A RESEARCH TO INVESTIGATE THE EFFECTS OF MERGER AND ACQUISITION DEALS ON MOTIVATION OF WORKERS: A CASE STUDY OF KENYA AIRWAYS AND AIR KENYA.

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DECLARATION:

This is my original work and has never been presented for a diploma or any other exam by any person in other university or Educational institution.

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CHAPTER ONE
INTRODUCTION

1.0 Background of the Study

What is a merger?

Merger has been defined by Cambridge Learners Dictionary 2nd Edition as two or more companies or organizations Mergers combined to form a completely new entity.

The combining firms use their original identity before the merger.

What is acquisition?

Acquisition has been defined by Cambridge Learners Dictionary 2nd Edition as a take over that arises when one company acquired another such that the acquiring maintains original identity while the acquired loses its identity once obsolete.

The acquiring firm is called predator and the one being acquired is called the target.

Merger therefore is the combination of two or more commercial companies that involves production of a union whereas acquisition is a take over that arises when one company acquires another such that the acquiring maintains its original identity while the one being acquired loses its identity once absorbed.

Continued industry consolidation is not only inevitable but also a necessity. It is a strategic part of business development to find ways to expand the network by teaming up with other players. By standing alone the organization would be fragmented. Seeking partnership would go a long way to rid off spreading and organization thinly.

Another vital issue is shifting capacity from less performing industry and thus the need to generate sufficient mass volume to meet a market demand for lower cost units, primarily to enhance the business plan.