

The Myanmar JOURNAL

Labour Force and Employment Opportunities
in Myanmar *Thet Lwin · Khin May Than*

The Impact of Internal Corporate Social
Responsibility on Employee Commitment of
Private Banks in Myanmar *Than Soe Oo*

A New Interpretation of the Global Business
Model : Focusing on the Fourth Industrial
Revolution *Shinwon Kang*

Border Trade between Myanmar and
Neighboring Countries *Khin Thida Nyein*

A Study on the Structure of Myanmar's
Industry in the Era of the Trump
Administration *Young kyu Jeong*

Motivation Factors Influencing on Employee
Satisfaction *Yee Yee Thein*

The Influence of emotional labor and self- control
perceived by child care women on job stress.
Shin-Sook Lee

Proximate Determinants of Fertility in Myanmar
Maw Maw Khin · Sanda Thein

A Study on the Educational Conditions in Myanmar
- Focusing on early childhood education *Gwon
Osung*

The Role of Social Media in Political Change: The
Case of Tunisia and Egypt *Vikash Kumar*

Dating Violence of College Students *Sunghee Kim*

Mobile Finance and Financial Inclusion : Focusing
on ITU Discussion Issues *Shinwon Kang*

Letter from the Editor-in-Chief

The Korea Myanmar Research Institute (KOMYRA) has supported the ongoing projects on the mutual development of Myanmar and Korea in the entire field of society, economy, culture, education, science, and related industry. As a part of our efforts to provide convenient access to understand Myanmar and Korea worldwide, KOMYRA has co-published the Myanmar Journal with Yangon University of Economics (YUE) since August 2014, and now we release the Myanmar Journal Vol. 5, No. 2.

This issue features various topics that may be of international interest, such as academic and industrial researches mainly concerning economic and social changes, FDI, education, welfare, culture, renewable energy, mobile finance, etc.

We hope this journal continues to promote understanding about the present status and the potential capacities of Myanmar and Korea, and facilitate in-depth international exchange and cooperation.

I would like to express my deep gratitude to the Editorial Board and the Staff of KOMYRA who have contributed their valuable supports towards the publication of this issue of the Myanmar Journal.

August 30, 2018

Youngjun Choi *yj choi*

Editor-in-Chief of THE MYANMAR JOURNAL

Vice-President of KOMYRA

Email: yjchoi@khu.ac.kr

Office: +82-2-961-0485

Web address: komyra.com/doc/scope.php

EDITORIAL BOARD

EDITOR-IN-CHIEF (Yangon University of Economics)

Prof. Moe Moe Khaing, Ph.D. (YUE, Myanmar)

EDITOR-IN-CHIEF (Korea Myanmar Research Association)

Prof. Youngjun Choi, Ph.D. (KHU, Korea)

ASSOCIATE EDITOR-IN-CHIEF

Hyejin Park (KOMYRA, USA)

Jiyeon Chun, Ph.D. (SCNU, Korea)

Hyunwoo Cho, Ph.D. (SCNU, Korea)

Shinwon Kang, Ph.D. (SCNU, Korea)

Journal Managing EDITOR

Kyuyoung Cho (Timebee, Korea)

Sector EDITOR

Broadcast & Korean Wave, Sangkyu Byeon & Sangkyun Han (HU, Korea)

Capital market sector EDITOR, Kwangchul Ji (WB, Korea)

Communication and energy sector EDITOR, Shinwon Kang (SCNU, Korea)

Economic & Management sector EDITOR, John Walsh (SIU RC, Thailand)

Food Engineering sector EDITOR, Jiyeon Chun (SCNU, Korea)

ICT, Standards sector EDITOR, Jaeyoung Ahn & Byoungnam Lee (ETRI, Korea)

International Law sector, Jeremy Sarkin (University of South Africa, South Africa)

Logistics sector EDITOR, Sunghyun Yoon (KE, Korea)

Social Welfare sector EDITOR, Shinsook Lee & Sunghee Kim (SCNU, Korea)

Statistics & Survey statistics sector EDITOR, Jungwha Do (ReLab, Korea)

Technology Management sector EDITOR, Taeho Park (SJSU, USA)

Tourism and Leisure sector EDITOR, Ohsung Gwon (JNUE, Korea)

Trade & Education sector EDITOR, Youngjun Choi (KHU, Korea)

Language, Literature & Culture Sector EDITOR, Santosh Kumar Ranjan (JNU, India)

ADVISORY BOARD

Prof. Taeho Park, Ph.D. (SJSU, USA)

Prof. Lay Kyi, Ph.D. (YUE, Myanmar)

Prof. Tun Aung, Ph.D. (YUE, Myanmar)

INFORMATION ABOUT The Myanmar Journal

The Myanmar Journal (ISSN 2383-6563) is the official international journal co-published by Yangon University of Economics (YUE) and Korea Myanmar Research Institute (KOMYRA).

