative change which is only possible through the right balance of youth and experience.

#### 4.2.4 Level of income



The bar-graph represents the level of income distribution among the respondents. 39.44% earns between Rs 20001 to Rs 35000 while 36.62% earns more than Rs 350001. There are 11.27% earning from Rs 12001 to Rs 200000 while 5.63% earn from Rs 7001 to Rs 12000. The lowest income of less than Rs7000 represents 7.04%.

#### 4.2.5 Position in the company



In the above diagram 42.25% represents the middle level managerial position in the company while 39.44% represents high level managerial position. 12.68% shows entry level managerial position of the respondents while 12.68% shows that the respondents are just at the entry level in the company.

#### 4.2.6 Cross Analysis of Variables

	Level of Income					Total
	less than RS 7000	Rs 7001 to Rs 12000	Rs 12001 to Rs 20000	Rs 20001 to Rs 35000	Rs 35001 or more	
Gender male	1	3	7	13	19	43
female	4	1	1	15	7	28
Total	5	4	8	28	26	71

The above table indicates the number of male and female categorised under the level of income. Male respondent who earn more than Rs 35001 or more is 19 while only 7 female respondents earn the same amount. There are 13 male respondents earning between Rs 20001 to Rs 35000 in comparison to 15 female respondents. Similarly 7 respondents who earn Rs 12001 to Rs 20000 are male while only 1 is female. 3 male respondents earn Rs 7001 to Rs 12000 and only 1 female respondent earn the same. At last 1 male respondent earns less than Rs 7000 while there are 4 female respondents who earn less than Rs 7000.

	Position in the company				Total
	Entry level	entry level manager	middle level manager	High level manager	
Gender Male	5	2	16	20	43
female	4	2	14	8	28
Total	9	4	30	28	71

The above table represents the male and female in different level of position in the company. Out of 28 high level managers 20 are male while 8 are females. Similarly 16 male are in middle level managerial position while 14 are in similar position. In the entry level managerial post there are 2 male and female respondents. In the entry level there are 5 male respondents and 4 female respondents.

		Years with Ncell					Total
		1 or less	1 to 3 years	3 to 5 years	5 to 8 years	8 years or more	
Gender	Male	1	6	14	13	9	43
	female	3	5	8	7	5	28
Total		4	11	22	20	14	71

The above table represents the experience of respondents with Ncell. There are 9 male respondents and 5 female who have more than 8 years of experience. Similarly 13 male and 7 female have 5 to 8 years of experience. 14 male and 8 female respondents have 3 to 5 years of experience. Respondents having 1 to 3 years of experience with Ncell are 6 male and 5 females. Only 1 male respondent has less than 1 years of experience comparing with 3 females.

#### 4.2.7 Correlation Analysis

A correlation coefficient enables to quantify the strength of the linear relationship between two ranked or quantifiable variables (Saunders *et al.*, 2007). Now let's examine the correlation (two tailed test of significance) between these three variables to measure the strength of the relationship of the age of the respondents with their experience with Ncell as well as with their level of income. For this analysis Spearman's correlation analysis is taken as the statistical tool.

#### Correlations

			Age of respondent	Years with Ncell	Level of Income
Spearman's rho	Age of respondent	of Correlation Coefficient	1.000	.766**	.762**
		Sig. (2-tailed)	.	.000	.000
		N	71	71	71

Years with Ncell	Correlation Coefficient	.766**	1.000	.833**
	Sig. (2-tailed)	.000	.	.000
	N	71	71	71
Level of Income	Correlation Coefficient	.762**	.833**	1.000
	Sig. (2-tailed)	.000	.000	.
	N	71	71	71

A correlation is considered to be strong when the  $r$  is greater than 0.5 ( $p > .05$ ). This means there is a strong relationship between the three variables. Here, the age of the respondents is highly correlated with the years with Ncell and the level of income he generates at a standard significance level. The correlation between the age and the years with Ncell stands at .766 and .762 with the level of income. Similarly, the level of income of the respondent is also highly correlated with the experience of the respondents. This implies that Ncell is rewarding the employees with better financial pays as they gain experience and create a better relationship with the company.

### 4.3. Hypothesis Testing

Three hypotheses were developed by the author in order to support the objectives of the study. As mentioned earlier in the introduction of this chapter, various mixture of parametric statistical techniques have been used to relate with the research objectives. However in some of the cases non-parametric statistics have been also applied due to the limitation of acquired data.

#### 4.3.1. Hypothesis 1

$H_1$ : Overall cultural and working environment change is experienced through M&A.

$H_A$ : No change is experienced after M&A.

To test the first hypothesis, the author has used the normality test and the Shapiro-Wilk as the statistical tool. Here, the skewness and kurtosis of the data will be tested. To analyse the test years with Ncell will compared against working environment will Ncell as well as change in the working culture after being taken over by Telaisoera (Q 7 and 8 from the

questionnaire). The data is considered to be normally distributed when the value of the skewness and kurtosis falls in between -1.96 to +1.96 (Shapiro &Wilk, 1965).

Descriptives analysis of working environment in Ncell

Working environment			Statistic	Std. Error	
Years with Ncell	Agree	Mean	2.8333	.47726	
		95% Confidence Interval for Mean	Lower Bound	1.6065	
			Upper Bound	4.0602	
		5% Trimmed Mean		2.8704	
		Median		3.0000	
		Variance		1.367	
		Std. Deviation		1.16905	
		Minimum		1.00	
		Maximum		4.00	
		Range		3.00	
		Interquartile Range		2.25	
		Skewness		-.668	.845
		Kurtosis		-.446	1.741
	strongly agree	Mean		3.8810	.14135
		95% Confidence Interval for Mean	Lower Bound	3.5955	
			Upper Bound	4.1664	
		5% Trimmed Mean		3.9233	
		Median		4.0000	
		Variance		.839	
		Std. Deviation		.91605	
		Minimum		2.00	

