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**EMPLOYEE ATTITUDE TOWARDS CARD PAYROLL
SERVICES OF KANBAWZA BANK**

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Employee Attitude Towards Card Payroll Services of Kanbawza Bank

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ABSTRACT

The focus of the study is to investigate the employee attitude towards card payroll service of KBZ bank. The main objectives of the study are to identify and analyze employee attitude towards card payroll services of KBZ Bank. This study was carried out various sector employees who are paid their salary by KBZ card payroll system. The targeted companies and organizations were classified into three different sectors to cover through trading and services sector, manufacturing sector and government ministry sector. Each sector was contributed by 100 employees as the survey was designed simple random sampling method. The primary data were collected through structured questionnaires from various sector 300 employees' attitudes towards card payroll services of KBZ bank. It was also conducted with interviewing and meeting responsible person of KBZ bank cash management and payroll service department, Multichannel banking department and Myanmar Payment Union. In order to meet the research objectives, the descriptive research method was conducted in this study. The secondary data were collected through previous research papers, published journals, official web page of KBZ bank and Myanmar payment unions. The results of this study indicated that increasing behavioral changes of employees by using ATM cards, their payment model at POS machines, money saving practice in bank accounts, less handling of physical cash, awareness of banking and financial sector changes, employees' satisfaction on customer services of KBZ Bank, trust on KBZ Bank and employees opinion upon the future trend of KBZ bank in market place. The study recommends that KBZ Bank as a card payroll services provider should keep up its strength like having maximum numbers of ATM machines, customers' trust on service, but it needed to change its weakness into strength such as dropping customers service satisfactory level of the bank which related to employee attitude towards card payroll service of the bank as negative affect.

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LISTS OF ABBREVIATIONS AND ACRONYMS

MPU	Myanmar Payment Union
ATM	Automated teller machine (cash machine)
Mobile ATM	A type of automated teller machine that is designed to be moved from location to location carried by car
NPS	National Payment System
COD	Cash on Delivery
MMK	Myanmar Kyat
FOC	Free of charge
CSR	Corporate Social Responsibility
HR	Human Resources
Debit Card	A plastic card that can be used instead of cash when making purchases
E-commerce	The activity of buying or selling of products on online services or over the Internet
CVC	Card Verification Code
CVVC	Card Verification Value Code
POS	Point Of Sale
GIZ	the Deutsche Gesellschaft für Internationale Zusammenarbeit
PIN	Personal Identification Number
JCB	Japan Credit Bureau
UPI	Union Pay International
USD	United States Dollar

CHAPTER I

INTRODUCTION

Nowadays, the information and communication systems of businesses and banking sectors of Myanmar are rapidly growing. Companies are expanding their businesses and employing more and more people. All the businesses depend on the employees to run and represent them; at the same time, employees depend on the company to pay them their salaries accurately and on time. The first and most important goal of any payroll system is efficiency. Efficient payroll systems save time and money by ensuring that paychecks go out on time in the correct amounts each pay period.

Payroll systems take care of what is basically an administrative chore. By doing this cheaply and effectively, it frees up entrepreneurs and other employees to focus on growing a business' footprint and profitability. In large companies, a number of workers are required to work in the payroll department, keeping in close contact with human resource and the accounting department, simply because of the volume and complexity of the work. In medium and small businesses, a payroll department may simply be a few workers or a single person, who may also have other duties as well.

Paying employees consistently and with no delays not only impacts their morale, but it also reflects the company's financial stability. Late payrolls make employees question the business' financial integrity. If they feel their job is not stable and secure, they may underperform which decreases the workforce productivity and quality of the organization. If the companies are not using the banks' payroll product and only pay the salary by cash, it will usually make a lot of frustration and delay on the process to admin and HR staffs for going banks to withdraw cash, count cash and putting cash into the envelopes at the end of every month. Thus, the payment dates and times are unstable. Even with a small number of employees, calculating and processing salaries can be a tedious and time consuming process.

To overcome such workload and frustrations, the companies are now realizing to use the banks' payroll services. It is simple, reliable, confidential and timely for employee's monthly salary. On the other hand, employees can keep their salary safely in their bank accounts and earn the regular saving interest. They can only withdraw

the required amount at 24/7 access ATM. Long time ago, it was a great danger of pick pockets on the bus on paydays. The problem is because of paying salary in cash.

Payroll encompasses more than the cost of paychecks themselves. Creating and delivering pay has transaction costs. For examples, many companies use payroll services which charge fees per paycheck. However, KBZ banks charge with affordable fixed rate and reasonable transaction fee of 200 MMK per transaction on any amount for MPU debit card payroll transactions. Moreover, KBZ bank offers FOC of transaction fees for the government civil servants who are working under the government ministries. The reason of providing card payroll service free to government ministry civil servants is intended to have 100% financial inclusion with introducing the convenience and secured way of payroll services. It is also part of CSR program of the business, providing the government sector staffs with the absence of profit. Mobile ATMs are also sent to the priors for the sake of being able to access the service, cash withdrawal during office hours on pay day.

1.1 Rationale of the Study

Increasing numbers of employee in the companies and businesses cannot be comfortable for their monthly payments and it took too long and complicated processes for paying salary in physical cash. It was all inclusiveness both employers and employees making more conveniences. As far as banking and financial sectors becomes steadily growing, banks in Myanmar are now giving total and convenience solutions of Payroll cash management system. KBZ bank has widely provided the payroll services to the companies since 2012. KBZ bank once paid its bank staffs' salary into saving or current accounts before they implemented the MPU debit card payroll services and migrated Core banking application. After issuing KBZ Explore MPU debit cards, they started to pay direct credit to employees' MPU debit card accounts except employees who got their salary in USD. When KBZ bank is part of KBZ group business, the whole group has above 20,000 employees for its various sectors in airlines, hotels and tourism, Agricultural sector, mining sectors, oil and gas. So, all of its employees were also paid their salaries by MPU cards.

According to interview result with head of KBZ cash management department, Daw Win Win Htike, KBZ bank started with 5 big companies which had about 300 numbers of employees and 40 small companies which had about 100 employees. In 2016, it started giving the payroll service to the university and school

teachers in Yangon. When the payroll service was used by more and more companies and organizations, it is required to do a research study of employee attitudes towards the service quality and its strength and weakness.

In similar evidences of developed European countries especially in the US in late 1970s, the employees were paid salaries with bank to bank transfer, not in cash. People only stored up cash for emergencies, to keep a safety net, and to ensure that whatever happens, their wad of cash will be there for them. (Jennifer Collins, August18, 2011) It becomes required to study how Myanmar is also ready to start with card payment services and how convenience for the banks and their customers. As companies and businesses in Myanmar were facing too much workload of handling physical cash for the payments, the convenient card payroll services could reduce their workload. On the other hand, how the Myanmar employees responded to the card payroll services especially for the KBZ bank users becomes a must to study.

When the users of mobile and smart phones, internet services are in a rapid growth in Myanmar, employees who got salary through KBZ bank card payroll services became confident on using KBZ bank's internet and mobile banking services to make payments at POS and transfer money through personal mobile banking application. They were available checking their accounts balance and salary payments at any time anywhere. Significantly, they could do all banking transactions during working hours through their mobile banking application and not necessary to go to the branch. From this study, KBZ bank could get benefits to know the employees' opinions upon the strength and weakness of card payroll service. Thus, the study was conducted the employee attitudes towards card payroll services of KBZ bank.

1.2 Objectives of the Study

The objectives of the study are as follows:

1. To identify payroll service practice of KBZ Bank
2. To analyze employee attitude towards card payroll services of KBZ Bank

1.3 Scope and Method of the Study

Descriptive statistics research method was used for this study. In this study both primary and secondary data have been collected. Primary Data were collected from the convenience sampling of all employees from trading, services and manufacturing sector companies and teachers and tutors of government universities

and schools in Yangon by the structured survey questionnaire. So, the primary survey data were randomly collected to 300 employees who are using KBZ bank card payroll services with KBZ bank cash management services department and Strand Office Complex branch, International banking division. While the businesses and companies using KBZ bank payroll services are from the various sectors, data were collected with structured survey questionnaire from 100 employees of each manufacturing sector, trading and services sector and government sector. It was created with nine main independent variables and fifty two different questions which affected to the attitude of employees toward KBZ bank card payroll service.

Data collection period was from September to November 2018. Also, a personal interview was earned out with responsible officers of Cash management Department, ATMs and Card Services Department, Multi-channel banking Department of KBZ bank and CEO of Myanmar Payment Union. The interview was conducted by personally meeting with respective department heads of KBZ bank and CEO of Myanmar Payment Union in October, 2018. Data through secondary sources were collected from previous research papers, published journals, official web page of KBZ bank and Myanmar payment unions. The objective of secondary data collection was to get consolidated information relating to Card payroll practices and payment solution services of KBZ bank. The usage of secondary data was minimal in this research.

1.4 Organization of the Study

This thesis includes five chapters. Chapter (1) is the introduction which includes rationale of the study, objectives of the study, method and scope of the study and organization of the paper. Chapter (2) presents theoretical and conceptual framework which consists of definition of payroll service, effectiveness of using payroll service for all parties, pros and cons of the employees, employees' lifestyle and behavioral changes after using the services. Chapter (3) describes history of KBZ Bank, management structure, organization chart, products and services, detail process of payroll product, monitoring, evaluation on payroll product. Chapter (4) describes the employee attitude toward the payroll services of KBZ bank. Chapter (5) is conclusion which includes findings and discussions, suggestions and recommendations and needs for further research.

CHAPTER II

THEORETICAL BACKGROUND

This chapter has three parts. First part is about theoretical and conceptual framework which consists of definition of payroll service. Second part describes the effectiveness with pros and cons of using payroll services. Third part presents the lifestyles and behavioral changes of employees to analyze their attitude towards payroll services of KBZ bank.

2.1 Salary Payroll Service

Payroll is defined as the total amount of wages paid by a company to its employees and other workers (QuickBooks, Intuit, 2012). Payroll service is a company that will, for a fee, handle all of these functions independently, freeing up the business owner's time for more important matters. Once an account is established, the employer simply provides the service with a list of all employees, the hours they worked, and any variances. Bragg, Steven M. (2003). This data is then processed and the funds are transferred from the employer's bank to the payroll service's account. Employees are paid either by standard check or direct deposit. The employer is then provided with payroll and tax reports.

A liberalized economy and substantial inflows of foreign investment have created a demand for skilled as well as unskilled labor in the Myanmar workplace. For a growing economy the standardization of labor laws is important to continue to attract foreign investment, particularly in labor-intensive sectors like infrastructure, manufacturing, construction, retail and agriculture. (Benette Santiago, Compensation Specialist, Jed Medida, Business Development Associate Birches Group, May 2015)

The Employment and Skill Development Law (2013), has a unique feature – it places an obligation on the employers to train and develop employees. Training can be provided on the job, outside the workplace, or through workshops conducted by an employer. This feature is a direct response to the demand for a qualified professional workforce, which has led to a boom in the related fields of HR and Education & Training. Thus, companies need to invest in their personnel - both the skilled and the unskilled. This law also sets out certain benchmarks for employment contracts. (AnshumanGhai of Iceberg Myanmar)

Employee compensation practices differ across employment units (e.g., organizations, business units, and facilities) on several dimensions (Gerhart & Milkovich, 1990, 1992; Gerhart, Milkovich, & Murray, 1992). The focus of the employee compensation literature has been on defining these dimensions, understanding why organizations differ on them (determinants), and assessing whether such differences have consequences for employee attitudes and behaviors, and for organizational effectiveness. In the following discussion, we briefly describe the basic dimensions of compensation and summarize some of the key theories used to explain the consequences of different compensation decisions. A discussion of pay determinants can be found in Gerhart and Milkovich (1990, 1992).

Pay practices vary significantly across employing units and to some degree, across jobs. We discuss the form, level, structure, mix, and administration of payment systems (Gerhart & Milkovich, 1992; Heneman & Schwab, 1979; Milkovich & Newman, 1993). First, pay can be in the form of cash or benefits (e.g., health care, retirement, paid vacation). On average, about 70 percent of payments to U.S. employees are in the form of cash, leaving 30 percent in the form of noncash and deferred cash benefits (Noe, Hollenbeck, Gerhart, & Wright, 1994). Health care has been the fastest growing benefit, and most employers describe the challenge of controlling this cost while providing quality coverage as one of their top human resource management challenges.

