

**YANGON UNIVERSITY OF ECONOMICS**  
**DEPARTMENT OF COMMERCE**  
**MASTER OF BANKING AND FINANCE PROGRAMME**

**ANALYSIS OF EMPLOYEE ENGAGEMENT IN AYA BANK**

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A thesis submitted as a partial fulfillment of the requirements for the Degree of Master of  
Banking and Finance (MBF)

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## ABSTRACT

This study identifies employee engagement practices in AYA Bank and analyzes the most influencing factor on employee engagement in AYA Bank. Descriptive method is used. Data are both primary data and secondary data. Samples of 100 employees are selected with convenience random sampling method by the help of authorized person at AYA Bank. Five points Likert Scale measurement is mainly used to find out the agreeable level of employees in the study. Major determinants are two factors: job characteristics (Skill Variety, Task Identity, Task Significance, Autonomy, and Feedback given) and Reward and Recognition as independent variables which are more or less influencing on employee engagement to the bank organization. Data analysis on the determinants of employee engagement is by using excel software and SPSS (20) statistical software package. In the analysis, the higher employee engagement is concerned with the employee application of skill variety, clear task identity, task significant, work autonomy, feedback from supervisor, which all are moderate influencing level. In the analysis on the relation of employee engagement by Reward and Recognition, survey also found out the moderate level. In the analysis on the effect of each factor, linear regression model is applied. In this analysis, both determinants are found as moderately and positively relationship to the employee engagement. By the descriptive and correlation analysis, there is positive relationship of the factors, whereas, their relationship is only 40% and 39% moderately relationship, and thus, it could be made suggestion to the management team of AYA Bank to review not only on job characteristics and reward and recognition but also on current HR practices, and thus, it can be assumed on employees will be increasing their engagement to the organization.

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## **LIST OF ABBREVIATIONS**

AYA	Ayarwaddy Bank
MEC	Myanmar Economic Corporation
SBU	Sub Business Unit
SET	SocialExchange Theory
SSB	Social Security Board
SPSS	Statistical Package for the Social Sciences

# CHAPTER I

## INTRODUCTION

The present-day business environment is highly characterized by intense competition, rapid technological changes and ever rising customer expectations. Employees' are the key chattels of any organization in today 's highly competitive scenario. Businesses have now revolutionized their Human Resource practices to make a perfect blend of work and fun for optimum performance and constructive business outcomes. Endres et al. (2008) said that business leaders have recognized and confronted that in such competition, it is important to develop a unique workforce. The needs of businesses to maximize the inputs of employees have also contributed to the interest in engagement. Business needs are driven by intense, often global, competition, which is increasing the need for employees to be emotionally and cognitively committed to their company, their customers and their work.

Employee engagement has become an important topic, not only for academics and researchers but also for practitioners in organizations (May, Gilson & Harter, 2004; Schaufeli & Bakker, 2004; Strümpfer,2003). Employee engagement predicts positive organizational outcomes, including productivity, job satisfaction, motivation, commitment, low turnover intention, customer satisfaction, return on assets, profits and shareholder value (Bakker, Demerouti& Schaufeli, 2003; Bakker, Schaufeli, Leiter &Taris, 2008; Harter, Schmidt & Hayes, 2002; Schaufeli & Bakker, 2004). Engagement affects the mindset of employees, and relates to personal initiative and learning (Sonnentag, 2003). Furthermore, it fuels discretionary efforts and concerns for quality (Salanova, Llorens, Cifre, Martinez & Schaufeli, 2003).

Fischer et al. (2006) acknowledged that exclusive workforce is the only thing that cannot be replaced by the competitors. Efforts are being made to ensure apposite employee engagement to sustain the objectives of the businesses. According to Professor Katie Truss, "Engagement is about creating opportunities for employees to connect with their colleagues, managers and wider organization. It is also about creating an environment where employees are motivated to want to connect with their work and really care about doing a good job. It is a concept that places flexibility, change and

continuous improvement at the heart of what it means to be an employee and an employer in a twenty-first century workplace.”

In the present era, in banking, everything is based on employees and employee engagement plays a crucial role in private sector banks, the employees today are handling high-level tasks daily in their jobs. Some engage while some of them disengage due to various reasons like improper working conditions, employer relationship and stress and so on. This research paper is trying to address all employee engagement problems which are being faced by the current working employees and filling the existing gaps in employee engagement in private sector banking.

## **1.1 Rationale of the Study**

Employee engagement is the key business driver for organizational success. If the employees have no engagement, the high performance of the employee cannot be expected. If the employee engagement is high, they will perceive that their work provides a chance to grow personally and professionally through participation in work activities. Engaged employees experience high levels of energy and strong identification towards their work (Bakker&Demerouti, 2008; Engelbrecht, 2006) which translates to a more sustainable workplace in terms of both individual health and organizational performance (Bakker & Trop, 2012 ). According to Saks(2006) there are a few definitions of engagement in use, including the employees who work for it making sure the energies and interests are aligned with the organization’s goals, releases unrestricted effort and delivers the aspirations of the organization by creating an emotional relationship with employees. Employee engagement is also related with the employee retention, employee satisfaction and employee turnover rate. So, employee engagement is very essential for the company to be successful among the competitors. There are many determinants of employee engagement including demographic profiles of employees, job characteristics, and rewards and recognition. Today, the banking industry is becoming an important role in the world. This effect has an impact on the Myanmar banking market and AYA Bank is also one of the players of banking sector competition in Myanmar. AYA Bank is one of the most successful banks in Myanmar. To maintain its success and develop a competitive advantage, the company has to foster its employees’ engagement.

## **1.2 Objectives of the Study**

The objectives of the study are:

- (1) To identify the employee engagement practices in AYA Bank
- (2) To analyze the most influencing factor on employee engagement in AYA Bank

## **1.3 Scope and Method of the Study**

Descriptive method is used to figure out the effect of influencing factors on employee engagement. The study was conducted on AYA Bank, Head Office, Along, Yangon. Data are both primary data and secondary data. For the collection of primary data, sample 100 numbers of respondents, from total 250 numbers of employees or 40% of employees are randomly selected from its total employees help of bank authorized person. Employees included management and non- management staff who provided pertinent information about the research problem. The structured questionnaire was distributed to the employees for the collection of the primary data. Secondary data is acquired from the relevant books and internet website. The study at the Yangon region and sample is 100 employees (40% of population).

## **1.4 Organization of the Study**

This paper is organized with five chapters. Chapter 1 will include introduction of the study, rationale of the study, objectives of the study, scope and method of the study, and organization of the study. Chapter 2 consists of theoretical background of influencing factors of employee engagement. Chapter 3 contains profile of AYA Bank its mission, objectives and policies, and employee engagement. Chapter 4 contains the analysis of influencing factors on employee engagement in AYA Bank. Chapter 5 is conclusion that contains findings, suggestion, limitations, and needs for further research.

## **CHAPTER II**

### **THEORETICAL BACKGROUND**

This chapter highlights the theoretical background on employee engagement including definition and concepts of employee engagement, importance of employee engagement, literature review, and conceptual framework of employee engagement. In addition, this chapter also includes the relationship between job characteristics, rewards and recognition and employee engagement.

#### **2.1 Literature Review of Employee Engagement**

Literature review of employee engagement includes definitions, concepts and related theory of employee engagement.

##### **2.1.1 Definitions and Concepts of Employee Engagement**

Employee engagement has been defined in many different ways and the definitions and measures often sound like other better known and established constructs like organizational commitment and organizational citizenship behavior (Robinson et al., 2004). Most often it has been defined as emotional and intellectual commitment to the organization or the amount of discretionary effort exhibited by employees in their jobs (Frank et al., 2004). In the academic literature, a number of definitions have been provided. Kahn (1990) defines personal engagement as "the harnessing of organization members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances." Personal disengagement refers to "the uncoupling of selves from work roles; in disengagement, people withdraw and defend themselves physically, cognitively, or emotionally during role performances". Thus, according to Kahn (1990, 1992), engagement means to be psychologically present when occupying and performing an organizational role.

Rothbard (2001, p. 656) also defines engagement as psychological presence but goes further to state that it involves two critical components: attention and absorption. Attention refers to "cognitive availability and the amount of time one spends

thinking about a role” while absorption “means being engrossed in a role and refers to the intensity of one’s focus on a role.”

Schaufeli et al. (2002, p. 74) define engagement “as a positive, fulfilling, work-related state of mind that is characterized by vigor, dedication, and absorption.” They further state that engagement is not a momentary and specific state, but rather, it is “a more persistent and pervasive affective-cognitive state that is not focused on any particular object, event, individual, or behavior”.

Therefore, analyzing both academic and practitioner understandings of employee engagement could add to the knowledge of how employee engagement is understood as well as whether or not employee engagement is a meaningful concept and warrants further academic research to strengthen its theoretical foundations and practical application.