This journal aims to promote the mutual cooperation and development of Myanmar and Korea through intensive researches in the entire field of society, economy, culture, and industry.

It will cover all general academic and industrial issues, and share ideas, problems and solution for development of Myanmar.

Articles for publication will be on-line released twice a year at the end of February and August every year on the Myanmar Journal webpage.

CONTENTS

Articles

1. Labour Force and Employment Opportunities in Myanmar
Thet Lwin · Khin May Than
14. The Impact of Internal Corporate Social Responsibility on Employee Commitment of Private Banks in Myanmar
Than Soe Oo
31. A New Interpretation of the Global Business Model : Focusing on the Fourth Industrial Revolution
Shinwon Kang
39. Border Trade between Myanmar and Neighboring Countries
Khin Thida Nyein
63. A Study on the Structure of Myanmar's Industry in the Era of the Trump Administration
Young kyu Jeong
71. Motivation Factors Influencing on Employee Satisfaction
Yee Yee Thein
91. The Influence of emotional labor and self- control perceived by child care women on job stress.
Shin-Sook Lee
106. Proximate Determinants of Fertility in Myanmar
Maw Maw Khin · Sanda Thein
115. A Study on the Educational Conditions in Myanmar - Focusing on early childhood education -
Gwon Osung
123. The Role of Social Media in Political Change: The Case of Tunisia and Egypt
Vikash Kumar
142. Dating Violence of College Students
Sunghee Kim
149. Mobile Finance and Financial Inclusion : Focusing on ITU Discussion Issues
Shinwon Kang

The Impact of Internal Corporate Social Responsibility on Employee Commitment of Private Banks in Myanmar

*Than Soe Oo**

Yangon University of Economics

ABSTRACT : The main objective of this study is to analyze the effects of internal corporate social responsibility practices on employee commitment in private banks in Myanmar. Each of the five components of internal corporate social responsibility practices namely: compensation and benefits, training and development, health and safety, work-life balance, and employee autonomy were analyzed in relation to the three components of employee commitment: affective, continuance and normative commitment. The primary data was gathered through the administration of self-completion questionnaire to 380 employees from ten private banks. Data analysis was conducted using SPSS software. Results showed that compensation and benefits, and employee autonomy had a significant effect on employee commitment while training and development, health and safety, and work-life balance have no significant association with employee commitment.

Key words : internal CSR, employee commitment.

I. Introduction

The banking sector now plays a vital role in improving the social-economic well-being of the country through mobilizing funds from saving to investment, setting the price and value of financial assets, monitoring borrowers, managing financial risks, and organizing the payment system in the economy (Greenbaum, & Tahakor, 2007). Thus, the prosperity of the banking sector requires human resource interventions. The banking sector seems to be the most responsive industry to the emerging trend of

* Assistant Lecturer, Department of Commerce, Yangon University of Economics, The Republic of the Union of Myanmar. Email: mgthansoeoo@gmail.com

corporate social responsibility. The banking sector is subjected to more diverse and complex stakeholders than any other sector of the economy (Achua, 2008). Banking sector needs to be socially responsible to build their reputation, which impact on the ability to attract high-quality employees (Achua, 2008) as well as on the employee intention to stay within organization. Undeniably, corporate social responsibility becomes prominent in building of corporate image among the various stakeholders of the banks including employees.

In respect of corporate social responsibility practices, there are only very few empirical studies that have been conducted regarding internal corporate social responsibility and its implication on people working in organizations and the performance of organizations. Thus far, scholars are interested to investigate the impact of internal corporate social responsibility on employees and their particular work attitude. Although their findings sometimes produce mixed results on the relationship between internal corporate social responsibility and employee's attitude towards their work and organizations, most of the respondents found that there is a strong relationship between internal corporate social responsibility and employees' attitude towards organization, thereby contributing to improve organization's performance (ALshbibel & AL-Awawdeh, 2011). In Myanmar's private banking sector, most of the researches on corporate social responsibility practices have less focus on the internal stakeholders such as employees. Therefore, there is a need to examine the effect of internal corporate social responsibility on this important stakeholder group-the employee. It is crucial to understand how employees respond to internal corporate social responsibility. Researchers have found that corporations that engage in social responsibility reap significant benefit. Employees are important stakeholders and they play a key role in organization success. Employee perceptions of the organization's ethics and social responsibility may influence their attitudes, commitment and performance, which in turn will have an effect on their organizations' performance. Therefore, research on the effect of corporate social responsibility on employees has been paid high attention in Myanmar.

The relationship between internal corporate social responsibility and employee commitment to their organizations has not yet been explored in developing countries like Myanmar. Majority of private banks in Myanmar currently tend to accept the importance of internal corporate social responsibility in relation to employee commitment to their organization. Therefore, they are interested in practicing internal corporate social responsibility activities. This can be seen in the vision, mission and value statement of the banks. Most of the bank tends to give more emphasis on external aspect of corporate social responsibility. However, some banks with large numbers of employees are practicing internal corporate social responsibility.