Neutral	Maximum	5.00		
	Range	3.00		
	Interquartile Range	2.00		
	Skewness	-.355	.365	
	Kurtosis	-.706	.717	
	Mean	2.3889	.20031	
	95% Confidence Interval for Mean	Lower Bound	1.9663	
		Upper Bound	2.8115	
	5% Trimmed Mean	2.3765		
	Median	2.5000		
	Variance	.722		
	Std. Deviation	.84984		
	Minimum	1.00		
	Maximum	4.00		
	Range	3.00		
	Interquartile Range	1.00		
	Skewness	-.257	.536	
Kurtosis	-.534	1.038		
Disagree	Mean	3.8000	.58310	
	95% Confidence Interval for Mean	Lower Bound	2.1811	
		Upper Bound	5.4189	
	5% Trimmed Mean	3.8333		
	Median	4.0000		
	Variance	1.700		
	Std. Deviation	1.30384		
	Minimum	2.00		
	Maximum	5.00		

Tests of Normality

Working environment		Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
		Statistic	Df	Sig.	Statistic	df	Sig.
Years	with Agree	.223	6	.200*	.908	6	.421

	Range	3.00	
	Interquartile Range	2.50	
	Skewness	-.541	.913
	Kurtosis	-1.488	2.000

Ncell	strongly agree	.218	42	.000	.864	42	.000
	Neutral	.264	18	.002	.864	18	.014
	disagree	.221	5	.200*	.902	5	.421

Descriptives Analysis of change in working culture

Teliasonera Working culture			Statistic	Std. Error	
Years with Ncell	Agree	Mean	2.7143	.42056	
		95% Confidence Interval for Mean	Lower Bound	1.6852	
			Upper Bound	3.7434	
		5% Trimmed Mean	2.7381		
		Median	3.0000		
		Variance	1.238		
		Std. Deviation	1.11270		
		Minimum	1.00		
		Maximum	4.00		
		Range	3.00		
		Interquartile Range	2.00		
		Skewness	-.249	.794	
		Kurtosis	-.944	1.587	
	strongly agree	Mean	3.8000	.14071	
		95% Confidence Interval for Mean	Lower Bound	3.5164	
Upper Bound			4.0836		

Neutral	5% Trimmed Mean		3.8333		
	Median		4.0000		
	Variance		.891		
	Std. Deviation		.94388		
	Minimum		2.00		
	Maximum		5.00		
	Range		3.00		
	Interquartile Range		2.00		
	Skewness		-.258	.354	
	Kurtosis		-.846	.695	
	Mean		2.4000	.23503	
	95% Confidence Interval for Mean		Lower Bound	1.8959	
			Upper Bound	2.9041	
	5% Trimmed Mean		2.3889		
	Median		3.0000		
	Variance		.829		
	Std. Deviation		.91026		
	Minimum		1.00		
	Maximum		4.00		
Range		3.00			
Interquartile Range		1.00			
Skewness		-.315	.580		
Kurtosis		-.714	1.121		
Disagree	Mean		4.0000	.70711	
	95% Confidence Interval for Mean		Lower Bound	1.7497	
			Upper Bound	6.2503	
	5% Trimmed Mean		4.0556		

	Median	4.5000	
	Variance	2.000	
	Std. Deviation	1.41421	
	Minimum	2.00	
	Maximum	5.00	
	Range	3.00	
	Interquartile Range	2.50	
	Skewness	-1.414	1.014
	Kurtosis	1.500	2.619

Tests of Normality

	Teliasoner a Working environme nt	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
		Statisti c	Df	Sig.	Statisti c	Df	Sig.
Years	with Agree	.173	7	.200*	.922	7	.482
Ncell	strongly agree	.206	45	.000	.870	45	.000
	Neutral	.278	15	.003	.861	15	.025
	Disagree	.260	4	.	.827	4	.161

A Shapiro-Wilk test, here showed that the p value to be greater than .05 and the skewness and kurtosis have been normally distributed as the value of the data fall between -1.96 and +1.96. Therefore, we can conclude that we assume the null hypothesis that overall change in working environment and change in the working culture is experienced by the employees of the Ncell after being taken over by Teliasonera.

### 4.3.2 Hypothesis 2

H<sub>2</sub>: M&A offers share ownership plan with no regards to the experience of the employee?

H<sub>A</sub>: M&A offer share ownership scheme only to experienced employees.

Correlations

		Years with Ncell	Share ownership plan
Years with Ncell	Pearson Correlation	1	-.695**
	Sig. (2-tailed)		.000
	N	71	71
Share ownership plan	Pearson Correlation	-.695**	1
	Sig. (2-tailed)	.000	
	N	71	71

To test the hypothesis 2, the author has tried to use the correlation as the statistical tool in the SPSS. Here, the author has tried to establish the relationship between the experience of the respondent with Ncell and the share ownership plan. But surprisingly the correlation analysis figures out that there is a strong negative correlation among the two variables. Here, the p value is -.695 at 10% significant level. Therefore, we can reject the null hypothesis and accept the alternate hypothesis that the share ownership scheme has is closely related with the experience of the respondent. But it needs to considered that other important variable factors such as the position in the company or the qualification level of the employee might bring hinder the outcome of the research analysis conducted.

### 4.3.3 Hypothesis 3

H<sub>3</sub>: After the M&A the rewards metric have been based on the job position in Ncell,.

H<sub>A</sub>: It is not based on job position of the employee.