Employee engagement has been defined differently by different researchers as well as human resources practitioner and scholars. Each definition reflects the author’s conceptualization of the construct.

Kahn found that people draw upon themselves to varying degrees while performing work tasks and they can commit themselves physically, cognitively, and emotionally in the various roles they perform. Or, they may choose to withdraw and disengage from their work roles and work tasks. Results of Kahn’s study suggest that there are three psychological conditions that shape how people perform their roles; meaningfulness, safety, and availability. Kahn’s identification of the three psychological conditions now serves as a framework for the study of employee engagement. Specifically, Kahn (1990) describes the state of meaningfulness as one in which workers feel worthwhile, useful, and valuable, and that they are making a difference and are appreciated for the work they do. Safety is described as an environment in which people feel an ability to act as what would be normal for the individual without fear of negative consequences. Safety is found in situations in which workers trust that they will not suffer because of their engagement to their work and where they perceive the climate to be one of openness and supportiveness. Availability is defined by Kahn (1990) as the sense of having the personal physical, emotional, and psychological means with which to engage with their job tasks at any particular moment.

The definitions of employee engagement that the current author found are those by Shaufeli et al. (2002), May et al. (2004) and Saks (2006). Employee Engagement is defined as the level of commitment, involvement and passion as a 'positive, fulfilling work related state of mind that is characterized by vigor, dedication and absorption' (Shaufeli et al., 2002)

Saks (2006) defines engagement as being psychologically present in both job and organization roles. This follows on from Kahn (1990) conceptualization of engagement as being psychologically present, however Saks (2006) does not explain what he mean by psychological presence.

As researcher understand from the definition given by several scholars there is overlap between engagement and an others constructs like job satisfaction, job involvement, organizational commitment and organizational citizenship behavior. According to Kahn (1990) Engagement is more than simple job satisfaction. It can best be described as a harnessing of one's self to his or her roles at work. In engagement, people express themselves cognitively, physically, and emotionally while performing their work roles (Kahn, 1990). This is a widely used engagement definition within the academic literature (e.g. Luthans and Peterson, 2002; Bhatnagar, 2007).

### **2.1.2 Theory related with Employee Engagement**

According to Saks (2006) stronger theoretical rationale for explaining employee engagement can be found in Social Exchange Theory (SET). The Social Exchange Theory provides a theoretical basis of why employees determine to become more engaged or less engaged in their work. Social exchange theory is a social psychological and social perspective that explains social change and stability as a process of negotiated exchanges between parties (Karen S. Cook and Erick R.W. Rice). Social exchange theory posits that human relationships are formed by the use of subjective cost-benefit analysis and the comparison of alternatives.

According to SET, responsibilities are created through various interactions of parties who are interdependent with each other. SET basic tenet holds that relationships gradually develop into trusting, loyal, and mutual pledges on the condition that the parties to the pledge follow rules of exchange. Therefore, one way for employees to repay their organization is through their engagement level. In other words, employee engagement levels depend on the advantages they receive from the organization.

Showing dedication to one's work in large amounts of cognitive, emotional, and physical resources is a perceptive way for employees to show their appreciation to their organization's services. SET states that individuals having strong exchange ideology are more inclined to feel obliged to return the organizational benefits that they receive. Hence, it can be stated that the link between different predictors and engagement may be stronger for individuals possessing a strong exchange ideology. As the previous explanation, employee engagement consists a psychological and emotional connection between employees and their organization which could be turned into negative or positive behavior at work. Employees will assess the degree of support and amount of resources they receive from the organization and choose to pay the organization back through cognitive, emotional and physical energy, intensity, and effort toward the job. Employees can increase or decrease their level of engagement depending on their evaluation of what is fair in the exchange.

## **2.2 Importance of Employee Engagement**

There is a psychological relationship between business performance and employee engagement (Harter et al, 2002) and it has a positive impact on both employees and on the organization (Schaufeli and bakker, 2004). "Managing the workplace in such a way that promotes engagement, employees are said to be happier and organization benefits as a result" Harter et al. (2003) cited in Rich (2006). An organization that wants to keep valued workforce, employee engagement is critical for all other factors like labour, machinery, materials, finance etc. Engaged employees look for challenging work in the organization because they are in a cycle of building skills and knowledge so they are finding work according to their abilities (Csikzentmihalyi& Hunter 2003). Engaged employees think innovatively for the growth of the organization.

Engaged employees perform better than others they think about organizational not personal goals. Employee outcomes, financial performance and organizational success predicted by employee engagement (Saks and Rotman, 2006). There is a link between leads to customer satisfaction, a satisfied customer uses products again and again that boost organizational profitability. There is also a physical relationship between engaged employees and organization, engaged employee express themselves physically in their roles (Khan 1990).

Engaged employees build the emotional relationship with the organization: emotion plays a vital role in one's performance; emotions energize an employee psychologically for an appropriate action (Rich 2006). They put their emotional commitment at work that enables them to make or deliver better services that can constitute as a competitive advantage (Katzenbach, 2000). Their attitudes reflect care for organization's customer thereby it improves customers satisfaction.

### **2.2.1 Organizational Commitment and Engagement**

Organizational commitment has a significant importance in the study of employee engagement. Organizational commitment is an individual's psychological attachment to an organization and desire to remain part of it (Encyclopedia 2006).

Meyer et al (2002) defined three component model of commitment; affective commitment, continuance commitment and normative commitment. Affective commitment refers to employees' perceptions of their emotional and psychological attachment to with their organization. Continuance commitment means employee is commitment to the organization because he or she does not want to leave organization. In Normative Commitment, an employee remains commits because of his or her feelings of obligation. If an employee can find opportunities for growth and job security, he or she would be more committed (Robinson, 2004).

Organizational commitment is directly linked with employee engagement. Storey (2007) referred to the concept of engagement as 'a term that broadly equates with the notion of high commitment'. Few benefits to employee engagement by organizational commitment are demonstrated here; organizational commitment increase job satisfaction (Vandenberg and Lance, 1992), it decreases employee turnover, decrease intension to search for other employers and decrease absenteeism (Cohen, 1991), Balfour and Wechsler (1996) also said that organizational commitment decrease employee intension to leave the organization.

### **2.2.2 Job Satisfaction and Engagement**

Job satisfaction was defined by Locke (1976) as 'a pleasurable or positive emotional state resulting from the appraisal of one's job and job experiences'. Engaged employee are more likely than not to be satisfied with their job.

Job satisfaction, like commitment, is regarded by Yalabik et al (2013) as an antecedent of work engagement. Positively, it is related to organizational commitment,

job involvement, organizational citizenship behaviours and mental health. Job involvement is the degree to which an employee is engaged in and enthusiastic about performing their work. Business managers are typically well aware that efforts to promote job involvement among staff tend to pay off substantially since employees will be more likely to assist in furthering their company's objectives. Organizational citizenship is the extent to which an individual's voluntary support and behavior contributes to the organization success. Negatively, it is related to turnover and stress.

## **2.3 Influencing Factors of Employee Engagement**

Influencing factors of employee engagement in this paper include demographic variables, job characteristics, and reward and recognition among from many other things.

### **2.3.1 Demographic Variables**

#### **(a) Gender**

Researchers have often considered gender as a possible predictive factor in levels of engagement for human services employees. Sprang et al. (2007), found support for a gender influence as females in the study were found to have a greater risk of suffering from burnout. However, Yildirim (2008) argued that levels of burnout did not differ significantly between males and females. While actual results vary, some studies suggest that females are more vulnerable to stress and, therefore, tend to report higher levels of burnout than do their male counterparts (Sprang et al., 2007). Similar results have been noted in engagement surveys (Schaufeli et al., 2006) men scored slightly higher on the three engagement dimensions than did women in the study. In examining whether or not men will score higher on the instrument used in this study, gender will be compared to the participant's total score on the engagement scale.

#### **(b) Employee Work experience**

The amount of work experience is variable that has been studied for its association with engagement. Research findings on the subject are conflicting. Some studies indicate that individuals new to their jobs score higher on measures of level of engagement while others indicate no relationship between years of service and level of engagement (Yildirim, 2008)

In a different study, Schwartz et al. (2007), sampled 1,200 social workers to find out if social work clinicians decline in hope or exhibit increased burnout over the course of their careers. They discovered that level of engagement seemed to decline with increasing service years. While some studies on burnout agree that individuals with less years of service are likely to report higher levels of burnout, the opposite is thought to be true of engagement. Coffman and Gonzalez-Molina (2002) report that, in general, workers start off energized and engaged with their jobs but tend to drop off in as little as six months, and significantly decline in engagement after ten years of employment.