Traditionally, the theories described above have been used to understand how using pay to recognize individual contributions can influence the behaviors and attitudes of current employees, whereas pay level and benefits have been seen as a way to influence so-called membership behaviors: decisions about whether to join or remain with the organization. Employee Compensation WP 95-04 Page 9, however there is increasing recognition that individual pay programs may also have an effect on the nature and composition of an organization's work force (Milkovich & Wigdor, 1991; Gerhart & Milkovich, 1992). For example, it is possible that an organization that links pay to performance may attract more high performers than an organization that does not link the two. There may be a similar effect with respect to job retention. Breaking things down further, perhaps organizations that link pay to individual performance are more likely to attract individualistic types of employees, while organizations relying more heavily on team rewards are more likely to attract more team-oriented employees. Although there is no concrete evidence of this yet, it has

been found that different pay systems attract different people depending on their personality traits and values (Bretz, Ash, & Dreher, 1989; Judge & Bretz, 1992). The implication is that the design of compensation programs needs to be carefully coordinated with the business and human resource strategy.

Moving from the individual level of analysis to the business unit and corporate level, there are theories of what corporate and pay strategies fit best together. Stage in the product life cycle (Ellig, 1981) and the degree and process of diversification (Kerr, 1985) have been raised as contingency factors in the design of pay strategies (Milkovich, 1988). Briefly, organizations (or probably more precisely, business units) may go through growth, maintenance, and decline stages, each of which calls for a different compensation strategy. For example, in the growth stage, it was recommended that there be substantial pay at risk to provide high upside earnings potential (e.g., using stock plans) to spur innovation, growth, and risk-taking, combined with low fixed costs (base salary and benefits) to preserve scarce capital for investment. In the maintenance and decline stages, there would be less emphasis on pay at risk (except perhaps for more short term focused plans), and more dollars allocated to base salary and benefits. The literature on diversification and pay strategy suggests that single product firms and unrelated product firms (e.g., conglomerates) have more pay at risk than related product firms, and pay is more decentralized and tied to business unit rather than corporate performance in the unrelated product firms.

This flexibility makes sense where each business unit has independent goals, and there is little need for coordination and thus for consistency in pay practices. From an agency theory point of view, it may be more necessary to rely on outcome-oriented contracts in unrelated products firms because the market-specific expertise is concentrated in the business units, making it difficult for corporate headquarters to make evaluations using behavior-oriented contracts.

Finally, an unrelated firm that is a result of mergers and acquisitions is more likely to have the flexibility and pay linked to unit performance Employee Compensation WP 95-04 than an unrelated firm that is the result of internal growth because there is often more interdependence and interaction in the latter case (Kerr, 1985). Gomez-Mejia and Balkin (Gomez-Mejia & Balkin, 1992; Gomez-Mejia, 1992) have summarized much of the research on these questions, and provided some of the first tests of whether firms that choose pay strategies consistent with the above frameworks actually perform better. The answer seems to be "yes." They have

provided propositions about which types of pay practices are likely to be most effective based on various strategy frameworks. For example, the Miles and Snow (1978) model classifies business units as defenders (stable markets, focus on efficiency), prospectors (focus on new markets and technologies), and analyzers, which have elements of both defenders and prospectors. According to Gomez-Mejia and Balkin, variable pay, for example, should be higher in the prospector business units than in the defender business units.

2.2 Old Nature of Salary Payroll in Myanmar

In Myanmar, it was long time, salary payrolls were paid in cash putting by envelopes. Companies withdrew cash from their bank accounts and delivered each and individual staff into physical cash. The mechanism took many workloads to HR and Finance Departments on pay day by salary calculation and dividing cash and putting correct amount of salary to employees. But employees also prefer getting physical cash as Myanmar society is cash based society. Even supermarkets, hotels and restaurants, they only accept cash except visa, master credit cards from foreigners. (Pomerleau, Kyle (19 June 2014)

For some of the company employees who were working away from their head offices in different regions, their salary payments usually did with banks' remittance by NRC number. Company has to pay bank transfer fees. Such kind of payments is very traditional and not employees need to go to the bank within banking hours to withdraw remitted salary. It really caused labor hours lost and delayed in salary paying process. The root causes are being cash based society and poor technical infrastructure.

2.3 MPU (Myanmar Payment Union) and Salary Payroll Transformation

Since, the MPU (Myanmar Payment Union) was founded on 15 September 2011 with total of 16members from both state and privately owned banks, and expanded to 23 members as of 19 Jan 2017. When it first started, its purpose was to provide the ATM and POS (Point of Sale) switching services among the banks. That was true reform on company staffs payroll by paying ATM debit cards. An ATM card is a payment card or dedicated payment card issued by a financial institution which enables a customer to access automated teller machines (ATMs). (Chan Mya Htwe, 11April, 2012 The Myanmar Time).ATM cards are payment card

size and style plastic cards with a magnetic stripe or a plastic smart card with a chip that contains a unique card number and some security information such as an expiration date or CVVC (CVV). ATM cards are known by a variety of names such as bank card, MAC (money access card), client card, key card or cash card, among others.

One of the limitations of the ATMs is the maximum withdrawal of 300,000 Kyats and one can do 3 withdrawals per day for maximum withdrawal limit of 1,000,000 per day. For withdrawing money not by the card issuing banks' ATM, there will have MPU network fees 0.5% per withdrawal amount. It is also available to do payment at POS terminal for purchase at supermarkets, hotels, restaurants, etc. Currently, the maximum purchasable limit of MPU card by POS terminal is 5 million (MMK). According to such conveniences and services, salary payments by cards among Myanmar companies become more and more popular. Employees do not required to wait until delivering cash envelopes and no need to count cash notes. They just check their salary balance at ATM machines or some people who use mobile and internet banking can only check the account balances on their mobile phones.

Not only monthly salary is paid through MPU debit cards, but also the companies pay annual bonus and incentives by card payment. All of the Myanmar banks provide such salary payment cards except new and small banks, like Myanmar tourism banks, "A" bank, SMIDB as they do not issue MPU cards yet.

2.4 Effectiveness of Using Card Salary Payroll Service

Before using card payroll service, it was very complicated to go and withdraw sufficient cash from banks and count correctly for individual employee and put into envelope. The problem is scarce of small note to exactly put each and individual employee salary. It took time for admin and HR staffs from monthly calculation until deliver cash envelope to individual employees. If employee is on leave on pay day, they must keep cash envelopes until the one come back to office. After changing the card payroll service system 65% of workloads have been reduced for HR departments and banking operation also effectively handled the payroll schedule through bulk upload and Companies reduced cash withdrawal for salary on pay day. (Zaw Nyunt, May 2013, Myanmar Times)

Employees also more preferred using card payroll than physical cash. They felt more secure for their salary maintaining in card accounts. This is effectiveness of

Card salary payroll by improving behavioral and lifestyle changing among Myanmar employees. (Chan Mya Htwe, May 2013, Myanmar Times)

2.5 Harmful on handling physical cash

As physical cash is widely used in Myanmar, most people do not aware of harmful on handling it. According to the study by Ogbu and Uneke, it was found that currencies were contaminated with parasites like *Ascarislumbricoides*, *Trichuristrichiura*, *Enterobiusvermicularis*, *Strongyloidesstercoralis*, and Hookworm and such harmful practices can be a lot harmful and easily to get infection and spread diseases. Paper currencies could be one of the most potential vehicles to transmit diseases amongst the people. The daily transactions have made the paper currency to pass through many hands and pathogens become imposed on them before they are finally deposited in banks. Modern scientific studies have confirmed the presence of various pathogenic bacteria on paper currencies.

Since paper currency is one object being handled daily by individuals of various socio-economic classes, there is a chance that paper currency is contaminated with parasites and tendency to spread from one individual to another. Recovery of parasitic helminthes from surfaces of paper currency signifies a looming damage to the public health. (Nigerian Currency, Elom et al). Paper moneys were contaminated by parasitic species of various helminthes. So the payment method of paper money should be reduced as much as possible and card payroll service makes good for the employees in Myanmar.

For the sake of employee's lifestyle and health benefits, card salary payments is a really good for them and company as well. A lifestyle typically reflects an individual's attitudes, way of life, values, or world view. Therefore, a lifestyle is a means of forging a sense of self and to create cultural symbols that resonate with personal identity. Not all aspects of a lifestyle are voluntary. Surrounding social and technical systems can constrain the lifestyle choices available to the individual and the symbols she/he is able to project to others and the self.

Most people in Myanmar do not have a bank account. In 2013, only 17 percent of the population had one, and even today only four percent of people with savings keep money in a bank. In the Southeast Asian country, people lack trust in banks, according to research by the Milken Institute, a US-based think tank. People still remember that the military government had nationalized all private banks in

1962, and after private banks were allowed back into the country in the early 1990s, the banking system was severely hit by financial crises in 1997 and 2003.

More than a third of consumers in Europe and America would go completely cashless if they had the choice, according to a survey by Dutch bank ING, which polled 15,000 people across 15 countries. People in Turkey, Italy, and Poland are the keenest on going cashless, with more than 40% saying they would like to live that way. By contrast, British, Dutch, and Australian consumers are the most reluctant, showing less enthusiasm (or apathy) for a world without cash. Many people are already getting by without notes and coins—34% of Americans and 21% of Europeans say they rarely or never carry cash. Three-quarters of survey respondents say they will use less cash in the coming year. Unsurprisingly, younger respondents are more eager to do away with cash than their older counterparts.

As such a developed countries had changed their banking and financial inconveniences of cash handling into credit and debit cards usage, the employees working in Myanmar obtained the benefits of paying salary by cards in many convenience ways which was surveyed by the structured questionnaires and analytical data.

2.6 Conceptual Framework

The framework for this study relies on the models developed by Cromme, Lawley and Sharma and Lodorfos, et.al. Croome, Lawley and Sharma in their study acknowledged the elements that influence the attitude towards customer's behavior and established the model of the buying decision process and empirically verified the model. On their study acknowledged the elements that influence online purchase behaviour and established a model of the buying decision process and empirically verified the model. The results of their research found that consumers prefer to buy non-bulky items online. This includes air tickets, hotel room reservations, music, books and cameras. They found that pricing, product information and trust were important drivers of online buying.

The main purpose of that conceptual paper was to explore the factors that influence consumers' attitude and purchase behaviour toward online hotel room reservations. Four factors which were information, trust, price and convenience have been identified in that study. The focus of that study was on consumers who reserved their hotel rooms via online travel agents. That research was planned to adopt a

