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DEPARTMENT OF COMMERCE
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**EFFECT OF HUMAN RESOURCE MANAGEMENT
PRACTICES ON EMPLOYEE JOB SATISFACTION
IN AYA BANK**

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**EFFECT OF HUMAN RESOURCE MANAGEMENT
PRACTICES ON EMPLOYEE JOB SATISFACTION
IN AYA BANK**

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ABSTRACT

This study attempts to analyze the effect of human resource management (HRM) practices on job satisfaction in AYA Bank. This study is to identify the HRM practices of AYA Bank and to analyze the effect of HRM practices on employee job satisfaction in AYA Bank. Descriptive and quantitative research methods are used in this study. Both primary and secondary data are gathered to achieve the objective. For primary data collection, 300 employees who provide financial services in Division (1) of AYA bank are selected and interviewed by using structured questionnaires. In this study, employees' job satisfaction is dependent variable and human resource management (HRM) practices. That includes recruitment and selection, training and development, performance appraisal, compensation and benefits, retention and supervision and promotion practices as independent variables. The study found that among the human resource management (HRM) practices, promotion practice has a significant effect on job satisfaction in AYA Bank. Therefore, the bank should reconsider the internal promotion policy and provide equal opportunity to their staff for promotion.

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List of Abbreviations

AGM	- Assistant General Manager
ATM	- Automated Teller Machine
AYA	- Ayeyarwady Bank
CEO	- Chief Executive Officer
CFO	- Chief Financial Officer
COO	- Chief Operating Officer
DGM	- Deputy General Manager
Dy MD	- Deputy Managing Director
ERM	- Enterprise Risk Management
HRM	- Human Resources Management
IBD	- International Banking Department
IFRS	- International Financial Reporting Standards
ISA	- International Standards of Auditing
IT	- Information Technology
MD	- Managing Director
OHS	- Occupational Health & Safety
Ph.D	- Doctor of Philosophy
POS	- Point of Sale
SME	- Small and medium-sized enterprises
SPSS	- Statistical Package for the Social Sciences
UNGC	- United Nations Global Compact
USD	- United State Dollar

CHAPTER 1

INTRODUCTION

In financial sector of Myanmar, banks are playing a fundamental and important role in the economic development of country. The growth of country in various sectors is strongly influenced by the success of the banking system. Over two decades ago, Myanmar government reformed to modernize banking sector toward an open and market-oriented economy. Today, the number of commercial banks is enormously increased especially for the attractive opportunity of bank market. And also, the employees of this sector are not left attended about the job satisfaction.

Human Resource Management, the process of staffing, compensation, retention, training, and employment law and policies side of the business. Westover Jonathan H. (2014) studied that job satisfaction is the extent to which an employee feels self-motivated, content and satisfied with his/her job. Job satisfaction happens when an employee feels he or she is having job stability, career growth and a comfortable work life balance. This implies that the employee is having satisfaction at job as the work meets the expectations of the individual.

In any organization, employees need to be considered as internal customers and only satisfying employees can maintain the continuous improvement. More than 40 hours a week in the banking environment makes them to feel banks like second home for them. Therefore, job satisfaction plays an important role in productivity and greater satisfaction can lead to more achieving organizational objectives. This dissertation aims to find the present job satisfaction factors of the employees' of bank and suggests to progress their satisfaction level.

Ayeyarwaddy (AYA) Bank is chosen for the second largest in country over the past seven years and human resource management (HRM) practices are well developed and established. Efficient HRM practices are the keys to achieve both short and long term objectives. HRM supports employees constitution to be a vital part of the organization and it is also a set of policies and practices which boosts up the human capital to contribute the achieving the business objectives. Individual employee's training, decision-making and participation, promotion opportunities, financial factors such as increment, bonus, incentives, other benefits like sick leave, health care and non-financial factors such as work description and orientation, unbiased evaluation of work performance, job security are the major determinants of HRM.

1.1 Rationale of the Study

Employees' satisfaction involves employee's emotions and their feelings. It has a major impact on their work lives and for this reason it also influences their behaviour as employees and their loyalty, commitment, teamwork, relationship with other staff attitude and behaviour. Employee' satisfaction is a central task of organizational management. To create a satisfied, productive and efficient workforce, for any organization, proper HRM policies and practices are necessary. Satisfied and efficient human resources are the key factors for any organization to face the challenges of today's ever-changing environment. In the recent 50 years, higher management has come to the conclusion that people, not products, markets, capital, buildings, or machines, are the crucial differentiators of any business. All the assets of any organization require human application to generate their value. Moreover the development of banking industry, banks is facing in HRM practices on employees' satisfaction. In the operation sector, operational risks are related to employees' job satisfaction in bank's overall organization and functioning of internal systems, including bank policies and procedures.

In an ever-growing competitive banking industry, winning competition is predicted on the provision of unique products and services to meet customers' expectations. Customers who are considered satisfied with the service provided are potential loyal customers while dissatisfied customers are candidates for defection. Realizing these facts, banks of analyses have focused a great deal of time and energy on improving service quality. The underlying belief is that high service quality allows service providers to differentiate themselves from their competitors and high quality service helps to satisfy the customers and build good relationship with customers. An employee without job satisfaction can't create the best relationship with the customers.

Nowadays, many banks well-organize for their HR department and their practices for employees. By the implementation and monitoring of HRM practices, banks reduce employees' turnover rates. Therefore, HRM practices are essentially more important to be in the banking sector. Thus banks need human resource management to perform their all operation. The success of banks is resulted from its effective and systematic to HRM practices. Therefore, this study focuses to explore HRM practices and its effect on employee job satisfaction in AYA Bank.

1.2 Objectives of the Study

There are two main objectives in this study. They are:

- To identify the HRM practices of AYA Bank and
- To analyse the effect of HRM practices on employee job satisfaction in AYA Bank

1.3 Scope and Method of the Study

This study focuses on HRM practices and its effect on employee job satisfaction in AYA Bank. The descriptive research method is employed. Both primary data and secondary data are used. In AYA Bank, there are Head Office and 5 Divisions in which 2 Divisions are in Yangon, 1 Division in Mandalay, 1 Division in Naypyitaw and other regions. Primary data is collected from responsible person of HR department and 20% from 1,493 employees in Division 1 of AYA Bank with structured questionnaires and those who's ranking are above office assistant. Secondary data is obtained from relevant text books, theses, journals, articles and internet websites.

1.4 Organization of the Study

There are totally five chapters in this study. Chapter 1 is the introduction of the study. It includes the rationale of study, objective of the study, methods and scope of the study and organization of the study. Chapter 2 discusses theoretical background. It presents the definition and practices of HRM, employees' job satisfaction, its effect on job satisfaction and conceptual framework. Chapter 3 details profile of the AYA Bank and HRM practices in AYA Bank. Chapter 4 consists of the analysis on the effect of HRM practices on job satisfaction in AYA Bank. Chapter 5 concludes the study with findings and discussions, suggestions and recommendations and need for further study.

CHAPTER 2

THEORETICAL BACKGROUND OF THE STUDY

In this chapter, definitions of Human Resource Management, Human Resource Management Practices, definition of employee job satisfaction, effect of HRM practices on employee job satisfaction and conceptual framework are presented.

2.1 Definition of Human Resource Management

Human Resource Management (HRM) is a strategic approach to the management of employees which are the people who contributes to the achievement of the objective (Armstrong and Michael, 2006). As a field, human resource management (HRM) has undergone many changes over the last twenty years, giving it an even more important role in today's organizations. In the past, human resource management (HRM) meant processing payroll, sending birthday gifts to employees, arranging company outings, and making sure forms were filled out correctly-in other words, more of an administrative role crucial to the success of the organization.

HRM is a multiple factors combination which are system, policies and practices which influence the behavior, attitude, and performance of the employee towards an organization in a positive way. HRM practices are connected with the management of human resources, activities required for staffing the organization and sustaining high employee performance (Mahmood, 2004).

Delaney and Huselid (1995) studied eleven practices that are job design, personnel selection, attitude assessment, labour management participation, employee training, performance appraisal, incentive compensation, empower of decision, information sharing, recruitment efforts, and promotion and all have suggestive effect on job satisfaction.

HRM refers to the policies and practices involved in carrying out the 'human resource (HR)' aspects of a management position including job analysis, human resource planning, selection, recruitment, orientation, training and development, compensation, performance appraisal, and labour relations (Dessler, 2007).

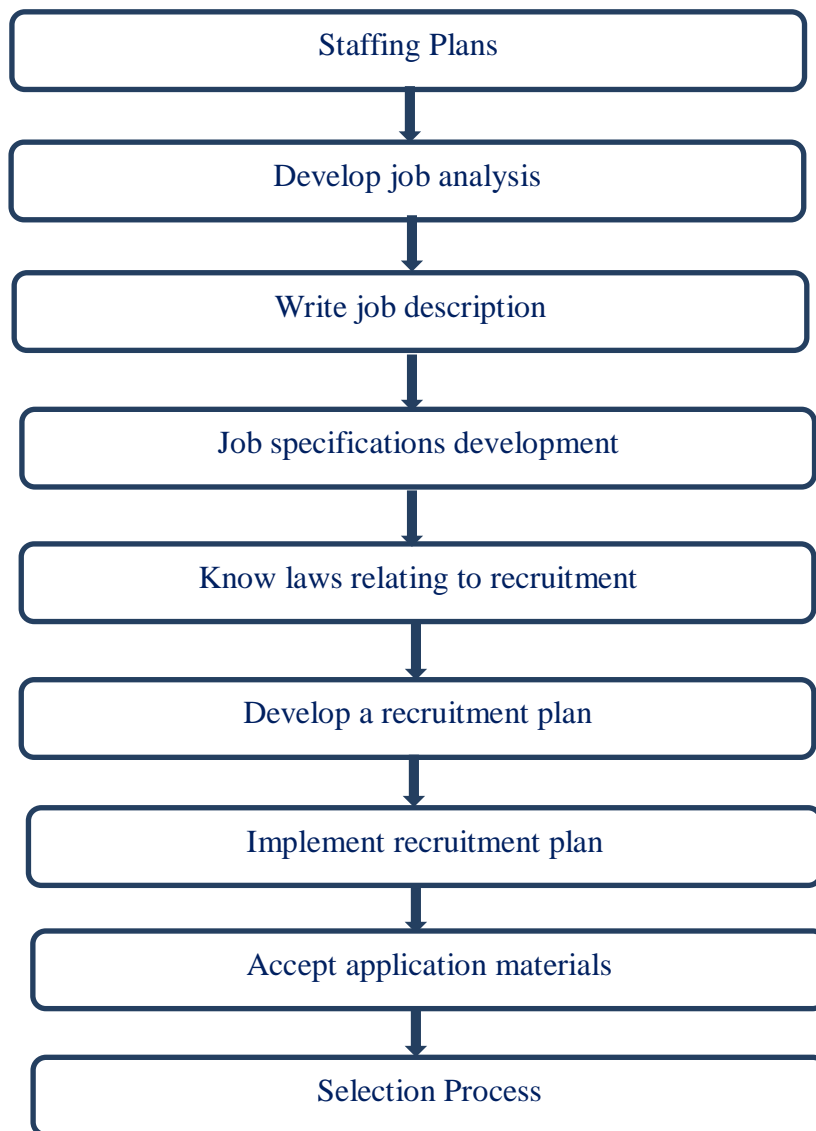
2.2 Human Resource Management Practices

HRM practices include recruitment and selection, training and development, performance appraisal, compensation and benefits, retention and supervision and promotion practices.