(c) **Educational qualification**

Researchers have often considered educational qualification as a possible predictive factor in levels of engagement for human services employees. Blue collar workers were less engaged than educators (Schaufeli et al., 2006). In another side Different educational qualification categories like diploma, bachelor's degree, master's degree and doctorate degree of employees do not play a significant role in predicting overall employee engagement levels (Schaufeli et al., 2006) similar results have been noted in engagement surveys. Engagement did not seem to differ systematically among educational qualification categories (Swatee, 2009).

### 2.3.2 Job characteristics.

According to Hackman and Oldham, there are five job characteristics-

(a) **Skill variety**; the number of diverse activities that compose a job and the number of skills used to perform it. In this part, job holders will experience more meaningfulness in job that requires several different skills and abilities than the job are elementary and routine.

(b) **Task Identity**; the degree to which an employee performs total job with recognizable beginning and ending. By the view of task identity, jobholders will experience more meaningfulness in a job when they are involved in the entire process rather than just being responsible for a part of work.

(c) **Task Significance**; the degree to which the job is perceived as important and having impact in the company or consumers. Jobholders will feel more meaningfulness in a job that substantially improves either psychological or physical well-being of others than a job that has limited impact on anyone else.

(d) **Autonomy**; the degree to which the worker has freedom, discretion, and the self-determination in planning and carrying out tasks. For job with high level of autonomy, the outcomes of the worker depend on the job holder's own efforts, initiatives, and decision rather than on the instructions from a manager or a manual of job procedures. Jobholders will experience ownership sense of his or her responsibilities which means jobholders will experience greater personal responsibility for their own success and failure at work.

(e) **Feedback**; the extent to which doing the job provides information back to the employee about his or her performance. If jobholder receives clear, actionable information and constructive feedback about his or her working performance, he or she will be better overall knowledge of the impact of their work activities and what specific actions he or she needs to take improve his or her productivity.

Psychological meaningfulness involves a sense of return on investments of the self-in-role performances (Kahn, 1992). According to Kahn (1990, 1992), psychological meaningfulness can be achieved from job characteristics that provide challenging work, variety, allow the use of different skills, personal discretion, and the opportunity to make important contributions. This is based on Hackman and Oldham's (1980) job characteristics model and in particular, the five core job characteristics (i.e. skill variety, task identity, task significance, autonomy, and feedback). In fact, job characteristics, especially feedback and autonomy, have been consistently related to burnout (Maslach et al., 2001). From a SET perspective, one can argue that employees who are provided with enriched and challenging jobs will feel obliged to respond with higher levels of engagement.

### 2.3.3 Rewards and recognition

Reward and recognition are the crucial pieces of engagement process. With proper and thoughtful design, incentive and reward programs can be very effective in providing optimal motivations for driving engagement.

(a) **Reward**; According to Oxford Dictionary, reward definition is "A thing given in recognition of service, effort, or achievement". Rewards serve many purposes in a organizations. They serve to build a better employment deal, hold on to good employees and to reduce turnover. There are two kinds of Rewards: extrinsic reward and intrinsic reward. Recognition is the kind of intrinsic reward. Extrinsic rewards (often called

financial reward) are the benefits provided externally. These rewards are provided in term of money and fringe benefits. These rewards are necessary to fulfill physiological and safety needs of the employees. Such rewards are the results of management policies and procedures of the organization. Extrinsic rewards include two types of payment: direct payment and indirect payment. Direct payment consists of salary, wages, commissions, incentives bonus, allowances etc. Indirect payment includes pensions, medical insurance, paid leaves, paid sick leaves, purchases, discount etc.

**(b) Recognition;** Recognition or intrinsic reward is a process of giving an employee a certain status within an organization. These rewards are the satisfactions that an individual obtains from the job itself. These satisfactions are self-initiated rewards and are fulfilled internally by the employees. These rewards consists of having a pride on works, having a feeling of accomplishment, or being a part of team etc. Preferred lunch hours, preferred office furnishing, parking spaces, impressive job title, desires work assignments, business cards, own secretary etc. are some examples of providing intrinsic rewards. Intrinsic rewards are the very crucial factor towards an employee motivation and job satisfactions and enhance the employee participation in decision making. Doing these will made employees courageous and enthusiastic towards working in the organization.

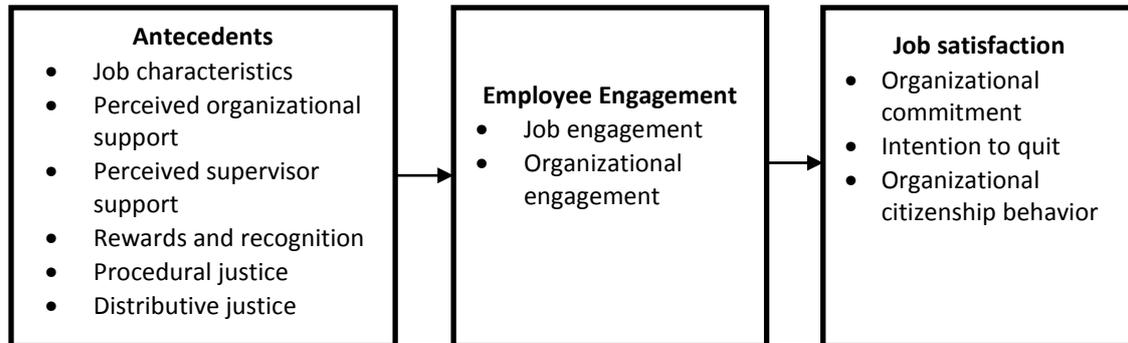
Kahn (1990) reported that people vary in their engagement as a function of their perceptions of the benefits they receive from a role. Furthermore, a sense of return on investments can come from external rewards and recognition in addition to meaningful work. Therefore, one might expect that employees' will be more likely to engage themselves at work to the extent that they perceive a greater amount of rewards and recognition for their role performances. Maslach et al. (2001) have also suggested that while a lack of rewards and recognition can lead to burnout, appropriate recognition and reward is important for engagement. In terms of SET, when employees receive rewards and recognition from their organization, they will feel obliged to respond with higher levels of engagement.

## **2.4 Previous Research Studies**

### **(a) Antecedents and Consequences of Employee Engagement**

Alan M. Saks, (2014) had a study on an antecedents and consequences of employee engagement, and his study was conceptualized as shown in Figure (3.1).

**Figure (2.1) Antecedents and Consequences of Employee Engagement**



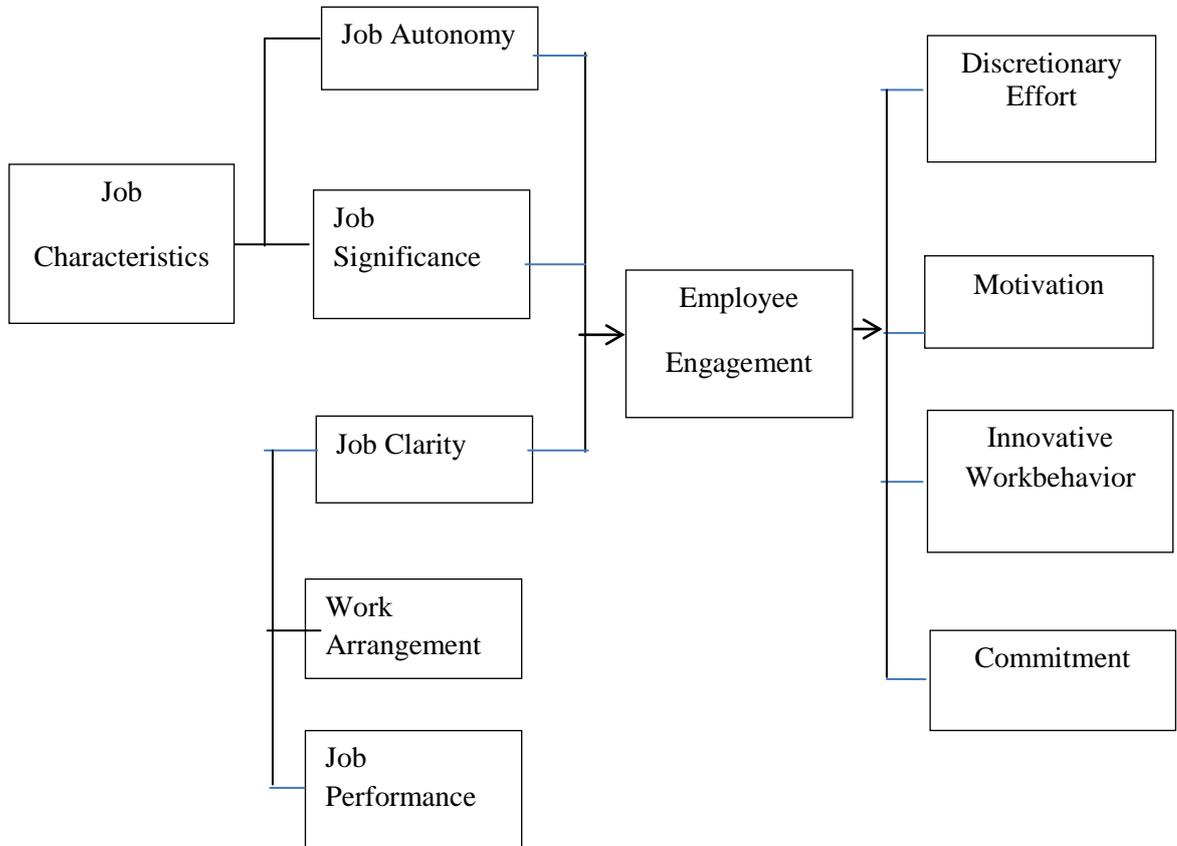
Source: Alan M. Saks, 2014

This study is to make a distinction between job and organization engagement and to measure a variety of antecedents and consequences of job and organization engagement. Results indicate that there is a meaningful difference between job and organization engagements and that perceived organizational support predicts both job and organization engagement; job characteristics predicts job engagement; and procedural justice predicts organization engagement. In addition, job and organization engagement mediated the relationships between the antecedents and job satisfaction, organizational commitment, intentions to quit, and organizational citizenship behavior.