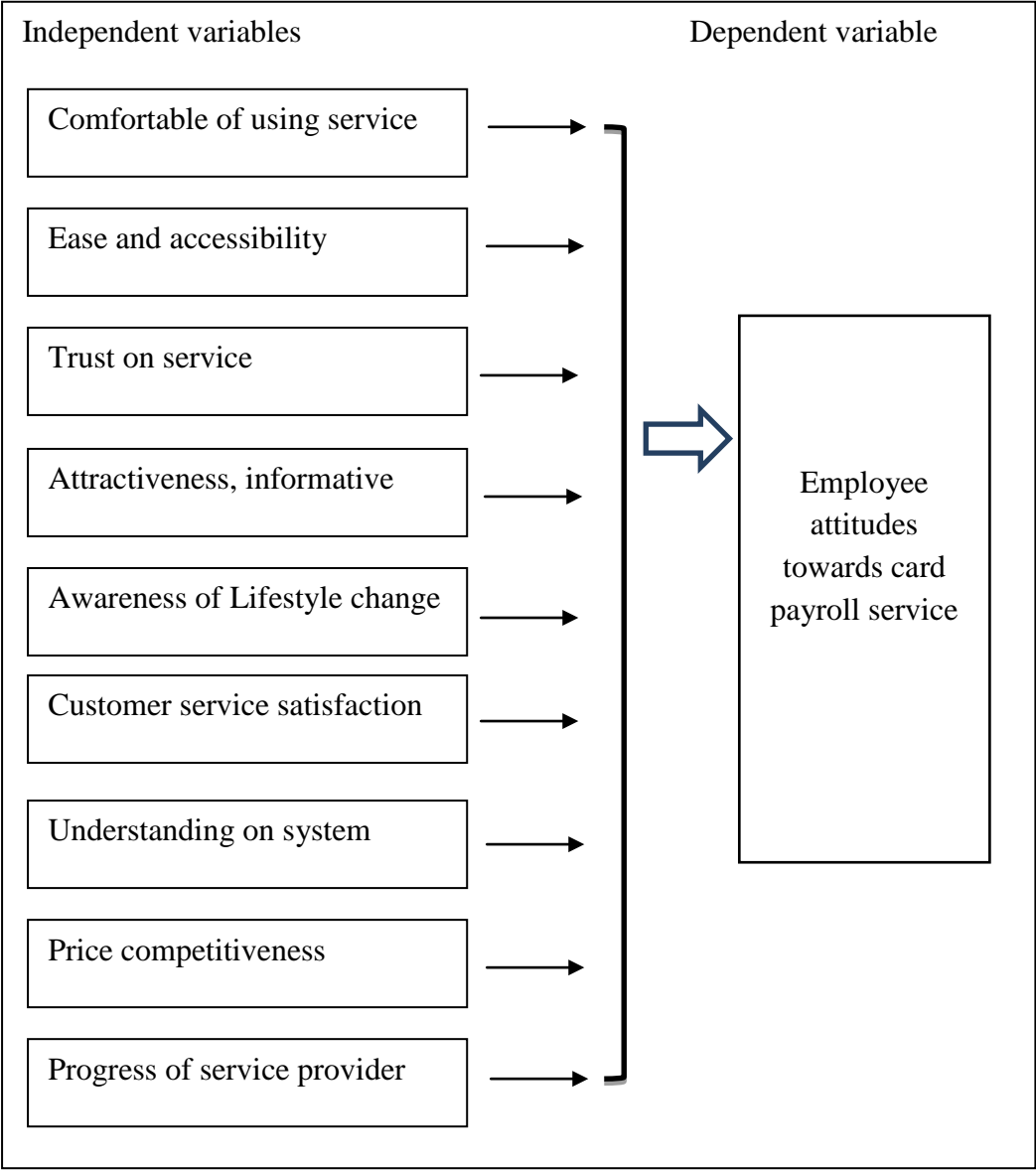
survey method using stratified random sampling and the hypotheses by using structural equation modelling.

By referring to that constructed framework, the study on employees' attitude towards card payroll services has similar cause and effect relationship. The independent variables about how convenience of using card payroll service, its ease and accessibility, trust, attractiveness and informative, knowledge and understanding, lifestyle changes, service charges, market position and progress were affected to the employees attitude towards using card payroll service. All facts were composed with nine dimensions by Likert scales formula. The results of this research found that consumers prefer to use services which is comfortable, ease and accessibility, trustable, informative, attractiveness, lifestyle change awareness, customer service satisfaction, understanding on system and price competitiveness were important drivers.

The constructed information as independent variables were comfortable of using service, ease and accessibility of cards issued by KBZ bank, employees trust on card payroll service, the attractiveness and informative of card payroll service, employees awareness of lifestyle changes, their satisfaction on KBZ bank's customer service, understanding on card payment systems, the price competitiveness with others and also the progress level of service provider. All of those constructive independent variables impacted on the dependent variable test of employee attitude towards card payroll services of KBZ bank.

The research of employees attitude towards Card payroll services of KBZ bank was related to the above The structured questionnaire design and collected data were highlighted by three dimensional view on the research. The first dimension of the research was shown the card payroll services factors and usage of KBZ bank ATM and it was contributed to the element of behavioral or conative component. The second dimension of the research was studied based on the employees' attitude on understanding card payroll system and it was contributed to the cognitive components of individual employees' information, system, knowledge and understanding upon the payroll service. The last dimension of the research was supported to affective component as it was analyzed the employees' attitude towards customer service satisfaction, market position of KBZ bank and expressed positive or negative emotions and opinions.

Figure (2.1) Research and Conceptual Framework of the study



CHAPTER III

HISTORICAL BACKGROUND AND CARD PAYROLL PRACTICES OF KBZ BANK

In this chapter, it is consisted of the discussion on the situation of KBZ bank. It is followed by profile of KBZ bank, the general discussion of current products and services of KBZ bank. The profile of the bank includes the background of the bank and the development of the bank extension on its branches, online banking services and CSR activities. The restructured new organization structure of the bank will also be described on this chapter.

3.1 Profile and Background History of KBZ Bank

The KBZ was first established as a private bank on 1st of July 1994 with the permission of Central Bank of Myanmar Law and the Financial Institution of Myanmar Bank Law in Taungyi, Southern Shan State. The name Kanbawza is related to a traditional name of the Shan State, an ethnic minority state of the Union of Myanmar. Initially, the bank catered the local population in Taungyi and opened the KBZ Bank Branch No.1 in Taungyi State as the very first branch of KBZ Bank. Nowadays, it is the biggest and reliable branch in all over the branches of KBZ Bank. In late 1999, KBZ Bank's present Chairman, U AungKo Win, took over the management and reformed the organization into one of the biggest private banks in Myanmar. Since January 3rd 2000, the KBZ Bank performed banking operations under the guidance of KBZ Bank's Chairman and became the leading bank of Myanmar private banks.

Kanbawza Bank (KBZ Bank) is the first to have expanded internationally, with representative offices in Singapore, Thailand and Malaysia. With 18,000 staff, more than 500 branches including mini branches (partial services available) and 40% market share of both retail and commercial banking, KBZ is leading the way for Myanmar's rapidly developing financial services industry through an approach that understands the unique context of the country's economy as it transitions towards a digital future. KBZ Group boasts two airlines, Air KBZ and Myanmar Airways

International, and holds stakes in the agriculture, insurance, mining, cements, and real estate and tourism industries.

Its 500th branch has opened at the corner of Anawrahta Road and Shwe Dagon Pagoda Road, Pabedan Township, Yangon. It aims to expand the bank network by around one hundred branches a year, with a target of reaching 1,000 branches across Myanmar by 2023. For more and speedy reach of financial inclusion throughout Myanmar population; it is significantly promoting KBZ pay, mobile money services with national sales blitz events. The bank aims to support and strengthen the banking sector, which is critical for the development of the country. Not only has the bank achieved these goals, it strives to act as a responsible business and has been the highest corporate tax payer for six consecutive years.

The followings are vision, Mission and Core values of KBZ Bank.

Vision: To become the best-managed bank in the world. That is simply what Myanmar needs and deserves.

Mission: To improve the quality of life through banking.

Core Values: KBZ Bank is guided by a belief and a culture that runs throughout the entire organization: being good to people and doing the right thing. That is why they are driven by three values – Metta, Thet Ti, Virya – loving kindness, perseverance and courage. KBZ Bank's Motto is "STRENGTH OF MYANMAR."

The Bank sets the vision as 'To become Myanmar's premier bank with a strong base in Myanmar Financial Market' and tries to get the customers' satisfaction through the following mission statement:

- To ensure the highest level of customer satisfaction and trust by providing excellent banking services
- To continuously improve quality of our financial services through innovative thinking, investment in new technology and enhancement of human capital
- To offer rewarding career opportunities and promote staff accountability at all levels
- To act as a responsible corporate citizen by combining commercial pursuits with ethical business practices and socially responsible behavior

In 2016 and for the future, their goals are-

- To implement Small and Medium Enterprise
- To be a steady and competitive bank in private banking sector

- To be a biggest bank which own the most branches network among other private banks of Myanmar.

3.2 Technical Upgrading and Achievements

KBZ Bank utilizes cutting edge technologies from Oracle, Microsoft and VMware to deliver its national and international banking services. The bank also employs international credit and debit card services – Visa, MasterCard, Union Pay and MPU – together with 24-hour auto-banking at ATMs and currency exchanges. At the forefront of modern digital transformation, the bank offers digital payment functions such as mobile & internet banking, as well as support for e-commerce. For fast and secure connectivity, branches use advanced satellite communications technology provided by KBZ Gateway. KBZ Bank's remarkable progress, both locally and internationally, has been assisted by the direction and support of the Central Bank of Myanmar.

KBZ Bank was awarded the highly sought after 'Mobile Banking Initiative of the Year Myanmar' at the Asian Banking & Finance Retail Banking Awards held in Singapore. The winner was chosen after a stringent selection process by a panel of esteemed and experienced judges. This award celebrates recent mobile banking initiatives by the bank as it strives towards 100% financial inclusion in Myanmar.

Mobile banking is critical towards offering accessibility to financial services to all; estimate 10% of the population in Myanmar currently has a bank account but 90% own a Smartphone. KBZ Bank Deputy CEO, Aung Kyaw Myo believes the bank has all the right resources to offer the country easy, convenient and accessible banking services, KBZ Bank is built by Myanmar, for Myanmar, and they will ensure everyone has equal opportunities and access to financial services. Mobile banking presents people with an amazing opportunity for them to do so and improve the quality of life for all from the palm of their hand.

The bank has embarked on a journey to achieve 100% financial inclusion in Myanmar and believes that the future of banking lies beyond the branch doors. Mobile banking allows customers to reach pockets of the population that previously did not have access to financial services. Being innovative and transformative have allowed KBZ bank to connect with the people, and they will continue doing so in

order to become the bank that Myanmar needed and deserved (Robin Chua, Senior GM of Transactional Banking at KBZ Bank)

KBZ Bank launched several key initiatives to enhance the quality of life in Myanmar through banking. The initiatives paid close attention to function, customer journey, and security:

Function: Domestic cash remittances widely used among locals, was identified as an area of focus for the bank. Identifying an opportunity to simplify this process through mobile banking, KBZ introduced Remit2U and Cradles ATM Withdrawals. Remit2U, the first of its kind in the country, allows users to send money to a beneficiary through the KBZ mobile banking app. By visiting the nearest KBZ Branch and presenting his/her NRIC and SMS code, recipients can easily receive their money. With Card less ATM Withdrawal, recipients can withdraw cash at any KBZ Bank ATM without their ATM card by using the code sent via text from KBZ Bank as well as a code provided by the person who transferred the money.

Customer Journey: Guided by the principles of simplicity and ease of use, KBZ Bank focused on improving the customer journey for our mobile banking user interface by introducing a new user interface: ‘So Simple So Easy’. Mobile banking with KBZ Bank is now available in two languages – Myanmar language and English. Icons, displays, and features have been modernized and simplified; ensuring only necessary information is presented to the user, offering a seamless and convenient mobile banking experience.

Security: KBZ Bank was among the first few banks in Myanmar to introduce Software Tokens as an alternative to Hardware Tokens. This is part of our commitment to safe and secure internet and mobile banking through two-factor authentication. Software Token has allowed the bank to improve both customer experience with faster turnarounds, and lower logistic costs. Currently, more than 40% of the bank’s new corporate customers are using Software Tokens.

3.3 CSR Activities of KBZ Bank

KBZ Brighter Future Myanmar Foundation (BFM) is the social initiative arm of KBZ Bank and KBZ Group of Companies. In 2008, Executive Director of KBZ Bank Daw Nang Lang Kham and Daw Nang Kham Nounng, co-founded BFM to help the cyclone Nargis Victims. The foundation was legally registered in 2008 to fully implement its five pillars of social commitments. As the main financier of KBZ

Brighter Future Myanmar Foundation, KBZ bank had allocated over US 103 million in charitable giving, sponsorships and community development projects.

3.4 CSR Awards and Recognitions

KBZ Brighter Future Myanmar Foundation is the winner of “the best Philanthropic Organization in Myanmar 2015 Award” for making the largest contributions to the development of the community and the country. Furthermore, BFM received the prestigious “Euro money Achievement Award for CSR 2015” recognizing its life-changing Water Project in Southern Shan State and its broader commitments in CSR. Euro money Achievement Award for CSR was given to only ten countries in the world and Brighter Myanmar Foundation is the first and only foundation in Asia to receive it.

The mission of the Brighter Future Myanmar Foundation is to uplift the lives of the underdeveloped community members and to help eradicate poverty in the long-run through its five pillars of social commitments:

- a. Disaster Relief and Recovery
- b. Women’s Health and Empowerment
- c. Environmental Conservation
- d. Education Enhancement
- e. Community Development and Engagement
- f. Water Projects

(a) Disaster Relief and Recovery: Since the Cyclone Nargis, BFM had been spearheading the disaster relief and recovery operations throughout the country. For the recent flooding in July 2015, BFM donated over US 7 million in relief aids and reconstruction of several states and divisions of Myanmar.