Correlations

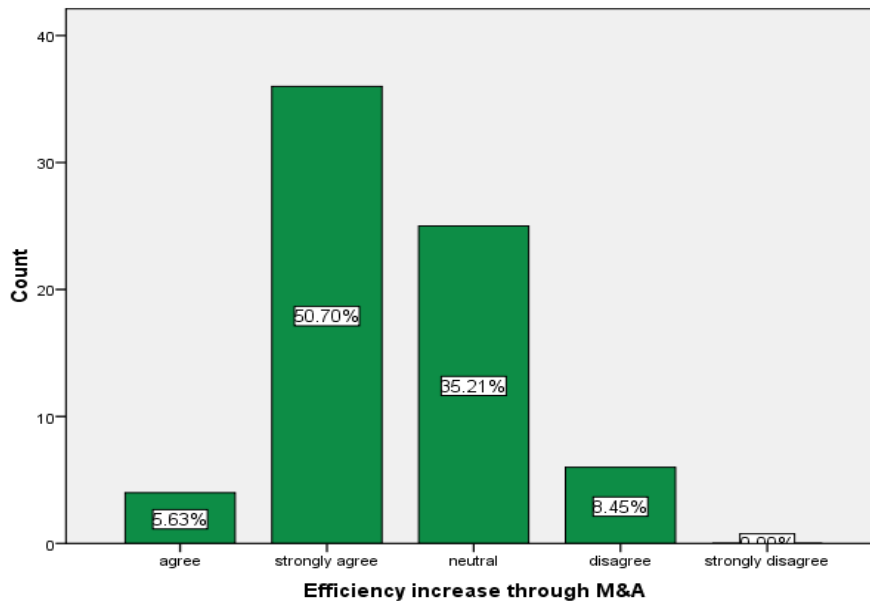
	Position in the company	Financial rewards for new ideas
Spearman's rho	Position in the company	Financial rewards for new ideas
	Correlation Coefficient	1.000
	Sig. (2-tailed)	-.047
	N	.696
	71	71
	Financial rewards for new ideas	Correlation Coefficient
		-.047
		1.000
		.696
		.696
		71
		71

To test

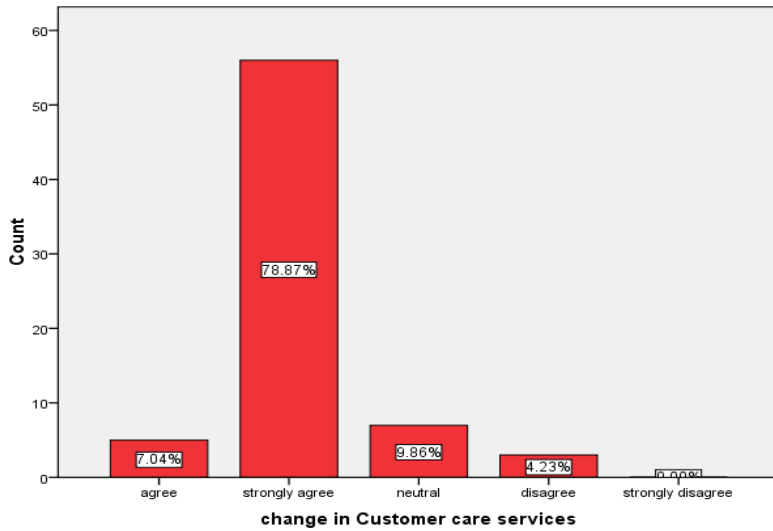
the last hypothesis, the author has used the Spearman's correlation as the statistical tool as it provides easy and reliable information. The information obtained is also very user friendly and easy to interpret. Here, the correlation is tested between the employees position in the company with the financial rewards for generation of new ideas. Here, we can see that the p

value is negative. This implies that there is a strong negative relationship between the job position and the reward metrics for generation of new ideas. Thus we can reject the null hypothesis and accept our alternative hypothesis that the after M&A in Ncell the reward metrics is not based in the job position of the employees rather it is based on the competency of the employee and other variable factors.

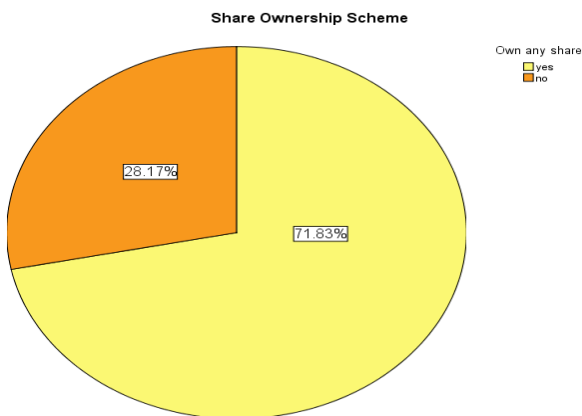
#### 4.4 Other outcomes of the data analysis



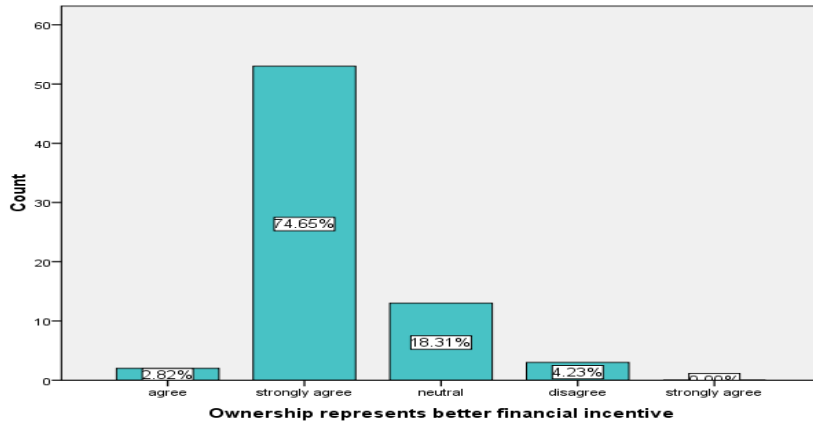
The graph illustrates the respondents view on the efficiency increase through M&A. It is clearly evident that nearly 50.7% of respondents believe there is an increase in the efficiency through M&A, supporting our research of value enhancement through M&A. Only 8.45% of respondents disagree while 35.21% have mixed opinion or are neutral about the claim of efficiency increase through M&A.