**(b) Relationship between Job Characteristics and Employee Engagement**

This study was conducted by Kangure, Francis Mugo. In this research, four main dimensions of job characteristics were studied: job clarity, job autonomy, job significance and job performance. The objective of this study was to investigate the relationship between job clarity, job autonomy, job significance, job performance, work arrangement and employee engagement among state corporations in Kenya.

**Figure (2.2) Job Characteristics and Employee Engagement**



Source: Alan M. Saks&Mugo, F. 2014

**(c) Employee Engagement- Role of Demographic Variables and Personality Factors**

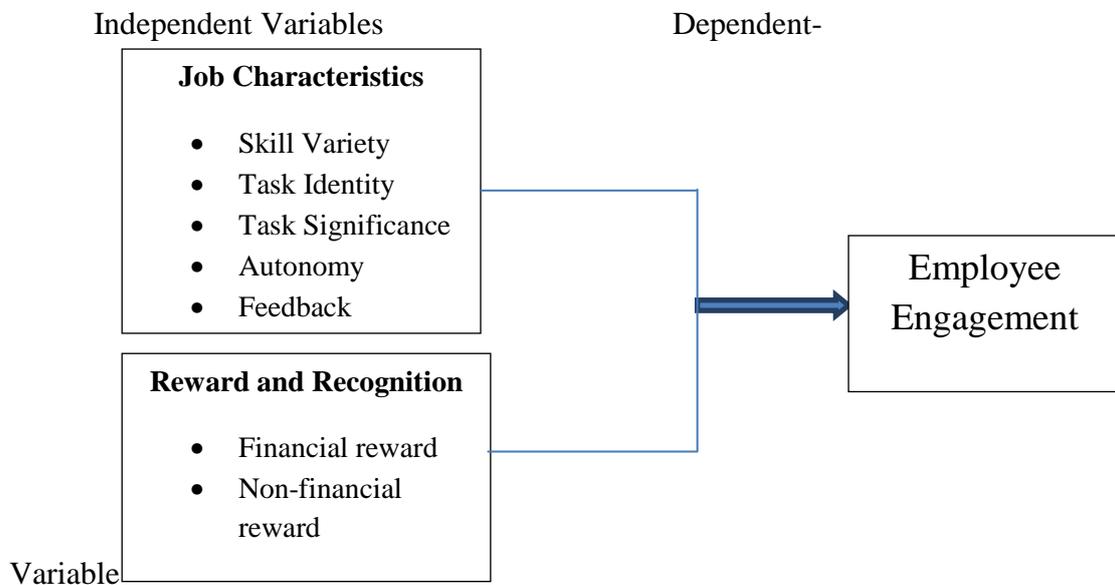
This study is conducted by three researcher; Sunita Shukla, Bhavana Adhaikari, and Vikas Singh. Results indicate significant differences in engagement scores for three demographic variables under study i.e., gender, marital status and experience. This study was conducted to further investigate the differential variation within each of the

demographic variables viz. designation, years of work experience, qualification, age, gender and marital status of the employee.

## 2.5 Conceptual Framework of the Study

Based on the previous research studies, and overall review of related literature and the theoretical framework, the following conceptual model in which this specific is governed was developed. This model was tested in AYA Bank.

**Figure (2.3) Conceptual Framework of the Study**



Source; Conceptual Framework adopted from Mugo, F., 2014

The purpose of this descriptive and cross-sectional study is to explore the relationships between Job characteristics and reward and recognition towards employee engagement in AYA Bank. According to the conceptual framework, there are three variables such as Job Characteristics, Reward and Recognition, and Employee Engagement. In this study, Job Characteristics style is measured by skill variety, task identity, task significance, autonomy, and feedback, accordingly. Reward and Recognition includes measuring with financial reward and non-financial reward. This study is to find out whether there was significant correlation between these determinants and employee engagement at AYA Bank.

## **CHAPTER III**

### **EMPLOYEE ENGAGEMENT PRACTICES OF AYA BANK**

This chapter is the profile of AYA bank and the employee and its message, mission, vision, objectives and brand promise, and organization structure are expressed. Finally, employee engagement practices of AYA bank are mentioned in this chapter.

#### **3.1 Profile of AYA Bank**

AYA Bank was licensed by the Central Bank of Myanmar on 2 July 2010 and relicensed under the Financial Institutions Law 2016 as a full-service universal bank. The bank has grown rapidly over the past seven years to become the second largest in the country, with [234] branches, [1.4m customer], Kyat [4.7] trillion customer deposits and [150 billion] Shareholders' Equity as at the end of September 2017. Top 100 depositors represent about 6% of total deposits, underlining the general public's confidence in the bank.

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

For the years ahead, the bank will continue to extend its branch network throughout Myanmar while concurrently investing in state-of-the-art Core Banking, Digital Banking and Fintech platforms. AYA Bank aims to provide uniform Omni-

channel interface offering innovative products and services across all customer segments. AYA Bank will also continue to focus on deepening relationships with customers, providing best-in-class customer service, and leveraging technology as the enabler to rapidly expand the customer base. The bank also aims to further strengthen its governance, risk and compliance structure as a measure to ensure balance and sustain growth.

AYA Bank started its operations in August 2010 with the opening of Naypyitaw Head Office and has steadily expanded its network of branches to more than 110 branches as of May 2015. With the expansion of our branch network, AYA Bank creates numerous job opportunities across the country, with the workforce standing at more than 4200 at end May 2015. For the years ahead, the bank will continue to extend its branch network throughout Myanmar and will continue to focus on building relationship with customers, providing excellent customer service, and leverage on technology as the enabler to enhance its customer base. At the same time, the bank aims to strengthen its governance, risk and compliance structure as a measure to ensure balance and to sustain growth.

With a vision to be a leading bank in Myanmar, AYA Bank seeks highly-motivated individuals who share our passion for growth and success; and who would like to make a difference. We believe that our “Human Capital” is the most important asset in the organization that supports to fulfill our vision. Therefore, it is of utmost importance for us to be able to have a sustainable relationship with our employees.

In building sustainable relationships with Employees, AYA Bank not only focuses on the Allowances and Benefits that the employees enjoy, but also focus on capacity development – we promote a learning culture within the organization – be it trainings provided by the bank or giving time for their personal learning. Another important way that we build sustainable relationship is through Employee Engagement. A few engagement programmes that we are currently practicing are teams volunteering at the Yankin Pediatric Hospital (donated by the Ayeyarwady Foundation) on a weekly basis, Networking Dinners across Departments, Monthly Newsletters whereby staff are asked to contribute their articles to share, etc. AYA Bank’s Human Resource Team has been working closely with Corporate Affairs Team and have plans in place to improve our Employee Engagement Programmes in the very near future.

Since 2010, AYA Bank has been expanding its network and creating numerous job opportunities to people across the country. Our vision to be a leading bank in the country is strongly supported and achieved by our own human capital. At AYA Bank,

Human Capital is of utmost importance and we believe in creating a dynamic and rewarding work environment and look forward to a productive and successful association with all our employees. The Employee handbook only briefly summarized the guidelines and benefits is written to serve as a guide for a better employer/ employee relationship at AYA Bank.

### **3.2 Mission, Corporate Objectives, Core Values & Brand Promise**

#### **Mission**

Mission of AYA Bank is to be recognized as the leading bank in Myanmar through pursuit of excellent and long term sustainable growth for the bank and its stakeholders.

