

**YANGON UNIVERSITY OF ECONOMICS**  
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**EFFECT OF ORGANIZATIONAL CLIMATE ON**  
**ORGANIZATIONAL COMMITMENT IN BPI**

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**Academic Year (2018-2020)**

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**A thesis submitted to the Board of Examiners in partial fulfillment of the requirements for  
the degree of Master of Business Administration (MBA)**

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# ACCEPTANCE

This is to certify that the thesis entitled “**Effect of Organizational Climate on Organizational Commitment in BPI**” has been accepted by the examination Board for awarding Master of Business Administration (MBA) degree.

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## **ABSTRACT**

This paper aims to study job satisfaction and organizational commitment in BPI. This study is conducted by collecting structured questionnaires from 120 respondents of employees working in BPI (Insein). This study found that teamwork and support and career development have positive effect on job satisfaction. Employees in this organization have good career and guarantee through the whole life that create their desire to stay in this organization. This is a reason that positive effect of job satisfaction on organizational commitment. The study recommends organization to improve the level of employee satisfaction through providing environment for nurturing innovative ideas and developing career life of employees to improve their commitment towards the organization.

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## **LIST OF ABBREVIATION**

BPI           Burmese Pharmaceutical Industry

# CHAPTER 1

## INTRODUCTION

The study of organizational climate has its roots in the work of (Lewin & White, 1939) initiated the first exploit studies of psychological climate. Following on Lewins' work, other researchers attempted to build on climate theory and to describe how climate is established and maintained in organizations. Organizational climate is the core circle of human environment within the boundaries of where the employees in an organization work.

Organizational psychologists have become increasingly interested in organizational climate because of the significant relationships exhibited between this construct and job satisfaction and job performance (Furnham & Gunter, 1993). Organizational climate influences commitment, a good organizational climate can strengthen employee commitment to work as well as possible (Affandi, 2002). But a poor organizational climate is weakening employee commitment. Organizational climate is a relatively enduring quality of the environment that is experienced by its members, influences their behavior and can be described in terms of the value of a particular set of characteristics of the organization. It may be possible to have as many climates as there are people in the organization when considered collectively, the actions of the individuals become more meaningful for viewing the total impact upon the climate and determining the stability of the work environment.

Research has been conducted in organizational behavior related to work attitudes such as organizational behavior related to work attitudes such as organizational commitment and job satisfaction. (Aydogdu & Asikgil, 2011) stated that job satisfaction has a significant positive effect on organizational commitment. Aside from influencing organizational commitment, organizational climate also affects job satisfaction. Based on the results of research from (Kustianto & Asikgil, 2015), organizational climate has a positive and significant effect on employee job satisfaction. In other circumstances, the organizational climate can affect organizational commitment indirectly. Organizational climate can influence organizational commitment by achieving job satisfaction. Job satisfaction plays a role in mediating the organizational climate and organizational commitment (Bhaesajsanguan, 2010).

The labor market today is growing and changing fast. It is the responsibility of the leader in the organization to adapt to these changes to be able to make the organization profitable. To be able to do this, it is crucial to satisfy the key employees in the organization since they are the ones that drive the company forward. This study aims to explain the influence of organizational climate and job satisfaction on organizational commitment and the influence of organizational climate on organizational commitment mediated by job satisfaction in BPI. It is one of the established governmental pharmacy industry in Myanmar which produces various types of medicine for every level in people.

### **1.1 Rationale of the Study**

Pharmaceutical industry is a prominent part of Myanmar economy. It plays a very important role in the socio-economic development of the country. It is predominantly a source of gainful employment and income for citizenships, who are the normal group of the Myanmar population. Job satisfaction is increasing in importance, as the competition for talent is high and still growing. One wonders if the goal of the government concerning the growth and expansion of the sector is going to be realized. It therefore calls for a greater action to be taken to find out how to retain the organization's valuable employees and the factors likely to affect them to commit in the industry to help achieve company objectives and that of the government of Myanmar. This research study seeks to investigate the factors that may influence job satisfaction and how these factors affect organizational commitment of employees in BPI (Insein).

With the constant changes in ownership and resultant management teams which always comes with a many of new ways of doing things. Most of this new strategies have not performed well in the market because the employees themselves do not believe in them and perform optimally to meet this goals. It is important to point out in the beginning that in BPI any empirical investigation to measure determinants of job satisfaction (i.e, natural of work, inter-personal relationship and compensation and benefit) and organizational commitment. Today is the age of cutthroat competition and the pharmaceutical industry is no exception to this. BPI is getting competition from domestic, private and international players. To survive and grow in this intense competition it is necessary for the organizations to adopt effective job satisfaction. It is therefore very important to study the job satisfaction of BPI and its organizational commitment.

BPI had manufactured the pharmaceutical products up to 10 percent of local demands per year until 2015-2016 financial year. Yearly increased production from the pharmaceutical factories under the Ministry of Industry, including the Pharmaceutical Factory (Insein), the Pharmaceutical Factory (Inyaung) and Pharmaceutical Factory (Ywar Thar Gyi), could produce pharmaceutical products worth 50 billion kyats and meet the 15 percent of local demands in 2017-2018 financial year. Currently the total production capacity of all the local pharmaceutical factories meet the 20 percent of local demands.

This study helps in understanding BPI in general and job satisfaction and organizational commitment in particular. It includes the job satisfaction of employees in different level of industry so that the organizational commitment can be evaluated and understood. It also examines different variables of job satisfaction and its effect on the overall commitment of the organization. It further helps in understanding the expectations of people from the industry and how effectively that can be fulfilled. Job satisfaction is not only important to business but is also beneficial to customers and society. It helps in providing higher returns to all the stake-holders. This study helps in understanding the effective application of job satisfaction in BPI. The findings of this study provide an insight to various groups such as pharmaceutical organizations, government bodies, researchers, academicians and society as a whole.

## **1.2 Objectives of the Study**

The objectives of the study are

- To analyze the effect of organizational climate on job satisfaction in BPI
- To examine the effect of job satisfaction on organizational commitment in BPI

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

This study only focuses on job satisfaction of employees from Myanmar Pharmaceutical Industry. Due to time constraint, this study has only covered on the job satisfaction of employees who are working at Insein Township.

There are 150 employees in managerial level. Among of them, sample of 120 respondents are chosen from BPI, by using sample random sampling method. Respondents have been classified into managerial employees in this study including deputy general

manager, head of department, assistant head of department, manager, assistant manager, supervisor, assistant supervisor. Descriptive research method is conducted in this study. Both primary and secondary data are collected. Primary information is collected from conducting employees' surveys by using structured questionnaire with 5-points Likert Scales. The secondary data are obtained from previous research papers, record of the organization, libraries, relevant textbooks and websites.

#### **1.4 Organization of the Study**

This study is structured into five chapters. Chapter (1) is introduction, which includes the rationale of the study, objective of the study, scope and method of the study, literature review and organization of the study. Chapter (2) covers the theoretical background of job satisfaction. Chapter (3) describes job satisfaction factors provided by Myanmar Pharmaceutical Industry (Insein). Chapter (4) contains empirical analysis on job satisfaction of employees in Myanmar Pharmaceutical Industry (Insein). Chapter (5) includes conclusion which contains findings and discussions, suggestions and recommendations, limitation and needs for further research.

## **CHAPTER 2**

### **THEORETICAL BACKGROUND**

This chapter consists of theoretical background of organizational climate, job satisfaction and organizational commitment. The first part is concepts, models and theories for various variables. In the second part, previous study of the relationship between among these variables are discussed. The last part is the conceptual framework of this study.

#### **2.1 Organizational Climate**

The organizational climate in experimental research on social climate though there was hardly anything concrete they came forward with regarding any conventional framework or the technique for measuring the organizational climate (Lewin & White, 1939). The significance of individual differences, group collaborations, social interactions and employee participation while making decisions (Roethlisberger & Dickson, 1939). However, it is the Social Science of Lewin (1951) which claimed the credit of originating the concept of organizational climate. It defined organizational climate as a function of person and interaction with the organizational environment.

It was not only introduced the concept but also defined organizational climate in terms of employee needs, values, personalities and formal organizational policies (Argyris, 1958). Organizational climate can be defined on the basis of characteristics of organizations (Forehand & Gilmer, 1964). Characteristics of one organization usually differ from the characteristics of other organizations. Such characteristics are enduring overtime and are instrumental in affecting the behavior of the employees of the organization concerned.