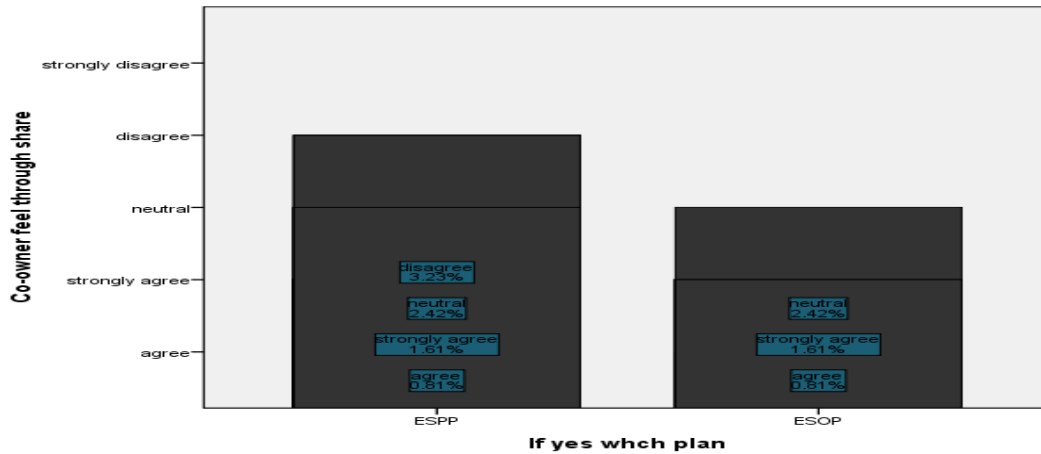
The graph represents the employees' perspective on the change in the customer service in the past few years after being acquired by Teliasonera. 78.87 % strongly believe that the customer care service has changed significantly while only 4.23% disagree with that.



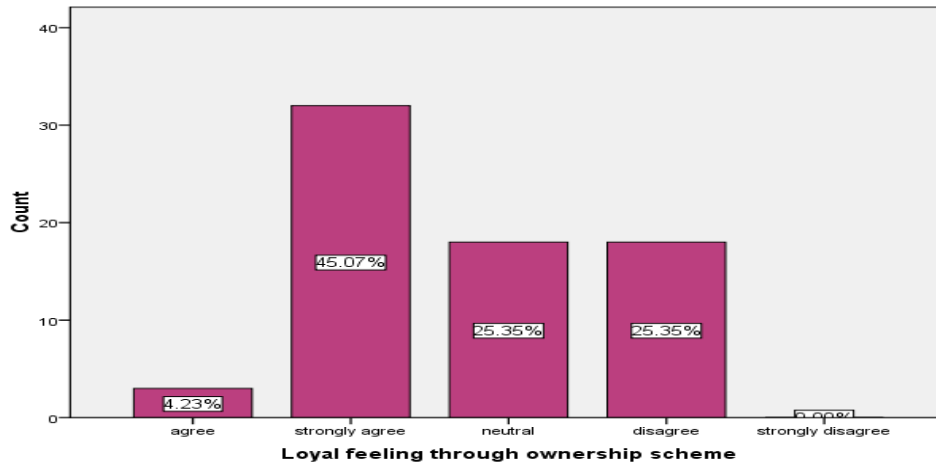
The pie-chart above represents the percentage of employees involved in the share ownership scheme. It indicates that a large number of respondents are involved in the share ownership scheme.



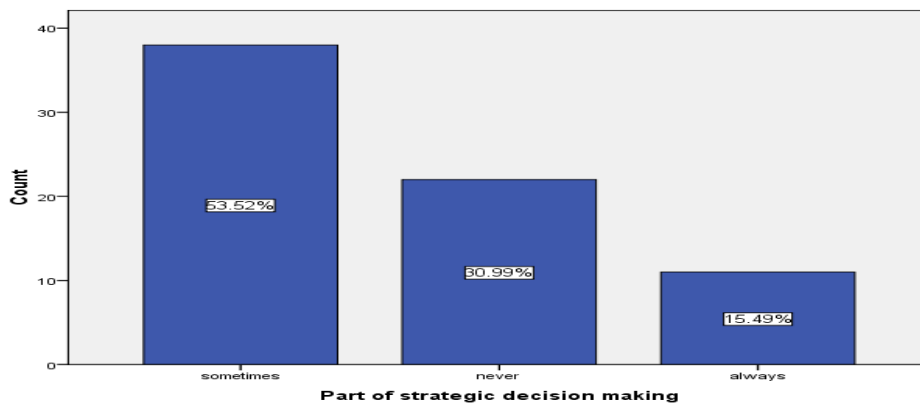
Here, the bar-graph represents the feelings of respondent towards the ownership scheme. More than 75% has agreed that the ownership scheme represents as a better financial scheme. While 18.31% have neutral views while 4.23% have disagreed with the claim the feeling of ownership through share ownership scheme.



The bar graph here illustrates the employee with different share ownership schemes and their view on co-ownership feeling through the share ownership scheme. It is visible that only 3.23% disagree with the co-owner feeling through the employee share ownership scheme but the other agree while some have mixed feeling about the feeling of c-ownership through ESOP.



The bar graph demonstrates the loyalty of the respondents through ownership scheme. It is quite evident that the respondents feel loyal towards the company after the share ownership scheme. More than 45% of the respondents have felt more loyal towards the company after being offered to own that share in the company while 25.35% have disagreed with the former's view. The respondents having mixed emotions and are unsure is 25.35%.



The bar graph here represents the involvement of the respondents in the strategic decision making of Ncell. 53.42% of the respondents agree that they are sometimes involved in the strategic decision making while 15.49% have always been a part of the decision making process. On the other hand 30.99% were never involved in the decision making process. This dispersion of the outcome can be because of the status quo of the employee in the organisation or may be other variable factors such as job position and experience in the company.

## **4.5 Conclusion**

In this chapter, the author has conducted a careful analysis of all the necessary data with appropriate statistical techniques and has tested the developed hypothesis. The author has accepted a hypothesis where the information was valid and rejected the hypothesis where the information were not valid and adopted the alternative hypothesis. Along with the hypothesis testing, the author has supplemented the chapter with various other graphical illustration and explanation of the survey conducted through the primary research. The following chapter will discuss in much detail about the interpretation of the obtained results.