#### **Corporate Objectives for Customers is:**

Corporate objectives for customers aims to achieve a high level of customer satisfaction by: providing honest, efficient and courteous service offering of the full range of products and services providing easy accessibility in terms of reach and delivery channels employing technology as the enabler for all its customer service endeavors

**For the Community:** To discharge its responsibility as a good corporate citizen through long term and active engagement with the community it serves.

**For Staff:** To ensure a highly competent and dedicated workforce by promoting the well being of our employees through job enrichment and fostering goodwill among the staff.

**For Shareholders:** To generate adequate profits and promote the long term, sustainable growth of the Bank through internationally accepted standards in governance, risk and compliance.

#### **Core Value**

Core values of AYA Bank is based on E-T-H-I-C-S.

- AYA Bank pursues objectives with EXCELLENCE
- AYA Bank progress as a TEAM
- AYA Bank think and act in all HONESTY

- AYA Bank maintain INTEGRITY in our dealings
- AYA Bank CARE for customers, colleagues and the people interact with and in all our actions,
- AYA Bank always act with SINCERITY

**Brand Promise** – Your Trusted Partner Your Trusted Partner is a declaration to our customers that: “Ayeyarwady Bank is the bank of choice for anyone who is looking for fast, reliable, honest banking relationships at reasonable cost. Ayeyarwady Bank offers the full range of retail and commercial banking products and services and is in tune with domestic customs and international standards in its governance and operations. For your long-term banking needs, AYA bank is their trusted partner in Myanmar.”

### **Allowances and Benefits Policy**

AYA Bank employees, apart from allowances and benefits mentioned prior, also enjoy the following allowances and benefits: - Meal Allowance (Paid on a monthly basis, together with salary) Overtime Allowance (Claimed on a weekly basis) Charge/ Risk Allowance (Paid on a monthly basis, together with salary) House Allowance (For employees who are on transfer) Transport Benefits Life Insurance Hire Purchase/ Staff Loan Program Welfare Benefits Provident Fund.

## **3.3 Employee Engagement Practices of AYA Bank**

AYA Bank presents engagement practices to retain employee and to enhance their commitment to the workplace. As the study is based on the analyzing the filling station employee, engagement practices are concerned with job characteristics, and reward and recognition system of AYA bank.

### **3.3.1 Job Characteristics**

Job characteristics practices are mentioned below. They are used from the interviewed data

**Skill Variety:** Filling station has the many filling attendants and they are trained to perform their work skill-fully. They are given on-job training when they enter to the

workplace for the first time before performing their duty. They always get the work-related trainings from MEC and holding company. They have different skills and used these anytime, for example; one filling attendant can perform the duty of cashier.

**Task Identity:**The station employees can perform a total job with the training process from beginning and ending. They can know exactly what kind of task that they need to do and the purpose of their job because of their jobs are always repetitive.

**Task Significance:**The station employees know that their jobs are perceived as important and having impact on the company or consumers. They also feel that they have the chance to be somebody in the society because of their jobs.

**Autonomy:** They can present their sense to the supervisor without fear of getting in trouble because their relationship is just like the family member. They also get the considerable opportunity for independence and freedom in their working manner.

**Feedback:** The job itself provides them many clues and information about their performance. Their supervisors also direct to find out ways to perform their job being well. They receive useful and constructive feedback from both supervisors and co-workers.

### **3.3.2 Reward and Recognition**

Reward and recognition can be classified for financial and non-financial reward. Financial rewards are simple types and usual forms. These include base pay, salary, allowance and fringe benefit. All employees of MEC receive ferry and settlement in hostel. They are free from the charge of electricity and water. Moreover, they also get the free medical annual check and are free from SSB 3% for their health. Free lunch is allowed for not only MEC employees but also all other SBUs of Max Myanmar Company. Every employee who has 5-year service allows chairman long service award. All of the staff training expenses are charged from the organization. Every employee who has children can get children education allowance. As all above, there are many satisfied allowances for employees

Although recognition is not as significance as allowance, it affects the engagement level of employee. Employees get praise from the supervisor and public recognition (employee of the year). They always get the appreciation and useful, constructive

feedback from both supervisor and co-worker. The family member relationship in the workplace is become the good fact to engage employee to the workplace.

In conclusion, all form of reward and recognition practices are seen employee to become engaged workers of the organization.

## **CHAPTER IV**

### **ANALYSIS THE INFLUENCING FACTORS ON EMPLOYEE ENGAGEMENT IN AYA BANK**

In this chapter, it describes the data analysis on the determinants of employee engagement by using excel software and SPSS (20) statistical software package. The results are presented via two parts: research design, information of respondents, descriptive statistic data with mean and its reliabilities, are presented as first part. The results of multiple regression analysis on the relationship between these determinants and employee commitment at are presented as second part.

#### **4.1 Research Design**

This study is to examine the influence of the determinant factors on employee commitments at AYA Bank. 100 numbers of sample employees (40% of total employees) are selected from total employees at Head office, Yangon. Employees included management and non- management staff who provided relevant information about the research problem. Structured questionnaire is used as survey tool or instrument for the collection of primary data. There are many HRM practices. In this study, major focusing determinants are only two factors- job characteristics and reward and recognition- which are related to the level of employee commitment to the AYA Bank organization. Descriptive method was used. Respondents are asked to answer their option relating the

degree to which how much agree on these influence level of these determinants towards employee commitments to the bank organization.

## 4.2 Profiles of respondents

In this study, survey starts with analyzing on demographic profiles of sample respondents. In this study, it is important because demographic information of gender composition, educational level, respondent positions which are related to the employee commitment and which allows researchers to better understand certain background characteristics of staff in AYA Bank. In this study, the demographic profile of survey respondents in terms of their gender, age level, education level, position level, which are stated in the Table (4.1) as follows

**Table (4.1) Profile of respondents**

Factor	Total respondents	Percent
	100	100%
<b>Gender of Respondents</b>		
Female	64	64%
Male	36	36%
<b>Working Experience of Respondents</b>		
<1year	9	9%
1 - 5years	56	56%
6 -10 years	32	32%
10years <	3	3%
<b>Educational Background</b>		
High School Level	1	1%
Under Graduate Level	7	7%
Graduate Level	86	86%
Post-Graduate Level	6	6%
<b>Position</b>		
Staff level	61	61%
supervisor & Asst Manager	29	29%

Manager & above level	10	10%
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Source: Survey data, 2019

By the Table (4.1), it shows that survey includes 36 males and 54 females. In term of percent, male respondents share with 36% with the most and female respondents shares 64% in the study. Since the nature of the bank industry, female composition is higher than male, in that organization.

Age level of respondents are analyzed. Their age levels are grouped into four: less than 1 year, 1 - 5 years, 5 -10 years, and 10 years above. By the survey, Table (4.1) shows that 9 respondents are working experiences less than 1 year, 56 respondents are working experiences from 1 - 5 years, 32 respondents are working experiences, and 3 respondents have over 10-year experience respectively.

### **4.3 Analysis on Determinants of Employee Engagement**

In the study on the determinants of employee engagement, survey focuses on the influence of the job characteristics and reward and recognition factors toward the employee engagement at AYA Bank. To understand the respondents' options, respondents are requested to rate with Five Point Likert Scale measurement ranging from 1=strongly disagreed, 2= Disagreed, 3=Neither disagree nor agreed, 4= Agreed, and 5= strongly agreed.

#### **4.3.1 Influence of Job Characteristics on Employee Engagement**

In the analysis on the job characteristics influencing to employee engagement, survey focuses on skill Variety, task Identity, task Significance, work autonomy, and feedback received which are major characteristics for an employee to engage to his workplace.

##### **(a) Skill Variety**

In working at bank, employees are working daily repetitive work activities and they have learnt from these daily works. Employees are using different skills at different functional activities. In the analysis of the skill variety how much relating to employee engagement level, four statements, which are relating to skill variety, are analyzed. These skill variables are that of employee receiving opportunity from doing at work, employee

skills are required for performing current job activities, job is repetitive, employee has chance to do different task from time to time, and have chance to show employee's ability. The result from the analysis is shown in Table (4.2) shows the analysis on the effect of skill variety on employee engagement, as follows.

**Table (4.2) Effect of Skill Variety**

Sr No.	Skill Variety	Mean	St Dev
1	The job gives me the opportunity to do a number of different things	3.18	0.63
2	The job requires me to use a number of complex or high-level skills	3.43	0.70
3	The job is repetitive	3.42	0.59
4	I have a chance to do different things for time to time	3.51	0.70
5	I have a chance to do something that make use of my abilities	3.54	0.59
	Overall mean skill variety	3.42	

Source: Survey Data, 2019

By the Table (4.2), the received overall mean value is 3.42. The higher mean value of 3.54 shows that there is high level of employee engagement concerning with their uses of skill variety. The highest level of engagement in skill variety is concerned with the chance to do their works. The lowest level of engagement by skill variety is the opportunity to do a number of different things with mean value 3.18.