2.2.1 Recruitment and Selection

In human resource management, the recruitment and selection process determines the decisions as to which candidates will get employment offers. The aim of this practice is to improve between employees and the organization and work requirements and to create a better work environment (Tzafrir, 2006). Also, it can be defined as the “process of finding for prospective employees and encouraging them to apply for jobs in an organization”. It is one whole process that begins with identification of the needs of the company with respect to the job, and ends with the introduction of the employee to the organization. During recruitment process, the organization immediately think of activities such as the analysis of the requirements of a specific job, attracting candidates to apply for that job, screening the applicants and selecting among them, assigning the chosen candidates for new employees of the organization, and integrating them into the structure. Obviously, the main reason why the recruitment process is implemented is to find the persons who are best qualified for the positions within the company, and who helps them towards attaining organizational goals. But there are other reasons why a recruitment process is important.

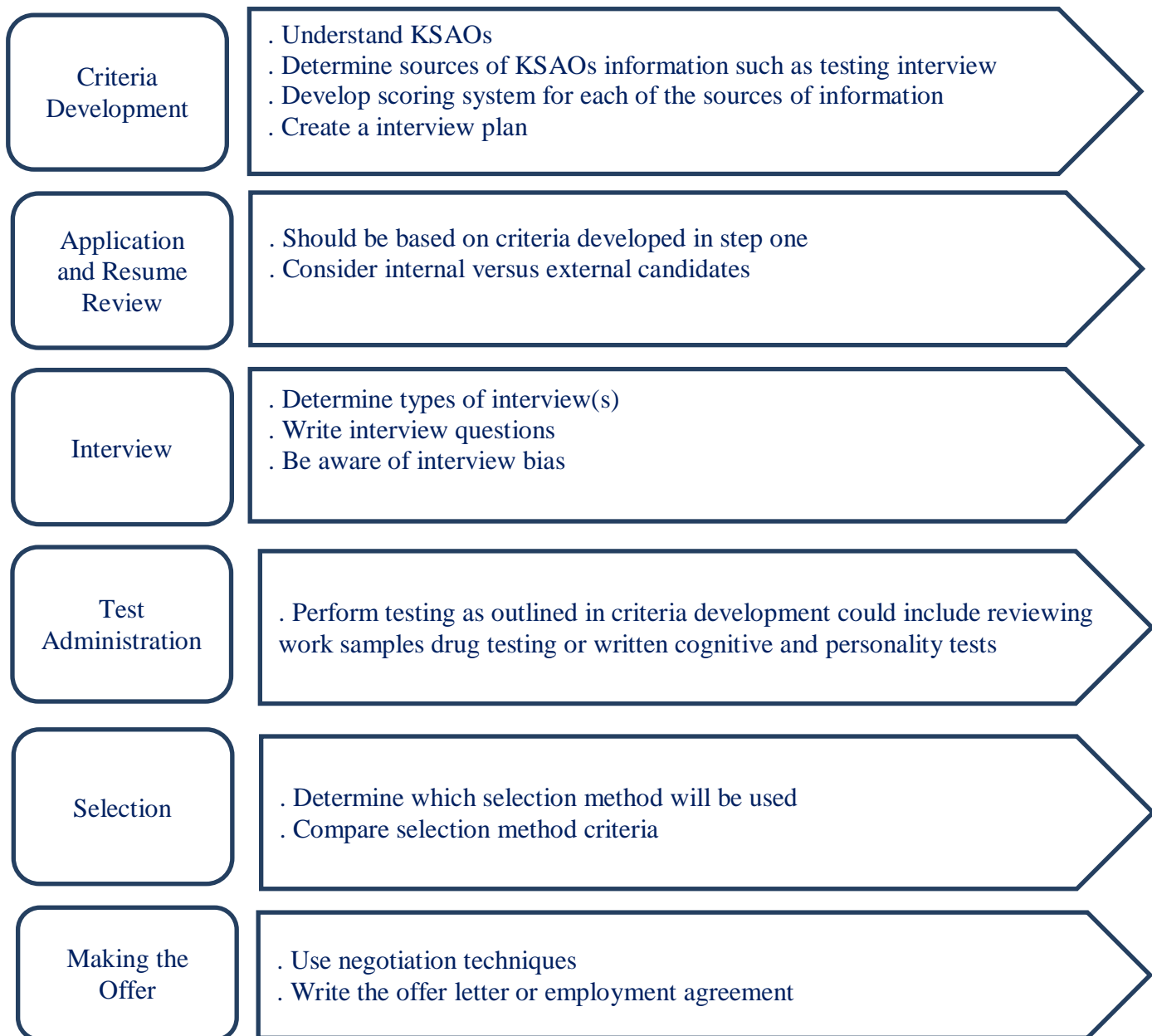
Figure (2.1) Overview of the Steps to the Recruitment Process



Source: Westover Jonathan H. (2014)

Employee Selection is the process of interviewing and evaluating the candidates for a specific job and selecting an individual for employment based on some criteria (skills, experience and qualifications). Employee selection can range from a very simple process to a very complex depending on the hiring and the position. Certain employment laws such as anti-discrimination laws must be followed during selection. Employee selection is the process of putting right person on right job. It is a procedure of matching organizational requirements with the skills and qualifications of people.

Figure (2.2) The Selection Process



Source: Westover Jonathan H. (2014)

2.2.2. Training and Development

Any effective company has training in place to make sure employees can perform his or her job. During the recruitment and selection process, the right person should be hired to begin with. But even the right person may need training in how your company does things. Lack of training can result in lost productivity, lost customers, and poor relationships between employees and managers. It can also result in dissatisfaction, which means retention problems and high turnover. All these end up being direct costs to the organization. To

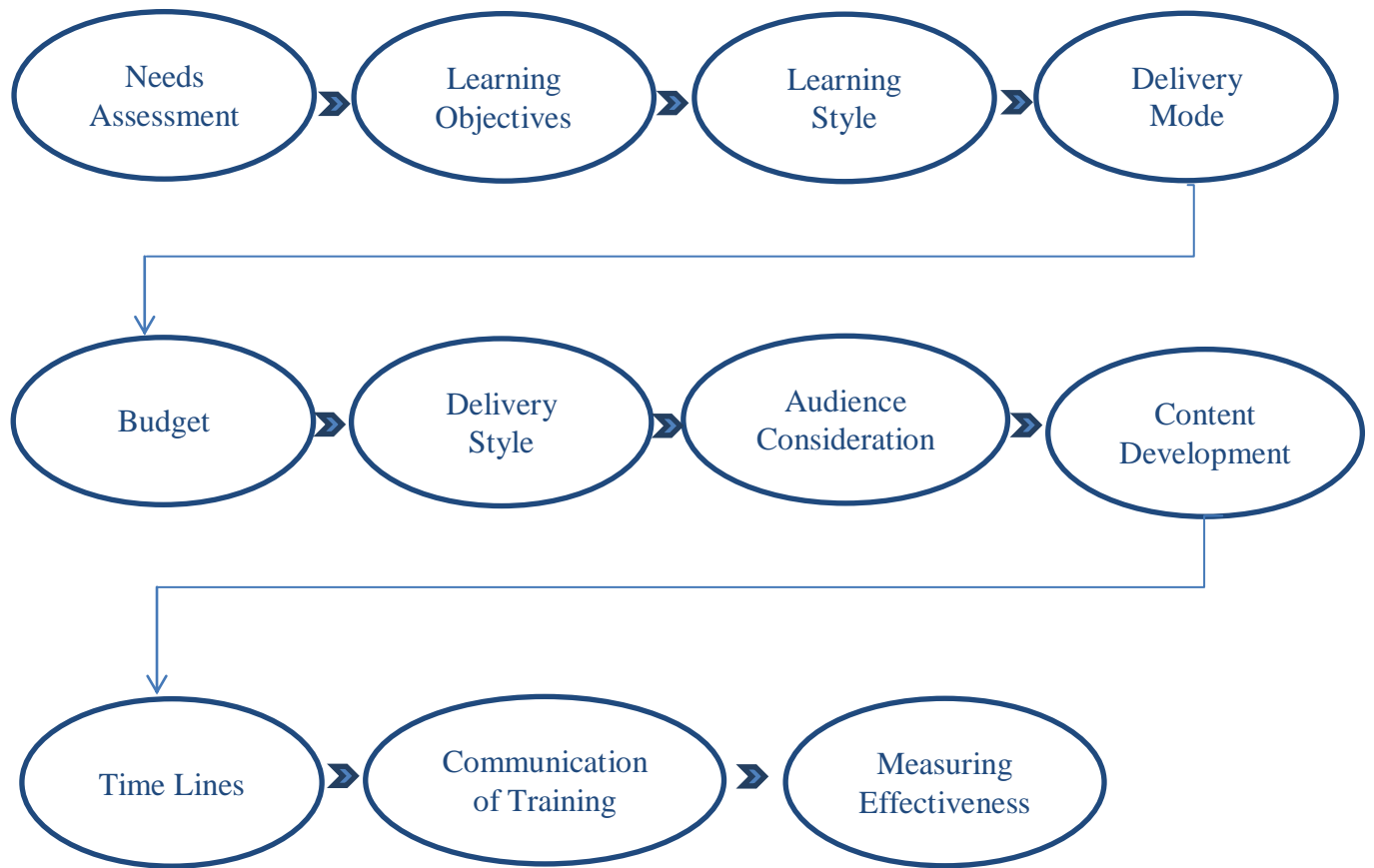
reduce some costs associated with not training or undertraining, development of training programs can help with some of the risk. Jones et al. (2009) concluded in a study and stated that training is positively associated with job satisfaction. The training programmed is good for the organizations as well as their employees, by giving more information to the employee about their jobs and the company background.

The first step in training is an employee orientation. Employee orientation is the process used for welcoming a new employee into the organization. The goals of an orientation are to reduce start-up costs, reduce anxiety, reduce employee turnover, save time for the supervisor and co-workers and set expectations and attitudes.