# **Chapter 5**

## **Conclusion and Recommendations**

### **5.1 Introduction**

After analysing all the obtained data and shedding light on the important findings of study in previous chapter. Here the in this chapter, the author will discuss about the empirical findings considering the literature review of the research and explain reliability and validity of the research carried out by the author. At the end of this chapter, author has tried to conclude with some limitation suffered in the development of this research and directing some suggestion for future research.

### **5.2 Conclusion**

Through this research, the author has tried to examine value enhancements through M&A through an empirical study from a mobile company in Nepal 'Ncell'. Here the author has based most of the research on the employees' perspective due to the limitation of the time to conduct the research. Initially, the author had planned to construct illustrious information rich data analysis through both employees and the customer perspective but due to the time constraints and the limitation of time management, the research was only based on the employees' perspective.

M&A are based on the assumption that it creates a synergistic value for the potential stakeholders involved and in the hope of realising an economic gain. Apart from garnering tax advantages and achieving economies of scale, M&A provides financial benefits and career growth and advancement as well (Olusola and Olusola, 2012). The benefits of the M&A is not only limited to one side of the organisation rather it develops all the aspect of the organisation if conducted with proper guidance and supervision.

For the purpose of effective research analysis, the author had identified three hypotheses and conducted an online questionnaire survey among the employees of Ncell so as to objectify those hypotheses. The author was able to collect sustainable amount of data for the hypotheses testing and was able to generate satisfactory results without any personal biasness.

In the first hypothesis test, the research aimed to find out the experience of the employees on the cultural change in the working environment and the overall working environment after being acquired by Teliasonera. Here, the outcomes have a satisfactory results and supports

the secondary research as maintained in the literature review. Here, the Shapiro-Wilk test and the normality test have been conducted to measure the skewness and kurtosis of the data acquired through the survey. The outcomes of both the test were satisfactory and positive as compared to the literature review in the previous chapter. After the analysis of the result, the research accepts the stated null hypothesis that there has been significant change in the working environment and working culture in the Ncell after the acquisition from Teliasonera. This is strong sign that the company is progressing well and maintaining the standards of the working condition within the organisation which will be a benchmark for other industries operating in Nepal irrelevant to the field of operation.

In the second hypothesis, the author intends to research if the M&A activity encourages share ownership scheme with no relation to experience of the respondents. Here, the researcher used the correlation as the statistical tool to measure the relationship between the two variables. The correlation output measured a strong negative relationship between the two variables. This means there is a standardised procedure and minimum requirement of service required to be offered a share ownership scheme in Ncell.

In the third hypothesis, a correlation analysis between the job position of the respondent and the financial reward metric for new idea generation has been measured. The result interprets that there is a strong negative relationship between the stated hypotheses. Therefore, we reject the null hypotheses and accept the alternate hypotheses that the job position of the respondent is irrelevant to the reward metrics for idea generation. This implies that irrelevant of the job position, Ncell is encouraging its employees to come up with new ideas and rewarding them for their innovation. This is could be a significant procedure in the development of the organisation as a whole as it is giving ample opportunity to the all the employees for innovation and idea generation which could be beneficial for both the organisation and to the career development of the employee as well in the long run.

The author has supported his objectives of the study and the hypothesis testing through the descriptive study of the data collected through the survey. The outcomes of maximum of the results have supported the evidence collected from the secondary sources as well as the findings from the primary research. For instance, more than 50% of the surveyed population has agreed that efficiency increases through M&A while over 80% agree on there has been a significant change in the customer services through M&A activity which further supports our findings and objectives of the study. Furthermore, 71.83% own shares in the company and 74.65% agree that share ownership represents as better financial incentives. Strategic decision making is a key part in any organisation. Here more than 65% have at least been

involved in this process while 30.99% have never become a part of the decision making process. This can be because of the level of experience of the respondents as well as their position in the company.

### **5.3. Limitations**

The author here has tried his best to minimise the error that are accounted during the data collection and data processing process but as human errors are unavoidable and the availability of the required data is limited or unavailable. Many efforts were applied to avoid the inaccuracies while conducting this research by the author; however some limitations were realized in this research process, they are

- ❖ First, the time constraint and high cost involved with the research was the main limitation for this study. Keeping this constraint in mind, the author has focused his research on qualified and computer literate respondents for the requirement of necessary data.
- ❖ Second, the response from the sample size was also a major limitation for this study even though author had desired a high volume of response from the respondents but the response rate was low and only 71 valid questionnaires were obtained for further data analysis and processing.
- ❖ Third, the research was not able to use all the sophisticated statistical techniques due to the sophisticated information obtained from the research data. Therefore, most of the data did not pass the requirement of the statistical techniques. Some of the data related to barriers were forced to use the nonparametric statistical techniques to solve the problems.

### **5.4 Recommendation**

When two or more organisation enters into M&A activity, there is a cultural clash between them. This is happens because as new organizations are created with people from different cultures, who may have been bitter competitors or come from foreign lands, opportunities for conflict and misunderstanding abound. Cultural difference is a key issue in determining the success of the organisation. It is a well-known fact that hat workers may be well suited to a certain job or plant. If a worker is employed in the right role at the right firm then a good match results, enhancing wages and career potential (Jovanovic, 1979). Dissatisfied employees can never enhance their own performance let alone enhancing the value and

efficiency of the overall organisation. Therefore the leaders and managers must be proactive to the situation and address the cultural situation in the transitional phase of the new upcoming organisation. M&A constitute a mechanism for improving the matching of workers and managers to firms and industries that best suit their skills. The study has solely based on the employees of Ncell and their views on the impact of M&A activity in the organisation. Based on the research the author has put up the following recommendation which could further enhance the brand of the company as well as create better opportunities for the employees.

- Since the research is only based on the a targeted sample size of employees from Kathmandu, it is a necessity that the research be conducted in a larger scale which captures all the ethnicity based on gender, age, education qualification and demographic dispersions. Then the outcome of the results might be significantly different from the present one. The larger research can also increase the reliability and validity of the study as well.
- The research does not cover all the aspect of employment benefits from M&A. Further study must be conducted on compensation package to the employees for better investigation.
- Further research is necessity to acknowledge the parts and process of the recruitment and selections process of the organization as nepotism a major issue in the country.
- A cross study analysis of the similar industry in the South East Asia and a developed country would provide a more interesting findings and outcomes for maintaining the required standards in the telecom industry.