**(b) Effect of Task Identity**

All the tasks are identified and performed by different people with different skills. Table (4.3) shows the analysis on the effect of task identity on employee engagement, as follows.

**Table (4.3) Effect of Task Identity**

Sr No.	Task Identity	Mean	St Dev
1	I know exactly what kind of task that I need to do	3.64	0.66
2	I need to do other tasks before I finish my first task	3.60	0.60
3	I have a chance to do the job from beginning to end	3.59	0.64
4	I know thoroughly the purpose of my job	3.64	0.75
5	I know how my job is related to others functions	3.62	0.71
	<b>Overall mean Task Identity</b>	<b>3.62</b>	

Source: Survey Data, 2019

By the Table (4.3), the overall mean value on task identity is (3.62). Therefore, respondents have high engagement on task identity. By the survey, respondents have high level of engagement for the knowing the purpose of their job and the kind of task they need to do with the mean values are same (3.64). The lowest level of employee engagement is relating to the chance to do the job from beginning to end in the mean value of (3.59).

(c) **Effect of Task Significance**

Table (4.4) shows the employee engagement by the effect of task significance which is analyzed by the use of 7 statements, as follows.

**Table (4.4) Effect of Task Significance**

	Task Significance	Mean	St Dev
1	The job itself is important for other related function	3.55	0.61
2	The job itself makes me feel proud to be	3.61	0.69
3	I do not feel that the work I do is appreciated for my colleagues	3.36	0.73
4	I do not feel that the work I do is appreciated for customer	3.44	0.80
5	The task I responsible is relatively significant in the organization	3.49	0.59
6	I have a chance to be somebody in the society of my job	3.62	0.63
7	I have a chance to be somebody in the society because of my job	3.52	0.58

	<b>Overall mean Task Significance</b>	<b>3.51</b>	
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Source: Survey Data, 2019

By the Table (4.3), the overall mean value on task identity is (3.62). Therefore, respondents **have high engagement on task significance**. By the survey, respondents have high level of engagement for the knowing the purpose of their job and the kind of task they need to do with the mean values are same (3.64). The lowest level of employee engagement is relating to the chance to do the job from beginning to end in the mean value of (3.59).

**(d) WorkAutonomy**

Table (4.5) shows the employee engagement, analysis on the effect of autonomy on as follows.

**Table (4.5) Effect of Autonomy**

Sr No.	Autonomy	Mean	St Dev
1	I can do my own when performing my job	3.51	0.63
2	The company provides the opportunity for independence thought and action	3.54	0.66
3	The company gives me considerable opportunity for independence and freedom in how I do my work	3.53	0.69
4	I can disagree with my supervisor without fear of getting in trouble	3.39	0.69
5	I can share comfortably my opinions at work	3.61	0.68
	Overall mean Autonomy	3.52	

Source: Survey Data, 2019

By the Table (4.5), the overall mean value on work autonomy is (3.52). Therefore, respondents have high engagement by working with autonomy. By the survey, respondents have high level of engagement for the share comfortably their opinions at work with the mean values are same (3.61). The lowest level of employee engagement is found as the can disagree with their supervisor without fear of getting in trouble in the mean value of (3.39).

**(e) Effect of Feedback**

Table (4.6) shows the analysis on the employee engagement by the effect of feedback received, as follows.

**Table (4.6) Effect of Feedback**

Sr No.	Feedback	Mean	St Dev
1	The job itself provides me plenty of clues about whether or not am I performing well	3.40	0.57
2	My supervisor provides me with the opportunity to find out what I am doing	3.62	0.62
3	I got the appreciation not only from my supervisor but also from my co-workers when I am performing well	3.51	0.58
4	I receive useful and constructive feedback from my supervisor	3.65	0.58
5	I receive feedback that helps me improve my performance	3.60	0.65
6	My supervisor given I do a good job	3.63	0.63
	Overall mean Feedback	3.57	

Source: Survey Data, 2019

By the Table (4.6), the received overall mean value is 3.57, is higher value and thus, respondents have high engagement by the feedbacks received that they can improve in the future activities. The highest level of employee engagement is found as that they are receiving useful and constructive feedback from their supervisors with the mean value 3.65. Regarding to the higher employee commitment is also related to feedback of their supervisor given upon that they do a good job with mean value 3.63. The lower level of engagement is on the facts that job itself feedback provides employees plenty of clues about whether or not they are performing well with the lowest mean value 3.40.

**(f) Summary Analysis on Job Characteristics on Employee Engagement**

Table (4.7) shows the analysis on the employee engagement at job characteristics, as follows.

**Table (4.7) Summary Analysis on Job Characteristics on Employee Engagement**

Sr No.	Particular	Mean
1	Employee engagement by the effect of skill variety	3.42
2	Employee engagement by the effect of Task Identity	3.62
3	Employee engagement by the effect of Task Significant	3.62
4	Employee engagement by the effect of work autonomy	3.52
5	Employee engagement by the effect of feedback received	3.57

Overall mean	3.51
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Source: Survey Data, 2019

By the Table (4.7), the overall mean value is 5.51, and thus respondents are found as high level of engagement on the job characteristics at AYA Bank. Among all the job characteristic variables, employees are found as highest engagement with regards to the task identity because bank employees are found as the required specific and details job content while doing their specific function.

### 4.3.2 Reward and Recognition

In the analysis on the reward and recognition influencing to employee engagement, survey focuses on 7-statements which are relating to reward and recognition factor influencing on employee engagement in AYA Bank Organization. Table (4.8) shows the employee engagement by the effect of reward and recognition. Respondents are rating in extent to which agreeable level at engagement by the use of Five Point Likert Scale measurement ranging from 1=strongly disagreed, 2= Disagreed, 3=Neither disagree nor agreed, 4= Agreed, and 5= strongly agreed, as follows.

**Table (4.8) Effect of Reward and Recognition**

Sr No.	Reward and recognition	Mean	St Dev
1	The organization has not only base pay but also many allowance	3.53	0.59
2	There is some form of public recognition (e.g. employee of the year)	3.64	0.59
3	Satisfied doing work as getting praise in the workplace	3.53	0.58
4	Employee-care allowance are enough for in the workplace (Travel allowance, children allowance)	3.64	0.63
5	There is a reward or token of appreciation (e.g. lunch for success)	3.61	0.57
6	Training and development opportunities available for me	3.63	0.63
7	There is the recognition from the contribution in the organization	3.59	0.59
	Overall mean Reward and recognition	3.60	

Source: Survey Data, 2019

By the Table (4.8), the overall mean value is 3.60. The higher mean value is indicating that bank employees have a high engagement level by the reward and recognition of the bank. The highest engagement by the reward and recognition are on that of having some forms of public recognition (e.g. employee of the year) and employee-care allowance which are enough for in the workplace (Travel allowance, children allowance) by the mean value 3.64. The lower level of engagement is on the organization has not only base pay but also many allowances and on the satisfactory of doing work as getting praise in the workplace with the mean value of 3.53 each. The average response rate is(3.78).

#### **4.4 Analysis on Employee EngagementLevel compared with Job Characteristics and Reward and Recognition**

This section is to analyze the employee engagement level at current workplace by means of job characteristics and reward and recognition. This section also includes constructed questionnaire for the level of engagement of respondents on the workplace. This questionnaire is formed with eight factors. These factors are shown in Table (4.9).

**Table (4.9) Employee Engagement at Workplace by HRM Practices**

<b>Sr No.</b>	<b>Employee Engagement</b>	<b>Mean</b>	<b>St Dev</b>
1	I feel like a family member in the workplace	3.61	0.68
2	Satisfied always when my works is well done	3.66	0.59
3	I proud of myself because of being a member of the organization	3.76	0.59
4	I feel myself as the part of the organization	3.62	0.68
5	I feel comfortable doing my job as I think myself as a engaged employee	3.72	0.64
6	There is effectiveness in doing my job because of the support of working system and process	3.69	0.56

7	I give reference other people my organization as a good one	3.67	0.59
8	I feel the organization have a career development for me	3.63	0.60
	Overall mean Employee Engagement	3.67	

Source: Survey Data, 2019

By the Table (4.9), the overall mean value is 3.67. The higher mean value is indicating that bank employees are feeling at high engagement level at current workplace. The highest engagement at current workplace is on that of their feeling proud of themselves because of being a member of the organization, that they feel that they are part of organization. The lower level engagement is on their feeling like a family member in the workplace organization with mean value 3.61. However, the lower mean value is higher than cut off value 3, is indicating that employees are found as high commitment to current working organization.

#### 4.5 Relationship of Job Characteristics and Reward and Recognition to the Employee Engagement

After the analysis on the relationship of the job characteristics and reward and recognition effect on the employee engagement is analyzed. In this analysis, the relationship is measured by the Linear regression model, which is a basic and commonly used type of predictive analysis. Regression examines two things: (1) does a set of predictor variables to predict an outcome (dependent) variable. (2) Which variable(s) in particular set is significant predictors of the outcome variable, and in what way do they—indicated by the magnitude and sign of the beta estimates—impact the outcome variable.