There are two types of training; In-House Training and External Training. In-house training programs are learning opportunities developed by the organization in which these are used and related to a specific job and sometimes not related to a specific job such as ethics, sexual harassment, multicultural and communication training. External training includes any type of training that is not performed in-house and usually last step in training programs. It includes sending an employee to a seminar to help leadership skills or pay tuition for marketing class. Rowden and Conine (2005) discuss that trained employees may be better in satisfying the needs of their customers. It will definitely help the company to grow with a healthy statistic

There are a number of different types of training to engage an employee such as Technical Training, Quality Training, Skills Training, Soft Skills Training, Professional Training and Legal Training, Team Training, Managerial Training and Safety Training. Like different types of training, there are different kinds of training delivery methods; On-the-Job Coaching Training Delivery, Monitoring and Coaching Training Delivery, Brown Bag Lunch Training Delivery, Web-Based Training Delivery, Job Shadowing Training Delivery, Job Swapping Training Delivery, Vestibule Training Delivery and International Assignment Training. The next step in training process is to create a training framework or program as follows.

Figure (2.3) Training Program Development Model



Source: Westover Jonathan H. (2014)

The organization also needs to measure effectiveness of training and check out the objectives are met. One model to measure training's effectiveness is Kirkpatrick model which is developed in the 1950s.

2.2.3 Performance Appraisal

Performance appraisal is a key part of a strategic management approach that links employee skills and behaviours to the organization's strategic goals. The purpose of the performance appraisal system is used to review the staff's potential and performance (Mullins, 2005). It is one of the systematic processes which assess an individual employees' job performance and productivity. To achieve goals, employees must perceive the appraisal system positively and satisfied with its use. Dissatisfaction and disagreement lead to intention to resign from the job. It means that there is a strong connection between performance appraisal and job satisfaction.

Performance appraisals, one of the most important HRM practices, are able to differentiate between appraisals that are linked to monetary outcomes, such as bonus payments and promotions, and appraisals that have no monetary consequences. However, performance appraisal linked to monetary outcomes is more powerful tool for HR management and it is more appreciated by employees.

Performance appraisal actually seeks to improve performance of employees. Before HRM practices involve in performance appraisal system, an employee is usually appraised by their immediate supervisor. And it mainly depends upon the quality of relationship between an employee and appraiser. In HRM practices, there are multi steps to run a performance appraisal program. Planning (appraisal period, duration, criteria, requirements), monitoring (advising, motivating, supporting), exercises for appraisal (interviews), scoring (according to personal traits as Big Five, locus of control, skills, knowledge) and consequences (rewards, punishment) are involved in performance appraisal program.

2.2.4 Compensation and Benefits

Most of us, no matter how much like jobs, would not do them without a compensation package. Compensation doesn't include only paycheck but also healthcare benefits, and other benefits such as commissions, incentives, overtime pay, bonuses, merit pay, travel/meal/housing allowances, other benefits (medical, vacation, leaves). Best compensation package can attract best employee to stay with your organization. Compensation package should be positive enough to attract and also it can improve morale, motivation, and satisfaction among employees. If employees are not satisfied, this can lead to not only higher turnover rate and also poor quality of work for those employees who do stay.

According to Henderson (2006) there are three main components of total compensation have been classified which include fixed pay, flexible pay and benefits. Fixed pay is compensation where the amount and payment are guaranteed as per agreed. Whereas second classification is flexible pay, which are variable pay and deferred income such as gain-sharing, bonuses, incentives, overtime and etc. Benefits may refer to annual leave, special rate while purchase employer's service or product.

Pay provided by an employer to its employees for their services (time, effort and skill). There are two determination factors as external and internal pay factors. Compensation strategy is the one of the major internal factors the company has decided to use. Most

companies has a written, documented compensation policy but some choose a market compensation policy, market plus, or market minus philosophy. Other internal pay factors include the employer's ability to pay, the type of industry, and the value of the employee and the particular job to the organization. External pay factors can include the current economic state.

After pay factors, the organization must have to consider the job evaluation, develop a pay system and pay theories for making decision. Job evaluation, the process of determining the worth of jobs and pay structure, help to determine if pay is equitable and fair among employees. Job evaluation contains a different number of systems such as job ranking system, point-factor system (knowledge, autonomy, supervision, internal and external contacts, etc.) and also Hay profile method. Pay grading is the third step and a process of setting the pay scale for specific jobs or types of jobs. Until the employee gets promotion, the employee gets higher pay grade when the employee receive raises within the range of their individual pay grade. Pay grading has not only strength as it has fairness but also with the downside effects as a lack of motivation for employees to work harder. A stagnant environment occurs when an employee realizes that the employees get the same level of pay grade as others even though the employees are performing the tasks beyond their description. Other different pay grade scales were used later such as a going rate model, management fit model, skill-based pay, competency-based pay, broadbanding and variable pay system etc. After developing pay system, the organizations are beginning to start types of pay to employees. Rather than actual paycheck there are some other compensations like incentives, bonus, commission, and profit sharing. Paycheck means only the salary for their daily, weekly and monthly performance for organization and an incentive means pay-for-performance incentive when meeting the organization's sales targets. But the organization must be aware of the link between every kind of pay are related with job satisfaction of employees so each and every kind of pay must be clearly communicated, attainable and challenging, easily understandable and tied to company goals.

There are different kinds of pay theories in implementing compensation strategy. First of all, equity theory is mainly concerned with the relational satisfaction of employees on pay and efforts these employees provide to organization. Unsatisfied employee may decide to leave the organization as a result of the perceived inequity. For human resource (HR), it is most important to understand this theory because most of the employee always compare their

own pay to that of the others in organization even though these are in the same department or not. Therefore, HR always consider about two factors; external pay equity and internal pay equity. Secondly, there is the expectancy theory in which it means the employees put in as much work as these employees expect to receive. Pay decision consideration by HR practices is important to enhance the motivation of an employee. So, organization should develop constantly analysis for market pay surveys and should review their current wages schedule to make sure the organization is in expected ranges of the industry.

Smart employers know that keeping qualified employees requires providing the right compensation and benefits package. Compensation includes wages, salaries, bonuses and commission. Employers shouldn't ignore the benefits of employee compensation because the benefits sweeten employment contracts with the priorities that most employees need. Finally, compensation is an essential component in attracting top talent, increased employee motivation, boost employee loyalty, increased productivity and profitability and job satisfaction.

2.2.5 Retention and Supervision

Employee retention is an increasingly important challenge for organisations as the age of the knowledge worker unfolds (Lumley, Coetzee, Tladinyane and Ferreira, 2011). Payroll and benefits, compensation, crossdepartmental problems, management style and work-life balance are also contributing factors for an employee who is going to resign. As advanced HR practices, an organization should develop a survey periodically to send to all employees including management, satisfaction about pay and benefits and other their work associated problems. According to the survey results come out, CEO should be aware of these results to find out the unsatisfactory conditions of an organization. Employee retention and motivation not only reduce costs of turnover rates and also improve the organization.

Losing of an employee is called turnover which contains two parts; voluntary and involuntary turnover. Voluntary turnover comes from employee with many different reasons and can be somewhat predicted by HR. Involuntary turnover is initiated by employer for non-performance. Overall turnover rate can express an organization's current situation generally and individual department turnover rate alarms highly unusual condition for this specific department.

After understanding why employees want to leave the job and their satisfaction theories, research is the next step to develop an effective retention system. The purpose of an

exit interview is to assess the overall employee experience within organization and identify opportunities to improve retention and engagement. Exit interviews are important because the employees offer a deeper look at workplace culture, day-to-day processes, management solutions, and employee morale. When completed, these interviews can help for positive relationships and a welcoming working environment. Exit interviews help organization get the data and insights needed to create a more positive work environment. While these interviews can bring incredible value to the company, these things need to be executed in the proper way to provide useful insights. Creating and implementing more effective and consistent interviews can seem challenging and time-consuming at first, but the insights gain from understanding the connection between employee feedback, behavior, and organizational trends tell everything need to know to grow organization.

Supervision of professional staff in organizations is critical in job satisfaction because supervision is a process that provides support, resources, and skill development for professional staff in carrying out these goals. Supervision is an interactive process designed to support staff as those work to promote organizational goals, and to enhance personal and professional development. Supervision can be one way to ensure quality work performance, professional development, and personal growth of staff members. In order for supervision to be effective, it is imperative for both HR and employees to be aware of the elements of effective supervision and job satisfaction. Professional supervision (i.e., counseling, social work, and teaching) involves a structured relationship between them. The primary purpose of supervision is to provide personal growth and development in their professional practice. Generally, supervision is provided by a more experienced member of the profession. Supervision also helps in evaluating and reflecting on professional strengths, discussing successful outcomes in work, exploring practice/ethical issues and complex situations and processing possible solutions, and enhancing the development of new professional practice skills, methods, and knowledge. Without proper supervision, employee does not get job satisfaction fully.

2.4.6 Promotion Practices

Promotion always accompanies with an increased salary, either it is done to the higher grade. A continuous process which is based on the length of service and professional “competency” is adopted at the time of promotion to higher step in the job within a grade promotion. It may be “continuous” in which test, review or competition is given which entitle for simple decision or selection (Hdiggui, 2006). Promoting employees can improve job

satisfaction because promotions actually resolve issues pertaining to job satisfaction. The reasons underlying job dissatisfaction may vary. One of them is that some employees are simply bored in their current positions or the employee believes the company is not utilizing their talent. Employer should consider workplace theories pertaining to employees' intrinsic rewards, motivation and employee recognition. Employee recognition and workplace motivation are effective in employees' satisfaction and improving employees' attitudes for work. The upper management like HR should conduct an extensive review of individual employee performance, including applications for promotions and requests for transfers and construct a plan based on forecast openings within the organization and develop a promotion-from-within policy. After analyzing turnover of organization and vacancies occurred, the organization should discuss current job vacancies for post internal vacancies throughout the workplace. Future job vacancies and promotion are one of the job satisfaction for employees who may be qualified.

Understanding job satisfaction is essential because of the relation between employee behaviors and job satisfaction. Promotions are positively correlated with job satisfaction. It is also a mechanism through which promotions affect employee satisfaction: promotions increase the worker to a higher position relative to those who do not receive one. People derive satisfaction not only from having a higher income but also higher position among other things. The elements like length of service, ability and skills which are the determinants of promotion has moderate effect on enhancing the job satisfaction level of employees. The employees perceive management to be supportive in climbing up their professional ladder. Management gives more preference to promote employees within the organizations than to higher employees outside the organization.

2.3 Employee Job Satisfaction

Job satisfaction is a state where one's needs and one's outcomes match well (Locke, 1976). Job satisfaction is the extent to which an employee feels self-motivated, content and satisfied with job. Job satisfaction happens when an employee is having job stability, career growth and a comfortable work life balance. This suggests that the employee is having job satisfaction as the job meets the expectations of the individual. In other words, job satisfaction is a combination of cognitive and affective reactions to the differential perceptions of what an employee wants to receive compared to what he or she actually receives (Boyt, Lusch, and Naylor, 2001).

