

# Journal of Advanced Management Science

## CONTENTS

---

### Volume 3, Number 2, June 2015

Guideline Development for Lean Quality Management and Economic Cost of Quality Analysis of Suan Dusit Rajabhat University's Environmental Center .....	81
<i>Thirawat Chantuk, Niyada Sawasdipong, and Porntida Tepraprasit</i>	
Merger and Acquisitions in the Czech Banking Sector-Impact of Bank Mergers on the Efficiency of Banks .....	86
<i>Pham Hoang Long</i>	
Leader's Warmth, Transformational Leadership and Effectiveness .....	93
<i>Jakub Prochazka, Martin Vaculik, and Petr Smutny</i>	
Cross-Culture Management for Foreign Managers at Hotel Industry in Thailand.....	103
<i>Suvi J. Jäämaa</i>	
Relationship between Self-Efficacy, Transformational Leadership and Leader Effectiveness .....	109
<i>Jana Mesterova, Jakub Prochazka, Martin Vaculik, and Petr Smutny</i>	
Authentic Evaluation and Management Approach of OTOP Herbal Product of SMEs Entrepreneur in Western Region of Thailand .....	123
<i>Jittapon Chumkate</i>	
Symbiotic Innovative Relationships of Small and Medium Enterprises .....	128
<i>Adeleke.O.Banwo, Du Jianguo, and Uchechi Onokala</i>	
Mapping the Intellectual Structure of Service Innovation, 2003-2012 .....	132
<i>Jen-Yin YEH and Fang-Zu Lin</i>	
The Impact of Culture and Conflict Resolution Strategy on Role Stress in Asia.....	139
<i>Lung-Tan Lu</i>	
The Analysis of Relationship between Employment Requirement and Types of Job: The Effect on Welfare Allocation for the Elder in Hua Hin District, Prachuap Khiri Khan .....	147
<i>Prasopchai Pasunon, Thirawat Chantuk, and Kedwadee Sombultawee</i>	
Positive Psychological Capacity and Its Impacts on Success .....	154
<i>Gökben Bayramoğlu and Menekşe Şahin</i>	
Work Values of the Macedonian Workforce .....	158
<i>Mirjana Borota Popovska, Marija Topuzovska Latkovic, Jorde Jakimovski, and Vasil Popovski</i>	
Decent Work in the Context of Corporate Social Responsibility .....	162
<i>Menekşe Şahin and Gökben Bayramoğlu</i>	
Empirical Analysis of Marketing Factors Affecting Future Intention toward Furniture Store Brand in Bangkok.....	168
<i>Kedwadee Sombultawee</i>	
Profiling Green Consumer Characteristics: An Eternal Quandary.....	174
<i>Praveen Balakrishnan Nair</i>	

### A. Univariate Analysis

A Table III presents the averages of ROA, ROE and NPM of the individual banks pre and post-merger event with their standard deviations. The results showed that some banks involved in merger on the Czech Republic from 2000 to 2010 experienced improvement in profitability. The average returns on assets (ROA), return

on equity (ROE) and net profit margin (NPM) of Banco Popolare, Raiffeisen stavebni sporitelna and LBBW Bank CZ increase, whereas UniCredit CZ and Raiffeisenbank obtaining a negative ROA, ROE and NPM after the merger event (operational loss). These results suggest that merger and acquisition has a mix effect to banks performance.

TABLE III. DESCRIPTIVE STATISTICS ON RATIOS

COMPANY	Merger	Mean			Std. Deviation			N
		ROA	ROE	NPM	ROA	ROE	NPM	
UniCredit Czech Republic	Pre-merger	.213333	1.866666	5.846666	.332014	3.097375	15.869897	3
	Post-merger	-.803333	-8.853333	-30.083333	1.495370	16.365085	55.812626	3
Banco Popolare	Pre-merger	.566666	10.286666	11.266666	.193476	2.973622	3.736794	3
	Post-merger	1.090000	14.736666	21.000000	.078102	1.300012	1.720959	3
Raiffeisen stavebni sporitelna a.s.	Pre-merger	1.043333	12.383333	31.873333	.049328	.941558	4.528910	3
	Post-merger	1.373333	14.780000	34.723333	.395137	4.960272	9.088235	3
Raiffeisenbank	Pre-merger	.236666	.406666	5.653333	.109696	.205993	2.834754	3
	Post-merger	-2.350000	-8.396666	-122.916666	.381575	1.830883	60.251005	3
LBBW Bank CZ	Pre-merger	.410000	12.556666	27.980000	.030000	1.195003	3.240200	3
	Post-merger	.940000	25.766666	48.243333	.101488	5.485401	3.304093	3

Source: SPSS general model output

### Independent sample test results

Table IV shows the computed (examined) independent t-test from the SPSS output of the sampled banks for the evaluation of the relative change in the performance indices. It depicted the combined means, standard deviation and the calculated t-value and p-value of the all banks after merger. The profitability position of banks measured by Return on Asset (ROA) and net profit margin (NPM) show noteworthy decrease, or small increase (Return on Equity). ROA, ROE and revealed T-Value of -0.024 (P-Value=0.981) and 1.056 (P Value=0.300) and 1.396 (T-Value=0.183) respectively. It is evidenced that pre-merger profitability was significantly higher, but not statistically significant, than the post-merger. Moreover, the significance level is more than 0.05; therefore the null hypothesis is accepted that there is no significant effect of mergers on performance of banks in the Czech Republic on the basis of ROA, ROE or NPM of the banks.

Looking at the result of the t-test, one is made to conclude that bank mergers have no significance impact on financial efficiency of selected banks. After M&A we see that in various financial parameter of the bank performance have shown no change but it may be possible that improved performance of merged bank will show in later years the profit are not visible because we compared only three years financial ratios, it may be possible that profit will be seen in future. Finally the Czech Banking Sector has used M & As for enhanced

branch network, increase market share and improve infrastructure.

TABLE IV. T- STATISTICS (TWO-TAIL) OF FINANCIAL INDICES

Variables		Mean	Std. Deviation	t-value	Sig.(Pvalues)
ROE	Pre	7.500	5.727	-.024	.981
	Post	7.606	15.884		
ROA	Pre	.494	.348	1.056	.300
	Post	.0050	1.591		
NPM	Pre	16.524	13.335	1.396	.183
	Post	-9.806	71.815		

Source: SPSS independent sample test output (level of significant at 5% level)

### B. Panel Data Methodology

#### 1) Descriptive statistics

Table V records the descriptive statistics of the variables used to examine whether M&As have any effect on the profitability of listed banks. The 6-year study period the five banks under study recorded an average return on equity of about 7% even though it is apparent that some recorded huge negative returns. Debt capital covered a greater proportion (about 83%) of the means of banks assets, showing that most banks in the Czech Republic use more debt as their main source of funding. The average log of total sales was 7.62 while firm growth rate averaged at -38.16% (BAWAG Bank and Banco Popolare experienced a huge decrease of gross earning in first year after mergers with over -1000% growth rate).