(b) Women’s Health and Empowerment: Granted by the Financial Regulatory Department (FRD) of Ministry of Finance in 2013, Brighter Future Myanmar Foundation has been providing microfinance loans, financial literacy programs to over 12,000 community members in Helgu, Tike Gyi and Oak Kan Township in Yangon Region. In addition, BFM organizes Lumadi Women’s Health Care workshops and seminars to share knowledge in reproductive health and hygiene. In order to create access to job opportunities and sustainable livelihoods in the community, BFM offers the children of these women, basic computer training and sewing lessons with provision for installment loans to buy the sewing machines.

(c) Environmental Conservation: KBZ Brighter Future Myanmar Foundation places a high priority on environmental issues. Led by Team BFM, KBZ Bank and KBZ Group employees often spend a day planting seeds and cleaning beaches. KBZ Brighter Future Myanmar Foundation is also a winner of Euro money Achievement Award for CSR 2015 for its life-changing Water Project in Southern Shan State. The Water Project is operated to protect the environment as well to provide clean drinking water for the people.

(d) Education Enhancement: BFM takes pride in sending outstanding students to Japan for an exchange-visit annually in collaboration with Myanmar-Japan Association. BFM had sponsored a total of students for the 2013-2014 and 2014-2015 academic years. From 1999 to 2015, a total of 450 BFM Scholars graduated from Nursing, Economic, Nautical, Computer, Technology, Education, Medicine, Arts and Science, Fine Arts Universities with degrees ranging from a Bachelor Degree to Ph.D.

(e) Community Development & Engagement: On 29th November 2014 over 10,000 participants – dubbed Music Runners– walked, ran and danced for a 5km fun-run to their favorite beats at The Music Run by KBZ Bank. Through the Brighter Future Myanmar Foundation, KBZ donated 100% of The Music Run registration sale proceeds to the Myanmar Association of the Blind, to help develop Myanmar Text to Speech engine software for the blind schools. This software enables individuals with visual impairments to listen to digital books on a computer in Myanmar language.

(f) Water Projects: With the financial investment of US 7 million dollar from KBZ Bank, the brighter Future Myanmar Foundation implemented water distribution and management systems and constructed tube-wells for towns and villages in the Southern Shan State. Despite the problematic geophysical conditions, the Water Project is providing clean drinking water for Bawsine, Pintaya, Kalaw, Aung Pan, Heho, TaungGyi, Ho Pone, Nant Sam areas through BFM water pumps, water taps, water tanks and tube wells. By the same token, clean drinking water is now widely available at schools, hospitals, monasteries, and communal bath areas and in front of numerous private houses.

3.5 Financial and banking services of KBZ Bank

As the largest and most branches bank in Myanmar, KBZ has various sort of financial and banking products and services. It offers savings deposit accounts,

escrow accounts, foreign currency accounts, fixed accounts, current accounts, children’s savings accounts, and call deposit accounts. The company’s lending lines include hire purchase loans for account holders, SME business owners, and organizations; loans and overdrafts; trade finance; and prepaid and debit cards. It also offers gift cheques, currency exchange, safe deposit lockers, online banking, and E-commerce services; cash management services, including payroll, payment, and collection services; remittance services; bank certificates; payment orders; and procurement services.

The financial services provided by KBZ bank are to achieve the convenience and satisfaction of the bank’s customers. The bank provides the more financial services year after year. The KBZ bank provides the full range of retail and commercial banking services including deposits, loans, cash management, bank guarantees and remittance. The financial services provided by the KBZ bank are shown in Table 3.1.

Table 3.1 Financial Services provided by KBZ Bank

No	Financial Services	Categories
1.	Demand Deposits	Saving Accounts, Current Accounts, Fixed Deposits
2.	Loans and Advances	Overdrafts, Demand Loans, Hire Purchase
3.	Remittances	Local Telegraphic Transfers, Payment Order
4.	Cash Management	Receivables Management, Cash payables Management
5.	e-Banking Services	Automatic Teller Machine (ATM), KBZ i-Banking KBZ m-Banking
6.	KBZ Prestige Banking	Prestige banking, Personal banking, Confidential banking
7.	Agent Banking	KBZ pay (mobile money financial inclusion)
8.	Other Services	Safe Deposit Boxes, Bank Guarantee
9.	Cards Payment Services	Debit Card, World Travel Card (Visa Card), (UPI credit card) My Card (Master Card Prepaid Card)

10.	International Banking Services	Remittance Services, Payment Services, Foreign Exchange Service, Import Services and Financing Export services and Financing, Bank Guarantee Foreign Currency Account
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Source: KBZ Bank Ltd in 2018

International Banking Services: Kanbawza bank provides seven international financial services which are Remittance services, Payment services, Foreign exchange, Import services and financing, Export services and financing, Bank Guarantee and Foreign Currency Account Opening.

(a) Remittance Services: There are two types of remittance services. They are KBZ SWIFT Telegraphic Transfer and International Money Transfer Service.

(b) Foreign Exchange: There are two types of Foreign Exchange service. They are foreign exchange service and foreign exchange lines service.

Foreign Exchange Services

FX Spot: KBZ bank's customers can use the foreign exchange service to purchase or sell selected foreign currencies for immediate or spot delivery at competitive exchange rates.

FX Forward: KBZ bank also offers FX Forward for the customers who need foreign currency in the future date. By using this product, customers can hedge their FX risk with the premium charged in Forward Contract.

FX Option: As for another tool, KBZ bank also offers FX Option for the customers who are using international banking services. This product is high risk exposure and hence it is offered to selected, educated and experienced customers in international banking services.

FX Swap: For the export/import customer who wanted to hedge their difference time of receiving and payment, KBZ bank enable FX Swap for their requirements. FX Swap includes both FX Spot and Forward transaction. Therefore, customer can buy/sell at the Spot and re-buy/resell at the future date.

Foreign Exchange Lines: KBZ bank offer forwards and swaps purchase and sales of foreign currencies in order for customers to lock-in profit margins and minimize exchange rate fluctuation. Arbitrage trading will also become part of the Bank's treasury operations.

(c) Import services and Financing: KBZ Bank's Import Letter of Credit (LC) is a fast and efficient service which is used to facilitate international trade settlement by

the buyer/importer for importation of goods into Myanmar. An LC is issued by the issuing bank, on behalf of the buyer/importer, in favor of the seller/exporter. At the request of a buyer, the LC is an undertaking by the issuing bank to honor claims by the seller, provided that the required documents are presented to the issuing bank within a specified time and in accordance to the terms and conditions of the LC.

Collection of Import Bill: KBZ bank has correspondent relationship with reputed International Banks throughout the world and can thus provide valuable services to importers who may be importing from any part of the Global. The import bills are collected by KBZ Bank at very competitive rates. The import bills drawn on customers of other branches are also collected through these branches.

Financing of Import Usance L/C facility: Import Usance LC is a letter of credit which is payable at a determined future date after presenting of conforming documents. KBZ bank's Usance L/C facility provides the importer an opportunity to avail credit from their supplier/supplier's bank.

Deferred Payment Guarantee/Standby LC: KBZ Bank's Deferred Payment Guarantee/Standby LC facility also provides the importer an opportunity to avail credit from their supplier/supplier's bank.

Shipping Guarantee: Shipping Guarantees are indemnities given by the Bank to the carrier of goods, so that the goods can be released to the consignee without producing the Bill of Lading or Air Waybill. This helps the importer to avoid demurrage charges which otherwise will be imposed if delivery of the goods is not taken up due to the absence of shipping documents.

(d) Export Services and Financing

There are three types of facilities for exporters. They are:

Export Credit: KBZ bank provides both pre and post shipment credit to the exporters through Kyat Denominated Loans as well as foreign currency loans in Myanmar. Credit facilities are sanctioned to exporters who satisfy credit exposure norms of KBZ bank. Exporters having firm export orders or confirmed L/C from a bank are eligible to avail the export credit facilities. Kyat Export Credit is available generally for a period of 180 days from the date of first disbursement. In deserving cases extension may be permitted within the guidelines of Kyat. The corporate may also book forward contracts with KBZ bank in respect of future export credit draws, if required, as per the guidelines/directives provided by Kyat.

Pre-shipment Credit in Foreign Currency (PCFC): KBZ bank offers PCFC in the foreign currency to the exporters enabling them to fund their procurement, manufacturing, processing and packing requirements. These loans are available at very competitive international interest rates covering the cost of both domestic as well as import content of the exports. The corporate/exporters with a good track record can avail a running account facility with KBZ bank for PCFC. PCFC is generally available for a period of 180 days from date of first disbursement. In deserving cases extension may be permitted within the guidelines of Kyat.

Negotiation of Bills under L/C: KBZ bank is active in negotiation/discounting of sight/usance international export bills under L/Cs opened by foreign banks as well as branches of banks abroad. KBZ bank offers the most competitive rates. These transactions are undertaken by our branches within the Bank/Country Exposure ceilings prescribed by KBZ bank.

(e) Bank Guarantees: KBZ bank, on behalf of exporter constituents, issues guarantee in favor of beneficiaries abroad. The guarantees may be Performance and Financial. For Indian exporters, guarantees are issued in compliance to RBI guidelines.

KBZ bank, on behalf of importer constituents or other customers, issues guarantee in favor of beneficiaries abroad. The guarantees may be both Performance and Financial.

(f) Foreign Currency Account: KBZ bank's Foreign Currency Account is a non-interest bearing current account and is designed for customers who want to minimize foreign exchange risk while maximizing payment efficiency in foreign currency. Benefits of using foreign currency account are safekeeping of foreign currencies, investment in foreign currencies, hedging against adverse foreign exchange fluctuations; KBZ Foreign Currency Account serves as a settlement account for foreign exchange purchase and sale; cheques can be used for convenient payment between customers of KBZ bank; KBZ Foreign Currency Account enables customers to facilitate SWIFT remittances and Letter of Credit transactions.

Benefits of using foreign currency account are safekeeping of foreign currencies, investment in foreign currencies, hedging against adverse foreign exchange fluctuations; KBZ Foreign Currency Account serves as a settlement account for foreign exchange purchase and sale; cheques can be used for convenient payment between customers of KBZ bank; KBZ Foreign Currency Account enables customers to facilitate SWIFT remittances and Letter of Credit transactions.

(g) Domestic Currency (kyat) account: As deposit products in local currency, it provides many types of accounts such as call deposit accounts, children's minor saving accounts, current account, fixed deposit account, saving deposit account, Su Pwar deposit account. All deposit accounts have specific terms and conditions and the variance of interest rate per annum as per their account types. Savings deposit accounts are eligible for both individuals and the interest rate is 8%. To open account, it is required initial deposit of 1,000 MMK and minimum balance 1,000 is required to maintain accounts active. There is no charge of account maintenance fees at KBZ bank. All the accounts can be managed by the customers on their mobile and online banking service.

3.6 Card payroll and AMT services of KBZ Bank

When companies in Myanmar realized that Paying salary by bank accounts, especially MPU debit cards is convenient and time saving, the cards users become more. As payroll process, employees need to apply card at the bank. Everyone who is at the age of 18 years and above they are eligible to apply bank account. It is required NRC (National Registration Card) to open bank account. KBZ charges 3000 kyats for card issuing fee. The initial deposit is 1000 kyat and the card user is eligible to earn saving interest rate 8.25% per annum, as saving account rules and regulation. KBZ MPU debit card is safe to make payments without needing to carry any cash and it is protected from card fraud and data leaks by using our EMV Smart Chip technology.

ATM and Card Departments of KBZ bank are working as the same cluster with card payroll services team. All the MPU cards applied by customers are issued at the Card departments together with PIN mailers and delivered to respective departments and branches. Sometimes, the companies and organizations which used KBZ bank card payroll services requested to provide ATM in their company premises. The decision whether to approve or not to customers' ATM request is decided by AMT Department and BOD. But it was very rare chances of getting ATM just for specific purpose such as salary withdrawal and private use. It used to be considered to provide public access area and service available zones which the internet and mobile connections are accessible.

To use card payroll service, all the employees have to apply MPU debit cards and if they have done opening MPU card accounts, HR will have to prepare the payroll schedule with excel sheet according to bank's provided formats as per below

table. It is required to prepare with Company letter head and need to sign by authorized person of HR or Admin. The payroll format have to be used exactly the same version of Microsoft excel version 2003 as it can happen system error in other different versions.