It can be seen that insufficient investment in internal corporate social responsibility

activities, attitude and behavior of employees may lead to negative results. This may lead to poor employee commitment to their organizations and negative impact on the employee intention to stay in private banks. Thus, the current study expects to provide comprehensive and clear information on how well internal corporate social responsibility practices are relevant for commitment and loyalty of current employees for improving the performance and thus on competitive advantage of local banks.

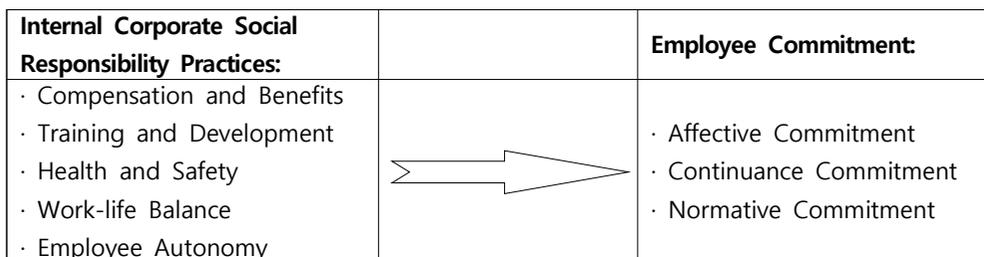
1. Objective of the Study

This study is conducted with the following objectives:

- 1) To identify the employee perception of internal corporate social responsibility practices of private banks in Myanmar.
- 2) To analyze the effect of internal corporate social responsibility practices on employee commitment in private banks in Myanmar.

The conceptual framework of the study is shown in Figure 1.

Figure 1. Conceptual Framework of the Study



Source: Own Compilation

2. Scope and Limitations of the Study

The role of internal corporate social responsibility has become an important driver for increasing employee commitment. Better organization effectiveness can be maintained when it keeps employee satisfied and productive. The scope of the study is limited to internal corporate social responsibility practices. It covers practices such as compensation and benefits, training and development, health and safety, work-life balance, and employee autonomy. There are other factors which may relate to employees' satisfaction and commitment directly or indirectly but they are beyond the scope of the study.

Although the current study offers some new insights about internal corporate social responsibility, there are several limitations to be acknowledged in the current

study. First of all, one important limitation may be the employee responses on the questions. Some employees may be confused with the questions asked in the study. Although a pilot test and revision to the questions had been made, some employees still cannot comprehend what the question filling.

Secondly, financial and time constraints are other limitations of the study. Due to the time constraints, the sample size had been small because considerable time had been required to collect the sample data. Thus, only ten banks had been selected in the study. However, the sample size meets the requirement for analysis although the sample size may not be representative to the whole banking sector. The respondents' opinion could not accurately represent the employee perception for the whole population in the private banking sector of Myanmar.

Another important limitation is the data collection method. The study used only the survey method with questionnaire. This would limit some important information because of the limited responses to the questionnaire. Thus, the study supplemented with interview method to collect more accurate and reliable information regarding the perceptions.

Another limitation may be that the study did not explore the ethnic group although the banking sector engages different ethnic employees. Thus, different perspective on internal corporate social responsibility practices by different ethnic should be considerable.

II. Analysis of Internal Corporate Social Responsibility and Employee Commitment

1. Research Design

Quantitative method is applied in this study by conducting employee survey in private banks. In line with this approach, descriptive research and conclusive research is carried out to measure internal corporate social responsibility and employee commitment in private banks. Questions are designed to answer the level of employee perception on variables regarding internal corporate social responsibility and employee commitment. In order to minimize the biasness, questions are developed in a simple and understandable manner for the ease of respondents and the researchers. The five dimensions of corporate social responsibility which include compensation and benefits, training and development, health and safety, work-life balance, and employee autonomy are to be rated with five-points of Likert-scale.

This study uses both descriptive and analytical methods to arrive at conclusion and

recommendation. Secondary data is obtained from literature reviews of previous study in this field, periodic reports and articles, statistical data issued by government agencies and private organizations, and the Internet. Primary data are collected from selected private banks in Myanmar, by observation, personal interview, and telephone interview through questionnaires.

This study is carried out with an intention to understand the nature of the relationship between internal corporate social responsibility and employee commitment of private banks in Myanmar. Hence the population of the study includes all private banks and all employees from these private banks. In Myanmar, there are 4 State-Owned Banks, 24 Domestic Private Banks, and 17 Foreign Banks with Representative Offices. The current study focuses only on 24 domestic private banks which have the population of the 38330 employees.