The regression formula will be  $y = c + b_1 * x_1 + b_2 * x_2$ : where  $y$  = Employee engagement,  $x_1$  = Job Characteristic, and  $x_2$  = rewards & recognition. Table (4.9) shows the result from regression analysis on the effect of these determinants to the employee engagement to the organization, as follows.

**Table (4.10) Relationship of Job Characteristics and Reward and Recognition to the Employee Commitment**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	.820	.315		2.601	.011		

Job Characteristic	.405**	.116	.345	3.501	.001	.558	1.793
Reward and recognition	.397**	.096	.405	4.113	.000	.558	1.793
R	.685 <sup>a</sup>						
R Square	.469						
Adjusted R Square	.458						
Durbin-Watson	1.995						
F	43.311**						

Source: Survey Data,2019

Dependent variable = Employee engagement

Notes \*\*\* = Significant at 1% Level \*\* = Significant at 5 % Level

By the Table (4.10), the specific model could explain well about the 46.7% relationship of the determinants of the factors(independent variables) on employee engagement(dependent variable) by having positive and significant influence to the organizational commitment since its significant value is less than 0.01 ( $p < 0.01$ ). The highly significant value of F at 1% level could be explained for the conceptual model validity. The value of R square is almost 0.469. The model can explain 45.8% about the variance of the independent variables and dependent variable because of adjusted value of R square is almost 0.458. For that, 1% increase in these HRM practices would increase employee engagement to the organization 45.8%.

The variable in the data set namely Job Characteristic is found to be positive sign and significant at 1% level. And thus, the 1 unit more Job Characteristic would encourage 40.5% more employee engagement to the AYA Bank Organization.

The variable in the data set namely reward and recognition is found to be positive sign and significant at 1% level. And thus, the 1 unit more reward and recognition by the organization would encourage 39.7% more employee engagement to the AYA Bank Organization.

In summary, the result shows that all of determinants (job characteristics and reward and recognition have related to employee commitment to the AYA bank organization. In comparing to these two determinants, their correlation values are found

as similar variation of 40% and 39%, and thus, both determinants are moderately related to increase employee engagement to AYA Bank Organization.

## **CHAPTER V**

### **CONCLUSION**

In this chapter, it concludes the findings of the study of the factors influencing engagement of employee in AYA Bank. Study recommends the bank practices of how well on determinants of employee engagement and suggests to improve some weak area. Briefly, chapter highlights conclusion of the thesis with findings, suggestions and limitation of this study.

#### **5.1 Findings and Discussion**

In the today competitive era, business organizations are believing that employee engagement as a leading indicator for the organization growth. With the nation development, work experience of employees in Myanmar are improving and they have more engaged to the organization. In this study, major focusing area is the job characteristics and reward & recognition to their performance effect how much on

employees at famous private commercial bank in Yangon. Survey findings are stated as follows.

In the demographic profile analysis, there are more female composition than male respondents since the nature of bank industry. Their working experiences are also found as at least one year working experience at bank and thus, they are assumed to understand the employee commitment survey question easily. By the educational background analysis on respondents. Most are found as university graduate level. Their position also states that there are more compositions of staff level, some supervisor and few are from manager/senior manager level.

In the analysis on the HR management at employee commitment practices by AYA Bank, the mean values are calculated. In the first analysis on the employee engagement is started to look at on their skills abilities. Result showing that employees are higher engagement by means of their skills usefulness in the daily workplace of the AYA Banks.

The higher mean value that there is high level of employee engagement concerning with their uses of skill variety. The highest level of engagement in skill variety is concerned with the chance to use of their own skills in their workplace which leads to higher committed to the organization.

The second analysis of the job characteristics is also made on employee engagement with regards to task identify. By this analysis as well, survey finds out that AYA Bank employees have high engagement effected by the clarified task identity. Employees have high level of engagement for the knowing the purpose of their job and the kind of task they need to do.

Regarding to the analysis on the employee commitments by tasks significance at bank, survey is also finding that having of high employee commitment to organization, i.e., employees are feeling of proud to work, and they want their role in bank to show in the society.

Regarding to the analysis in the work autonomy, survey is also finding out that the high level of employee commitment is relating to having a chance of sharing their options at workplace. They do not have to afraid when they disagree with their supervisors in the workplace.

Regarding to the employee engagement by the feedback received that they can correct to improve their ability at work, survey also finds out the employees are at high level engagement by receiving feedback valuable information. Employees are feeling of happy to get appreciation, opportunities, and valuable guidance from their superiors.

Regarding to the employee engagement level by the effect of reward and recognition, survey finds out that there is moderate level relationship between reward and recognition, and employee engagement on the workplace.

By summarizing among all the job characteristic variables, survey finds out the highest engagement is concerned with the tasks identity because bank employees are found as the having specific and details job content while doing their specific function. This can be concluded that all these factors of employee job characteristics and reward and recognition are relating to the engagement of employees at current AYA Bank organization. However, all the mean values are round about 3.5 level, and which is litter greater than “3”, and thus, the management of organization should review its current job characteristics and reward and recognition program, which all are needed to be review to have more productive feedback to the employee career development.

## **5.2 Suggestions and Recommendations**

In the study only focuses on the determinants of employee commitments at AYA Bank, in Yangon region. From the above findings of the study, the followings suggestions would like to make for the better improvement of HRM practices at the bank organization.

Regarding to the skill variety on employee commitment, highest employee engagement is caused by employee having a chance to do something that make use of their abilities. For that, it would be recommended management of bank organization should create environment where employee can prove his/ her skills and abilities at work atmosphere.

Regarding to the task identity, the highest employee commitments is found as their knowledge exactly what kind of task that they need to do and knowing of thoroughly the purpose of their job. However, their mean value is around 3.6, and thus, it could be recommended that bank should review current task identification process at different position levels of employees.

Regarding to the task significance, the highest engagements is having a chance to show to the society as a somebody with job well position. For that, employee higher commitment, it is strongly suggested to AYA Bank organization to continue maintenance of existing bank brand image in more trust position in the society.

Regarding to the work autonomy, the higher employee engagement is found as the openness at employees' sharing their option at workplace, and thus, AYA bank organization should encourage employee suggestion and employee survey programme, to have more work autonomy. Bank has fixed schedule working hours and found as difficult to change working hour for more work autonomy at workplace. However, bank practices are repetitive style, management levels should notice. Moreover, employees can only get little autonomy.

Regarding to the feedback received as well, the highest employee engagements are found as their receiving useful and constructive feedback from their supervisor, and thus, it would be strongly recommended to maintain well employee-supervisor/management relationship for more sharing of affective information sharing between each other in the organizations. employees need more constructive feedback and appreciation from superior and colleagues.

In terms of core job characteristics effect on employee engagement, all the mean scores are showing in some good situation for these practices. However, all these overall mean values are around 3.5 and fairly relationship determinants to employee engagement to the organization. This means that although current result has effective relationship between each variables, there are the needs of the management team to try to improve all the determinants of all core job characteristics dimension.

Regarding to the reward and recognition practices, the most influencing factor on the engagement level of employee is that of itself of company reward and recognition programme. For the weak mean value round about 3.5, it could strongly be suggested that Bank should review and consider the reward and recognition plan to more effective to employees.

In the correlation analysis summary, the result shows that the higher employee engagement is concerned with core job characteristics and reward and recognition, whereas, their relation is only 40% or weak relationship to increase employee engagement to the bank organization. For that, management of AYA Bank is suggested to