Organizational climate is the core circle of human environment within the boundaries of where the employees in an organization work. Further explained that climate affects every activity in an organization directly or indirectly and is affected by almost everything that happens in the organization. The survival and growth of any organization is directly affected by a favorable climate. Organizational climate (sometimes called a corporate climate) as a process of measuring the “culture” of an organization and the organizational climate is a set of characteristics of the work environment, which are

perceived directly or indirectly by employees, which is assumed to be the main force in influencing employee behavior (Motlagh, 2012).

The organizational climate was spelled out as a function of history, tradition, leadership style and physical state of organization. It subsequently influences the motivation and behavior of employees in an organization (Litwin & Stringer, 1968). According to traditional industrial psychologists, behavior is the outcome of the characteristics of both the individual and the organization but the subsequent researches by the industrial psychologists are tilted towards individuals. Psychological meaningfulness in organizational environment became an explicit point of climate (Jones & James, 1979). The concept and nature of organizational climate and spelled out various approaches to study it (Litwin & Stringer, 1968). Organizational climate is a relatively enduring quality of the internal environment of an enterprise that is felt by its employees, affects their behavior and can be expressed in terms of the values of a particular set of characteristics or attitudes of the enterprise and identified involvement, co-worker support, cohesion, supervisor support, autonomy, task orientation, work pressure, clarity, managerial control, innovation, physical comfort, etc., as the dimensions of organizational climate.

### **2.1.1 Role Clarity**

Role clarity was considered as one of the dimension of organizational climate in the study of (Podaskoff & MacKenzie, 1996) and stated that there is a positive relationship between the clear vision and tasks in the future with the outcome of employee's performance. Role clarity as the feelings of the organization members concerning the fact that employees should exactly know what the expectations from their work and them are (Nair, Pennsylvania, 2006). Without having clear role clarity, conflict in organizational goals and objectives and ambiguity of organizational structure and roles, would happen which may lead to poor communication from management and lack of interdepartmental cooperation (Jones & James, 1979).

### **2.1.2 Innovation**

The concept of innovation, for the first time in management was coined by (Schumpeter, 1939), describing innovation process as creation of new brand, products, services and processes. Innovation as the intentional introduction and application within an

organization of ideas, processes, products or procedures, new to the unit of adoption, designed to significantly benefit the organization or wider society (Wet & Farr, 1990). Innovation starts with the recognition and generation of novel ideas that challenge past practices and standard operating procedures (LePine & Van Dyne , 1998).

### **2.1.3 Teamwork and Support**

Teamwork and support in an organization is defined as accessibility of the supervisor for listening and guidance, effective communication, and clear expectations and feedback that was needed for better work performance. It also refers to the evoking of a shared or common meaning in another person. There are sometimes communication issues occur in the organization, where the ability of manager in listening to the staff, share information and sort out misunderstandings play an important role. Rewards system and team work under organizational system dimensions are positively related to the performance of employees as mentioned in the study of (Campbell, Dunnette, & Lawler, 1970).

### **2.1.4 Career Development**

The organizational climate in career development of the employees is important for the employee to perform better in work as providing necessary and related trainings are required (Jianwei, 2010). Good communication among the employees and upper management form a good organizational climate to boost up the satisfaction of employees in work (Sanad A, 2016). And then emphasize the relationships between the employee and organizational such as the employee wellness, priority for minority people etc. have directly affected the perception of employee as well as their performance.

## **2.2 Job Satisfaction**

Job satisfaction or dissatisfaction is a function of perceived relationship between what one expects and obtains from one's job and how much importance or value the attributes to it (Kemelgor, 1982). Job satisfaction refers to the feelings of people about the rewards they have received on the job. Job satisfaction is defined as an attitude that individuals have about their jobs which results from their perception of the jobs and the

degree to which there is a good fit between the individual and the organization. (Spector , 1998) described job satisfaction as how people feel about their jobs and different aspects of their jobs. Motivation to perform the job will increase, when people consider their jobs as meaningful and enjoyable. The nature of job satisfaction implies that people would tend to stay with a job which is satisfying them and quit a job which is dissatisfying them. Job satisfaction represents the workplace and employees' perceptions of their job. Job satisfaction can be envisaged by levels of support employees get from their organization, the employment situation and employees' evaluation of the work climate in the organization.

The term job satisfaction reviewed thirty-two studies and observed that it is a combination of environmental, physiological and psychological circumstances and the variables influencing the level of satisfaction of an individual (Hoppock, 1935). Job satisfaction is more of a journey, not a destination. Job satisfaction is the end state of feelings. End here is experienced once the task assigned is accomplished or an activity has taken place. These activities or tasks may be very small or very large, they might be based on experience or observation but the end result is the satisfaction of a certain need. The end result can be in a positive or a negative form depending upon whether the task has been finished or not and whether satisfaction has been derived from it or not. The reason behind this could be anything, efforts taken by an individual or the situational opportunities made available to him. For instance, if a task is assigned to an employee with a deadline, he may experience positive job satisfaction due to the authority given to status and there are great chances that he likes to do job, as it would fetch extra wages. On the contrary, this assignment can be a major source of dissatisfaction as extra working hours may be annoying and money may be not a major motivator. Each one of these variables lead to an end-state called satisfaction; various attributes contribute towards job satisfaction such as attitude, morale and motivation.

The traditional model of job satisfaction focuses on all the feelings about job of an individual. However, what makes a job satisfying or dissatisfying does not depend only on the nature of the job, but also on the expectations that individuals have of what their job should provide (Podaskoff & MacKenzie, 1996). Job satisfaction focuses on the role of the employee in the workplace. Job satisfaction as affective orientations on the part of individuals toward work roles which they are presently occupying (Vroom, 1964). The term job satisfaction refers to the attitude and feelings people have about their work. Positive

and favorable attitudes towards the job indicate job satisfaction. Negative and unfavorable attitudes towards the job indicate job dissatisfaction (Armstrong, 2006).

In equity theory, researcher suggested that an individual compares the rewards received by other employees on similar positions with his rewards. And them equitable, fair and just, researcher feels satisfied that an employee always seeks to maintain equity between the efforts and hard work contributes with the rewards and appraisals given by the organization. If an employee finds an organization giving similar outputs to two employees with high level of variations in their inputs the one with greater efficiency and productivity is sure to get demotivated and unsatisfied and give poor results (Adams, 1963).

### **2.3 Organizational Commitment**

Organizational commitment implies an intention to persist in a course of action. Therefore, organizations often try to foster commitment in their employees to achieve stability and reduce costly turnover. Employee commitment seems to be a crucial factor in achieving organizational success. Previous researchers indicated that high levels of commitment to an organization could be associated with reduced levels of turnover rates and absenteeism. Organizational commitment as the psychological link between the employee and the organization that makes it less likely for an employee to want to leave voluntarily. Therefore, it is evident that for sustained productivity, employee commitment is an important factor (Meyer & Allen, 1991).

The concept of organizational commitment has attracted considerable interest in an attempt to understand and clarify the intensity and stability of an employee's dedication to the organization (Lumley, 2010). Organizational commitment has been used to refer three aspects of staff attitudes that indicate the extent to which the employee demonstrates a strong desire to remain the member of the organization, the degree of willingness to exert high level of efforts for organization and belief of acceptance of the measures, goals and value of the organization (Mowday , 1982).

Organizational commitment referred to an employee's belief in the organization's goals and values, desire to remain a member of the organization and faithfulness to the organization (Mowday , 1982). Organizational commitment is an effective response to the whole organization and the degree of attachment or loyalty employees feel towards the organization. The construct of commitment has been viewed in the main as a composite of

three main components representing affective, normative and continuance aspects of commitment (Coyle-Shapiro, 2006).

### **2.3.1 Affective Commitment**

Affective commitment is that employees' emotional attachment, identification with, and involvement in the organization by (Meyer & Allen, 1991). Employees with a strong affective commitment stay with the organization because they want to. Affective Commitment is determined by an employee's personal choice to remain committed to the organization via some emotional identification with the organization (Singh & Gupta, 2015). Affective Commitment is a positive attitude toward the organization (Singh & Gupta, 2015). That an individual's attitude is directly related to whatever personal values they bring to the organization (Mahal, 2012). How individuals identify and involve themselves within an organization exemplifies the relative strength of affective commitment (Faloye, 2014).