Choosing banks for data collection was a complex task. Considering various aspects especially the substantial number of employee population is a major concern, the sample is chosen in two stages. At the first stage, it was decided to choose only sample of ten private banks with large number of employees from 24 domestic private banks in Myanmar. The list of selected banks for the study is presented in Table 1. At the second stage, random samples of 380 employees are proportionately selected from the employees of the ten selected banks in the first stage. The proportion of population and sample of private banks are mentioned in Table 1. According to Krejcie & Morgan (1970), the required sample size for this study is 380 employees.

Table 1 Population and Sample of Employees in Selected Private Banks

Sr.	Name of the Bank	Population	Sample
1	Kanbawza Bank Ltd	13302	132
2	Co-operative Bank Ltd	5764	57
3	Ayeyarwaddy Bank Ltd	4455	44
4	Myanma Apex Bank Ltd	3056	30
5	Yoma Bank Ltd	2398	24
6	Asia Green Development Bank Ltd	2277	23
7	Myawaddy Bank Ltd	2218	22
8	Global Treasure Bank Ltd	2084	21
9	United Amara Bank Ltd	1562	15
10	Myanmar Oriental Bank Ltd	1214	12
	Total	38330	380

Source: Current Study

2. Demographic Profile of the Respondents

Ten private banks located in Yangon are the sample of the study. Respondents from these ten banks are listed in Table 2.

Table 2 Respondent by Bank

Sr.	Name of the Bank	Frequency	Percent
1	Kanbawza Bank Ltd	132	35
2	Co-operative Bank Ltd	57	15
3	Ayeyarwaddy Bank Ltd	44	12
4	Myanma Apex Bank Ltd	30	7
5	Yoma Bank Ltd	24	6
6	Asia Green Development Bank Ltd	23	6
7	Myawaddy Bank Ltd	22	6
8	Global Treasure Bank Ltd	21	6
9	United Amara Bank Ltd	15	4
10	Myanmar Oriental Bank Ltd	12	3
	Total	380	100

Source: Survey Data (2016)

Table 2. shows the number of respondents from each bank.

Table 3 Demographic Variables of Respondents

Attribute	Characteristics	Frequency	Percent
Gender	Male	104	27
	Female	276	73
Position	Executive Level	126	33
	Non-Executive Level	254	67
Education Level	Middle School	1	1
	High School	2	1
	University Graduate	332	87
	Other (Master)	45	11
Working Experience	1-3 years	214	56
	4-6 years	108	28
	7-9 years	10	3
	10-12 years	8	2
	More than 12 years	40	11

Source: Survey Data (2016)

According to Table 3, total 380 respondents from the private banks participated in the study. In terms of gender composition, male respondents represented 27 percent

and female respondents constituted the majority, i.e 73 percent. Because of the job nature in banking industry, female workers are more demanded than the male workers and thus the proportion of the former is higher than the latter in a typical branch. In terms of position, 67 percent of the respondents are non-executive level including Junior Bank Assistance, Senior Bank Assistance, Junior Clerk, Senior Clerk, Supervisor, Assistant Supervisor, Officer, System Engineer and Network Engineer, and 33 percent of the respondents are from the executive level such as Manager, Assistant Manager and Deputy Manager. This reflects the hierarchy of work structure in most organizations in which there are large number of staff in the lower level of hierarchy.

In terms of education level, 87 percent of the respondents have got a bachelor degree, 11 percent of the respondents are master degree holders and only a tiny 2 percent are not university graduate. This is because that university graduate is threshold qualification of the banking industry. Thus majority of the respondents in the study hold their bachelor degree due to the requirement of the banking industry. In terms of working experiences, more than half of respondents have been working at their banks for 3 years or less, just over a quarter of them has between 4 and 6 years, 11 percent more than 12 years, 3 percent between 7 and 9 years and 2 percent between 10 and 12 years. The study shows the majority group of respondents with less than three years experience since the sample group consists of non-executive level. Another reason is most of the banks make new recruitments because of the growth of the banks.

3. Reliability and Validity Test

Reliability analysis is conducted by computing the Cronbach's alpha. The result of the study is presented in Table 4.

According to Table 4, compensation and benefits is measured with seven items but to strengthen the reliability of the factor in the study two items were deleted and have got Cronbach's alpha value of 0.77. Training and development is measured with nine items but to strengthen the reliability of the factor in the study two items were deleted and have got Cronbach's alpha value of 0.85. Health and safety is measured with eight items and have got Cronbach's alpha of 0.90. Work-life balance is measured with nine items but to strengthen the reliability of the factor in the study three items were deleted and have got Cronbach's alpha value of 0.74. Employee autonomy is measured with seven items but to strengthen the reliability of the factor in the study two items were deleted and have got Cronbach's alpha value of 0.81. Affective commitment is measured with eight items but to strengthen the reliability of the factor in the study three items were deleted and have got Cronbach's alpha value of 0.71. Continuance commitment is measured with eight items but to strengthen the

reliability of the factor in the study three items were deleted and have got Cronbach's alpha value of 0.80. Normative commitment is measured with eight items but to strengthen the reliability of the factor in the study two items were deleted and have got Cronbach's alpha value of 0.60. In summary, most of the items in the study would strengthen the reliability of the study according to their Cronbach's alpha value.