# Chapter VI

## Self-Reflection on Learning

### 6.1 Introduction

The self-reflection process is an integral part of the learning process as it provides an opportunity to the students to reflect on their overall learning experience throughout the Masters. The self-reflection process helps to develop and form knowledge of self-awareness and dynamic observation and examination of the learning process as experience.

*‘Tell me, and I will forget. Show me, and I may remember. Involve me, and I will understand’.*

*He, who learns but does not think, is lost! He who thinks but does not learn is in great danger.*

(Confucius, 450 BC)

Learning is a never ending process and as humans we also crave for knowledge attainment and personal development. In this very competitive economy, where success is based on results, people have realised that learning is a lifelong mission and vital for personal development and career enhancement. Learning is a vital process, essential for survival and fundamental to evolution. Learning is about acquiring and extending knowledge, developing and improving skills, and forming and questioning attitude. Learning is possible to take place in any setting, under any circumstances, in the company of other or alone. Learning does not need to be formal or organised but it does need to be aimed at achieving some outcomes, for growth without a purpose is the ideology of the cancer cell (Dale, 2002). Kolb (1984) believes that ‘learning process must be imbued with the texture and feeling of human experiences shared and interpreted through dialogue with one another’. For example the probability of making mistakes is high when you are learning to drive for the first time but these mistakes acts as an experience block so as not to make further mistakes in the future driving lessons.

This chapter focuses on the author’s learning experience throughout the MSc in International Banking and Finance course and how it has provided him with valid personal development information and transferrable skills which can be applied in the real business world of today. This chapter also reflects on several skills developed during the course of study, including academic research and report writing, communication skills, time management and working with others on academic projects.

## **6.2 Initial Self-Assessment**

After having decided to move to Ireland in 2008 for further studies, the researcher completed his B.A (HONS) in Business Administration. But when he came against the real world job opportunities then he realised further studies was important for further career enhancement. Therefore, he decided to pursue MSc in International Banking and Finance from Dublin Business School. The course has helped the researcher learn new theories and literature on finance, economics and other analytical skills. Through this learning period of 2 years, the researcher has come across various theories that are being practised in the work place and also has perfected them to be used in the real world. Although it has not been an easy journey altogether, because the researcher has a very little knowledge about the financial background as well as the mathematical statistics that were being taught in the modules of the course. To be able to work in a team or as an individual is a major skill that the researcher has developed during this learning process.

## **6.3 Skills Development**

### **6.3.1 Time management Skills**

Time management was a major issue during the completion of this thesis. The researcher had to time management skills to balance his personal life and the academic life. Personal commitments to friends and family and a part-time job had made the research process a very difficult one for the researcher. Apart from this, due to the problematic health issue of the researcher the research completion was made much more difficult than anticipated. Therefore, the researcher had to learn how to time manage between different aspects of his life. Also being far away from family was also not easy for the researcher as he could not get comfort and source of inspiration. Therefore, he had to manage his time to be able to talk with the family through Skype, bearing in mind the time difference between the two countries. For a complete succession of any action plan, efficient time management is an essential element. Forecasting and planning, organising, commanding, coordinating and controlling are required for effective management as stated by Cameroon (2005). Therefore, the author laid out the following action plans so as to complete the thesis in the required time.

- First of all the researcher made an action plan which included tasks, targets date, and deadlines. This helped him to self-reflect on his progress over time as well as a spare

time in case of some unavoidable interruption such as sickness and other recreational activity.

- The researcher laid out priorities on certain sections of the thesis writing which helped him a lot. As author was relatively new to the SPSS, he tried to focus on that as early as possible to avoid last minute hassle. Enumerating priorities was definitely a good idea as it helped to avoid poor planning.
- The author prioritised his study mainly in library so as to avoid friend callings and other social get together for few months. Also he focused his study during late hours so as to avoid any breakdown of concentration by third person.
- Being flexible was also a key to the completion of the thesis. Adjustment had been made to the priorities to reach the proposed target.

Motivation is an essential element to achieve success. Also, motivation is very crucial to achieve the proposed targets because if only motivated then he or she will enjoy it and be satisfied. The sense of achievement and success are parallel only if he or she is motivated. Therefore, the researcher based his priorities on the theory of Maslow's hierarchy of needs (Appendix 3).

### **6.3.2 Communication Skills**

Communication skill is one of the skills which the researcher has acquired a lot in the duration of this course especially during this process of thesis writing. As the researcher's first language is not English, it was not easy to cope with the complexity of the language at the beginning. Although the language did not impose a great barrier to the researcher but the complexity of the business language and the financial terms being used in the module was a bit of the issue for the researcher.

Therefore, to increase the knowledge of financial terms and business language, the author engaged himself in the library with majority of the time spent on reading financial times and other books related to finance. To be able to write well, one need to be able to read well. Thus, the author spent a lot of his spare time to read as much as possible. Also, during the period of the master's course the author was able to develop interpersonal skills as he had to interact with the fellow colleagues in the class. This has helped to increase the confidence of the author if needed to talk in a public mass. Also, the academic journal reading process

involved in the thesis writing process has only helped the research to increase his knowledge and the ability to write as well as increased the critical thinking process of the author.

#### **6.3.4 Research and analytical skills**

Research process is a key element of this course as well as the thesis writing procedure. Research skills help to develop the knowledge of the researcher as it involves the study of numerous academic journals as well as other academic articles. The researcher here had some knowledge about research process from the under graduate studies but to the Master's level required further knowledge and skills of the research process. The module of this course involves various theories and concepts which needed to be researched for assignments and other academic writings. This has only helped the researcher develop his research skill so as to write the literature review as well as to collect the secondary data in the dissertation writing process. It required a great set of skills when coming across great numbers of academic paper and to be able to select valuable and significant information.