Figure 3.1 Payroll Format for MMK (Hard Copy format)

Payroll format for MMK(Hard Copy)-CD				
Company Letterhead				
Date:				
Company Name				
SR.NO	NAME	NRC	ACCOUNT	AMOUNT
1	U Mya	12/PAZATA(N)012459	99930706002425601	500,000.00
2	U Hla	12/PAZATA(N)012460	99930706002525601	250,000.00
3	Daw Aye Aye	12/PAZATA(N)012461	99930706002625601	100,000.00
4	DawKhinHla	12/PAZATA(N)012462	99930706002725601	100,000.00
Total				950,000.00
Authorized signatories				
()				

Source: KBZ Bank Ltd, Cash Management Department in 2018

The payroll amounts is calculated by HR policy and procedure and used to put net balance after deducting the personal income tax and social security fee. For KBZ payroll schedule, company have to provide with two types, one is hard copy printed document with authorized signatory and another one is soft copy with CD to run into CMS software application, which auto debit the company accounts and credit into each and individual employee' s dedicated card accounts. The format on CD template is slightly different from the above hard copy template. Payroll hard copy and soft copy schedule have to provide bank three business days ahead of the pay date according to the format shown on below table.

Figure 3.2 Payroll Format for MMK (Soft Copy format) with CD

Column A	Column B
Payroll format for MMK(Soft Copy)-CD	
Company Name	
ACCOUNT	AMOUNT
99930706002425601	500000
99930706002525601	250000
99930706002625601	100000
99930706002725601	100000
	950000

Source: KBZ Bank Ltd, Cash Management Department in 2018

It is also required to pay company check for salary total amount plus service fees. The service fee is 200 kyats per transaction for MPU debit card accounts. But if the employees do not have card accounts and employees from the regions where no accessible the ATM machines to withdraw cash, company transfers salary with current or saving passbook accounts, the service fee will be charged like remittance fee, 0.025% of salary amount plus 500 kyats communication fee. For such employees, they can keep cash in bank accounts and withdraw at the branch with NRC card and passbook or check. That is the cause of poor infrastructure of the country which not yet able to deploy the ATM machine. But KBZ bank has deployed more than 1012 ATM machines nationwide. The service fees are not affected to government ministries and education staffs as KBZ give free service for CSR activities without any card issuing fees, per transaction fees. Then, mobile ATM cars are sent to schools, universities, ministry prior so that staffs can easily withdraw their salary at their workplace.

For the special regions such as Muse, Myawaddy, Pharkant and Maungtaw, the remittance fee is higher than other regions because of logistically difficulty to carry currency. The transfer charges are 0.10% of the remittance amount and additional 500 kyats for communication charges. But if the employee has MPU debit card account, service charge is just 200 kkyat fixed and no changes as per regional difference.

3.7 Employees' lifestyle and behavior changes by KBZ bank Card Payroll Service

Employees can also manage their bank accounts with mobile banking application by mobile phone. They can easily transfer and withdraw cash 24/7 auto banking service. KBZ pay service, agent banking also launched in August, 2018 and it will make KBZ payment network broader than now. Every customer who has KBZ pay application can transfer money without required going branch. Employees who paid salary by KBZ debit card can transfer money to the receiver through application. This is another advantage for employees to save time and smart fund transfer at 24/7 auto banking service platform.

It is also available e commerce and POS purchase at the supermarket and restaurants. The employees can reduce cash handling and make very convenient payments with MPU debit card. It is the best solution of small note cash shortage trouble. Most of the supermarkets have not enough small currency notes to refund the change and they return with tissue or candy which the shopper do not like to accept. When the card and POS payments are widely used, it becomes more and more use of service and payment platform by the people. The lifestyle changes can be made by MPU in Myanmar banking and financial service sector.

Moreover, for the employees who have paid monthly salary by bank accounts they have bank statement evidence to apply Credit cards with salary pay slip. Some other bank even do not ask for additional salary approving documents to allow credit card as the employee's track record is already maintained at the bank. That is additional benefit for employee for paying salary by card. They have become aware of saving practice and control extra spending habit. The behavior of employees by their personal finance and cash management knowledge is coming to change from such card salary payment initiative.

If the infrastructure of the payment platform can reduce the inconveniences on customers for ATM card stuck or dispute cases such as amount deducted from accounts but cash did not come out from the machine. For such troubles, customers need to complaint to call center hot line number. It usually takes three days to one week according to case by case basis. Whatever trouble the mindset of most employees has been changed and they like to accept salary by direct credit into their bank accounts. They do not prefer the cash except some traditional family owned companies. It was cash management problem as the pay day can be adjusted according to the cash flow cycle of the company.

Once employees travel on long holidays, they do not use to carry heavy cash on their purse or wallet. They just take the cards and withdraw required balance from the accounts for some specific purpose something like paying bus ticket fees which not yet direct transfer through online banking. But most payment do with POS or direct account transfer which make more convenient to them.

The fund kept in MPU debit card account is protected by PIN code which set up by the account or card holder. Even the card holder lost the card; no one can easily withdraw cash from the account at the ATM machine as the PIN code can only know by the original card owner. So, the PIN code is very important and it should not be put very easy to guess something like date of birth, phone number, serial number, etc., because the person who found the lost card can easily know the PIN and withdraw the cash, so PIN code should not be written on the card.

Some Co-branded Cards such up MPU-JCB Cards, MPU-UPI Cards are also accessible to withdraw cash or POS purchase at oversea. It is accessible every ATM machine which has JCB, UPI logo stickers. The cards were issued by CB banks and AYA banks and cards are classified as Standard Card, gold Card, and Platinum Card and there will have annual fees as it can be available to use both local and global network. While most people go abroad, it is difficult to carry foreign currency USD; physical cash to sufficient amounts as they need to declare at the immigration check point. For some purpose to medical checkup and take treatment in hospital, people used to require more than what they can carry individual limit. So, when they use such MPU Cobranded cards, it is easy and secure payments oversea.

The living standards and lifestyles are rapidly changing among Myanmar people. Employees are getting familiar with cards using methods. They are not strange too much on using ATM and cards even the country was isolated for a decade. As late comer advantage, the global suppliers and cards companies such as Visa and Master Cards. As significant benefit, card payroll employees' salary is safe from pickpocket on public buses on pay days. Awareness of using bank services make more efficient on staffs working hours as they do not need to open envelope and count the cash. Bank get service charges and employees and company HR get easy and secure payment service. As the financial and banking sector is changing through digital banking platform and everything will be making through personal mobile phone and using the technology effectively and efficiently. So, telecommunication

and technology reform in Myanmar took another step on the lifestyle and behavior changes of Myanmar employees by card salary payroll mechanism.

3.8 Organization Structure

KBZ Bank Limited has restructured a new organizational structure since appointed Mr. Mike DeNoma as special advisor and CEO of KBZ bank in May; 2017. It was established by advisory panel mainly by Chairman Emeritus, BOD and senior officials. Boards of Directors are Chairman Emeritus, Chairman, Vice Chairman (1), Vice Chairman (2) and CEO, the executive directors have been promoted as Deputy CEO (1) and Deputy CEO (2), Deputy CEO (3), and Senior Officials are Deputy Chairman, Sr. Managing Director, Managing Directors and Deputy Managing Directors. The organization structure of KBZ Bank Ltd is shown in the appendix iii.

According to the organizational structure, CEO holds the authority that can manage directly by Managing Director and is on the highest level followed by GM, manager, supervisor and operational staffs. As a bureaucratic feature, their management is a top down system and all the departments are under control of Chairman, Deputy Chairman and Board of Directors. Over viewing the whole organization, it is clear that the structure is designed to achieve its mission.

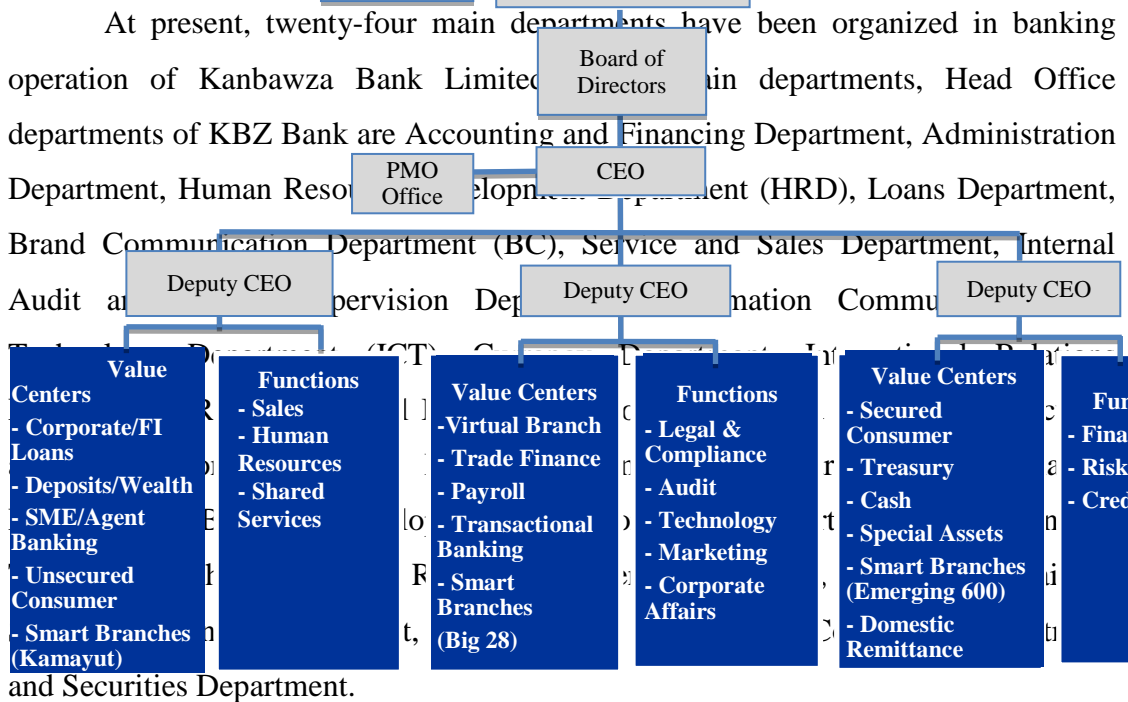


Figure 3.3 Organizational structure of KBZ Bank

Source: KBZ Bank Ltd, Human Resources Management Department in 2018

3.9 Anti-Corruption Assessment of Policy, Goal SDG

KBZ bank has promoted peaceful and inclusive societies for sustainable development provide access to justice for all and build effective, accountable and inclusive institutions at all levels. It has a policy of zero tolerance towards any forms of corruption, bribery or collusion with or failure to report cases thereof. In the case of gifts or entertainment we have a strict threshold as outlined in our anti-corruption policy. This policy applies to all staff regardless of seniority and also includes its contractual agreements with suppliers and other contractors, consultants, etc. Its whistle-blowing mechanisms are clear in the Code of Conduct and Whistle blowing policy whereby suitable channels are available to raise issues through appropriate channels according to the nature of the situation. KBZ ranked No1 in the terms of transparency in the 2014 Myanmar Centre for Responsible Business' PwintThitSa Report. It has retained a ranking within the top ten companies ever since. (UN global compact report, May 2017)

CHAPTER IV

ANALYSIS ON EMPLOYEE ATTITUDE TOWARDS CARD PAYROLL SERVICES OF KANBAWZA BANK

This chapter presents the results of the study. According to the result of the analysis of survey question, this chapter focus on the analysis on employee attitude towards card payroll services of KBZ Bank. Among the issues the discussion one is the demographic characteristic of respondents and selected sectors employee attitude towards card payroll services of KBZ bank. The research design was created with descriptive analysis model. The mean values and standard deviation are calculated from data gathered with structured designed survey questionnaires. It includes the survey design, profile of respondents and analysis on employee attitude towards card payroll services of Kanbawza bank based on the 2018 survey data. The questionnaires were used to set up with Likert's type five point scales.