### **2.3.2 Continuance Commitment**

The second dimension, as developed by (Meyer & Allen, 1991), related to a cost-benefit analysis of the employee, such as the loss of economic investments and difficulties in finding a new job. Whether the employee remains with a company is evaluated in terms of the perceived costs of leaving. Influenced by tenure, positional authority, or length of service, employees choose to remain committed because they feel they have too much to lose by leaving (Singh & Gupta, 2015). Continuance commitment can be regarded as a contractual attachment to the organization (Beck & Wilson, 2000). The individual's association with the organization is based on an ongoing assessment of economic benefits gained by remaining with the organization (Faloye, 2014). Organizational members develop commitment because of the positive extrinsic rewards obtained without necessarily identifying with the organization's goals and values (Faloye, 2014).

### **2.3.3 Normative Commitment**

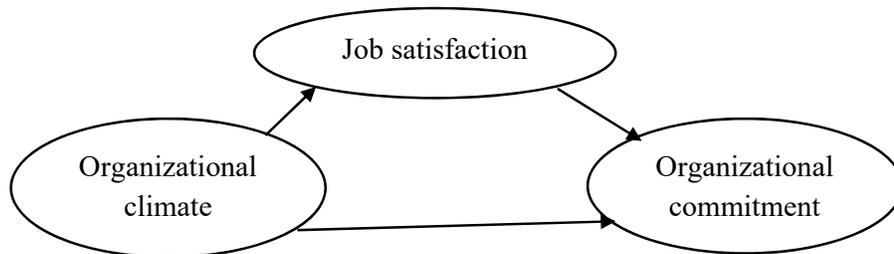
The final of the three dimensions proposed by an employee's sense of commitment due to a feeling of obligation (Meyer & Allen, 1991). This is less a personal commitment,

but rather a perceived societal expectation, in which one remains loyal to the employer who provides compensation for services rendered (Singh & Gupta, 2015). Normative commitment as the work behavior of individuals, guided by a sense of duty, obligation, and loyalty toward the organization by (Meyer & Allen, 1991). Organizational members remain committed based on moral reasons (Iverson & Buttigieg, 1990). The normative committed employee stays in an organization because it is perceived by morally right to do so, regardless of how much status or satisfaction the organization provides over the years (Messner, 2013).

#### 2.4 Previous Studies on Organizational Climate, Job Satisfaction, Organizational Commitment

This paper analyzes the effect of organizational climate and job satisfaction, and analyze the effect of job satisfaction and organizational commitment. Thus in this section it expresses the relationship between each variable.

**Figure 2.1 Conceptual Framework of Azeem**



Source: Azeem (2010, p 142)

Organizational commitment as the level of identification and involvement of employees in an organization (Meyer & Allen, 1991).

The correlation between the majority of dimensions of the organizational climate and organizational commitment shows that the organizational climate significantly and positively influences the environment of employees. This showed that the better the organizational climate of a company, the higher the organizational commitment of its employees (Noordin, 2010).

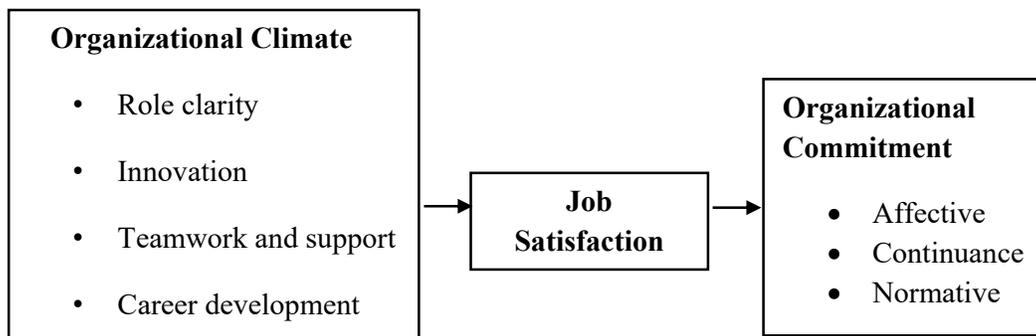
Research showed that corporate environments that have administration, regulations and policies, and good treatment of their employees create a good organizational climate which can increase employee job satisfaction (Jyoti, 2013)

Job satisfaction is a significant predictor of organizational commitment (Azeem, 2010). The dimensions of the work itself, boss, promotion and coworkers of job satisfaction variables had a positive effect on employee organizational commitment, where job satisfaction was one of the important antecedents of organizational commitment, in other words positive job satisfaction affects organizational commitment (Suma & Lesha , 2013).

## 2.5 Conceptual Framework of the Study

This study focuses on the effect of organizational climate on organizational commitment in BPI, the effect of organizational climate to job satisfaction in BPI and the effect of job satisfaction on organizational commitment in BPI. The conceptual framework of the study is shown in Figure (2.2).

**Figure 2.2 Conceptual Framework of the Study**



Source: Own Compilation (2019)

The framework has developed to conceptualize the relation between dependent variable and independent variables. Two independent variables are organizational climate (role clarity, innovation, teamwork and support and career development) and job satisfaction which are correlated to a dependent variable, organizational commitment (affective, continuance and normative). The object of this approach is to promote high job satisfaction by designing jobs that possess the three organizational climate factors. Finally, the organizational components include people's actions in relation to their work which include being tardy, staying late or pretending to be ill order to avoid work. According to the conceptual framework, this research finds in which organizational climate factors try to provide more satisfy for employees and it can also effect on their commitment.

## **Chapter 3**

### **Profile and Organizational Climate of BPI**

This chapter focuses on background of BPI. Beginning of the chapter, it is explained about the profile of BPI including vision, mission, quality policies and organization structure. Then, the second part discussed about research design and reliability analysis and third part discussed the demographic profile of respondents and the final part is the organizational climate factors in BPI.

#### **3.1 Profile of BPI**

On 23 April 2018, it has been 60 years since the founding of Pharmaceutical Factory (Insein) or BPI. Though many years have passed, BPI can be seen grand as always with modern production plants constantly expanded and upgraded. The beginning of BPI, in August 1952, the very first Pyi-Taw-Thar Conference announced 10 projects for rebuilding our Nation after the Independence. One of the projects was to found a pharmaceutical factory and was approved at 234<sup>th</sup> Cabinet Meeting. On 20 October 1953, the government and Evans Medical Supplies Ltd (Liverpool, United Kingdom) signed the contract to build the pharmaceutical factory.

On 23 April 1954, the Prime Minister laid the first brick to commence the construction. At the end of 1957, the construction of all production lines were completed and the production of 47 pharmaceutical products were begun. On 23 April 1958, Mahn Win Maung, the President of Union of Burma, opened the factory as Burma Pharmaceutical Industry (BPI). In the beginning, BPI only manufactured 47 pharmaceutical products. Being upgraded constantly with expansion of new production lines, BPI now manufactures 207 pharmaceutical products including tablets, capsules, powders, ointments, injections, infusions, biological products, vaccines, snake anti-venom and many more.

On 1 April 1982, with the aid of Japan International Cooperation Agency (JICA), a Research Center was founded for new manufacturing practices and pharmaceutical products research. New pharmaceutical factories have been founded in Kyauk Se, Sagaing, Hlegu and Pyin-Oo-Lwin to meet the demands of increasing population. The pharmaceutical products were manufactured under MPF (Myanmar Pharmaceutical

Factory) brand, from 1989. Since 2016, under the new government, the pharmaceutical factories of the Ministry of Industry including the Pharmaceutical Factory (Insein), the Pharmaceutical Factory (Ywar Thar Gyi) and the Pharmaceutical Factory (Inyaung) resumes the manufacturing of 207 pharmaceutical products under the original BPI brand. Plans for new BPI project, to meet the international standards, have been laid at the Pharmaceutical Factory (Insein), the oldest and biggest in Myanmar Pharmaceutical Industries. New production plants have been built, year by year, as per standards of the WHO GMP guidelines.