A major process in the completion of the research involved the data collection and the data analysis process. The researcher had to create the opportunity to create his own survey through questionnaire and conduct a primary survey. The research data analysis is based on quantitative methods and the research had to come across various statistical tools so as to test the hypothesis. Therefore, the researcher had to work with SPSS, and thus developed various analytical skills when compiling the numerical data in the data analysis process. Prior to the Master's course, the author had a very little or no knowledge about the statistical software packages but now he has developed a good set to skills on how to use them if in case needed for the future. Thus, the author is very much satisfied with the research and analytical skills developed throughout this learning period which only help to enhance his career further in numerous field of work.

#### **6.3.5 Stress Management skills**

During the completion of this research process, the author had to go through a lot of stress. Being away from family for a long period itself was very stressful for the author. Apart from that due to the constant health problem, the author had to postpone one of his exams. This resulted on non-completion of the course as sought by the author. During the dissertation writing period, the researcher went through a very stressful period and was nearly gave up

on writing the dissertation but fortunately he had to fly back home for family reasons and this gave him a lot of confidence and support to complete the thesis.

Stress is something which arises from personal dissatisfaction from shortage of money, relationship problems, family disorder, unsatisfactory results at work etc. This might lead further damaging results, if not sorted as early as possible. Therefore, it is very essential to be able to cope with the stress as early as possible. Sometimes, just a few wise words from the loved ones would do the trick while others might need a professional help (Cameroon, 2005). To be able to cope with the stress, it is essential to recognise the fundamental symptom such as being insomniac, nutritional and drinking disorder, health problem such as constant nagging and irritability.

During the period of the dissertation writing, the author had to go back to his native country due unconditional family reasons. This happened to be very good for the author as he was able to be away from the stress of the research and got a quality time to spend with his family. This visit to the family brought the confidence and the encouragement to complete the research process. Also, to motivate himself, the author decided to use small rewards for the completion of an action plan. Not being able to find sufficient information regarding the subject was also a very stressful for the author. Therefore, the author started to consult his friends who were working in the same organisation as the researcher aimed to conduct the research. After few sessions of very positive and significant meetings, the author started to brainstorm the ideas and then consult with friends and the research supervisor. The author also benefitted from not thinking too much about the future and concentrating more on the completion of the course.

Although, the skills attained through the completion of this course is an achievement but the learning is a never ending process and the author is in complete knowledge about this. The skills learnt in the period of the Master's course will only help to further enhance his career prospects of getting better job. Having said that, it is also essential to self-evaluate the personal development and further enhance the personal strengths and weaknesses so as to be able to reach the desired goals.

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### Appendix 1

Joint Venture	Take over	Private Acquisition	Tender Call
Standard Chartered Bank	Bhirkuti Paper	Nepal Lube	Butwal Power Company
Nepal Himalayan Bank	Harisiddhi Bricks	Balaju testile	
Nepal Everest Bank	Bansbari Shoe Factory	Nepal Film Development Corporation	
Nepal state Bank of India		Raw hide Company	
Nepal Lever		Nepal Bank Limited	
Jyoti Spinning Mill		Nepal Tea Develoment	
Life insurance corporation of Nepal			

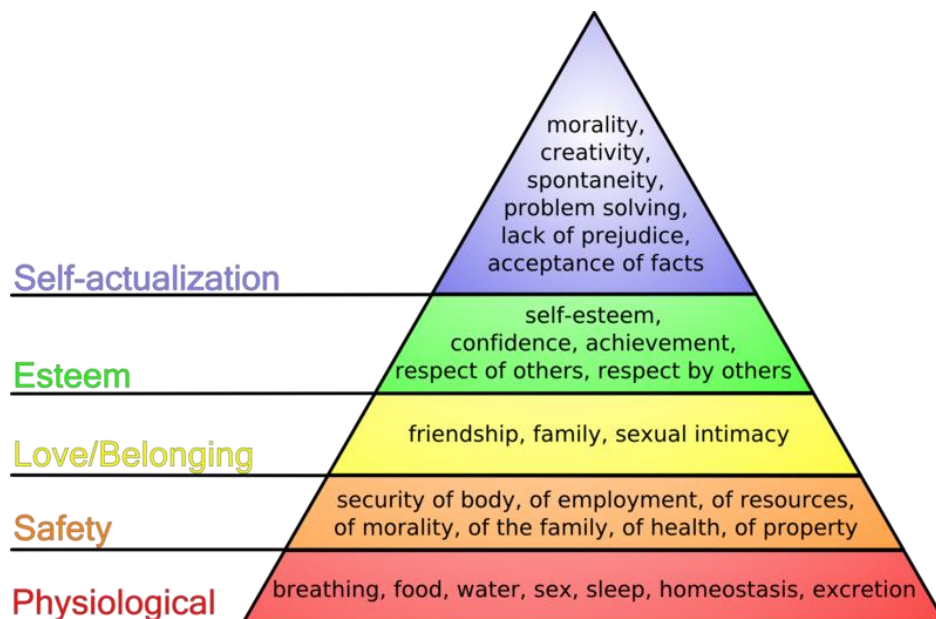
## Appendix 2

### Present Status of companies after acquisition by private sector

Companies	Investment	Production	Sales	Product. Diversification &Tech. Imp.	Employment	Borrowing	Profit/Loss
BPPL	Increased	Increased	Increased	Done	Increased	Increased	Loss
HBTF	Increased	Increased	Increased	Dine	Minor change	Increased	Loss
LBSTF	Increased	Decreased	Decreased	Not done	Decreased	Increased	Profit
NFDC	Increased	Increased	Increased	Done	Decreased	Increased	Profit
NLOL	Increased	No sign. Change	No sign. Change	Done to some extent	Decreased	Increased	Profit
NBBU	Increased	Increased	Increased	Done	Minor change	Increased	Profit
NFI	Increased	Increased	Increased	Done	Decreased	Increased	Profit
SRJM	Increased	Increased	Increased	Done	Increased	Increased	Loss
BTI	Increased	Decreased	Decreased	Done	Decreased	Increased	Loss
BBF	Decreased	Decreased	Increased	Done	Minor change	Increased	Loss

Source: MoF's report, 1999

## Appendix 3



Maslow's Hierarchy of Needs

## Appendix 4



### Cover Letter,

Dear Sir/Madam,

I am a full time student at Dublin Business School currently pursuing for MSc in International Banking and Finance. As a part of my course I am need to conduct a research for my dissertation titled as -“Creating value enhancement through Mergers and Acquisitions. An empirical study from a mobile company in Nepal”.