The most recommended definition of job satisfaction was offered by Locke (1976) who described job satisfaction as a pleasing or positive emotional condition resulting from the evaluation of a person's job (Haque and Taher, 2008). Job satisfaction is also described as an individual's attitude regarding his or her job. Mullins (1993) mentioned that motivation is closely correlated to job satisfaction. Other factors such as an employee's needs and wants, social relationships, quality of management, job design, compensation, working environments, long range opportunities, and perceived opportunities elsewhere are the determinants of job satisfaction (Byars and Rue, 1997; Moorhead and Griffin, 1999). Job satisfaction has a powerful influence on employees' organizational commitment, absenteeism, tardiness, turnover, accidents, and grievances (Byars and Rue, 1997; Moorhead and Griffin, 1999). According to Robbins (1999), a satisfied workforce can increase organizational productivity through less distraction caused by absenteeism or turnover, few incidences of destructive behaviour, and low medical costs.

2.4 Previous Studies of Human Resource Management on Employee Job Satisfaction

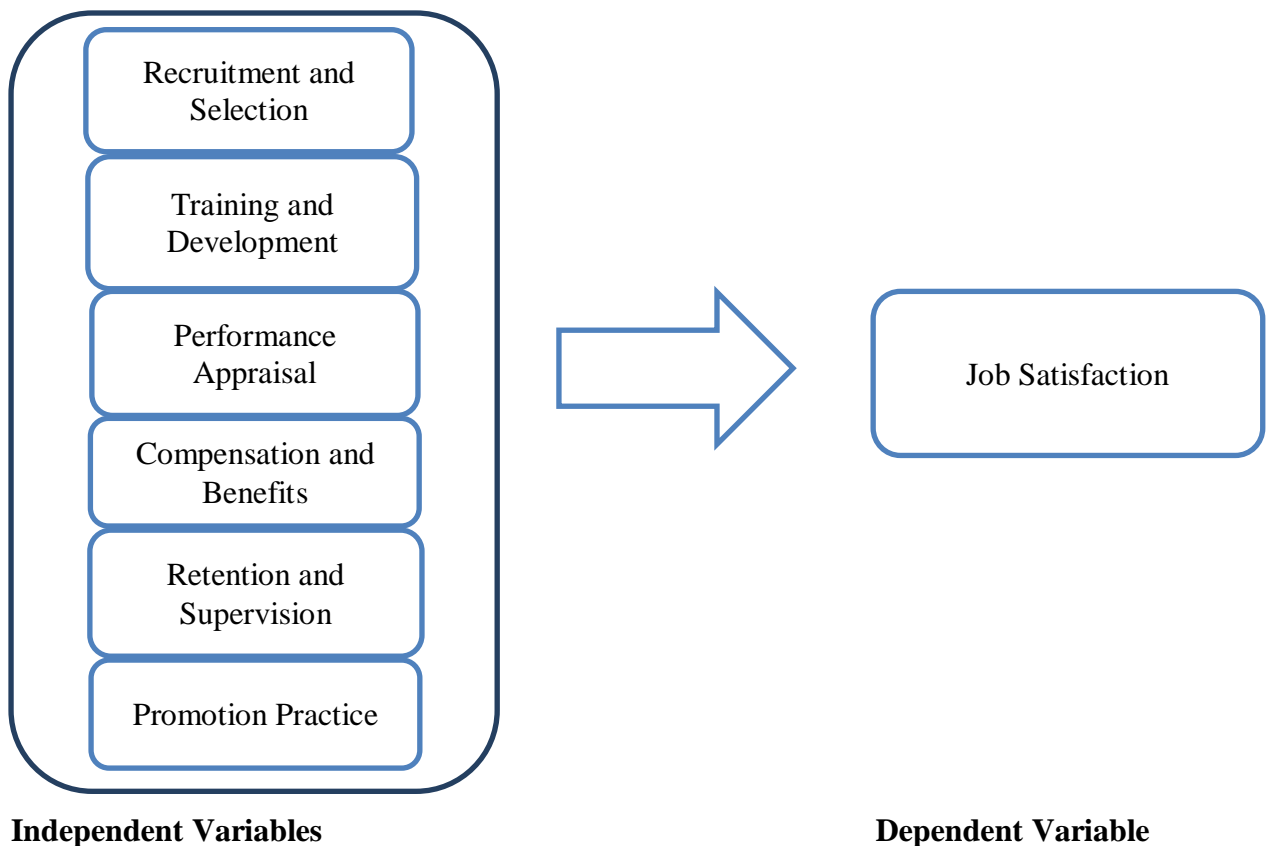
HRM practices are closely associated with job satisfaction (Ting, 1997). HRM practices result in better level of job satisfaction which ultimately improves organizational performance. Steijn (2004) stated that HRM practices had positive effects on employees' job satisfaction of Dutch public sector whereas individual characteristics such as age, gender, and education had insignificant effect on job satisfaction. Gould-William (2003) showed that use of specific HR practices in local government organizations in the United Kingdom (UK) was associated with a greater degree of job satisfaction, workplace trust, commitment, effort, and perceived organizational performance.

Javed et al, (2012) investigated the effect of HRM practices on job satisfaction of employees. Recognition and training and development are a key source of employee job satisfaction while reward did not have any significant impact upon employee job satisfaction. Masoodul et al, (2013) also stated the effect of HRM practices on employee satisfaction and employee loyalty. Employee compensation is vital factor for developing satisfaction among employees, while employee empowerment found to be significant factor for developing employee loyalty. Delaney and Huselid (1995) also found that four HR practices that are Compensation Practices, Promotion Practices, Performance Evaluation Practices and Empowerment Practices were predictors of job satisfaction.

2.5 Conceptual Framework of the Study

Based on the above concepts, and theories concerning human resource management (HRM) and employee job satisfaction, the study develops the conceptual framework that is presented in Figure (2.4).

Figure (2.4) : Conceptual Framework of the Study



Source: Chan Kon Lian, (2013)

According to Figure (2.4), there are independent variables and dependent variable. Dependent variable is employee's job satisfaction and Human Resource Management practices are independent variables including recruitment and selection, training and development, performance appraisal, compensation and benefits, retention and supervision and promotion practice.

CHAPTER (3)

THE BACKGROUND INFORMATION AND HRM PRACTICES OF AYA BANK

This chapter consists of the human resource management practices in AYA Bank. It begins with the profile of AYA Bank including the backgrounds of the bank, extension of bank branches, mission, corporate value and corporate objectives of the bank, financial services provided by the bank, and the organization structure of AYA Bank as follows.

3.1 Profile of AYA Bank

AYA Bank was licensed by the Central Bank of Myanmar on 2 July 2010 and relicensed under the Financial Institutions Law 2016 as a full service universal bank. The bank has grown rapidly over the past seven years to become the second largest in the country, with [258] branches, [1.4m customer], Kyat [4.7] trillion customer deposits and [150 billion] Shareholders' Equity as at the end of September 2017. Top 100 depositors represent about 6% of total deposits, underlining the general public's confidence in the bank.

As a member of the UN Global Compact (UNGC), AYA Bank is committed to implement global standards in Corporate Governance and compliance best practices in its management and operations. Consequently, since 2014-15, AYA Bank is the only bank in Myanmar to be IFRS compliant and the only one audited under International Standards of Auditing (ISA) by a big-four international firm. The bank has also attracted and retained talented staff with both domestic and international exposure and has invested significantly in Learning and Development as a way to ensure long-term sustainable growth for the communities it serves.

For the years ahead, the bank continues to extend its branch network throughout Myanmar while concurrently investing in state-of-the-art Core Banking, Digital Banking and Fintech platforms. AYA Bank aims to provide uniform Omni-channel interface offering innovative products and services across all customer segments. AYA Bank also continues to focus on deepening relationships with customers, providing best-in-class customer service, and leveraging technology as the enabler to rapidly expand the customer base. The bank also aims to further strengthen its governance, risk and compliance structure as a measure to ensure balance and sustain growth.

Missions of AYA Bank

As a well-established bank, AYA Bank has the missions as described below.

To be recognized as the leading bank in Myanmar through pursuit of excellent and long term sustainable growth for the bank and its stakeholders.

Core and Corporate Values of AYA Bank

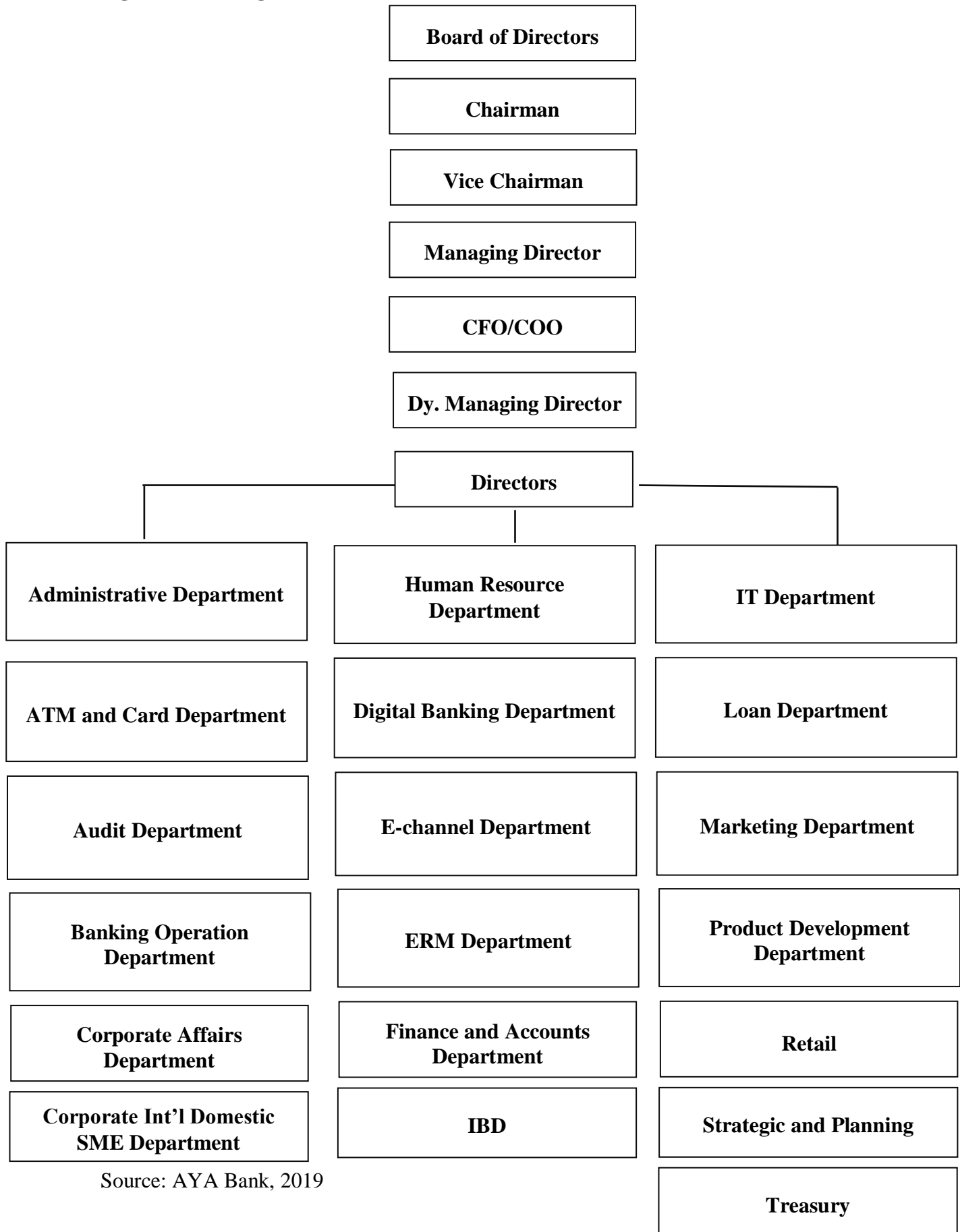
AYA Bank has the corporate values in their organization and these values are pursued our objectives with EXCELLENCE, progress as a TEAM, think and act in all HONESTY, maintain INTEGRITY in all our dealings, CARE for our customers, our colleagues and the people we interact with and in all our actions and always act with SINCERITY

AYA Bank is currently practising the policies in their organization to accomplish the missions of AYA Bank and it includes Occupational Health and Safety (OHS) Policy, Human Resources Appointment Policy, Non-Discrimination Policy, Recruitment and Selection Policy, Standard Operation Procedure Policy, Human Rights Policy and Social Media Policy which are currently practising in AYA Bank.