### **3.1.1 Vision and Mission of the BPI**

BPI sets the vision and missions according to their norms. The vision of BPI is to lead of Myanmar Pharmaceutical Sector by producing of essential drugs for Public Health Care System. The missions for 2018-2019 of BPI are (1) producing of qualified and efficacious drugs (2) to increase the production up to meet 2017-2018 fiscal production plan (3) to get ISO certification for Quality Management System (4) to establish Occupational Safety and Health Program at Factory (5) to enhance Cooperate Social Responsibility activities and improve working environment.

### **3.1.2 Quality Policies of BPI**

BPI sets the quality policies (1) to provide Quality, Safety and Efficacy of pharmaceutical products to meet the predominant standards as per the national and international regulatory requirements (2) to maintain consistency in Quality to fulfill the customer satisfaction with reasonable price.

## **3.2 Research Design**

This study aims to examine the effect of organizational climate on job satisfaction in BPI and to analyze the effect of job satisfaction on organizational commitment in BPI. Analytical research method is used in this study to achieve the objectives of the study. Both primary and secondary data are used in this study. The sample size for this study was 120 employees out of 150 employees. The respondents were surveyed with structured questionnaires by using simple random sampling method. This study is required to search

secondary data which is gathered from published journals, published thesis, Facebook page of BPI and research paper reference books.

After the primary data were collected, the survey data entered in SPSS to analyze the results and test the reliability analysis. SPSS (Statistical Package for the Social Scientists) is a data management and statistical analysis tool for researchers. In SPSS, the required data of analysis are created variables first and inputted data value into respective variables. Descriptive and analytical research method was used in this study. Descriptive research aims to describe characteristics of employees in BPI. The survey question used for this study consists of four main sections; section (A) demographic factors, section (B)organizational climate, section (C) job satisfaction and section (D) organizational commitment. The question in section (A) is closed questions and multiple choices. The other questions are asked with a five point Likert scale ranging from “Strongly disagree to strongly agree” (1= strongly disagree to 5= strongly agree). The Likert scale data saved as ordinal and descriptive data saved as nominal type in SPSS. The reliability analysis of questionnaire is discussed in next section.

### **3.3 Reliability Analysis**

Reliability is how well a test measure what it should. For example, a company might give a job satisfaction survey to their employees. High reliability means it measures job satisfaction, while low reliability means it measures something else (or possibly nothing at all). Cronbach’s alpha, (or coefficient alpha) developed by (Lee, 1951), measures reliability or internal consistency. Cronbach’s alpha tests to see if multiple-question Likert scale surveys are reliable. These questions measure latent variables – hidden or unobservable variables like: a person’s conscientiousness, neurosis or openness. These are very difficult to measure in real life. Cronbach’s alpha will test you if the test you have designed is accurately measuring the variable of interest (Tavakol & Dennick, 2008).

**Table (3.1) Reliability Analysis of Variables**

<b>Factor</b>	<b>No. of items</b>	<b>Cronbach's Alpha</b>	<b>Interpretation</b>
Role Clarity	3	0.731	Acceptable
Innovation	3	0.821	Good
Team work and Support	3	0.738	Acceptable
Career development	3	0.816	Good
Job satisfaction	15	0.825	Good
Affective Commitment	5	0.843	Good
Continuance Commitment	5	0.811	Good
Normative Commitment	5	0.710	Acceptable

Source: Survey Data (2019)

Table (3.1) showed that the Cronbach's Alpha of all factors were more than 0.7. Therefore, it can be interpreted that the data is considered to be reliable and valid.

### **3.4 Demographic Profile of Respondents**

Demographic data was collected from 120 employees of BPI and the profile composed of gender, age, education, salary, working experience with current organization. The demographic profile of respondents is shown in Table (3.2).

According to Table (3.2), 17 percent of the employees are male and 83 percent are female. In this study finds that numbers of female are greater than male. This is due to business nature of the organization.

The respondents' age level is classified based on four groups. The most dominant age group is between 41 and 50 (41 percent of total) as the organization established a long time so the employees worked as they were young. The age group of less than 30 is the least according to the profile

**Table (3.2) Demographic Profile of Respondents**

<b>No</b>	<b>Demographic Factors</b>	<b>No of respondents</b>	<b>Percentage (%)</b>
	<b>Total</b>	120	100
1	<b>Gender</b>		
	Male	20	17
	Female	100	83
2	<b>Age (Year)</b>		
	Less than 30	11	9
	31- 40	30	25
	41-50	49	41
	Above 50	30	25
3	<b>Education</b>		
	Pass matriculation exam	7	6
	Under graduate	20	17
	Graduated	80	67
	Master level	13	10
4	<b>Monthly income level (MMK)</b>		
	Less than 200,000	51	43
	200,001 to 300,000	59	49
	300,001 to 400,000	10	8
	Above 400,000	0	0
5	<b>Working experience</b>		
	Less than 5 years	12	10
	5 to 10 years	20	17
	Above 10 years	88	73

Source: Survey Data (2019)

The education level for respondents indicated that the majority of the respondents are graduated (67 percent) and under graduate are (17 percent). Most of the respondents are

educated and they are bachelor degree holders. There are only a few Master/Ph.D. degree holders level in the respondents. It can see that organization members are not avid to improve their academic educational level while they may have eagerness in increasing their vocational knowledge and skills which can practically utilize in real working life environment.

In term of average salary in BPI, the respondents from income group 200,001 – 300,000 Kyats formed the majority with 59, representing 48 percent and the respondents from income group less than 200,000 Kyats formed the second majority with 51, representing 43 percent. And the respondents from income group 300,001 – 400,000 Kyats formed the minority with 10, representing 8 percent.

Regarding with working experience with the organization, the majority of the 88 respondents are above 10 years of services, second majority of 20 respondents are 5 to 10 years and the minority of 12 respondents are less than 5 years of services. It results show that the rate of employee turnover is very low. The employees in this organization are commitment to stay it.

### **3.5 Organizational Climate in BPI**

Organizational climate in BPI is explored in this section. Organizational climate is measured by using (Adrian & Leonard, 1996), four items scale is used. It has four factors of organizational climate construct: role clarity, teamwork and support, innovation and career development. In each section of factor, three structured questions are used. The questionnaire is designed with five value of Likert-type scale. To analysis of each type of factors are separately discussed with survey results with mean and standard deviation.

#### **3.5.1 Role Clarity**

The following table is shown that role clarity of employees with three questions with five value of Likert-type scale. The results of survey on role clarity are shown in Table (3.3).

**Table (3.3) Role Clarity**

<b>Sr.No</b>	<b>Statement</b>	<b>Mean</b>	<b>SD</b>
1	The best use of people's experience in organization	3.35	0.816
2	Responsibilities and duties	3.41	0.939
3	Clear goals and objectives	3.82	0.840
	<b>Overall Mean</b>	3.47	

Source: Survey Data (2019)

According to the results shown in Table (3.3), the highest mean value is 3.82 which measures that clear goals and objectives. The second highest mean value is concerned with that they know responsibilities. The lowest mean value is concerned with the company use the people's experience.

The results express that employees feel important of the work they are doing. Because they have clear goals and objectives for job and they love their work. Employees know what they do exactly and they are responsible for their works. Employees use their experience in working organization. Employees have personally meaningful job activities and job activities are relevant with their hobbies and they are like with their job duties. When employees feel their work has meaning, it drives commitment, retention, individual performance and job satisfaction. Therefore, the organization provide time for personally meaningful projects, invest in employee well-being and recognize for individual achievements. When employees feel their work has meaning, it drives commitment, retention, individual performance and job satisfaction.

### **3.5.2 Innovation**

The following table is shown that innovation for employees with three questions with five value of Likert-type scale. The results of survey on innovation are shown in Table (3.4).

According to the results shown in Table (3.4), the highest mean value 3.88 which measures that the organization responds to new commercial and technical innovation.

**Table (3.4) Innovation**

<b>Sr.No</b>	<b>Statement</b>	<b>Mean</b>	<b>SD</b>
1	Response to new commercial and technical innovation	3.88	0.875
2	Plans for the future	3.84	0.907
3	Encouragement to innovate	3.68	0.936
	<b>Overall Mean</b>	3.46	

Source: Survey Data (2019)

It means that the organization produce new innovation of medicine and to challenge the other pharmaceutical industry. The employees motivate their organization can do the many innovations in comparing other industry.