Table 4 Reliability Test

No.	Variables	Cronbach's Alpha	No. of Item	Items Retained
1	Compensation and Benefits	0.77	7	5
2	Training and Development	0.85	9	7
3	Health and Safety	0.90	8	8
4	Work-life Balance	0.74	9	6
5	Employee Autonomy	0.81	7	5
6	Affective Commitment	0.71	8	5
7	Continuance Commitment	0.80	8	5
8	Normative Commitment	0.60	8	6

Source: Survey Data (2016)

Factor analysis was done on the five dimensions of internal corporate social responsibility. Principal components analysis with varimax rotation was used to assess the dimensionality and uniqueness of the variables. The data was appropriate for factor analysis since the KMO's value was 0.709 for compensation and benefits, 0.900 for training and development and 0.898 for health and safety, 0.804 for work-life balance and 0.821 for employee autonomy exceeding the recommended value of 0.60. The overall significant of correlation among all items was also sufficient with Bartlett's test of sphericity achieving a p-value of less than 0.01. The Eigenvalues greater than 1.0 were maintained.

In this study, confirmatory factor analysis with varimax rotation was performed. For each measure variable, the value of factor loading of each variable above 0.50 was retained to do the final analysis. In this analysis, all items have factor loading value of 0.50 above. Thus, all factors are retained in the final analysis. Then factor analysis was done on the three components of employee commitment. Principal components analysis with varimax rotation was used to assess the dimensionality and uniqueness of the variables. The data was appropriate for factor analysis since the KMO's value was 0.60 for normative commitment, 0.67 for affective commitment and 0.76 for continuance commitment. The overall significant of correlation among all items was also sufficient with Bartlett's test of sphericity achieving a p-value of less than 0.01.

4. Employee Perception on Internal Corporate Social Responsibility

In this study, five-point Likert scale is used to indicate the level of respondent to all items (1= strongly disagree to 5 = strongly agree). Thus, the mean values of all variables were further categorized into three levels of perception on internal corporate social responsibility. Mean value of less than 2.00 was categorized as low level perception; mean value between 2.00 and less than 3.50 was moderate level perception and mean value of 3.50 or above was categorized as high level of perception. This categorization is based on Sekaran (2010).

Table 5 Employee Perception on Internal Corporate Social Responsibility

Variables	Mean	Standard Deviation	Level of Perception
Training and Development	3.58	0.54	High
Employee Autonomy	3.56	0.66	High
Compensation and Benefits	3.31	0.69	Moderate
Work-life Balance	2.99	0.65	Moderate
Health and Safety	2.94	0.73	Moderate
Total	3.28	0.65	Moderate

Source: Survey Data (2016)

According to Table 5, most of the respondents agree upon the fact that their banks use the training and development as highest internal corporate social responsibility, representing 3.58 overall score. Another, internal corporate social responsibility practices that employees perceived they received from the bank are employee autonomy. Thus, it can be concluded that the private banks in Myanmar focuses the most on training and development, followed by, employee autonomy. Other internal corporate social responsibility practices such as compensation and benefits, work-life balance, and health and safety are perceived as moderately offered. On average, from the employee point of view the private banks in Myanmar adopt internal corporate social responsibility practices to a moderate level.

5. Effects of Internal Corporate Social Responsibility Practices on Employee Commitment

In this study, the dependent variables (affective commitment/ continuance commitment/ normative commitment) are explained by five independent variables (compensation and benefits, training and development, health and safety, work-life balance, and employee autonomy). This method is used to predict the change in dependent variable in response to changes in the independent variable. Employee commitment (Y) was expressed as a function of internal corporate social responsibilities

practices specified in the following regression equation:

$$Y = b_0 + b_1 X_1 + b_2 X_2 + b_3 X_3 + b_4 X_4 + b_5 X_5 + e$$

whereby,

- Y = Employee Commitment
- b₀ = Constant
- b₁ = Regression Coefficients for Independent Variables Xi
- X₁ = Compensation and Benefits
- X₂ = Training and Development
- X₃ = Health and Safety
- X₄ = Work-life Balance
- X₅ = Employee Autonomy
- e = Standard Error Term

Table 6 shows mean and standard deviations for the three components of commitment; affective commitment, continuance commitment, and normative commitment. Commitment is measured by five-point Likert scale.

Table 6 Employee Perception on Employee Commitment

Variables	Mean	Standard Deviation	Level of Commitment
Affective Commitment	3.43	0.62	Moderate
Normative Commitment	3.18	0.52	Moderate
Continuance Commitment	3.04	0.77	Moderate
Total	3.22	0.64	Moderate

Source: Survey Data (2016)

According to Table 6, respondents from private banks in Myanmar have the highest on affective commitment, followed by normative commitment, and then continuance commitment. Overall, the employees from the private banks in Myanmar have moderate level of commitment.