The purpose of this study is to find the outcome of Mergers and Acquisitions in the telecommunications sector of Nepal. The study will be conducted upon the users of Ncell as well as the employees of Ncell. The aim of this study is to underlie the contrasting differences between pre and post Mergers and Acquisitions. The research will aim to vocalise the satisfaction level of the customers from post-Merger and Acquisition activity. The research analysis through the employee’s perspective will try to find out the opportunity enhancement from Mergers and Acquisition. Through the data analysis I aim to identify the key areas where valuable information generated could be exploited for new means and gain possible competitive advantage for the organisation.

For the successful completion of the research analysis in this topic, a number of questionnaires must be completed. I would be very much grateful, if you could take your valuable time to complete the attached questionnaire. Instructions for the completion of the questionnaire are attached in the file.

Your prompt response is highly appreciated and please do not hesitate to contact me if there is any queries. My email id is [eyenirajan@gmail.com](mailto:eyenirajan@gmail.com) and my phone number is 00353863005403 Thanking you in anticipation.

Yours Sincerely,

Nirajan Shrestha

## Appendix 5

### Research Questions

1) Gender

- Male
- Female

2) Which category below includes your age?

- 20 or younger
- 21-29
- 30-39
- 40-49
- 50 or over

3) How long have you been with Ncell?

- 1 year or less
- 1 to 3 years
- 3 to 5 years
- 5 to 8 years
- 8 years or more

4) What is your position in the company?

- Entry level
- Entry level manager
- Middle level manager
- High level manager

5) Please state your level of income?

- Less than Rs 7000
- Rs 7001 to Rs 12000
- Rs 12001 to Rs 20000
- Rs 20001 to Rs 35000
- Rs 35001 or more

6) Have you been financially rewarded in any sorts in the last 4 years?

- Yes
- No

- 7) Has the working environment improved significantly in the last 4 years?
- Agree
  - Strongly agree
  - Neutral
  - Disagree
  - Strongly disagree
- 8) Has the working culture significantly changed since being taken over by Teliasonera?
- Agree
  - Strongly agree
  - Neutral
  - Disagree
  - Strongly disagree
- 9) Do you feel there has been significant practise to improve the customer care services?
- Agree
  - Strongly agree
  - Neutral
  - Disagree
  - Strongly disagree
- 10) Has there been an increase in the financial incentives as a measure of rewards since being taken over by Teliasonera?
- Agree
  - Strongly Agree
  - Neutral
  - Disagree
  - Strongly disagree
- 11) Do you own any share in the company?
- Yes
  - No
- 12) Have you been offered the share ownership scheme in the company?
- Yes
  - No
- 13) If your answer to Q 11 &12 is yes. Which kind of plan?
- ESPP (Employees share purchase plan)
  - ESOP (Employee share ownership plan)

- 14) How long have you been taking part in the share ownership scheme?
- Between 1 to 3 years
  - Between 3 to 5 years
  - Between 5 to 7 years
  - More than 7 years
- 15) Does the fact of having share in the company make you feel like a co-owner?
- Agree
  - Strongly agree
  - Neutral
  - Disagree
  - Strongly disagree
- 16) Do you agree that the share ownership plan increases the efficiency of the company?
- Agree
  - Strongly agree
  - Neutral
  - Disagree
  - Strongly disagree
- 17) Do you feel the share ownership plan make you a loyal worker?
- Agree
  - Strongly agree
  - Neutral
  - Disagree
  - Strongly disagree
- 18) Does the share ownership scheme represent a better financial incentives?
- Agree
  - Strongly disagree
  - Neutral
  - Disagree
  - Strongly disagree
- 19) Has the company used the financial incentives for those who develop new ideas?
- Yes
  - No

20) How often are you the part of the company's strategic decision making process?

- Sometimes
- Never
- Always



Dublin Business School, MSc in International Banking & Finance – Research Project

**Purpose of the Research:**

This research project is carried out as part of the requirements for Msc degree at Dublin Business School (DBS), I have to carry out a research study. The study is concerned with creating value enhancement through merger and acquisition. The study is solely based on creating worth for all the stakeholders in the mobile company.

What will the study involve?

The study will involve survey through research questionnaire to employees chosen mobile company. This estimation for completion of this project is approximately 3 months.

**Do you have to take part?**

The participation is entirely voluntary. However you are obliged to sign a consent form to make the validity of your participation. You are encouraged to keep this information sheet and a copy of the consent form. You have the option of withdrawing before the study commences or discontinuing after data collection has started. Your participation in the study will be kept confidential.

**What will happen to the information which you gave?**

The data will be kept confidential for the duration of the study. On completion of the thesis, they will be retained for a further 4 months and then destroyed.

**What will happen to the results?**

The result will be presented in the thesis. They will be observed by my supervisor, a second marker and the external examiner. The thesis may be read by future students on the course. The study may be published in a research journal.

What are the possible disadvantages of taking part?

**I don't envisage any negative consequences for you in taking part.**

**Who has reviewed this study?**

This study must be approved by examiner of Dublin Business School and external examiner of Liverpool John Moores University after the study and before by my supervisor

**Any further queries?**

If you need any further information, you can contact me. My details are given below.

Name: Nirajan Shrestha

Contact Number: 00353863005403

Email Address: [eyenirajan@gmail.com](mailto:eyenirajan@gmail.com)

If you agree to take part in the study, please sign the consent form overleaf. Thank you very much.