The second highest mean value 3.84 which measures the company has plans for the future. It means that the organization has the long term plan in the future. So, the supervisors give accurate guidelines for their subordinates. Therefore, the employees work effectively and efficiency. The lowest mean value 3.68 measures that department is encouraged to innovate. It indicates that some department push to produce new products. Employees have some stress and pressure to innovate modern medicine.

### **3.5.3 Teamwork and Support**

The following table is shown that teamwork and support of employees with three questions with five value of Likert-type scale. The results of survey on teamwork and support are shown in Table (3.5).

According to the table (3.5), the highest mean value 3.88 which measures that the department collaborates well with other departments. It indicates that the employees in different departments can collaborate each other. They can give up to date information between each department so they can work easily and communicate well. The second highest mean value measures that people generally support and each other well. It indicates that people in this organization support to each other well. Not only departments but also one person support to each other.

**Table (3.5) Teamwork and Support**

<b>Sr.No</b>	<b>Statement</b>	<b>Mean</b>	<b>SD</b>
1	Collaboration well with other departments	3.88	0.875
2	Pressure of work	3.52	0.967
3	Supporting each other well	3.60	0.893
	<b>Overall Mean</b>	3.61	

Source: Survey Data (2019)

Therefore, they can communicate friendly and take the advices from the supervisors and co-workers. They can solve problems in the department and also can handle personal issues. The lowest mean value 3.52 which measures that the pressure of work is excessive. It means that sometimes there are a lot of work in the industry at this time employee can get more or less pressure. Therefore, they can manage the work firstly and don't too much work at the same time.

### **3.5.4 Career Development**

The following table is shown that career development of employees with three questions with five value of Likert-type scale. The results of survey on career development are shown in Table (3.6).

**Table (3.6) Career Development**

<b>Sr.No</b>	<b>Statement</b>	<b>Mean</b>	<b>SD</b>
1	Development career within the organization	3.33	0.881
2	Reviewing with development in mind	3.10	0.991
3	Opportunity to work for organization	3.26	0.865
	<b>Overall Mean</b>	3.51	

Source: Survey Data (2019)

According to the Table (3.6), the highest mean value 3.33 which measures that the employees can develop their career with the organization. It indicates that the organization have many better plans to do more production and more quality products. Employees in

this organization have many opportunities in their lives. They can develop their abilities, management skills and individual achievement.

The second highest mean value 3.26 indicates that there is the opportunity to work for this industry. It indicates that employees working in this industry have many opportunities and development. Because the organization give scholarship to send abroad. And also get the vacation in other countries. The lowest mean value 3.10 measures that employees are always reviewed with the department in mind. It indicates that employees are always reviewed what they worked within the week or a month. Sometimes employees don't do that but employees finished the work on time. Therefore, the supervisor should train their employees to review what are they doing weekly or monthly and how to develop their efficiency to next week or month.

## **CHAPTER 4**

### **ANALYSIS ON ORGANIZATIONAL CLIMATE, JOB SATISFACTION AND ORGANIZATIONAL COMMITMENT IN BPI**

This chapter includes three main parts. The first explores that job satisfaction factors on providing BPI based on questionnaires present with tables and the second part explores analysis the effect of organizational climate on job satisfaction of BPI. Finally, analysis the effect of job satisfaction on organizational commitment of employees in BPI.

#### **4.1 Analysis on Effect of Organizational Climate on Job Satisfaction**

This section analyses the effect of organizational climate on their job satisfaction in BPI. The linear regression model is applied. The regression results to test the effect of organizational climate (role clarity, innovation, career development, teamwork and support) on their job satisfaction in BPI.

##### **4.1.1 Job Satisfaction for Employees in BPI**

To explore the job satisfaction of employees. The Minnesota Satisfaction Questionnaire (MSQ) structured questionnaires are used. In this survey, 120 employees of BPI expressed their emotion by rating on the questionnaire of job satisfaction with five value of Likert-type scale. When analyzing is made with SPSS, general job satisfaction of employee is got by summing total mean score.

According to the results shown in Table (4.1), means value range is 3.67 and 2.75. The most of the majority of the indicators of mean scores are over three which indicates that employees' job satisfaction is high. The highest mean value is 3.67 which measure the feeling of accomplishment from the job. Its mean value indicates that employees are pleased the completion of the job and task they have been finished. They want to show something to others that they can finish it as kind of accomplishment. The second highest mean value is 3.66 which measure the working condition and job provides for steady employment. It proofs that employees are satisfied the working condition that they are comfortable to work with their supervisors and co-workers. This job provides for steady

employment for the future. The lowest mean value is 2.75 which measures the pay and the amount of work employees do. Its mean value indicates that employees are not much satisfied the pay they get and the amount of work they do.

**Table (4.1) Job Satisfaction for Employees in BPI**

Sr.No	Statement	Mean	SD
1	The working conditions.	3.66	0.680
2	Job provides for steady employment.	3.66	0.804
3	The boss handles his/her workers	3.32	0.898
4	Competence of supervisor in making decisions	3.36	0.896
5	Things that against sense of right and wrong	3.33	0.920
6	Feeling of accomplishment from the job.	3.67	0.771
7	Things for other people.	3.42	0.922
8	Doing something that makes use of abilities.	3.38	1.063
9	Try own methods of doing the job	3.54	0.969
10	Chance for advancement on this job.	3.43	1.135
11	Freedom to use own judgment	3.32	0.907
12	Pay and amount of work do.	2.75	0.625
13	Being able to keep busy all the time.	2.85	1.042
14	Praise for doing a good job	3.00	0.860
15	Chance to do different things	3.02	1.152
	<b>Overall Mean</b>	3.49	

Source: Survey Data (2019)

As shown in Table (4.1), the overall mean score is 3.49 which means that employees are satisfied on their job. BPI employees work in this industry satisfied in operating the governmental processes. Thus, they have to chance to produce new medicine for satisfying of customers. And also, BPI developed well practices and policies for business development and gave the chance of advancement to their employees for job securities

because of the well experienced, long running pharmaceutical industry. Their lives have guarantee after they retire this job. Above the facts that, it can be reviewed that employees feel satisfied on their job.

#### 4.1.2 Effect of Organizational Climate on Job Satisfaction

The regression results to test the effect of organizational climate (role clarity, innovation, career development, teamwork and support) on their job satisfaction in BPI and the result from the regression analysis is shown in Table (4.2).

**Table (4.2) Effect of Organizational Climate on Job Satisfaction**

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	VIF
	B	Std. Error	Beta			
(Constant)	-0.005	0.192		-0.026	.979	
Role Clarity	.030	.104	.028	0.285	.761	1.491
Innovation	.373	.174	.342	2.138	.231	1.704
Teamwork and Support	.141***	.182	.128	0.773	.000	1.652
Career Development	.423***	.159	.389	2.666	.000	1.886
R Square	.749					
Adjusted R Square	.740					
F Test	85.692***					
Durbin-Watson	1.554					

Source: Survey Data (2019)

Note: \*\*\*Significant at 1% level, \*\*Significant at 5% level, \*Significant at 10% level

According to the results shown in Table (4.2), the R square and adjusted R square are 0.749 and 0.740 which mean that the independent variable (organizational climate) can explain 75 percent and 74 percent of the variation in dependent variable (job satisfaction). Therefore, the power of the model to explain is considered as strong.

Role clarity, innovation, teamwork and support and career development have positive effect on the job satisfaction. Teamwork and support variable has the expected positive. It means that one unit of teamwork and support can lead 0.141 to increase job satisfaction. Career development variable has the expected positive sign. It means that one unit of career development can lead 0.423 to increase job satisfaction.

Thus indicates the role clarity, innovation, teamwork and support and career development have the positive relationship and the greatest contribution to the effect on job satisfaction when the variance explained by other variables is controlled for. The increases of organizational climate factors have the positive effects on job satisfaction of the employees in BPI. The Durbin-Waston value is 1.554 which indicates that there is no-correlation in sample.

The results showed that respondents obtain the highest satisfaction on organizational climate factors because BPI provides job autonomy, freedom and positive working environment with openness, good interpersonal relationship among each other in the organization and employees have enough skills, confident to do their job activities and relevant with their job and hobbies. Employees have good opportunities of helping and operate challenges of different activities. Therefore, employees are received good relationship with co-workers and likely satisfied on policies and practices of organization.