Multiple regression analysis was conducted to test the effect of internal corporate social responsibility practices on employee commitment in private banks in Myanmar. In the regression analysis, three components of employee commitment were regarded as the dependent variables and five dimensions of internal corporate social responsibility practices as independent variables.

Results of Internal Corporate Social Responsibility Practices on Affective Commitment.

$$Y = 0.985 + 0.316 X_1 + 0.096 X_2 + 0.002 X_3 - 0.014 X_4 + 0.306 X_5$$

(0.000) (0.000) (0.107) (0.958) (0.769) (0.000)

Results of regression analysis indicate that much of the variation in the dependent variable is explained with adjusted R² of 0.381 and F-value 47.736 (p<0.01) with five independent variable. Adjusted R² of 0.381 reveals that 38 percent of total variance of affective commitment is explained by internal corporate social responsibility practices.

According to results, compensation and benefits, and employee autonomy emerged as the most significant variables in explaining the variables in affective commitment. Training and development, health and safety, and work-life balance are insignificant variables in explaining the variance in affective commitment. It is of interest to note that only two dimensions of internal corporate social responsibility practices emerged as significant predictors of affective commitment in the case of private banks in Myanmar. They are compensation and benefits, and employee autonomy. In addition, multiple regression results indicated the ranking of the sources to understand the important and greater impact of sources on affective commitment. The higher the standardized coefficient beta brings the higher the effect and contribution on affective commitment. Compensation and benefits had the strongest effect on affective commitment with standardized coefficient beta of 0.316.

Results of Internal Corporate Social Responsibility Practices on Continuance Commitment

$$Y = 0.404 + 0.469 X_1 - 0.083 X_2 - 0.055 X_3 + 0.066 X_4 + 0.370 X_5$$

(0.077) (0.000) (0.259) (0.252) (0.276) (0.000)

Results of regression analysis indicate that much of the variation in the dependent variable is explained with adjusted R² of 0.373 and F-value 46.145 (p<0.01) with five independent variables. This figure reveals that 37.3 percent of total variance of continuance commitment is explained by internal corporate social responsibility practices.

According to results, compensation and benefits, and employee autonomy emerged as the significant variables in explaining the variance in continuance commitment. Training and development, health and safety, and work-life balance are insignificant variables in explaining the variance in continuance commitment. It is of interest to note that only two dimensions of internal corporate social responsibility practices emerged as the predictor of continuance commitment in the case of private banks in Myanmar. Compensation and benefits had the strongest effect on continuance commitment with a standardized coefficient beta of 0.469.

Results of Internal Corporate Social Responsibility Practices on Normative Commitment.

$$Y = 1.655 + 0.313 X_1 + 0.028 X_2 - 0.038 X_3 + 0.002 X_4 + 0.141 X_5$$

(0.000) (0.000) (0.598) (0.276) (0.956) (0.001)

Results of regression analysis indicate adjusted R² of 0.271 and F-value 29.119 (p<0.01) with five independent variables. Adjusted R² of 0.271 reveals that 27.1 percent of total variance of continuance commitment is explained by internal corporate social responsibility practices. That is five independent variables in the model accounts for 27.1 percent of total variance independent variable : normative commitment.

According to results, compensation and benefits, and employee autonomy emerged as the most significant variables in explaining the variance in normative commitment. These two practices are significant at one percent significant level. Training and development, health and safety, and work-life balance practices are insignificant variables in explaining the variance in normative commitment in private banks in Myanmar. It is of interest to note that two dimension of internal corporate social responsibility practices emerged as the predictors of normative commitment in the case of private banks in Myanmar. They are compensation and benefits, and employee autonomy. Compensation and benefits has the strongest effect on normative commitment with a standardized coefficient beta of 0.313.

III. Conclusion

1. Findings and Discussion

The findings of the study supported the importance of internal corporate social responsibility practices to increase the employee commitment in the private banks in Myanmar. The study identifies the most influential internal corporate social responsibility practices on employee commitment in private banks in Myanmar.

As part of preliminary analysis, demographic factors of the respondents in the study are explored according to the variables such as gender, education level, position, and working experience. Among the respondents in the study, the majority of respondents are employees from Kanbawza Bank Ltd. This is because Kanbawza Bank Ltd is the largest bank in Myanmar in terms of number of employees. Thus, higher proportion of the sample comes from Kanbawza Bank Ltd. Then, the second largest group is employees from Co-operative Bank Ltd, then followed by Ayeyarwaddy Bank

Ltd, Myanmar Apex Bank Ltd, Yoma Bank Ltd, Asia Green Development Bank Ltd, Myawaddy Bank Ltd, Global Treasure Bank Ltd, United Amara Bank Ltd, and Myanmar Oriental Bank Ltd. Regarding gender, it is found that more female respondents participated than the males do. This is not surprising since the nature of the work of banking sector demands more female workers than male workers and thus the proportion of the former is higher than the latter in a typical branch.