3.2 The Organization Structure and Policies of AYA Bank

AYA Bank has a proper organization structure which is started below. The Board of Directors sits on the very top of the organization chart which directly goes down to Managing Director (MD). The MD is supported by three Deputy Managing Directors (Dy MD) in second tier who are in-charge of different departments. The Bank's Management Board consists of (15) members. The Bank Chairman is U Zaw Zaw, Vice Chairmen are Daw Htay Htay Khaing and U Khin Maung, one Managing Director, three Deputy Managing Directors, five Executive Directors, one chief operating officer, five divisions and nineteen Heads of Departments. At the Bank Head Office, there are 19 departments. The number of Bank's staff reached total of employees over 8300 in 2019. The Bank's Management and organization structure are shown as in Figure (3.1).

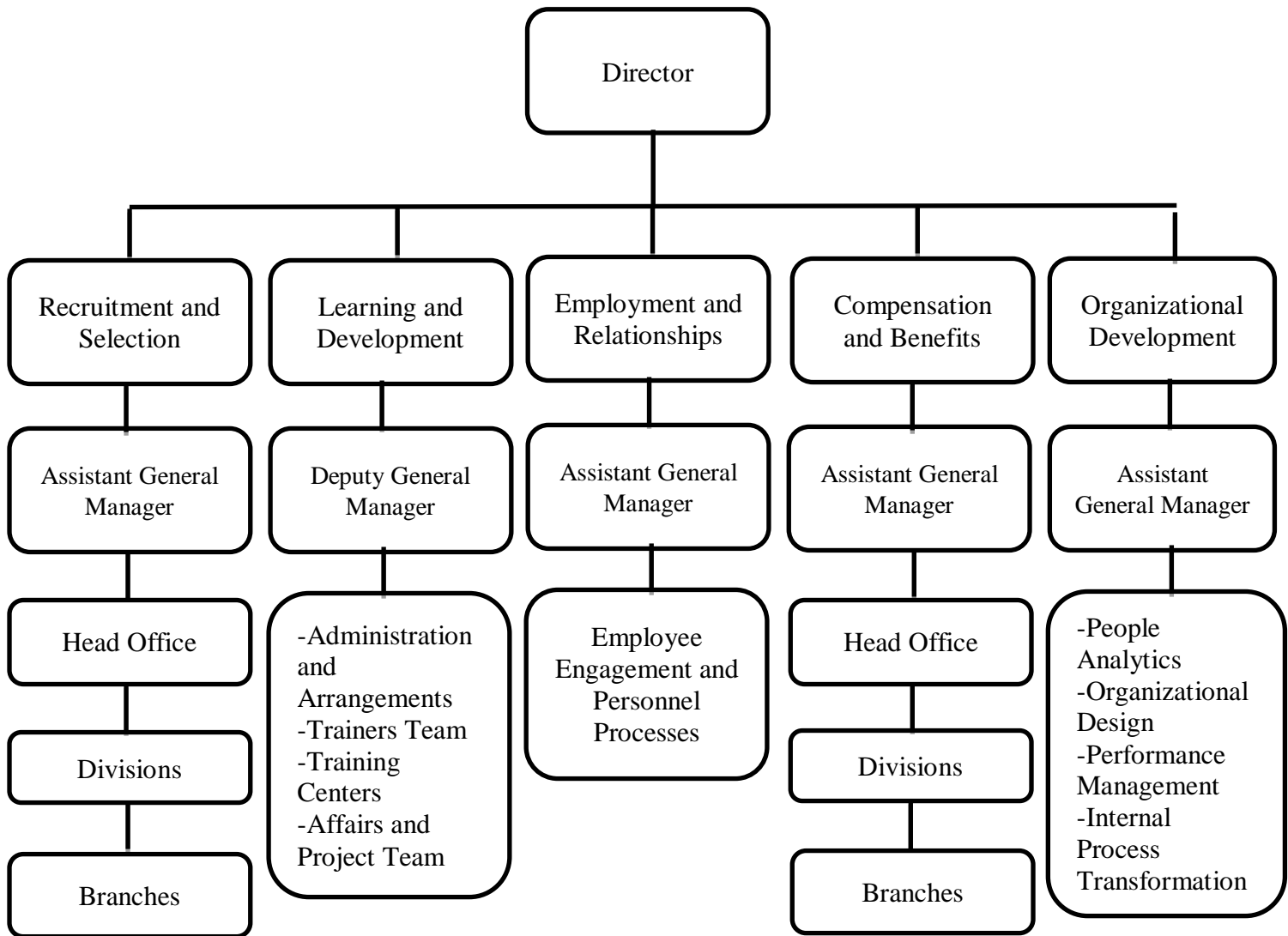
Figure (3.1) Organization Chart of AYA Bank



Source: AYA Bank, 2019

As AYA Bank Human resource management is an important body of a bank, it's the management set up which is separating for different kinds of HRM practices as shown in Fig (3.2).

Figure (3.2) The Human Resource Department's Organization Chart in AYA Bank



Source: AYA Bank, 2019

In AYA Bank, the HR department is being handled by one director, one deputy general manager and four assistant general managers. In human resource (HR) Department, management practices contain recruitment and selection processes for the all branches of AYA Bank. As a second practice, there is learning and development session for employees of AYA which is contributing to arrangement of trainers' team, training centre and project team. For employment and personal processes, there is separate branch as Employment and Relationship and handled by one assistant general manager. Another assistant general manager is responsible for compensation and benefits of employees. The last one is also responsible for organization and development of AYA Bank including people analytics, organizational design, performance arrangement and internal process transformation.

3.3 Banking Services in AYA Bank

As a bank's aim, financial services provided by the bank would be convenient and satisfy for the bank's customer. Currently, financial services offered by the AYA Bank are shown as in Table (3.1).

Financial services provided by AYA Bank can divide into nine categories such as deposits management, which include saving account, current account, fixed account and foreign currency account. Secondly, loans and advances services are available under bank loans. Available remittance services offered by AYA Bank are Local Online Remittance service, AYA World Remit, Swift Telegraphic Transfer and Payment Order. Cash management services include payroll, receivable and payable management and liquidity management. Other services such as bank guarantee. Online phone billing, moneychanger, hire purchase and call centre are also provided by AYA Bank. Now the bank is introducing Electronic Banking System which contains Internet Banking, Mobile Banking, Electronic Bill Payment and ATM location. Moreover, the bank is now providing moneychanger service throughout the whole Myanmar. The maximum amount of foreign currency can be exchanged is 10,000 USD requiring no documents that are set by the Central Bank of Myanmar. Daily exchange rates are also updated on AYA Bank's official website page. All the information can be inquired through AYA Call Centre Service by the customers who require for 24 hours.

AYA Bank is following the rules and regulations prescribed by the Central Bank of Myanmar for the banking services. AYA Bank's banking services are increasing in numbers and looking forward to giving the services conveniently for customers. Some other available services are Current Account, Saving Deposit Account, Fixed Deposit Account, Online

Phone Billing System, Meter Bill Service, Online Payment System, 24 Hour ATM Service, Debit/Credit/Prepaid Card System, E-Statement, 24 Hour Call Centre Service, Domestic Remittance, Mobile Top-up, Corporate Banking, Cash Services (Payroll/Collection Management System), Foreign Banking, International Remittance, Money Changer (Foreign Exchange), Foreign Currency Account, Performance Bank Guarantee, Payment Order, Hire Purchase, Loans, Staff Loans, Housing Loans.

Now the bank is starting Point of Sale System throughout the whole country. The banking customers are no longer need to carry cash in hands and make the payment by POS machine. Many shops, restaurants, shopping malls, hotels, ticket purchasing and other selling processes are easily done by POS machine.

Table (3.1) Banking Services in AYA Bank

Sr No.	Banking Services	Products Name
1	Deposit	AYA Current Account AYA Foreign Currency Account AYA Seafarer Account AYA Saving Account AYA Interest Maximizer Account AYA Loyal Account AYA Fixed Deposit AYA Premium Saving Deposit
2	Loan and Advances	AYA Education Loan AYA Auto Loan AYA Home Loan AYA Hire Purchase
3	Remittance	AYA Local Online Remittance AYA World Remit AYA Swift Telegraphic Transfer AYA Payment Order AYA Gift Cheque
4	Cash Management	Receivables Management Payable Management Liquidity Management
5	Card Payment	Debit Card Credit Card Prepaid Card AYA Point of Sale (POS) Online Payment Solution (E-Commerce)
6	E- banking Services	I-Banking M-Banking Electronic Bill Payment
7	Other Services	Foreign Exchange Service Safe Deposit Boxes Correspondent Bank
8	Trade Services	Letter of Credit (L/C) Bank Guarantee Bills for Collection (B/E or D/C)
9	AYA Royal Banking Services	Product Service Lifestyle Service Travel Desk Service Health Care Service Relationship Management Service

Source: AYA Bank (2019)

3.4 Human Resource Management Practices in AYA Bank

Nowadays, the ever changing banking industry has resulted in many vacancies and overall growth in the sector. The number of branches of banking sector has risen significantly and accordingly the requirement for skilled manpower has grown as well. The HR management team in AYA bank is responsible to analyze future requirements of organization and steadily calibrate recruitment process. The changing of the banking sector occurs with emergence of online banking and core banking services. But, there should be a fine balance between the youth energy and experienced professional, to make it a successful and fruitful combination. Hence, the AYA human resource (HR) management is responsible for maintaining this balance and undergo some cultural and management adjustments to fit in the people working.