Employees express high level of satisfaction concerned because employees feel important of the work they are doing and they love their work. Employees are influence on their department, management and operation in the workplace and employees have belief in their abilities to do work well and to perform their day to day work activities. Employees perform the best of their abilities, opening the door for more learning opportunities. The supervisor maintains the employees' skill and knowledge and regular makes the coaching sessions and training. Employees get high satisfaction in organization and to increase productivity and improve their abilities more and more.

Therefore, employees receive the organizational climate factors (role clarity, innovation, teamwork and support and career development) and these factors would provide greater job satisfaction in BPI. Employees with a higher level of job satisfaction are less likely to be absent and more commitment to the organization.

## 4.2 Analysis on Effect of Job Satisfaction on Organizational Commitment

In this section, the effect of job satisfaction on their organizational commitment in BPI. The regression results to test the effect of job satisfaction in their organizational commitment (affective, continuance, normative) in BPI.

### 4.2.1 Organizational Commitment

To analyze the organizational commitment of employees in BPI, three component model (TCM) of commitment is applied. To measure the three forms of organizational commitment in BPI using five value of Likert-type scale. In each section of commitment, five structured questions are used. To analysis of each type of commitments are separately discussed with survey results with mean and standard deviation.

#### (a) Affective Commitment

The following table is shown that affective commitment with five questions with five value of Likert-type scale. The results of survey on affective commitment of respondents are shown in Table (4.3).

**Table (4.3) Affective Commitment**

<b>Sr.No</b>	<b>Statement</b>	<b>Mean</b>	<b>SD</b>
1	Happiness in career life with this industry.	3.67	0.771
2	A great deal of personal meaning	3.44	0.896
3	Feeling this organization's as part of family	3.41	1.041
4	Discussion with people outside of organization	3.56	0.942
5	A strong sense of belonging to organization	3.46	1.092
	<b>Overall Mean</b>	3.56	

Source: Survey Data (2019)

According to the results shown in Table (4.3), The highest mean value is 3.67 which measures that employees spend the rest of career with this organization. The second highest mean value is 3.56 which measures that employees are enjoying to make discussion about this organization with people outside. The lowest value of 3.41 indicates that employees

don't feel that the organization's problems are own because some problems are not able to solve one by one.

It shows that most of the employees spend their career life at BPI because they don't want to change their career life in other sectors. Most of the employees in BPI proud for their organization because the organization survived many years and develop high performance. Most of the employees are much of work experience and it give guarantee through the whole life. It indicates that most of the employees in BPI proud their organization to tell other people because the industry stands over 62 years and its works many years for health of people.

**(b) Continuance Commitment**

The following table is shown that continuous commitment with five questions with five value of Likert-type scale. The results of survey on continuance of respondents are shown in Table (4.4).

According to the results shown in Table (4.4), the highest mean value is 3.67 which measures that employees are afraid if they leave the organization without having other job. The second highest mean value is 3.56 which measures that employees are staying with the industry a matter of necessity as much as desire. The lowest mean value is 3.41 which measures that employees are not for easy to leave the organization now.

**Table (4.4) Continuance Commitment**

<b>Sr.No</b>	<b>Statement</b>	<b>Mean</b>	<b>SD</b>
1	Afraid if quit job without having another one job	3.67	0.771
2	Costly to leave organization	3.44	0.896
3	Not easy to leave this organization	3.41	1.041
4	Staying with self-desires in this organization	3.56	0.942
5	Scarcity of available alternatives when leaving	3.46	1.092
	<b>Overall Mean</b>	3.39	

Source: Survey data (2019)

It shows that most of the employees consider their current positions are suitable for their professional life. Most of the employees spend their part of lives in this industry and they are not easy to change their career life. And most of the employees are working here because of interesting in their respective field, enjoying family business style. Employees are impressed to work their position. It shows that most of the employees feel their financial problems or personal problems when they said goodbye to their organization. And total mean score of continuance commitment is 3.39 which means that the respondents are normally accept in the factors of continuance commitment. Most of the employees comfortable to work this environment. It is difficult to change other job.

**(c) Normative Commitment**

The following table is shown that normative commitment of employees with five questions with five value of Likert-type scale. The results of survey on normative commitment of respondents are shown in Table (4.5).

According to the results shown in Table (4.5), the highest mean value is 3.66 which measures that employees are being loyal to their organization. The second highest mean value is 3.55 which measures the employees move from organization to organization seem at unethical. The lowest mean value of 3.40 measures that employees leave from organization to get better job.

**Table (4.5) Normative Commitment**

<b>Sr.No</b>	<b>Statement</b>	<b>Mean</b>	<b>SD</b>
1	Belief that person always be loyal	3.66	0.761
2	Movement from company to company too often	3.43	0.886
3	Leaving from organization to get better job	3.40	1.032
4	Jumping from organization to another isn't unethical	3.55	0.924
5	Important of loyalty to one organization	3.45	1.060
	<b>Overall Mean</b>	3.42	

Source: Survey Data (2019)

It indicates that most of the employees feel that organization is supported throughout their lives so that they should stay in organization to be loyal. Most of the employees think that they don't want to move other organization without any reasons. They feel that it is unethical to their organization. Employees feel that the organization is not sufficient to their lives. If they offer to get better job, they can leave from this organization. They feel loyal is important and all employees have a sense of moral obligation to remain in this organization. And total mean score of normative commitment is 3.42 which means that the respondents accept in the facts of normative commitment. It can be concluding that employees in BPI are loyal to their organization and to be happy to work in working condition and all employees have a good morality.

#### **4.2.2 Effect of Job Satisfaction on Organizational Commitment**

This section analyses the effect of job satisfaction on their organizational commitment in BPI. The regression results to test the effect of job satisfaction in their organizational commitment (affective, continuance, normative) in BPI.

##### **(a) Effect of Job Satisfaction on Affective Commitment**

This section analyses the effect of job satisfaction on their affective commitment in BPI. The linear regression model is applied. The result from the regression analysis is shown in Table (4.6).

According to the results shown in Table (4.6), the R square and adjusted R square are 0.807 and 0.804 which means that the independent variable (job satisfaction) can explain 81 percent and 80 percent of the variation in dependent variable (affective commitment). Therefore, the power of the model to explain is considered as strong.

**Table (4.6) Effect of Job Satisfaction on Affective Commitment**

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	VIF
	B	Std. Error	Beta			
(Constant)	0.686	.128		5.377	.000	
Job Satisfaction	.794***	.036	.899	22.246	.000	1.000
R Square				.807		
Adjusted R Square				.804		
F Test				494.903***		
Durbin-Watson				1.909		

Source: Survey Data (2019)

Note: \*\*\*Significant at 1% level, \*\*Significant at 5% level, \*Significant at 10% level

Job satisfaction has positive effect on the affective commitment. Job satisfaction has the expected positive sign. It means that one unit of job satisfaction can lead 0.794 to increase affective commitment. Thus indicates job satisfaction has the positive relationship and the greatest contribution to the effect on affective commitment when the variance explained by other variables is controlled for. The increases of the job satisfaction have the positive effects on affective commitment of the employees in BPI. The Durbin-Watson value is 1.909 which indicates that there is no-correlation in sample.

Based on the result, job satisfaction has a significant direct and positive effect on affective commitment. The results showed that respondents who have a positive perception on job satisfaction factors because BPI provides a happy, safety, well teamwork and support, good relationship with supervisors and co-workers and good nature of work. And then, the organization provide some training for employees. Therefore, they receive high level of satisfaction on their job activities and perform better job performance. When employees are satisfied they are most often also committed to the organization.

Employees are enjoying to make discussion about this organization with people outside. Employees in BPI proud for their company because company survived many years and development high performance. And then employees enjoy to work at the organization

and feel that they are suitable with the organization. Employees spend their carrier life at BPI because they don't want to change their professional life in other sector.

Employees satisfy job satisfaction factors because BPI provides a happy, well practice and policies, opportunities and advancement programs and good working conditions in the organization. Therefore, they are satisfied to stay in organization and increase their motivation. Employees feel like part of the family and they want to remain in the organization as it can fulfill and satisfy their needs. They are emphasized on the reputation, development and structure of the organization. Employees proud for their organization because the organization developed high performance and enjoyed the working conditions.

**(b) Effect of Job Satisfaction on Continuance Commitment**

This section analyses the effect of job satisfaction and on their continuance commitment in BPI. The linear regression model is applied. The result from the regression analysis is shown in Table (4.7).