4.1 Research Design

Research design focused on employee attitude towards card payroll services of KBZ Bank. To support the assessment, the required data were collected through

sample survey with detective approach. As survey instrument, a structured questionnaires for primary data was used. The questionnaires are divided into two parts such as Section A and Section B. Questions included in section A are about demographic characteristics of sampled employees from various sectors, trading and services sector, manufacturing sector, government sector, education staffs (High School and university teacher of Yangon). Section B was designed to sampled employee attitude toward card payroll service of KBZ bank in which Card payroll factors, card design and ATM of KBZ bank, employees experience on using other bank cards, employee attitude towards card payroll services of KBZ bank, employees' understanding on salary payroll system, employees' reaction upon the changes of card payroll, employees awareness on lifestyle changes, employees satisfaction on customer service of KBZ bank, employees suggestion on customer service of KBZ bank, employees opinion on progress and future trend of KBZ bank. There are total 52 questions under this section. Moreover, Section B includes questions about employee attitude of sample employees in surveyed sector corporations. The respondents were asked by systematically developed 5-point Likers scale questionnaire (ranking from "Strongly Disagree = 1", "Disagree = 2", "Neutral = 3", "Agree = 4" and "Strongly Agree = 5"). An interview was conducted with the Head of Cash Management and Payroll Department of Kanbawza Bank for the further details of their salary payroll management processes and practices. A sample of 300 respondents from 3 different sectors by trading and services, manufacturing and government organization was randomly selected from the customers of KBZ bank, SOC Branch from April to December, 2018. The exploratory nature of the study data analysis was descriptive in terms of frequency tables and observing of general characteristics.

4.2 Profile of Respondents

The demographic characteristic of respondents in surveyed age, gender, education level, types of occupation and position, monthly income and marital status are shown detail analysis in the following.

(a) Gender of Respondents

Gender of respondents are shown in Table (4.1). Female respondents are 4% greater than Male respondents on the survey for all industries. Employees responded

48% which consist of 144 are males and the other 52% which consists of 52% are females.

Table (4.1) Gender of Respondents

No.	Gender	No. of Respondents	Percentage (%)
1	Male	144	48
2	Female	156	52
Total		300	100

Source: survey data, 2018

(b) Age Level of Respondents

Age level of the respondents is shown in Table 4.2. It includes five age groups. They are under 20 years, between 20 and 30 years, between 31 and 40, between 41 and 50 and above 51 years. According to the results as shown in Table (4.2) age level of most employees was between 20 to 30 years which has 35% of all respondents. There was 18% of employees who were under 20 years of age and mostly from private manufacturing companies. Another 20% is between 31 and 40 and 16 % is between 41 and 50 as they are senior level in private and government sectors. Only 11% of the total respondents is above 51 years which comes the head of departments positions and their salary also paid by KBZ Bank ATM cards.

Table (4.2) Age Level of Respondents

No.	Age Level	No. of Respondents	Percentage (%)
1	Under 20	55	18
2	20 to 30	105	35
3	31 to 40	60	20
4	41 to 50	48	16
5	51 and above	32	11
Total		300	100

Source: survey data, 2018

(c) Education level of respondents

Education Level is classified in four groups started from Under High School level and completed High School. Graduate and Post graduate Master or PhD levels. The result shown in Table (4.3) is that there are 14% of Post Graduate levels both Master and PhD. The majority of respondents, about 54% are the graduate and degree holders. For the level of High School is 22% and under High School level is 10% of employees by the survey result.

Table (4.3) Education Level of Respondents

No.	Education Level	No. of Respondents	Percentage (%)
1	Under High School	29	10
2	High School	67	22
3	Graduate	163	54
4	Post Graduate	41	14
Total		300	100

Source: survey data, 2018

(d) Occupation and Positions of the respondents

The questionnaire was designed to know how many of employees are working in which sectors in respective level to investigate the behavior of respondents on the card salary payroll services of KBZ Bank. As shown in Table (4.4), 54% of employees are junior level private company staffs from both trading service and manufacturing sector. The second largest group is educational sector, high school and university teacher level responded as 28% contribution on the survey result. But the higher level, head of department is 6% with 17 respondents. Manager level is total 9% for 26 respondents and senior manager and above positions are included into 4% with altogether 12 respondents.

Table (4.4) Occupation and Positions of Respondents

No.	Occupation and positions	No. of Respondents	Percentage (%)
1	Private company staff	162	54
2	Government staff	83	28
3	Head of Department	17	6
4	Manager	26	9
5	Senior manager and above	12	4
Total		300	100

Source: Survey data, 2018

(e) Monthly income level of respondents

In this study, approximately monthly average income is divided into five groups as shown in Table (4.5) below. The result shows that salary range in government employees and private sector is significantly different. So, 79% of 237 employees earn less than 500,000 kyat. In this survey 10% of employees receive their monthly income between 500,000 and 750,000 kyat. Generally, a few of senior level staffs from trading and manufacturing companies salary is higher and 4% of the

respondents from this survey was found the salary range between 750,000 and 1,000,000 kyat. Other higher position of 3% earn between 1,000,000 and 1,500,000 kyat and there are also 4% who are senior management board members and department heads earn above 1,500,000 kyat.

Table (4.5) monthly income level of Respondents

No.	Monthly income (Kyats)	No. of Respondents	Percentage (%)
1	≤ 500,000	237	79
2	500,001 to 750,000	31	10
3	750,001 to 1,000,000	12	4
4	1,000,000 to 1,500,000	9	3
5	≥ 1,500,000	11	4
Total		300	100

Source: Survey data, 2018

(f) Marital Status of Respondents

All the respondents were requested to answer their marital status. It is classified into three groups as single, married and others. The results of classification on marital status are shown in Table 4.6.

Table (4.6) Marital Status of Respondents

No.	Marital Status	No. of respondents	Percentage (%)
1	Single	137	46
2	Married	163	54
3	Others	0	0
Total		300	100

Source: survey data, 2018

As shown in Table (4.6), it is found that 137 respondents are married, 163 respondents are married. In term of percentage, single respondents have lower share with 46% and married respondents have more share with 54%. As a result, there is no others option such as divorced or separated. It found that most respondents who have certain income with decent job marry. As this survey was collected from high reputable companies with paid salary regularly and transparently by bank payroll service. Therefore, the job security may have been affected to the employees' lifestyle changes into marriage life.

4.3 Analysis on employees' attitudes on Card payroll services factors

Table (4.7) Card Payroll services factors, ATM and Card designs

No.	Statements	Mean	Standard Deviation
1	Getting Salary by ATM Card is better than getting in physical cash	3.51	1.08
2	KBZ bank ATM cards are very easy to use for me	3.99	0.27
3	KBZ bank ATM machines than others	3.93	0.64
4	ATM card is very easy and fast to apply at KBZ bank	2.77	0.87
5	Feel safe in keeping salary in KBZ ATM debit cards	3.55	1.07
6	Prefer KBZ payroll service as its MPU Debit card design is more attractive than other banks	3.18	0.81
7	Using KBZ card payroll service can earn 8.25% interest on my saving	3.64	0.71
Overall average mean		3.51	

Source: survey data, 2018

According to Table (4.7), the analytical survey results show that the overall mean score is 3.51 and it stands medium high satisfied level. The respondents satisfied KBZ Bank MPU debit card design and ATM machines as part of the card payroll services factor. The questionnaire for this dimension have been structured with 7 statements. Significantly, the statement of “KBZ Bank ATM cards are very easy to use for me” the lowest standard deviation value 0.27 of the mean value 3.99 proved the medium high satisfied level and most respondents satisfied with the statement.

Table (4.8) Employees' experience of using other bank cards

No.	Statements	Mean	Standard Deviation
1	Have got experienced on using other banks' ATM card as well	3.10	0.97
2	Think that all ATM cards have same features	3.37	0.88
3	Think that other banks card designs are more attractive than KBZ card	3.52	0.69
Overall average mean		3.33	

Source: Survey data, 2018

According to dimension of the survey data shown above table (4.8), employees have experience of using other banks' ATM cards for other reasons. Even their salary is paid by KBZ Bank ATM cards, they have other bank's cards as well. It was found the overall mean score is 3.33 which indicated a medium high satisfactory level of understanding cards natures rather than one bank. Then, it was also found that the lowest mean score of 3.10 with 0.97 standard deviation which also shows a high level of employees' experiences on using ATM cards. It means card users are getting increase in the market as they become realized ease and accessibility of the ATM machines and POS and online payment channels. For all three areas which covered this survey, trading and services, manufacturing and government staffs are almost same inclusiveness of using card banking service.

Table (4.9) Employee attitude towards card payroll service and system of KBZ Bank

No.	Statements	Mean	Standard Deviation
1	Think that employee should use KBZ card payroll service	3.66	0.75
2	Think that card payroll service is not yet ready for the developing country like Myanmar by its poor IT infrastructure	3.64	0.76
3	Prefer KBZ ATM card which can link with my saving account	3.91	0.55
4	Have faced experience of KBZ ATM card stuck in the machine and felt terrible	2.99	0.65
5	Have faced experience of salary deducted from account at ATM and cash did not come out	2.36	0.75
6	Feel that receiving salary without any trouble after using KBZ card payroll service	3.65	0.79
7	Think that card payroll services is only available at KBZ	3.02	0.73

	bank		
8	Hope that the payroll charges of KBZ bank is cheaper than other bank's charges	3.20	0.72
9	Know nothing about card payroll services of KBZ bank	3.72	0.78
10	Recommend card payroll service of KBZ bank is international standard	3.70	0.61
Overall average mean		3.38	

Source: survey data, 2018

Another dimension about employee attitude towards card payroll service and system of KBZ Bank was analyzed by 10 questions. Table (4.9) shows average mean score of 3.38 which can be able to say medium high satisfactory of the surveyed employees upon card payroll service of KBZ Bank. The highest mean score of 3.91 was calculated from the statement of "I like KBZ ATM card which can link with my saving account. Furthermore, it could be assumed employees are willing to save their salary without withdrawing too much. It also found their trust on keeping their money at KBZ bank accounts. It was found trust on the service and service provider put high impact on the employees' attitude towards card payroll service of KBZ bank. Statement 4 and 5 of dimension (3) was tested the inconvenience level of using cards which the users used to face card stuck at the machine and amount deducted by the MPU connection trouble. The mean value of the two statements was 2.99 and 2.36 with slightly lower value than the average mean score indicated that employees were not very satisfactory with such inconvenience of the service. Employees responded with 3.20 mean value for the statement that the payroll service charges of KBZ bank is cheaper than other bank, it was the medium high level of positive outlook.

4.4 Analysis on employees' attitudes on Card Payroll services system

Table (4.10) Employees' understanding on salary payroll system

No.	Statements	Mean	Standard Deviation
1	Understand how KBZ bank's card payroll system operate	3.54	0.81
2	Know nothing about KBZ bank payroll system and believe company HR will solve out any error related	2.50	0.89

	salary		
3	Think that payroll system was run by auto generated cash management software	3.10	0.78
4	Card payroll system is operated by Central bank of Myanmar	2.87	0.78
5	Think that MPU is main operator for Card payroll service	2.34	1.17
6	Card payroll service is only good for bank and not convenient for HR department	3.33	0.99
7	If facing problem at AMT cash withdrawal, know nothing what to do	2.44	0.85
8	Trust that KBZ bank keeps confidential about employees' salary data	3.62	0.72
Overall average mean		2.97	

Source: Survey data, 2018

Above table (4.10) was tested by 8 statements related to the payroll practice and services of KBZ bank and the understanding level of surveyed employees. The average mean is just 2.97 and it is lower than other tested dimensions because most employees responded that they did not know about it much. On the statement of “Card payroll system is operated by Central Bank of Myanmar”, most respondents were neutral. It was also found that employees did not have overall understanding on the fundamental understanding how the payroll processes are working and the connection. But, all responded employees expressed the trust on KBZ bank as it will maintain their salary data in confidentiality. The mean score of that statement was the highest with 3.62 and standard deviation obtained 0.72 with medium high satisfactory.

Table (4.11) Employees' reaction on changes of Card payroll system

No.	Statements	Mean	Standard Deviation
1	Prefer to get salary in physical cash , not by ATM card	2.92	1.49
2	Card payroll service make me a lot of inconveniences	2.25	0.64
3	Feel proud of getting salary by KBZ bank ATM card	4.27	0.74
4	Make complaints to employer not to pay salary by ATM card	2.37	0.85

5	Always used to withdraw all the salary on pay day	3.29	1.18
6	Used to lose ATM card very often and do not like card payroll service	2.24	0.87
	Overall average mean	2.89	

Source: Survey data, 2018

Above table (4.11) of the questionnaires were designed to analyze the employees' reaction upon the changes of card payroll services and getting by physical cash on their monthly salary. It was found the statement of "Used to withdraw all the salary on pay day", the mean score is 3.29 and 1.18 in standard deviation which conducted the saving practice of employees were in medium high variance. According to the survey result, employees felt proud of getting salary by ATM cards. As experienced with KBZ card payroll services, the respondents preferred the card payroll than physical cash. The overall mean value is 2.89, that the medium high positive responsive level to the test.