The human resource management in AYA is being aware of discrepancy between employees in working environment. Training, performance evaluation and empowering the employees are being looked after by human resource (HR) department in AYA Bank.

The human resource management keeps measuring the overall performances of the employees working in different departments. The human resource managements are focusing more on the employees to improve their performance for the betterment of the bank and give motivation to those who are lack and promotion to those who are hardworking. The AYA human resource (HR) department are always looking into employee's motivation by letting them to see their values in bank and recognizing their performances. The human resource team is also assessing and analysing the reasons behind the resignation to better the situation.

The banking sector is a wide financial and economical industry, which depends majorly on the workforce. Thus managing and maintaining this workforce becomes the priority for the HR department in the banks. It is also important for the HR management team to have a look at the present and possible future requirements of the banks and work accordingly with the same.

Recruitment and Selection in AYA Bank

Whenever AYA bank offers a vacant position for extension of departments or launching of a new branch, human resource (HR) department officially announces vacancies in social media or journals or in current branches. In HR advertisement for vacant positions, needs and requirements are clearly mentioned for individualized positions and duties and responsibilities as well. After selecting a candidate based on certain criteria (skills, experiences, and qualifications), the process of interviewing and evaluating the candidate is

started. When an individual department needs to be extended and vacancies occur, AYA Bank officially announces for external candidates and also internal who are currently working and willingly to shift to work in vacant department.

Training and Development in AYA Bank

As a well-developed organization, AYA bank has an effective training programme for employees. After the recruitment and selection process, the selected candidate gets on-job-training for one and a half months. During this period, the new employee learns about banking industry, AYA Bank and its products and processes, human resource management policies, rules and regulations and AYA Bank's software systems. Such learning opportunities are associated to a specific job and sometimes to communication and ethics. After training period, each and every employee sits an exam for completion of their training and proceeds on according to results. Occasionally, AYA Bank is conducting the external training programme invited by the professionals from outside for Self-Quality training, Soft Skills training, Managerial Training and Safety training and Professional and Legal Training.

Performance Appraisal in AYA Bank

Performance appraisal is done annually in AYA Bank and it is a multi-steps running process. In performance appraisal system, an employee is firstly assessed on table by immediate supervisor and an effective point of such assessing is to let an employee to know strength and weakness instantly and unwanted consequences are already solved. Furthermore, branch in-charge assesses on employees again and proceed to Division Manager and upper management for monitoring and scoring of employees.

Compensation and Benefits in AYA Bank

In AYA Bank, there is a well-developing compensation and benefit system for employees. Besides salary, many other benefits are implemented for employees including ferry system, overtime pay and annual bonuses. AYA Bank also provides employees' benefits for different kinds of leaves such as causal, medical, maternal and according to the employees' years of services. Furthermore, AYA Bank allows for staff loan with special interest rates and housing loan for privileges. Life insurances and other labour movements including laws to protect worker's rights, worker safety are effectively maintained in system.

AYA bank is currently practising not only for increased productivity and profitability but also for employee's satisfaction and motivation in accordance with the compensation and benefits.

Retention and Supervision in AYA Bank

Even there is no employee's job satisfaction survey periodically, AYA Bank has a well prepared format for those who wants to resign from the job. According with such data collected from this format and exit interview done by human resource department, the reasons why employees want to leave the job are collected and if there is possibility, human resource department considers for this employee comfort and solve the problems. If such an employee's family or spouse shift to another town and this is reason of why, human resource department arranges for this employee to stay and work in the branch of this town. If because of supervision or conflicts with management, human resource department always looks for a best solution for it and keeps the right person in right position. For employee's career development, AYA Bank always encourages them to catch up the quality improving courses or professional courses by providing the education loan to staff.

Close supervision by immediate supervisor helps to give guidelines to employees for their promotion in the job. In AYA Bank, there are step by step management systems and basically supervised by immediate officer. An effective and qualified employee is being watched over by the supervisor for internal promotion when condition is favourable. Before promotion exam, the upper management like supervisor or manager gives the required training and contributes and shares their experiences for the staff. Human resource management is practising well in retention and supervision programme for reducing employees' turnover rates.

Promotion Practices in AYA Bank

Promotion practices usually comes along with the performance appraisal in AYA Bank but sometimes employees get chances if there is vacant position for upper ranks. For internal promotion on chances, employees sit an exam for this position. Based on the exam results, the promotion is selected with equity and transparency for every employee. Employees are always trying to be ready for the upcoming chances instead of waiting annual performance appraisal system. With the guidance of supervisors, employees get working experiences from daily activities in different sectors which is benefitted for chances of promotion.

CHAPTER (4)

EFFECT OF HUMAN RESOURCE MANAGEMENT PRACTICES ON EMPLOYEE JOB SATISFACTION IN AYA BANK

In this chapter, it contains the profile of respondents of AYA Bank, statistical analysis of the human management practices related job satisfaction in AYA Bank and the effective results of human resource management in AYA Bank.

4.1 Research Method

This study assesses the HR management practices in AYA Bank. The required data to assess were collected through survey in which the structured questionnaires were used. The questionnaire includes two main parts. The first part includes the questions on the demographic characteristics of the employees namely gender, age, position, education and services in AYA Bank. These questionnaires are delivered through the respondents working in Division 1 of AYA Bank. After the respondents completed the questionnaires and returned back, collected with confidentiality from the delivered areas.

The latter includes assessment of HRM practices impact on job satisfaction of employees through the structured questionnaires. It is made up of five-point Likert Scale (ranging from strongly disagree = 1, Disagree = 2, Neutral = 3, Agree = 4 and Strongly agree = 5), which measures the extent of HRM practices and job satisfaction level. To determine the minimum and the maximum length of the 5-point Likert type scale, according to Abdelrasheed, 2018, the range is calculated (strongly disagree = 1-1.80, Disagree = 1.81-2.60, True to some extent = 2.61-3.40, Agree = 3.41-4.20 and Strongly agree = 4.21-5.00). This part includes 7 items and total 51 questionnaires for assessments. Seven different groups of questionnaires are questions related to the Recruitment and Selection, Training and Development, Performance Appraisal, Compensation and Benefits, Retention and Supervision, Promotion Practices and Job Satisfactions.

In AYA Bank, there are Head Office and 5 Divisions in which 2 Divisions are in Yangon, 1 Division in Mandalay, 1 Division in Naypyitaw and other regions. In this study, 300 among 1,493 employees of different levels are selected from Division 1 of AYA Bank as a sampling method. The selected employees were requested to complete the questionnaire and after collecting the required data, the data were analysed by using the SPSS version 22 whereas mean, standard deviation and regression are used and analyse the data.

4.2 Profile of Respondents

Demographic characteristics of respondents such as gender of respondents (male and female), seven classes of age intervals, nine classes of positions in bank, five classes of monthly incomes, six classes of education level and six classes of years of service in AYA Bank are involved. Each characteristic has been analysed in terms of frequency and percentage, and the summary of the demographic characteristics of employees of AYA Bank is presented with the respective tables.

4.2.1 Gender of Respondents

In doing survey of HRM practices on employees' job satisfaction, the male and female respondents are selected.

Table (4.1) Gender of Respondents

Gender	No. of respondents	Percent (%)
Male	77	25.67
Female	223	74.33
Total	300	100.00

Source: Survey data, 2019

According to Table (4.1), there are 300 respondents, out of them 77 are male and 223 are female respondents. That is, sample consists of 25.67% of male respondents and 74.33% of female respondents.

4.2.2 Age Distribution of Respondents

In doing survey of HRM practices on employees' job satisfaction, age factor is divided into different levels starting from under 25 years of age with the interval of 5 years and uttermost between 46 and 50 years of age.

Table (4.2) Age Distribution of Respondents

Age	Frequency	Percent (%)
Under 25	71	23.67
26-30	170	56.67
31-35	26	8.67
36-40	18	6.00
41-45	9	3.00
46-50	6	2.00
Total	300	100.00

Source: Survey data, 2019

Age distribution of respondents is presented in Table (4.2). The survey are collected from various ages who are working in AYA Bank. It shows that majority of respondents are in age category of 26-30 and are middle aged. That is, 56.67% of respondents. For second highest position, respondents are in age under 25 (23.67%). Out of 300 respondents, few percentage of old aged are participated in survey form.

4.2.3 Positions Distribution of Respondents

In doing survey of HRM practices on employees' job satisfaction, questionnaires are prepared and assessable for different ranks of organization. It is mainly divided into Manager Levels such as Assistant General Manager, Manager, Assistant Manager, Deputy Manager and Non-manager Levels such as Supervisor, Senior Banking Assistant, Junior Banking Assistant and Office Assistant.

Table (4.3) Positions Distribution of Respondents

Positions	Frequency	Percent (%)
Manager	81	27.00
Non-Manager	219	73.00
Total	300	100.00

Source: Survey data, 2019

Position distribution of respondents is presented in Table (4.3) and the respondents are from Manager and Non-Manager Levels of AYA Bank. It shows that most of respondents are Senior Banking Assistant that is 38.33% of respondents. Respondents of Junior Banking Assistant are in second highest position (17%). Generally, about 36% of Manager Levels and 64% of Non-Manager Levels are completing the survey form.

4.2.4 Monthly Income Distribution of Respondents

In doing survey of HRM practices on employees' job satisfaction, like the different kinds of positions in the organization, monthly income salaries are also varied. Starting from under 200,000 MMK up to above 800,000 MMK with the interval of 200,000 MMK in each.

Table (4.4) Monthly Income Distributions of Respondents

Monthly Income (Kyats)	Frequency	Percent (%)
Under 200,000	8	2.67
200,000 - 400,000	197	65.67
400,001 - 600,000	52	17.33
600,001 - 800,000	31	10.33
Above 800,000	12	4.00
Total	300	100.00

Source: Survey data, 2019

Monthly income distribution of respondents is presented in Table (4.4). It shows that most of respondents are in monthly income between 200,000 and 400,000 MMK. That is, 65.67% of respondents. 8 are in monthly income category of under 200,000 and 12 are in monthly income category of above 800,000.

4.2.5 Education Level Distribution of Respondents

In doing survey of HRM practices on employees' job satisfaction and for the education levels of respondents, different people have different levels of education and the questionnaires are prepared in High School Level, Diploma, Degree, Master and Ph.D Level respectively.

Table (4.5) Education Level Distributions of Respondents

Education Level	Frequency	Percent (%)
High School Level	6	2.00
Bachelor Degree	267	89.00
Post Graduate Level	27	9.00
Total	300	100.00

Source: Survey data, 2019

Respondents were asked to indicate their education qualifications. Collected data on the education qualification is presented at the Table (4.5). According to the given data in the table 4.5, bachelor degree has recorded as the highest education qualification of most of the respondents in the sample. That is, 267 employees have pass bachelor degree. None of the respondents have Ph.D. and other qualification and only Master Levels are 27 and 9.00%.