**Table (4.7) Effect of Job Satisfaction on Continuance Commitment**

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	VIF
	B	Std. Error	Beta			
(Constant)	0.162	.181		0.891	.375	
Job Satisfaction	.938***	.051	.862	18.506	.000	1.000
R Square	.745					
Adjusted R Square	.742					
F	342.463***					
Durbin-Watson	1.997					

Source: Survey Data (2019)

Note: \*\*\*Significant at 1% level, \*\*Significant at 5% level, \*Significant at 10% level

According to the results shown in Table (4.7), the R square and adjusted R square are 0.745 and 0.742 which means that the independent variable (job satisfaction) can explain 75 percent and 74 percent of the variation in dependent variable (continuance commitment). Therefore, the power of the model to explain is considered as strong.

Job satisfaction has positive effect on the continuance commitment. Job satisfaction has the expected positive sign. It means that one unit of job satisfaction can lead 0.938 to increase continuance commitment. Thus indicate job satisfaction has the positive relationship and the greatest contribution to the effect on continuance commitment when the variance explained by other variables is controlled for. The increase of the job satisfaction has the positive effects on continuance commitment of the employees in BPI. The Durbin-Waston value is 1.997 which indicates that there is no-correlation in sample.

Based on the result, job satisfaction had a significant direct and positive effect on continuance commitment. Because BPI provides suitable compensation plan, pension plan and support other personal treatment such as health care, give apartments and facilities until they are being retire from the job. And also, employees like their supervisor's competence in making decision and skills to handle on their subordinate and job activities. Therefore, BPI should be maintained interpersonal relationship and pension plan. That is, it employees enjoy working and want to put great deal effort on the organization success.

Employees consider their current positions are suitable for their professional life. Employees are working because of interesting in their respective fields, increasing specific skills and enjoying family business style and taking experiences from the organization. Employees are working in this organization because of taking experiences, enjoying family business style, interesting in their respective fields and having a loyal to this organization.

Employees take a challenge of providing better improvement by promoting different practices. The level of employees' job satisfaction increase if the organization gives a good performance and better organizational style. The supervisors give better guidelines to their subordinates to improve the organizational performance more and more. Organization give more autonomy to employees and assign the task related to the job scope. The supervisors emphasize feedback and input from employees and give time to employees for discussing about their feedback and input. The supervisors allow employees to perform to the best of their abilities and opening the door for more learning opportunities.

**(c) Effect of Job Satisfaction on Normative Commitment**

This section analyses the effect of job satisfaction on their normative commitment in BPI. The linear regression model is applied. The result from the regression analysis is shown in Table (4.8).

According to the results shown in Table (4.8), the R square and adjusted R square are 0.749 and 0.740 which means that the independent variable (job satisfaction) can explain 75 percent and 74 percent of the variation in dependent variable (normative commitment). Therefore, the power of the model to explain is considered as strong.

**Table (4.8) Effect of Job Satisfaction on Normative Commitment**

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	VIF
	B	Std. Error	Beta			
(Constant)	.241	.175		1.378	.171	
Job Satisfaction	.919***	.049	.865	18.747	.000	1.000
R Square	.749					
Adjusted R Square	.740					
F Test	351.469***					
Durbin-Watson	1.839					

Source: Survey Data (2019)

Note: \*\*\*Significant at 1% level, \*\*Significant at 5% level, \*Significant at 10% level

Job satisfaction has positive effect on the normative commitment. Job satisfaction has the expected positive sign. It means that one unit of job satisfaction can lead 0.919 to increase normative commitment. Thus indicate job satisfaction has the positive relationship and the greatest contribution to the effect on normative commitment when the variance explained by other variables is controlled for. The increase of the job satisfaction has the positive effects on normative commitment of the employees in BPI. The Durbin-Waston value is 1.839 which indicates that there is no-correlation in sample.

The results showed that job satisfaction factors have also effect on normative commitment. Because BPI provides opportunity and employees can discuss the supervisors friendly. Supervisors help problems and give some advices to the employees. Therefore, employees in BPI are committed to organization. The result of regression analysis, job satisfaction factors are influencing on organizational commitment. This factor needs to be strong to get commitment of the employees to an organization. So, organization give fairly authority their subordinates and to keep on going their job satisfaction level in their job.

Employees stay with their organization because loyal is important for them. BPI provides opportunities and supervisors help the problems of every employee in the organization. Employees in BPI are committed to organization. Job satisfaction factors need to be strengthened to enhance commitment of the employees to on organization. Organization needs to empower their subordinates and to sustain their job satisfaction level on their job. Employees in this organization believe the sense of moral obligation and loyal is important to them.

High level of job satisfaction in this organization relates to superior business performance, increased profitability, improved productivity. Employees' job satisfaction increases to provide positive working environment, good financial and non-financial plans, providing effective trainings for all levels. Good relationship between the supervisors and subordinates make a strong teamwork culture, open communication and develops trust between employees and organization. The management gives more job satisfaction factors and take care about the employees' satisfaction to get more commitment towards the organization.

## **CHAPTER 5**

### **CONCLUSION**

This chapter is composed with three parts. They are findings and discussions, recommendations and suggestions and needs for further research. The purpose of this study is to identify organizational climate in BPI and to analyze the effects of organizational climate, job satisfaction and organizational commitment in BPI.

#### **5.1 Findings and Discussions**

This study tried to identify the organizational climate factors, to analyze the effect of organizational climate on job satisfaction and the effect of job satisfaction in organizational commitment in BPI. Respondents are represented by majority of employees from BPI (Insein). These findings and discussions are not all employees' perception and it is only based on respondents' perception. Mean results provided the existence level of variables in the employees of BPI. The analysis results of this study express the existence of the effect of organizational climate on job satisfaction and the effect of job satisfaction on organizational commitment. To measure the level of employees on various variables in BPI, the structured questionnaires is applied with Likert-type scale.

From analysis of the organizational climate factors, most of the respondent's expresses high level of satisfaction concerned with teamwork and support because employees are influence on their department, interpersonal relationship in the workplace. And then, the second highest satisfaction level of respondents concerned with role clarity because employees feel important of the work they are doing and they love their work. The lowest satisfaction level of respondents concerned with innovation because some of the respondents have not believe in their creative to do work well and to perform their day to day work activities.

From analysis, the level of job satisfaction was high in BPI. Among several indicators for job satisfaction, employees highly satisfied on feeling of accomplishment I get from the job. It could be that government employees in BPI finished day to day operations to serve the public sector. Therefore, they have good sense to take care of public

sector. And also, organization have goodwill from the people and so employees also proud of their organization in the environment.

By analyzing organizational commitment in BPI, the affective commitment is the highest compare with the other two types of commitment of affective and normative. It could be that most of the respondents like that the organization shows a good relationship between employees and supervisors, well enough setting goals and employee work independence and good enough power in the organization, then the affective commitment will be better. Employees feel that the organization is the part of the family and they want to remain in BPI. Employees that feel a good organizational climate will feel comfortable and that will make them feel committed to the organization. The normative commitment neutrally effects on the organization. It indicated by the attitude of employees who maintain their membership, high loyalty and sacrifice for the organization. The third factor of continuance commitment is the least effected to organization. Most of the respondents are working here because of enjoying family business style, interesting in their pharmaceutical field and having a loyal to this organization.

According to the findings on the effect of organizational commitment on job satisfaction and organizational commitment using regression method, the result indicates that organizational factors (innovation, role clarity, teamwork and support and career development) are effecting on the job satisfaction positive way. This means that higher the level of organizational climate factors higher will be the level of job satisfaction. The organization that are able to form a good organizational climate will be able to improve employees job satisfaction. Organization has taken up the challenge of providing better quality medicine to the public to give reliable prices. The level of job satisfaction will be increased if the organization gives the organizational climate perceptions to the employees. According to the findings of the effect of job satisfaction on organizational commitment in BPI. The result indicates that job satisfaction is effecting on the affective, continuance and normative commitment in positive way. It means that the increment in job satisfaction effects on increasing organizational commitment. Therefore, job satisfaction factors need to be strong to enhance commitment of the employees to an organization.

## 5.2 Suggestions and Recommendations

Based on the findings, organization gets many benefits to understand what it can do to satisfy its employees more effectively, increase job satisfaction in the workplace and commitment to organization. Most of the employees are satisfied with the organizational climate factors provided by BPI. But it needs some more things to provide and develop to increase the employees' satisfaction level.