Table (4.12) Employees' awareness on lifestyle changes

No.	Statements	Mean	Standard Deviation
1	Feel more satisfactory of being able to reduce cash handling	4.36	0.59
2	No longer keep cash in pocket or wallet after using ATM	3.96	0.27
3	Do not like paying physical cash and just use cards	4.00	0.00
4	See that supermarkets in Myanmar are using more POS devices to promote card payment system	3.99	0.18
5	Think that not convenient without available to make payment by card	2.99	0.08
6	Refunding tissues or candy for the change at the supermarkets is very bad	3.99	0.14

Overall average mean	3.88	
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Source: Survey data, 2018

Above table (4.12), it was shown the dimension about how much awareness and effected to employees on their lifestyle by KBZ card payroll services. The significant statement “Feeling more satisfactory of being able to reduce cash handling.” Had the extremely high value of 4.36, indicates that all respondents do not like handling cash and like using more with card as much as they do. Respondents are also do not like of inconvenience of lacking small currency note in local cash society as they responded that “Refunding tissues or candy for change at supermarkets is very bad” with mean value, 3.99 which has medium high value of overall mean. It could be identified that the lifestyles of respondents have been significantly change and each of the card users agreed with the KBZ card payroll service.

4.5 Analysis on employees’ attitudes on customer service and market position

Table (4.13) Employees’ satisfaction on customer services of KBZ Bank

No.	Statements	Mean	Standard Deviation
1	Feel that KBZ staffs are friendly and polite	2.76	0.73
2	KBZ Staffs are skillful understanding on the products and services	3.87	1.05
3	KBZ Staffs do not pay good service to customers	2.79	1.04
4	Think that customer service of KBZ bank is the best of all other banks	2.94	0.94
	Overall average mean	3.09	

Source: Survey data, 2018

On other dimension, it was tested employees' satisfactory level of KBZ bank, the card payroll service provider. Above Table (4.13) represents the overall mean with 3.09 on service satisfactory test. Even all employees are not the day to day bank customers and they just use offsite service on 24/7 ATM machines to withdraw cash to make payment of the POS machines, their satisfactory is in medium satisfactory level with 2.76 mean score. The statements expressed that KBZ staffs are skillful and understand on product knowledge, but the customer service score is lower than that satisfactory level. The employees' opinion about hard skills level of KBZ staffs is highest mean value with 3.87. That was the payroll service provider has stronger hard skills than soft skills like customer service.

Table (4.14) Employees' suggestion on improving customer service of KBZ Bank

No.	Statements	Mean	Standard deviation
1	KBZ Bank Customer service needs to improve more than now	3.87	0.42
2	KBZ staffs should have more training in customer service	3.39	0.64
3	Putting customer service suggestion box is good	2.24	1.18
4	KBZ bank management should care more about their customer feedback	3.41	0.51
	Overall average mean	3.23	

Source: Survey data, 2018

Table 4.14 was related on the emotional responses of users of KBZ bank card payroll services which they optimistically suggested to the bank with 4 questions test. As result, the average mean score is 3.23 which was medium high level and could be interpreted that they realized that the customer service level should be improved. The significantly responded and the highest mean score of the first statement "KBZ Bank customer service needs to improve more than now." was 3.87 and the standard deviation is with 0.42 for that item.

Table (4.15) Employees' opinion on progress level of KBZ Bank in market

No.	Statements	Mean	Standard deviation
1	Believe that KBZ bank will always be No1	3.69	0.70
2	The financial services of KBZ bank is at the top in market	3.65	0.74

3	Think that KBZ bank will be difficult to maintain its current position in future	2.50	0.94
4	The current reform of Central Bank of Myanmar allowing foreign banks to provide more financial services to local businesses will largely impact on KBZ bank	3.22	0.98
	Overall average mean	3.27	

Source: Survey data, 2018

According to Table (4.15), the questionnaire design was to measure the respondents' opinions upon the market position of KBZ Bank at current practice and future trend. It was most satisfactory level of the respondents, they expressed trust on the card payroll services provider which was one of the independent variables impacted the customers' attitude to gain trust of the service provider by service user. The overall mean score is 3.27 and the highest standard deviation is 0.98 which is medium low level. The statement about current reform of Central Bank of Myanmar allowing foreign banks to provide more financial services to local businesses will largely impact on KBZ bank as No.1 largest bank in terms of Assets, employees responded with prudential concepts, it can have impact on the local bank based on the test result mean score 3.22 which medium high level. The customers' attitude towards their service provider put positive result.

CHAPTER V

CONCLUSION

This chapter includes the conclusion which is based on the analysis of the results of the thesis. This chapter has been constructed into three main sections: findings, recommendations and suggestions, and needs for further research.

5.1 Findings

Card payroll services of Kanbawza bank is expanding to various sector employees especially the trading and services, manufacturing and including some of the government sector staffs. It has been found almost all sector employees who are using card payroll services of KBZ bank aware of their conveniences and lifestyle

changes according to dimension 5 and 6 of survey result of the research questionnaires. It found that the challenging start of MPU which initiated the payment platform to withdraw cash transfer fund at ATM machine 24/7 auto banking.

According to the analysis, most of the employees accepted their monthly salary getting by cards instead of receiving in physical for many years since banking and financial sectors were limited infrastructures, rules and regulations. As KBZ bank owned 43% of market shares according to GIZ's Myanmar banking sector report 2016, source CBM (2016), it provides various sort of financial and banking services. Card payroll services is also part of the services and earliest service provider to the companies in Myanmar. The impact is payroll service and its card user employees are confident on banking with KBZ bank on their monthly salary receiving.

Since KBZ bank had changed its banking software from ACE to Core banking system, it started issuing ATM card services and deployed many ATM machines throughout the nations in every states and divisions. It approved that its card payroll services is successful by the analytical data of dimension (3) about employees' attitude towards card payroll services of KBZ bank. Employees agreed with the statements on recommending to use card payroll services of KBZ bank was positive result with 3.66 high mean value and 0.75 of low standard deviation.

It was found that payroll service is not just making lifestyle change and financial inclusiveness of the population, it can give positive work environment of reducing workload of HR and finance staffs on spending their precious times on putting salary cash into envelopes and bad habit of handling harmful physical cash. The whole social behaviors and lifestyles have been positively changed in Myanmar society being awareness of ease and accessibility of ATM cards and benefiting the service. Significantly on the test result for the statement "I do not like paying physical cash, I like paying by card" with highest mean score of 4 points could be obtained in this research. The whole ecosystem on employers pay salary with card payroll services of KBZ bank to employees was found smooth and acceptable process and positive outcome.

However, employees were still facing the ATM cash withdraw struggles sometimes according to system weakness of poor internet infrastructure. But employees did not show the high disappointments on such inconveniences. Once the customers faced such ATM troubles, they contacted KBZ bank hot line and card and payroll services department handled the complaints in case by case basis. There are

other service provider in the market to compete with KBZ bank, employees preferred KBZ bank as it has the largest network of branches and strong and secure IT infrastructure than other banks. As KBZ bank has its own gateway and satellite, the frequency level of connection failure is getting lower. It means KBZ bank has strong manpower and technicians to monitor the service improvements.

According to interview with payroll services department head, KBZ was proudly provide Card payroll service to government sectors staffs since 2012 by sending mobile ATM cars to designated locations, schools, universities, ministry priors to be easily and swift accessibility of ATM cash withdrawal services. The research highlighted positive feedback of such service to government sector employees. Even though the mindset of some government senior officials had reluctant to change from cash to cards payments, they gained confident on keeping cash in KBZ bank card accounts and earned saving interest. It was approved some employees withdrew all their salary and some save in the bank accounts and just withdraw the required amount.

As KBZ bank has donated a lot and well known as a highest tax payers for six consecutive years, the impact of CSR took its customers feel trust on its banking and financial soundness. On the other hands, a recent announcements of Central Bank of Myanmar (CBM) regarding to open more chapters to licensed foreign banks giving more financial services to local business can be more or less affected to the current top market share of KBZ bank. That was tested the employees' opinion in last dimension 9 at statement 52 of questionnaire, employees have high concerns about maintaining market position of KBZ from its current level.

According to the research was aimed to test the employees' attitude towards card payroll service, the tri-component attitude model (Howard, and Sheth, 1969) could not able to omitted and it said the cognitive component refers to the knowledge, beliefs, and opinions the person has about the attitude object. The cognitive component is the individual's information and knowledge about an object or concept. A person's cognition is the knowledge and perceptions that are acquired by a combination of direct experience with the attitude-object and related information from various sources. Each and individual of employees were carefully tested on their overall interrelated components and factors of cognitive, conative and affect by 9 different dimensions.

It was covered the level of comfortable on using the payroll service, its ease and accessibility which was improving. The attitude of trust and confident upon service is with positive result too. In this analysis, it approved that the service is attractive and informative and also made the social and emotional changes of their lifestyles. However, the customer service satisfaction was highlighted to focus on better than current position. The respondents satisfied the service charge as it was fair and gained trust on KBZ bank.

5.2 Suggestions

Kanbawza bank should pay more attention on the customer service satisfaction level according to the feedback and market respondents. It is also required to create the product feature more significant than current condition. The employees were very positive of the changes of the salary payments by ATM cards instead of getting in cash. But the inconveniences of ATM connection and service break down and card dispute cases which becomes hot issues in card payroll services. As KBZ bank has the maximum numbers of ATM machines than other local banks, the service features at ATM should be increased than current available features.

Myanmar is cash based society and the card payroll service could decrease cash handling to certain level. But, it should be considered to reduce service charges for the purpose of driving willingness of using cards more than now. It is great that KBZ is now actively promoting KBZ pay agent banking service. On the other hand it should have created the effective components of current ATM card users how agent banking can beneficial to payroll service employees. Without being able to create value added product features, the bank will be definitely difficult to maintain its users in the futures. It was a very highly competitive market situations, thus, KBZ bank should provide the customer service training to its employees. Moreover, the leading bank should support to MPU to upgrade the more advanced international standard service. Instead of just getting salary with MPU cards, if KBZ bank and MPU could promote the cards for the availability of miscellaneous and total payment solution of such as public transport fares, YBS bus, water taxi, Grab, Oway taxi, High way toll gates payments.

5.3 Needs for Further Research

For the purpose of cash handling reduction and more financial inclusiveness, the whole banking sector should be tested the users' attitude upon card services and consumer behaviors upon banking services. While this research was just focus on the payroll services employees of the companies, it was not fully sufficient on measuring the attitudes of the whole banking sector consumers. To be able to understand more about customer attitudes upon card payroll services and banking sector perceptive, it is required further research upon bench marking and the payroll services among local banks. From such research we can expect more accurate and position of the KBZ bank, the largest local bank. On the other hand, there also should have similar studies to another second largest bank like AYA bank's payroll customers how is their attitude upon the card payroll services of AYA bank. It will be really helpful to analyze from another perspective within market competitors. It could be grateful if another further studies regarding on the deepest transparent view upon the comparison of local banks' cards and payroll service to other ASEAN banks in South East Asian countries. Since, Central bank of Myanmar open more competitiveness marketplace between local and foreign banks, such research study will make more useful to the local bank to prepare in resisting the competitors to maintain their current customers. Moreover, another extended research which relevant to this study is to test the requirement of cash depositing machine, whether it is really essential to the local customers to deposit their cash into their card accounts which really could able to reduce requirement to go to the branch within limited banking hours. All level of customers attitudes relevant to cards, ATMs, payrolls and banking services are still required and supposed to do as further research based on the finding on my study as limited portion of the card payroll services of KBZ bank.