4.2.6 Service Years' Distribution of Respondents

In doing survey of HRM practices on employees' job satisfaction and according to the respondents' service years in AYA Bank, the levels are parted 1 year interval from less than 1 year to above 5 years.

Table (4.6) Service Years' Distributions of Respondents

Service Years	Frequency	Percent (%)
Under 2 years	35	11.67
2 to 4 years	116	38.67
4 to 6 years	46	15.33
Above 6 years	103	34.33
Total	300	100.00

Source: Survey data, 2019

Table (4.6) indicates that most of the respondents (103) have more than above six years' experience in AYA Bank. As a percentage, 34.33 % have more than above six years of service in the bank and 11.67 % have less than two years of service.

4.3 Effect of Human Resource Management practices on employee job satisfaction in AYA Bank

In the banking industry, job satisfaction is essential for every member of the organisation. Not only in banking industry and also other organizations, human resource department always should be checking their practices how effectively impact on employee's working satisfaction. Starting from assignment till the resignation each and every process is concerned with human resource department.

The survey results are reflecting back from background employees' satisfaction how much on job. After analysis, the overall mean scores and statistical analytic results are shown as follows.

4.3.1 Human Resource Management Practices

HRM refers to the policies and practices involved in carrying out the 'Human Resource (HR)' aspects of a management position including human resource planning, job analysis, recruitment, selection, orientation, compensation, performance appraisal, training and development, and promotion practices. Moreover, the effect of HR practices has strong positive and significant effect on job satisfaction.

Recruitment and Selection

For analysis in AYA Bank, six questions are prepared in accordance to make a survey for recruitment and selection and which are shown in Table (4.7) as below.

Table (4.7) Recruitment and Selection

No	Particulars	Mean
1	The organization recruits high quality employees.	3.63
2	The organization's recruitment is unbiased and transparency.	3.45
3	The organization's recruitment is advertised in social media.	4.08
4	The organization places the right person in the right job.	3.23
5	The organization recruitment considers all education levels of employees.	3.74
6	The organization also recruits the employees with no background of banking experience.	3.75
	Overall Mean	3.65

Source: Survey data, 2019

According to Table (4.7), overall mean scores of Recruitment and Selection results are shown as 3.65. This result is showing that current recruitment and selection programme are satisfying for employees. AYA Bank is using the social media for vacancy announcement which can be easily checked by everyone nowadays. Moreover, AYA Bank gives job opportunity for those who have no background of banking experience and this welcoming for non-experiences gives a stronger motivation and better contribution for organization's growth. On the other hands, the employees don't think about right person in right place rather than others.

Training and Development

For analysis in AYA Bank, ten questions are prepared in accordance to make a survey for training and development and which are shown in Table (4.8) as below.

Table (4.8) Training and Development

No	Particulars	Mean
1	The organization gives on job training to recruit employees.	4.23
2	The organization always consider about the quality of training.	3.86
3	The organization conducts new employee's orientation.	3.38
4	The organization always plan and implement continuous training programs for employees.	3.55
5	The organization's training programs are assuredly effective for employees.	3.59
6	The organization encourages seminars for developing of employees.	3.46
7	The organization's training programs are updated and advanced.	3.57
8	The organization's increases the working efficiency of employees.	3.63
9	The organization's training programs include cross-departmental training curriculum.	3.51
10	The employees' developments are augmented through training programs of organization.	3.54
	Overall Mean	3.63

Source: Survey data, 2019

According to Table (4.8), the overall mean score is about 3.63 and it is a kind of expressing the employees' satisfaction on training and development programme of AYA Bank. To be specific, AYA Bank gives well and enough training to a new employee which can give the effective worker later. And also, the employees are always looking for quality training which can maintain core values of organization. In this case, AYA Bank gives relevant and effective on-job-training to new employees before assigning in the position. Besides training, the employees get a development through the qualified training. On the other hands, conducting with new employees' orientation in AYA Bank is mismatched with the employees' expectations. Without knowing orientation, right person in right place is hard to be implemented.

Performance Appraisal

For analysis in AYA Bank, six questions are prepared in accordance to make a survey for performance appraisal and which are shown in Table (4.9) as below.

Table (4.9) Performance Appraisal

No	Particulars	Mean
1	The organization has formal appraisal system.	3.34
2	The performance appraisal's evaluation is fair and square.	3.15
3	Performance appraisal is done periodically in the organization.	3.28
4	Performance appraisal system helps to identify the strength and weakness of the employees.	3.47
5	The organization gives feedback to employees.	3.31
6	The performance appraisal system should be updated.	3.48
	Overall Mean	3.34

Source: Survey data, 2019

In Table (4.9), the overall mean scores is also 3.34 which means that their performance appraisal system is effectively running and acceptable in condition. AYA Bank

gives the feedbacks back to employees after assessing their performances which can guide them to their requirements and get time to refill it. Furthermore, performance appraisal system is done in a certain period and the employees can manage the time to be fulfilled their performances. For the current situation, most of the employees are willingly in updating of current performance appraisal system of AYA Bank.

Compensation and Benefits

For analysis in AYA Bank, nine questions are prepared in accordance to make a survey for compensation and benefits and which are shown in Table (4.10) as below.

Table (4.10) Compensation and Benefits

No	Particulars	Mean
1	The organization looks for employees' needs.	3.23
2	The organization provides the benefits the employees need.	3.22
3	The organization's compensation system is reviewed periodically.	3.21
4	The organization applies compensation system according to performance.	3.20
5	The organization has fair compensation system.	3.18
6	The organization's compensation system is one of the reasons to retain my job at the organization.	3.16
7	The organization has cash and non-cash benefits alternatives.	3.15
8	Every employee fully understands about the organization's compensation system.	3.31
9	The compensation package (salary + daily allowance + meal allowance etc) of our organization is competitive to similar organizations.	3.24
	Overall Mean	3.21

Source: Survey data, 2019

According to Table (4.10), the overall mean scores are shown as 3.21 for compensation and benefits which is medium in satisfying level of employee. Good

compensation and benefits system are a kind of retention programme in well developing organization which can make best employee to stay with them. AYA Bank can be compared in compensation packages with other competitive organizations and the bank is looking for employees' needs and provide it. As a matter of fact, this brings job satisfaction level of employees to a certain extent but there are few choices between cash and non-cash benefits alternatives for employees.

Retention and Supervision

For analysis in AYA Bank, eight questions are prepared in accordance to make a survey for retention and supervision and which are shown in Table (4.11) as below.

Table (4.11) Retention and Supervision

No	Particulars	Mean
1	The organization has good employee retention program.	3.03
2	The organization favours appropriate benefits and environments for employees.	3.17
3	The organization has low employees' turnover rate.	2.77
4	The organization's retention system makes an employee survey for job satisfaction.	3.00
5	The supervision of bank is satisfactory.	3.29
6	The supervision of bank has accountability and responsibility.	3.40
7	The supervision of bank provides equal chances for all employees.	3.30
8	The bank's supervision is effective positively for employee's job satisfaction.	3.48
	Overall Mean	3.18

Source: Survey data, 2019

In Table (4.11), there is an overall mean scores as 3.18. According to the lowest result, the organization has high turnover rate and nearly close to lowest, there is not very good retention programme and habit of employee survey for job satisfaction. The retention system is one of the important practices in human resource department and can retain best employees

to stay. Without surveying on employee, their satisfaction on job is hardly seen for human resource department.

Promotion Practices

For analysis in AYA Bank, six questions are prepared in accordance to make a survey for promotion practices and which are shown in Table (4.12) as below.

Table (4.12) Promotion Practices

No	Particulars	Mean
1	The promotion practices of organization are easily understandable.	3.02
2	The promotion practices of organization is fair and based on employee's undeniable skills and performances.	3.02
3	Each and every employee has equal opportunity for promotion in an organization.	2.99
4	The organization has periodical promotion for employees.	3.14
5	The organization favours internal promotion.	2.88
6	The promotion system is related to the working period in an organization.	3.24
	Overall Mean	3.05

Source: Survey data, 2019

In Table (4.12), there is an overall mean scores is 3.05 which is comparatively lower than other practices in this study. Employees should understand promotion practices of their organization how it is going on and must have fair, equal opportunity for everyone in organization. Otherwise, this leads to demotivation of the employees. According to the result, in the bank the employees are less prefer to internal promotion which may affect in satisfaction. But most of the respondents agree that working period and promotion are directly proportional to each other.

Overall Mean Scores of HRM Practices in AYA Bank

According to statistical results in analysing human resource management (HRM) practices in AYA Bank, the overall mean scores of six independent variables are shown in Table (4.13).

Table (4.13) Overall Mean Scores of HRM Practices in AYA Bank

Independent Variables	Mean
Recruitment and Selection	3.65
Compensation and Benefits	3.21
Training and Development	3.63
Promotion Practices	3.05
Retention and Supervision	3.18
Performance Appraisal	3.34

Source: Survey data, 2019

According to Table (5.4), recruitment and selection and training and development results are agreed to respondents. The organization's compensation system and cash and non-cash benefits, unequal opportunity of promotion practice, high turnover rate and performance appraisal system are generating overall means scores of the respondents are true to some extent of HRM Practices in AYA Bank.

Job Satisfaction

For analysis in AYA Bank, six questions are prepared in accordance to make a survey for job satisfaction and which are shown in Table (4.14) as below.

Table (4.14) Job Satisfaction

No	Particulars	Mean
1	Recruitment and selection system in organization is well-developed and satisfactory for me.	3.73
2	I am satisfied with training and development system in organization.	3.39
3	Performance appraisal system had equity and equality for me.	3.41
4	Compensation and benefits of the organization is satisfactory and sufficient for me.	3.49
5	Retention and supervision system of the organization brings on job satisfaction for me.	3.38
6	Promotion practices of the organization are fairly enough and satisfactory for me.	3.44
	Overall Mean	3.47

Source: Survey data, 2019

In the Table (4.14), overall mean is 3.47 and HRM practices of recruitment and selection, compensation and benefits, promotion practices, performance appraisal are agree to job satisfaction. Training and development and retention and supervision are true to some extent.

Effect of Human Resource Management (HRM) Practices on Job Satisfaction in AYA Bank

The results shown in Table (4.15) below are taken from SPSS version 22 and statistical results (t value, Significance, value R², adjust R², F-value) of independent variables are obtained.