According to education level, majority of respondents are university graduates. This is because that university graduate is threshold qualification of the banking industry. Thus, majority of the respondents in the study are bachelor degree holders. According to the position of the respondents, majority of the respondents are non-executive level. Regarding their working experience, majority of the respondents have less than three years' service, following by respondents who have four to six years' services. Respondents with seven years and more services are only a little proportion of the sample in the study. This is because that the private banking industry is emerging industry in Myanmar. Most of the staff in the banks has short service years in their respective banks.

By using the Statistical Packages for Social Science 22, the collected data are checked for reliability and validity. Some of the items are deleted in the final analysis to strengthen the reliability of the instrument in the study. Regarding the validity, all the independent items in the study have factor loading value of 0.5 and above. Thus, all the items are retained in the final analysis. And the KMO value suggests that the data was appropriate for factor analysis in the study. The overall correlation between all the items was significant in the study.

Then, the study explores perceived internal corporate social responsibility practices in the private banks in Myanmar. In the current study, five main dimensions namely; compensation and benefits, training and development, employee autonomy, work-life balance, health and safety are included as the internal corporate social responsibility practices. These practices are measured from the employee point of view in the study. Thus, focus of the study is the employee perception on internal corporate social responsibility practices of the private banks. These practices are measured by using five-point Likert scale item (1=strongly disagree to 5=strongly agree). The higher mean value upon each item suggests that the employees have high perception on internal corporate social responsibility practices.

According to the data, the employees from private banks in Myanmar perceived that their banks are conducting high level of training and development, high level of employee autonomy, moderate level of compensation and benefits, moderate level of work-life balance, moderate level of health and safety. Thus, the private banks in Myanmar have moderate level of internal corporate social responsibility practices. This implies that the private banking sector in Myanmar makes fair investment in internal

corporate social responsibility.

After that the study measures the employee commitment level of private banks in Myanmar. Here, the commitments are divided into three components; namely affective commitment, normative commitment, and continuance commitment. To measure the commitment level, the study uses the five-point Likert scale assessing the agreement degree on the given statements (1=strongly disagree to 5 =strongly agree). Thus, the study suggests that the higher mean value, the higher commitment of the employees in the private banks. In comparison of the three components, it is found that continuance commitment is the highest among the employees from private banks in Myanmar, followed by affective commitment and then normative commitment. It implies that most of the employees in private banks have the fear of losing their jobs thus they have to stay with the current organization. Accordingly the study suggests that the private banks should also encourage their employees to experience greater affective commitment to feel more positive and more motivated and experience greater job satisfaction and increase intention to stay. When converting the numerical mean value to level of commitment, all three components of commitment are moderate level in the private banks in Myanmar.

The study explores the influential factors on three components of commitment in private banks in Myanmar using multiple regression analysis. Regarding the affective commitment, compensation and benefits, and employee autonomy are significant influential factors in the current context. Among them, compensation and benefit is the most influential factor. According to this result, it can be interpreted that affective commitment of employees in private banks in Myanmar is largely depend on compensation and benefits, and employee autonomy. This finding coincides with the previous literature on commitment of the employees. Thus, if the private banks have best practices for these two factors, their employees will have high level of affective commitment.

Regarding the continuance commitment, compensation and benefit, and employee autonomy are significant influential factors in this context. Among them, compensation and benefit is the most influential factor. According to this result, it can be interpreted that continuance commitment of employees in private banks in Myanmar was largely dependent on compensation and benefits, and employee autonomy. This finding coincides with the previous literature on commitment of the employees. Thus, if the private banks have best practices for these two factors, their employees have high level of continuance commitment.

Regarding the normative commitment, compensation and benefits, and employee autonomy are significant influential factors in the context of private banks in Myanmar. Among them, compensation and benefits is the most influential factor. According to this result, it can be interpreted that normative commitment of employees in private

banks in Myanmar was largely dependent on compensation and benefits, and employee autonomy. This finding coincides with the previous literature on commitment of the employees. Thus, if the private banks have best practices for these two factors, their employees have high level of normative commitment.

2. Suggestion and Recommendation

The results of this study have important implications both for theoretically and practical perspectives. From the theoretical perspectives, this study contributes to the impact of internal corporate social responsibility on the employee commitment in the Myanmar context. This impact and influences are tested in other context, but for Myanmar context this is the first attempt in this field of internal corporate social responsibility. Thus, this could stimulate further study in the area.

From a practical perspective, this study provides practitioners in private banking sector with key information that makes helpful for human resources management decisions and social responsibility decisions in Myanmar context. According to result, it can be interpreted that internal corporate social responsibility practices such as compensation and benefits, and employee autonomy largely determine the employee commitment of private banks in Myanmar. Thus, banks managers are suggested to improve the compensation and benefits practices to increase the employee commitment. Thus, they need to explore what types of compensation and benefits are important for their employees.