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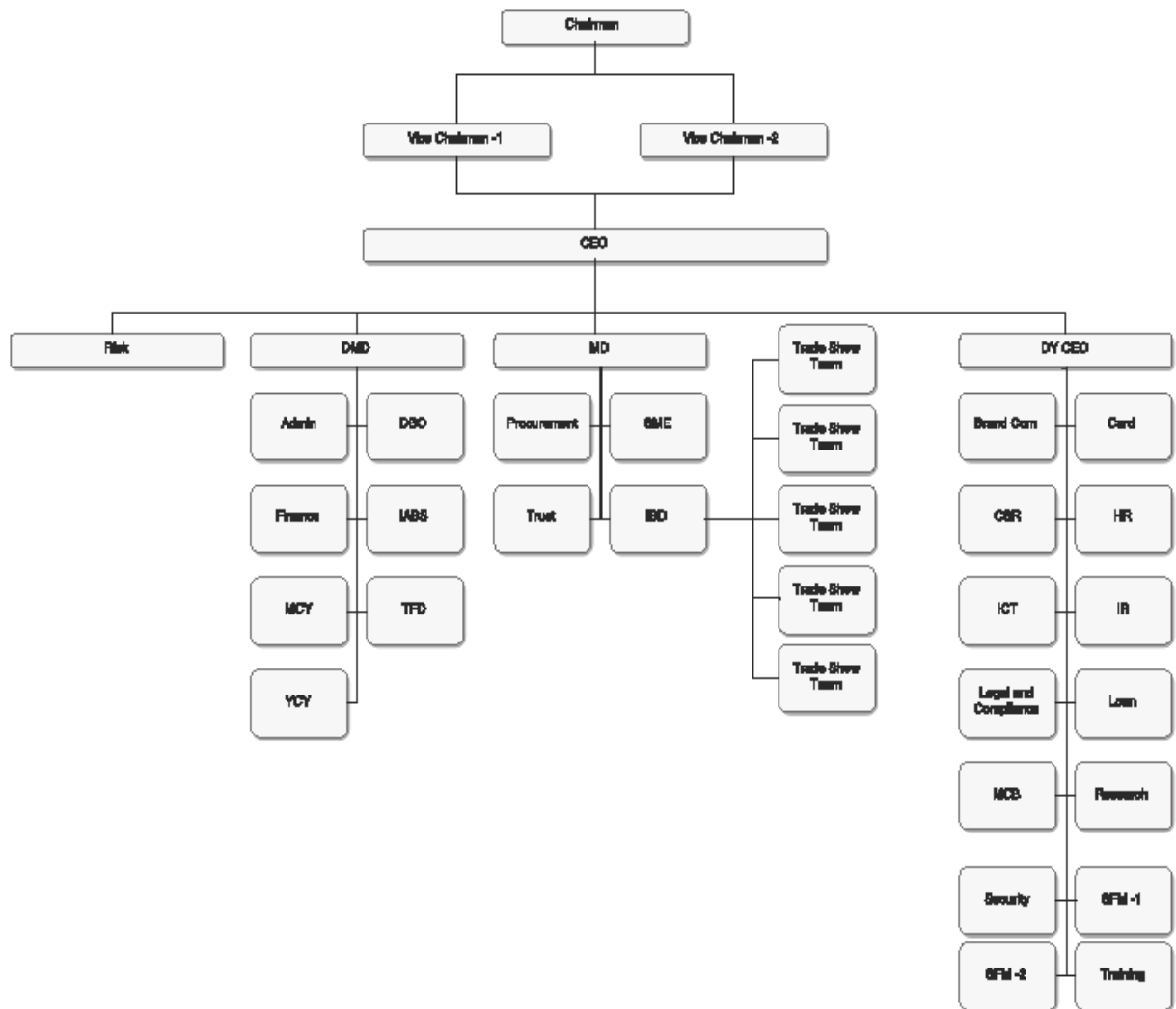
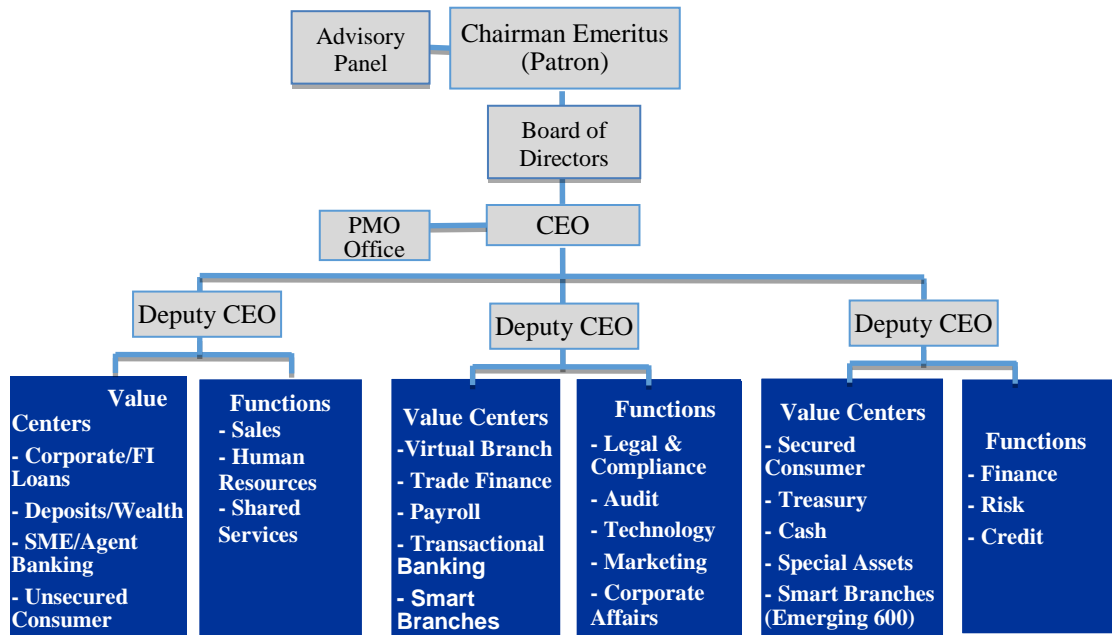
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APPENDIX A

Organization structure of KBZ Bank



APPENDIX B

Interview Question

Q.1. Describe employees' salary payroll process and cash management service in your company. What are requirements and how much is the service charges?

Q.2. Describe your company's cash management application and why it works the way it does. Before using Cash management software, how did your bank practice on it?

Q.3. How would you define the future trend of your card payroll service by your company's payroll customers? What will be the achievements of your service in the market?

Q.4. Do you feel that card payroll service of your bank make reducing cash usage and workload of company HR staffs?

Q.5. Do you have enough resources and system to provide the emerging market employees increasing according to the economics and political conditions and do you have any tools for card fraud cases and currency risk management?

Q.6. How do you think about physical cash handling risk and health impact upon Myanmar population? Is it possible to reduce handling physical cash and changing behavior of Myanmar employees?

Q.7. What are the most challenging factors for your cash management department staffs on companies salary payday?

Q.8. As your company is doing a lot of CSR projects, is there any related program for salary payroll, for example, public sector employees salary payroll?

Q.9. How does your staff handle the complaints of payroll employees according to their card dispute and ATM troubles?

Q.10. Do your card payroll customers available to use mobile and internet banking services and how do you support educating your customer?

APPENDIX C

Section A

POINT OF CUSTOMER PERCEPTION SURVEY

Questionnaires for

“EMPLOYEE ATTITUDE TOWARDS CARD PAYROLL SERVICES OF KBZ
BANK”

Dear Respondents,

This questionnaire is a part of the special study, which is a curricular requirement of the students from Master of Banking and Finance, Yangon University of Economics, Myanmar. All information herein that the respondents provided in this survey questionnaire will be treated with utmost confidentiality. Please kindly answer all the questions in below survey questionnaire spread sheet. I am highly appreciated for your cooperation by spending your precious time answering it.

*** Please tick the choice that you made after reading the statements.**

4.1 PROFILES OF RESPONDENTS

1. Gender of respondents

Male

Female

2. Age of Respondents

Age under 20 years

Age between 20 and 30

Age between 31 and 40

Age between 41 and 50

Age over 51

3. Level of education

Under High School

High School

Graduate

Post Graduate (Master/PhD)

4. Type of Occupation and positions

- Private company staff
- Government staff
- Head of Department
- Manager
- senior manager and above

5. Monthly income

- ≤ Kyat 500,000
- 500,001 to 750,000
- 750,001 to 1,000,000
- 1,000,001 to 1,500,000
- ≥ 1,500,000

6. Marital status

- Single
- Married
- Others

Section B

The employee attitude towards Card Payroll service

Please tick the answer which MOST closely matches your opinion for following statements.

Strongly Disagree = 1 (SD)

Disagree = 2 (D)

Neutral = 3 (N)

Agree = 4 (A)

Strongly Agree = 5 (SA)

***Note: there is only ONE answer possible for each statement.**

Employee Attitude towards Card Payroll Service and System of KBZ Bank

Card Payroll service Factor, Card Design and ATM of KBZ Bank		SD	D	N	A	SA
		1	2	3	4	5
1	Getting Salary by ATM Card is better than getting in physical cash					
2	KBZ bank ATM cards are very easy to use for me					
3	KBZ bank ATM machines are more accessible than others					
4	ATM card is very easy and fast to apply at KBZ bank					
5	I feel safe keeping my salary in KBZ ATM debit card accounts					
6	I like KBZ payroll service as its MPU Debit card design is more attractive than other banks					
7	I like KBZ card payroll as I can earn 8.25% interest on my saving					
Employees' experience on using other banks' cards						
8	I am using other banks' ATM cards as well					
9	I think all ATM cards have same features					
10	I feel other banks card designs are more attractive than KBZ card					
Employee attitude towards card payroll services of KBZ Bank						
11	I think employee should use KBZ card payroll service					
12	I think card payroll service is not yet ready for the developing country like Myanmar by its poor IT infrastructure					
13	I like KBZ ATM card which can link with my saving account					
14	I have experienced of KBZ ATM card stuck in the machine and I feel terrible					
15	I have experienced of my salary deducted at ATM and cash did not come out					

16	I feel I got my salary without any trouble after paying by KBZ card payroll service					
17	I think card payroll services is only available at KBZ bank					
18	I think the payroll charges of KBZ bank is cheaper than other bank's charges					
19	I know nothing about card payroll services of KBZ bank					
20	Card payroll service of KBZ bank is international standard					
Employees' understanding on salary payroll system						
21	I understand how KBZ bank's card payroll system operate					
22	Even I do not understand about KBZ bank payroll system, I believe my company HR will solve out any error related our salary					
23	I think payroll system runs by auto generated cash management software					
24	Card payroll system is operated by Central bank of Myanmar					
25	I think MPU is main operator for Card payroll service					
26	Card payroll service is only good for bank and not convenient for HR department					
27	I have no idea how to withdraw salary if I lost my ATM card					
Employees' reaction upon the changes of Card payroll system						
29	I prefer my salary in physical cash , not by ATM card					
30	Card payroll service make me a lot of inconveniences					
31	I feel proud of getting my salary by ATM card					
32	I complained my boss not to pay salary by ATM card					
33	I always withdraw all my salary on pay day					

34	I lost my card quite often and do not like card payroll					
Employees' awareness on lifestyle changes						
35	I find myself more satisfactory of being able to reduce cash handling					
36	I no longer keep cash in my pocket or wallet since I used ATM card					
37	I do not like paying physical cash, I like paying by card					
38	I notice that supermarkets in Myanmar are using more POS devices to promote card payment system					
39	If I cannot make payment by card, I do not think it is comfortable					
40	Refunding tissues or candy for the change at the supermarkets is very bad					
Employees' satisfaction upon customer services of KBZ bank						
41	I feel that KBZ staffs are friendly and polite					
42	KBZ Staffs are skillful understanding on the products and services					
43	KBZ Staffs do not pay good service to customers					
44	I think customer service of KBZ bank is the best of all other banks					
Employees' suggestion, improving customer services of KBZ bank						
45	KBZ Bank Customer service needs to improve more than now					
46	KBZ staffs should have more training in customer service					
47	Putting customer service suggestion box is good					
48	KBZ bank management should care more about their customer feedback					
Employees' opinion on progress level of KBZ bank in the Market						
49	I believe KBZ bank will always be No1					

50	The financial services of KBZ bank is at the top in market					
51	I think KBZ bank will be difficult to maintain its current position in future					
52	The current reform of Central Bank of Myanmar allowing foreign banks to provide more financial services to local businesses will largely impact on KBZ bank					