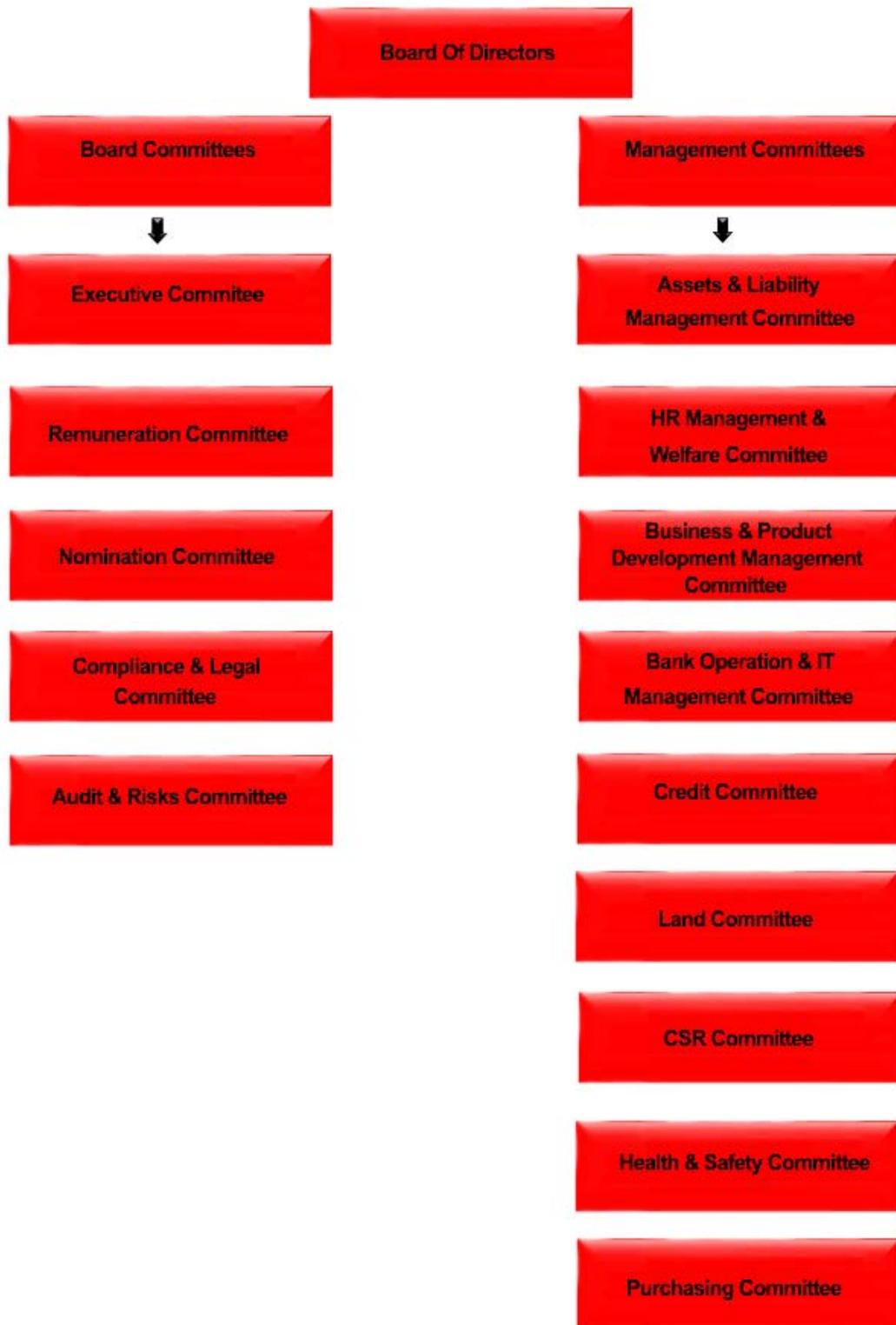
review its present cord job characteristics and its present employee recognition programme, which all would be aimed to more productive organization at AYA Bank.

### **5.3 Need for Further Studies**

This study only emphasizes on the influencing factors of employee engagement at AYA Bank (Sule Head Office). These determinants or influencing factors are job characteristics and reward and recognition factors. There are many HR Practices to engage or motivate employees. For that, further studies should be made on the other determinants like recruitment and selection, training and development, performance appraisal, organizational justice, organizational support and others variables. There are many AYA bank branches around the country. For that, Further studies should also be extended to other bank branches of AYA. And also, this study is only emphasis on Banking Sector. Further studies should also be extended to other commodities sectors to have wealth knowledge of employee engagement to the organization.

APPENDIX-3

### **Figure: Governance Structure at AYA Bank**



Source: AYA Bank, 2018

**YANGON UNIVERSITY OF ECONOMICS**  
**DEPARTMENT OF COMMERCE**  
**MASTER OF BANKING AND FINANCE PROGRAMME**

**“Employee Engagement in Banking Service: A case of AYA Bank”**  
**Survey Questionnaire**

**Dear Respondent,**

Mingalar par. I am a student at the Yangon University of Economics, studying Master in Banking and Finance (MBF) Programme. I am working on the thesis on the topic of “Employee Engagement in Banking Service: A case of AYA Bank”.

I would really appreciate if you could spend a few minutes of your time filling in this survey. Your cooperation is greatly appreciated and the obtained information will be treated strictly confidential and anonymously, and only be used for research purpose.

I kindly requested to answer all of the questions to the best knowledge of your understanding.

Thank you for your kindly cooperation,

Khin Hinn Thandar

Roll No. 13

MBF 5<sup>th</sup> Batch

Yangon University of Economics

**Section (A) Demographic Profiles of Respondents**

Please tick the box that correspondent to your answers.

**1. Gender**

Male

Female

**2. Your Service Year(s)**

Less than 1 years

1 to 5 years

6 to 10 years

Above 10 years

**3. Your Educational Level**

High School Level

University Student

University Graduate

Post diploma/Master

PhD.

**4. Your Current Position**

Staff level

Supervisor/Assistant Manager

Manager and above

Other. Please state -----

**Section (B) Determinants of Employee Engagement**

In this section, it consists of the factors influencing employee engagement

**Please rate your option upon the following statements extend to which your agreeable on the effectiveness at government policies and regulations for digital transforming in banking industry**

<b>No</b>	<b>Particular</b>	Strongly agree	Agree	Neutral	Disagree	Strong Disagree
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<b>Skill Variety</b>						
1	The job gives me the opportunity to do a number of different things	1	2	3	4	5
2	The job requires me to use a number of complex or high level skills	1	2	3	4	5
3	The job is repetitive	1	2	3	4	5
4	I have a chance to do different things for time to time	1	2	3	4	5
5	I have a chance to do something that make use of my abilities					
<b>Task Identity</b>						
1	I know exactly what kind of task that I need to do	1	2	3	4	5
2	I need to do other tasks before I finish my first task	1	2	3	4	5
3	I have a chance to do the job from beginning to end	1	2	3	4	5
4	I know thoroughly the purpose of my job	1	2	3	4	5
5	I know how my job is related to others functions	1	2	3	4	5
<b>Task Significance</b>						
1	The job itself is important for other related function	1	2	3	4	5
2	The job itself makes me feel proud to be	1	2	3	4	5
3	I do not feel that the work I do is appreciated for my colleagues	1	2	3	4	5
4	I do not feel that the work I do is appreciated for customer	1	2	3	4	5
5	The task I responsible is relatively significant in the organization	1	2	3	4	5
6	I have a chance to be somebody in the society of my job	1	2	3	4	5
7	I have a chance to be somebody in the society because of my job	1	2	3	4	5
<b>Autonomy</b>						
1	I can do my own when performing my job	1	2	3	4	5
2	The company provides the opportunity for independence thought and action	1	2	3	4	5
3	The company gives me considerable opportunity for independence and freedom in how I do my work	1	2	3	4	5
4	I can disagree with my supervisor without fear of getting in trouble	1	2	3	4	5
5	I can share comfortably opinions at work	1	2	3	4	5
<b>Feedback</b>						

1	The job itself provides me plenty of clues about whether or not am I performing well	1	2	3	4	5
2	My supervisor provides me with the opportunity to find out what I am doing	1	2	3	4	5
3	I got the appreciation not only from my supervisor but also from my co-workers when I am performing well	1	2	3	4	5
4	I receive useful and constructive feedback from my supervisor	1	2	3	4	5
5	I receive feedback that helps me improve my performance	1	2	3	4	5
6	My supervisors given I do a good job	1	2	3	4	5
<b>Reward and recognition</b>						
1	The organization has not only base pay but also many allowance	1	2	3	4	5
2	There is some form of public recognition (e.g. employee of the year)	1	2	3	4	5
3	Satisfied doing work as getting praise in the workplace	1	2	3	4	5
4	Employee-care allowance are enough for in the workplace ( Travel allowance, children allowance )	1	2	3	4	5
5	There is a reward or token of appreciation (e.g. lunch for success)	1	2	3	4	5
6	Training and development opportunities available for me	1	2	3	4	5
7	There is the recognition from the contribution in the organization	1	2	3	4	5

### **Section (C) Questionnaire for Employee Engagement**

This section includes questionnaire for the satiation of how employees engaged with the organization.

Sr. No.	Particulate	Strongly agree	Agree	Neutral	Disagree	Strong Disagree
1.	I feel like a family member in the workplace	1	2	3	4	5
2.	Satisfied always when my works is well done	1	2	3	4	5
3.	I proud of myself because of being a member of the organization	1	2	3	4	5
4.	I feel myself as the part of the organization	1	2	3	4	5

5.	I feel comfortable doing my job as I think myself as a engaged employee	1	2	3	4	5
6.	There is effectiveness in doing my job because of the support of working system and process	1	2	3	4	5
7.	I give reference other people my organization as a good one	1	2	3	4	5
8.	I feel the organization have a career development for me	1	2	3	4	5

Thank you for your kind participation

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