According to the finding and result, teamwork and support of organizational climate is key driver for job satisfaction of employees in BPI. Therefore, the supervisor should maintain the good relationship between the employees. It is important to support each other in a department so that the team is successful whenever it comes to reaching its goals. Employees support one another as they collaborate and communicate freely together. Moreover, the supervisor should make to encourage the employees. It allows group members to be able to use their strengths and abilities.

Employees are moderately satisfied on career development. It is the continual process of managing the learning, leisure and work to progress through the life. Therefore, the organization more give training on new skills, moving to higher job responsibilities. Employees are happy to work this organization and get a good result for this organization. And also, role clarity factor and innovation factor are lower than other factors. Therefore, the organization should emphasize the position of employees to concern with the organization. And give more encouragement to produce new medicines and to innovate creative ideas for other development.

The organization should improve the level of satisfaction to increase the employees to commitment towards the organization. It is observed that the highest level of employee's satisfaction is on the affective commitment in BPI. Therefore, organization should maintain high level of satisfaction concerned with affective commitment.

And the lowest level of employee's satisfaction is on the continuance commitment. Therefore, organization should try to pay more attention to colleagues, financial and non-financial rewards in their organization. The level of job satisfaction can increase more if BPI provides positive working environment, good pension plans, providing effective training and learning for all levels and should be more adequately to promote good job satisfaction.

The higher level of job satisfaction to increase the level of commitment to organization. High levels of organizational commitments has a greater chance of contributing to organizational success and also experience higher level of job satisfaction. High level of job satisfaction. The level of organizational commitment can increase more if BPI gives fair promotion, suitable salaries and compensation plan and develops trust between employees and organization.

The more commitment of employees can reduce employee turnover and increases the organization's ability to recruit and retain talent. Therefore, BPI should emphasize the employees' satisfaction level in order to improve employee commitment towards the organization. And also, organization should provide career opportunities, clear instructions, free atmosphere between co-workers and create challenging work environment for employees.

In conclusion, all organizational climate factors have effect on the level of job satisfaction in BPI. The higher job satisfaction of employees in the organization, it increases more organizational commitment (affective, continuance and normative) to the organization. Hence, the management should provide more empowerment factors and care the employees' satisfaction to get more commitment towards the organization.

### **5.3 Needs for Further Research**

This study only focuses on organizational climate, job satisfaction and organizational commitment in BPI. The analysis was the effect of organizational climate on job satisfaction, and the effect of job satisfaction on organizational commitment in BPI especially who are working in Insein Township. Only 120 respondents are collected and emphasized in Insein Industry. It does not cover the whole employees of organizational climate, job satisfaction and organizational commitment in BPI. The results may be varied by having more respondents. Further research is needed to collect data from more employees. And this study is based on only government sector of pharmaceutical industry. Hence, further research can also be extended to private sector in pharmaceutical industry.

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## APPENDIX A

### SURVEY QUESTIONNAIRE

#### Effect of Organizational Climate on Organizational Commitment in BPI

Dear Respondents,

I am studying MBA from Yangon University of Economics. My thesis title is “The Effect of Organizational Climate on Organizational Commitment in BPI”. Please tick your opinion as the following questions. All surveys are confidential. Only the researcher sees and processes the questionnaire.

#### **Demographic behavior**

##### 1. Gender

- Male
- Female

##### 2. Age

- Less than 30
- 31- 40
- 41-50
- Above 50

##### 3. Educational level

- Pass matriculation
- Under graduate
- Graduated
- Master level

**4. Monthly Income Level**

- o Less than 200,000
- o 200,001 to 300,000
- o 300,001 to 400,000
- o Above 400,000

**5. Work Experiences**

- o Less than 5 years
- o 5 to 10 years
- o Above 10 years

**Instructions;** Using the five – point scale provided, please indicate your level of agreement or disagreement with each followings.

**The scale is from 1 to 5:**

**1 = Strongly disagree, 2 = Disagree ,3 = neutral, 4 = Agree, 5 = Strongly agree**

**Organizational Climate**

**A. Role clarity**

No	Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	The work in the company makes the best use of people’s experience					
2	I know what my responsibilities are.					
3	I have clear goals and objectives for my job.					

**B. Innovation**

No	Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	The company responds to new commercial and technical innovations.					
2	The company plans adequately for the future.					
3	My department is encouraged to be innovative in my work.					

**C. Teamwork and Support**

No	Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	My department collaborates well with other departments.					
2	I don't feel that the pressure of work is excessive					
3	People here generally support each other well					

**D. Career Development**

No	Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	I can develop my career within the industry					
2	My work is regularly reviewed with me development in mind					
3	There is the opportunity to work for this industry					

**Job Satisfaction**

No	Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	The working conditions is convenience					
2	The way my job provides for steady employment.					
3	The way my boss handles his/her workers					
4	The competence of my supervisor in making decisions					
5	Being able to do things that don't go against sense of right and wrong					
6	The feeling of accomplishment from the job.					
7	The chance to do things for other people.					
8	The chance to do something that makes use of my abilities.					
9	The chance to try my own methods of doing the job					
10	The chance for advancement on this job.					
11	The freedom to use my own judgment					
12	I feel I am being paid a fair pay and amount of work do.					
13	I am being able to keep busy all the time.					
14	The praise I get for doing a good job					
15	The chance to do different things from time to time					

**Organizational Commitment**

**A. Affective Commitment**

No	Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	I would be very happy to spend the rest of my career with this industry.					
2	This organization has a great deal of personal meaning for me.					
3	I really feel as if this organization's problems are my own.					
4	I enjoy discussing my organization with people outside it.					
5	I feel a strong sense of belonging to my organization					

**B. Continuance Commitment**

No	Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	I am afraid what might happen if I quit my job without having another one job.					
2	It would be too costly for me to leave my organization now					
3	I feel it is difficult to consider leaving this organization					
4	Staying with my organization is necessity as much as desire.					
5	Leaving this organization would be the scarcity of available alternatives, benefits I have here.					

### C. Normative Commitment

No	Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	I believe that a person must always be loyal to his or her organization					
2	I think that people move from company to company too often.					
3	If I got a better job elsewhere, I would not feel it was right to leave my organization					
4	Moving from organization to organization seem at all unethical to me					
5	I believe that in the value of remaining loyal to one organization.					

**Thank you for your time and cooperation in completing**

**APPENDIX B**  
**STATISTICAL OUTPUT**

**Regression Analysis of Organizational Climate on Job Satisfaction**

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.865 <sup>a</sup>	.749	.740	.24612	1.554

a. Predictors: (Constant), cdmean, rcmean, imean, tsmean

b. Dependent Variable: jmean

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	20.763	4	5.191	85.692	.000 <sup>b</sup>
	Residual	6.966	115	.061		
	Total	27.729	119			

a. Dependent Variable: jmean

b. Predictors: (Constant), cdmean, rcmean, imean, tsmean

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	.686	.128		5.377	.000		
affmean	.794	.036	.899	22.246	.000	1.000	1.000

a. Dependent Variable: jmean

**Regression Analysis of Job Satisfaction on Continuance Commitment**

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.862 <sup>a</sup>	.745	.742	.24540	1.997

a. Predictors: (Constant), conmean

b. Dependent Variable: jmean

**ANOVA<sup>a</sup>**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	20.623	1	20.623	342.463	.000 <sup>b</sup>
Residual	5.339	118	.045		
Total	27.729	119			

a. Dependent Variable: jmean

b. Predictors: (Constant), conmean

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	.162	.181		.891	.375		
conmean	.938	.051	.862	18.506	.000	1.000	1.000

a. Dependent Variable: jmean

**Regression Analysis of Job Satisfaction on Normative Commitment**

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.865 <sup>a</sup>	.749	.740	.24303	1.839

a. Predictors: (Constant), normean

b. Dependent Variable: jmean

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	20.760	1	20.760	351.469	.000 <sup>b</sup>
	Residual	6.970	118	.059		
	Total	27.729	119			

a. Dependent Variable: jmean

b. Predictors: (Constant), normean

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	.241	.175		1.378	.171		
normean	.919	.049	.865	18.747	.000	1.000	1.000

a. Dependent Variable: jmean