Another practice the banks manager must consider is employee autonomy which is the key determinant of employee commitment of employees in private banks in Myanmar. According to data, employees in the private banks perceived that they have high employee autonomy. If the employees have the chance to participate in decision making process and problem solving process in the work place to some extent, they have more attachment to the work place. Employee autonomy refers to the working cultures in which employees can make some decisions without referring higher authorities, employees can control work schedule by themselves, and they can give some opinions to higher management level. Thus employee autonomy would lead employees feel more empowerment and thus would support to strengthen the employee commitment. According to job characteristics model, employee autonomy is the one of the core job dimensions which increases the employee satisfaction and then employee commitment. Thus autonomous working culture for employees in private banks is important to increase employee intention.

The results of the study contributed to the recommendations for the improvement of the literature on internal corporate social responsibility and employee commitment, especially in private banking sector. These proposed factors are required to consider

by the firms and also the future studies should test these factors to create a more complete model of internal corporate social responsibility and employee commitment. In the current study, employee commitment is divided into three components.

It is important for every organization in different sectors to conduct a study on employee perception on internal corporate social responsibility practices and relationship between internal corporate social responsibility practices and employee commitment. Highly committed employees are the destiny of the organization including private banks in today competitive business environment. Therefore it is the need of the time to be watchful of their components of commitment and which factors are related with this level of commitment. Thus, the human resources department and compensation executives of private banks in Myanmar should take consideration practically the findings of the study as a guideline for them to provide a better working environment and increase their level of commitment. The suggestions and recommendations made in this study can be taken by the banks for further investigation on elements that are related with employee commitment. This may help the banks in enhancing their reputation and increased employee intention to stay, competitiveness and profitability in the long-run since committed employees are the most valuable resources for the banks in today world.

This study is considerably important since the banking industry now is interested in internal corporate social responsibility to attract and retain high quality employees because of the potential movement of employees from one bank to another. By practicing internal corporate social responsibility, employee confidence can be enhanced and this in turn helps them improve their work performance.

3. Needs for Further Study

The limitations in the current study may have some impact on generalization of the findings for the whole context of banking industry of Myanmar. Commercial banks and other banks run by government still plays important role in Myanmar banking sector. The internal corporate social responsibility field is relatively new for banking sector. This would lead some suggestions for further studies. The recommendations for future researches would provide several advantages in the exploration of new model or modifying the proposed model to gain a better understanding of the relationship between internal corporate social responsibility practices and employee commitments.

Further researchers are recommended to find out further on why the employee perception on internal corporate social responsibility practices is so important in an organization and why organizations wish to put so much effort in doing internal corporate social responsibility. For example, future researchers can expand the scale used in questionnaire (up to seven or ten point scales) and can enlarge the sample

size to get the more representative responses.

Further researchers are recommended to compare the commitment level between private banks and public banks in Myanmar, private banks in Myanmar and private banks in other cities to draw the conclusions on the whole banking sector.

Further researchers are recommended to compare the private banking sector with other service sectors to assess the level of commitment. This would provide the benchmarking for internal corporate social responsibility practices.

The study focuses only on survey and quantitative measurement which would limit the wider and rich information on target area. A greater depth of information can be obtained by integrating qualitative and quantitative methods in further researches on internal corporate social responsibility practices. For example, interview method, focus group methods for this kind of the study will elicit deeper information.

Finally, it is important for organization to understand what actually the employees wanted and needed in order to improve the employee commitment. This is because employees from different industries have different expectations based on the nature of their job.

References

- Achua, J. K. (2008). Corporate social responsibility in Nigerian Banking System. *Society and Business Review*, Bradford, 3(1), pp. 57-71.
- ALshbiel, S.O., & AL-Awawdeh, W. M. (2011). Internal social responsibility and its impact on job commitment: empirical study on Jordanian cements manufacturing Co. *International Journal of Business and Management*, 6(12), pp. 94-102.
- Greenbaum, S. I., & Tahakor, A. V. (2007). *Contemporary financial intermediation*, 2nded.AcademicPress.
- Krejcie, R. V. & Morgan, D. W. (1970). Determining sample size for research activities. *Educational and Psychological Measurement*, 30, pp. 607-610.
- Sekaran, U., & Bougie, R. (2010). *Research methods for business: a skill building approach*. 5thed.JohnWiley&Sons,Inc.

The Myanmar JOURNAL

– Volume 5 Number 2 August 2018

30 August 2018

Yangon University of Economics (Myanmar)
Korea Myanmar Research Association (Korea)
2014~, Semiannual
ISSN : 2383-6563(Online)

Co-published with **Yangon University of Economics (YUE)** and
Korea Myanmar Research Association (KOMYRA)
<http://www.komyra.com/doc/submission.php>