Table (4.15) Effect of Human Resource Management (HRM) Practices on Job Satisfaction in AYA Bank

Model	Unstandardized Coefficients		T	Sig.	VIF
	B	Std. Error			
1 (Constant)	3.165	0.278	11.399	.000	
Recruitment and Selection Mean	-0.149	0.100	-1.482	0.139	2.121
Compensation and Benefits Mean	0.036	0.104	0.344	0.731	3.020
Training and Development Mean	0.009	0.091	0.104	0.917	2.127
Promotion Practice Mean	0.159***	0.078	2.044	0.042	2.659
Retention and Supervision Mean	0.051	0.107	0.475	0.635	2.953
Performance Appraisal Mean	0.016	0.084	0.188	0.851	2.283
R ²			0.049		
Adjust R ²			0.030		
F-Value			2.523		

Source: Survey data, 2019

In conducting with job satisfaction as the dependent variable (job satisfaction) and six independent variables (human resource management (HRM) practices), the results are indicating that much of the variation in the dependent variable is explained by adjusted R square of 0.030 and a F-value 2.523 (p=0.021). According to the above coefficients table, promotion practice (t=2.044, p=0.042) emerged as the most significant variables in explaining the variance in job satisfaction.

Promotion practice is strongly impacted on job satisfaction with the standardized beta result 0.190. The positive value of Beta indicates that the relationship between job

satisfaction and promotion practices and also means that promotion practices 1 unit can increase employee's job satisfaction by 0.190 unit. The respondents agreed that promotion practices in AYA Bank is quietly understandable and it is more convenient for employees to prepare themselves before promotion practices to fulfil the requirements. And also, the respondents assume that the promotion practices are fair and based on performances but regardless of qualifications, working period and promotion system is directly communicated each other. As an important determinant, equality in opportunity is one of the matter for employees' job satisfaction.

CHAPTER 5

CONCLUSION

In this chapter, findings and discussions that hand on analysis, suggestions and recommendations and need for further studies of Human Resource Management on employees' job satisfaction are included.

5.1 Findings and Discussions

The practices are such as recruitment and selection, training and development, performance appraisal, compensation and benefits, retention and supervision and promotion practices. Findings of this study show that recruitment and selection system of AYA Bank is well enough to maintain and proceed for employees' job satisfaction. Not only the high quality employees but also different levels of education and without background of banking experience are selected to be encouraging them to approach the working environment with motivation. In recruiting process, vacancies are announced in social media with transparency and equal opportunity for candidates

Providing effective training for employees is positively related to higher employee satisfaction, employee commitment and higher employee retention. AYA Bank has well-developed training programmes for employees. Starting from on-job-training, a new employee is well trained how to work in banking industry and quality-improving training, technical training, ethical and motivational training are coming along in years of services in AYA Bank. This is an effectiveness for employees' job satisfaction because the employees' believe these kinds of trainings can bring not only to self-motivation but also help in working efficiency of themselves. Planning and implementation of good quality training are appreciated by employees and this is one of the strong factors for employees' job satisfaction.

Performance appraisal system of AYA Bank identifies the strength and weakness of employees. After appraisal by immediate supervisor, giving feedbacks to employees is very helpful for those who have needs and requirements for their performances. The employees know immediately which skills need to practice more and instantly knowing doesn't happen any doubt and conflicts in appraising system and make it more fair and square in system. Appraisal done periodically gives the employees time to prepare their skills and requirements for the upcoming performance appraisal.

Another one of important factors for job satisfaction, compensation and benefits, is needed to be reviewed and updated constantly in every organization. In AYA Bank and according to the findings, compensation and benefits system are fairly competitive to other similar organizations. And also human resource management (HRM) of AYA Bank is looking for the needs and provide to the employees as needed which satisfies the employee. Every employee fully understands about compensation and benefit system of AYA Bank and it is reviewed periodically to update the system. Fair compensation system is one of the key factors in retention of employees and in accordance with the performances also increase their motivation.

The accountable and responsible supervision can assist employees' job satisfaction but alone cannot make full satisfaction. According the findings, the bank needs to review about retention system because inappropriate supervision is not only the cause of turnover of employees. Increasing turnover rates is an indication to incomplete retention system. Training and developing a best employee would be useless without controlling the turnover rates and this best employee shifts to other competitors. Before resignation, the bank has to analyse the current situation of employees' job satisfaction through survey and after resignation, an exit interview helps to analyse where the problems are and how to handle them.

Every employee doesn't want to work in stagnant working environment. Performance appraisal and promotion is an expectation of everyone and it would be boring situation without it. Selection of external qualified candidates is a good way but sometimes the bank should be looking at the appropriate current employee to promote in this vacant position for their motivation and satisfaction. In selecting internal employees, there must be an equal and transparent opportunity to avoid doubts and conflicts among employees and otherwise, it may worse the condition than selecting from external. Sometimes, relationships become stronger than skills and performances and it will bring untoward effects on management and declines job satisfaction of employees.

Human Resource Management (HRM) practices are related with each other and all the components are concerned with employees' job satisfaction. For developing of every organization, human resource management (HRM) practices are important key factors needed to build up. They are the main pillars of the organization. Well-performing human resource management (HRM) practices can create a warmly environment for employees and also indubitably full of satisfaction.

5.2 Suggestions and Recommendations

According to the findings in analysis of human resource management (HRM) practices in AYA Bank, recruitment and selection's transparency, unbiased and equality are the factors contributing for employees' job satisfaction and need to be carried forward. It also provides the right person in right place for better improvement of AYA Bank. In training and development, AYA Bank needs to maintain current implementation not only for employees' job satisfaction and also for productivity and profitability of itself.

For performance appraisal system, though current performance appraisal system is formal, fair and square, it is still needed to be updated in adapting the changing of the working environment. Another one of important factors for job satisfaction, compensation and benefits, is needed to be reviewed and updated constantly in every organization. In AYA Bank and according to the findings, compensation and benefits system are fairly competitive to other similar organizations and should be updated and maintained. For a well-established organization like AYA Bank, it should have to keep a survey program on employees about their satisfaction occasionally to avoid undesirable effects in turnover for good retention system.

Promotion system should be updated and reviewed intensively and periodically to increase job satisfaction and to decrease turnover of employees. Sometimes, promotion is accordingly with the working period and this is one of the factors needed to review for employees' job satisfaction. Less working period with better qualities and performances cannot compared with old services and it also makes the loss of good employees from the bank. For AYA Bank and according to the findings, promotion system is important to be checked and updated to control turnover rates.

5.3 Need for further study

This study is only from HRM practices on employees' job satisfaction in AYA Bank. Employee engagement and job satisfaction in AYA Bank should be studied. Moreover, HRM practices and job satisfaction of banking sector should be conducted. In addition, HRM practices on employees' job satisfaction in other sectors should be studied.

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APPENDIX

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	6.324	6	1.054	2.523	.021 ^b
	Residual	122.403	293	.418		
	Total	128.727	299			

a. Dependent Variable: JSMean

b. Predictors: (Constant), PAMean, RASMean, RSMean, TDMean, PPMean, CBMean

MODEL SUMMARY^B

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.222 ^a	.049	.030	.64634	1.380

a. Predictors: (Constant), PAMean, RASMean, RSMean, TDMean, PPMean, CBMean

b. Dependent Variable: JSMean

Yangon University of Economics
Master of Banking and Finance (MBF) Program
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JOB SATISFACTION IN AYA BANK

Section (1): Demographic Factors of Respondents

1 Gender:

Male Female

2 Age (Years)

Under 25 26 – 30 31 – 35
 36 – 40 41 – 45 46 – 50
 Over 50

3 Positions

Above Manager Manager Deputy Manager
 Assistant Manager Supervisor Assistant Supervisor
 Senior Banking Assistant Junior Banking Assistant Office Assistant

4 Monthly Incomes (Kyat)

Under 200,000 200,001 – 400,000 400,001 – 600,000
 600,001 – 800,000 800,001 and above

5 Education Level

High School Level Diploma Bachelor Degree
 Master Level Ph.D Other Qualification

6 Years of Service at Current Organization

Under 2 years 2 to 4 years 4 to 6 years
 above 6 years

Section (2): HRM Practices and Employees' Job Satisfaction

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	2	3	4	5

No.	Particular	1	2	3	4	5
A	Recruitment and Selection					
1	The organization recruits high quality employees.					
2	The organization's recruitment is unbiased and transparency.					
3	The organization's recruitment is advertised in social media.					
4	The organization places the right person in the right job.					
5	The organization recruitment considers all education					

	levels of employees.					
6	The organization also recruits the employees with no background of banking experience.					
B	Training and Development					
1	The organization gives on job training to recruit employees.					
2	The organization always consider about the quality of training.					
3	The organization conducts new employee's orientation.					
4	The organization always plan and implement continuous training programs for employees.					
5	The organization's training programs are assuredly effective for employees.					
6	The organization encourages seminars for developing of employees.					
7	The organization's training programs are updated and advanced.					
8	The organization's increases the working efficiency of employees.					
9	The organization's training programs include cross-departmental training curriculum.					
10	The employees' developments are augmented through training programs of organization.					
No.	Particular	1	2	3	4	5
C	Performance Appraisal					
1	The organization has formal appraisal system.					
2	The performance appraisal's evaluation is fair and square.					
3	Performance appraisal is done periodically in the organization.					
4	Performance appraisal system helps to identify the strength and weakness of the employees.					
5	The organization gives feedback to employees.					
6	The performance appraisal system should be updated.					
D	Compensation and Benefits					
1	The organization looks for employees' needs.					

2	The organization provides the benefits the employees need.					
3	The organization's compensation system is reviewed periodically.					
4	The organization applies compensation system according to performance.					
5	The organization has fair compensation system.					
6	The organization's compensation system is one of the reasons to retain my job at the organization.					
7	The organization has cash and non-cash benefits alternatives.					
8	Every employee fully understands about the organization's compensation system.					
9	The compensation package (salary + daily allowance + meal allowance etc) of our organization is competitive to similar organizations.					
E	Retention and Supervision					
1	The organization has good employee retention program.					
2	The organization favours appropriate benefits and environments for employees.					
3	The organization has low employees' turnover rate.					
4	The organization's retention system makes an employee survey for job satisfaction.					
5	The supervision of bank is satisfactory.					
No.	Particular	1	2	3	4	5
6	The supervision of bank has accountability and responsibility.					
7	The supervision of bank provides equal chances for all employees.					
8	The bank's supervision is effective positively for employee's job satisfaction.					
F	Promotion Practices					
1	The promotion practices of organization is easily understandable.					
2	The promotion practices of organization is fair and based on employee's undeniable skills and performances.					
3	Each and every employee has equal opportunity for promotion in an organization.					
4	The organization has periodical promotion for employees.					
5	The organization favours internal promotion.					
6	The promotion system is related to the working period in an organization.					

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree		
1	2	3	4	5		
No.	Particular	1	2	3	4	5
Job Satisfaction						
1	Recruitment and selection system in organization is well-developed and satisfactory for me.					
2	I am satisfied with training and development system in organization.					
3	Performance appraisal system had equity and equality for me.					
4	Compensation and benefits of the organization is satisfactory and sufficient for me.					
5	Retention and supervision system of the organization brings on job satisfaction for me.					
6	Promotion practices of the organization are fairly enough and satisfactory for me.					