

**YANGON UNIVERSITY OF ECONOMICS**  
**DEPARTMENT OF MANAGEMENT STUDIES**  
**MBA PROGRAMME**

**EFFECT OF EMPLOYEE EMPOWERMENT AND  
ORGANIZATIONAL CLIMATE ON ORGANIZATIONAL  
COMMITMENT OF EMPLOYEES AT AYA BANK**

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**ACADEMIC YEAR (2016-2022)**

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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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## **ABSTRACT**

This study examines the relationship between employee empowerment, organization climate, and staff job satisfaction. It also analyzes the influence of job satisfaction on the organizational commitment of AYA Bank. For meeting the objectives, the descriptive method is applied. This study uses both primary data and secondary data from AYA Bank. Primary data is collected through questionnaires and samples were drawn executive employees from subordinate employees at all levels of AYA Bank. The finding indicates that there are strongly positive and significant relationships between employee empowerment, organizational climate and job satisfaction, job satisfaction and organizational commitment. This study establishes that the managements of AYA banks enable their organizational culture to attract and maintain qualified candidates and employees are happy and satisfied with their working environment which can lead to the organizational commitment of AYA Bank. This study showed that AYA Bank can get organizational commitment through the job satisfaction of individual employees by establishing and promoting organizational climate and employee empowerment.

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## **LIST OF ABBREVIATIONS**

AYA Bank	Ayeyarwady Bank
HR	Human Resource
CSR	Corporate Social Responsibility
IT	Information Technology
E-banking	Electronic Banking
OES	Organizational Empowerment Scale
DSF	Dynamic Structural Framework
CWD	Control of Workplace Decisions
FIS	Fluidity in Information Sharing

## **CHAPTER (1)**

### **INTRODUCTION**

Nowadays, organizations are focusing on gaining a competitive advantage in the marketplace after the paradigm of globalization era has fetched hasty deviations and modifications, for both technological and environmental industries. Advanced machines and equipment, new technologies, effective marketing strategies, unique customer services, and other components represent the factors that build up for this advantage. Thus, organizations are always advancing their systems, processes, and technologies to cope with the challenging existing environment. In addition, the dynamic contemporary environment is urging its organizations to synchronize their management techniques with these increasing problems.

AYA bank is a financial institution licensed to receive deposits and make loans. Two of the most common types of banks are commercial/retail and investment banks. Depending on type, a bank may also provide various financial services ranging from providing safe deposit boxes and currency exchange to retirement and wealth management. All nation's central bank is responsible for currency stability. They control inflation, dictate monetary policies, and oversee money demand and supply in the market. Commercial or retail banks offer various services including, however not limited to, managing money deposits and withdrawals, providing basic checking and saving accounts, certificates of deposit, issuing debit and credit cards to qualified customers, supplying short-and long-term loans such as car loans, home mortgages or equity line of credits. Investment banks gear their services toward corporate clients. They provide services such as merger and acquisition activity and underwriting among other investment services.

In service organizations including banks, employee empowerment and organizational climate can support to job satisfaction. Employee empowerment is enabling employees to make decisions (Bowen and Lawler, 1992) stated that management allows for more autonomy to employees as employee empowerment. Evans & Dean (2000) defined employee empowerment as "Giving employees the authority to satisfy customers through any means necessary without waiting for management approval.

Hence, a new management technique enrolled to face the arising challenges is employee empowerment or participative management that involves the individuals responsible for the work. Empowerment role is to improve the performance of the employees in the organization by making them more competent in their workplace. Empowering the human resources maximizes the resource itself and generates organizational commitment among them which is perceived as a way of differentiating one organization from another. Moreover, empowered workers feel more confident and self-reliant to influence their work environment by being more proactive and innovative. Allowing individuals to have both independence and feedback within their company makes the empowerment process successful.

However, employee empowerment doesn't mean that managers isolate themselves from their responsibilities but rather their responsibility comes to create and foster an environment in which the employee's input is anticipated and cultivated. However, high levels of confidence might be taken too far ending up in crossing the line towards arrogance which makes it difficult to deal with such employees and take directions well. Operating in this kind of work environment takes its toll on employees and they once again become dissatisfied resulting in the decrease in their productivity levels.

Organizational climate: an aggregate of an employee's perceptions of the policies, practices, and actions that are noticed, supported, and rewarded in a work environment (Schneider, 1985). Job satisfaction is the feeling of well-being that results from believing that one's work contributes to or facilitates the realization of one's values (Locke, 1969). If employees have job satisfaction, they will have commitment to their organization.

Organizational commitment is an employee's participation in, sense of belonging to, and emotional attachment with an organization (Allen & Meyer, 1996). This concept is comprised of three component parts: affective commitment, continuance commitment, and normative commitment (Meyer & Allen, 1997). However, a single factor aggregate approach for organizational commitment is also suggested by Silva (2006).

In private banks in Myanmar, the employee empowerment and the bank's organizational climate can support to the job satisfaction, and it will lead to organizational commitment. This study will focus on employee empowerment, organizational climate, job satisfaction, and organizational commitment of employees at AYA bank. AYA bank, which was established in July 2010, the country's second largest bank with more than

(3.2) million customers and (265) branches(2022) and has more than 100 branches in Yangon. AYA bank is servicing various services such as deposit, loan, remittances, cash management, card payment (debit card, credit card, prepaid card), E-banking, trade service, AYA royal banking, foreign exchange, safe deposit locker. There are about 15 employees at a branch of AYA bank. Since with few employees, bank transactions are running, it is important for AYA bank to emphasize on commitment of its employees.

## **1.1 Rationale of the Study**

For a company to survive and achieve its concerned goals and missions in today's competitive world, one of the most important tools is the human element. It is the most crucial asset of an enterprise whose success or failure depends on the individuals' qualifications and performance. Technologies, processes, and products are easily copied; however, individuals will stay the most strategic resource for the company. They stay the repository of knowledge which competitors can't imitate.

For any country, banks are one of the most important sector in money and its necessary is very important. To attain development for a country, need to develop in financial system. Moreover, the employees roles in the bank need to control to run the banking systems. The employees' empowerment and roles can directly affect to the bank. In Myanmar, employee turnover should be paid more attention in businesses organizations, especially in service organizations.

Employee empowerment is the most promising concept related with human resources condition nowadays that demanded qualified and competent people. By having empowerment strategy, employees in middle level management are given extra responsibility and authority on their own job without pressure from top level management in order to increase their commitment towards organization.

In Myanmar banking sector, due to heavy workload of bankers and due to increasing new banks openings, employee commitment has been lowering. However, in some banks, employees are highly committed to their banks due to their satisfaction at these banks. Employee may be satisfied with their leaders' empowerment and their banks' organizational climate. This paper will analyze the effect of employee empowerment and organizational climate on job satisfaction, and the effect of job satisfaction on organizational commitment as employees at AYA bank.

## **1.2 Objectives of the Study**

There are two specific objectives of the study. There are as follows:

1. To analyze the effect of employee empowerment and organizational climate on job satisfaction at AYA bank branches in Bahan Township, Yangon.
2. To analyze the effect of job satisfaction on organizational commitment of employees at AYA bank branches in Bahan Township, Yangon.

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

This study focuses on employee survey of AYA Bank. There are more than 100 branches of AYA Bank in Yangon. These branches are fragmented in the townships of Yangon and there are 31 townships in municipal area of Yangon. This study scoped with only AYA bank branches of one township of Yangon and randomly selected, Bahan Township, there are five AYA bank branches in Bahan Township and there are 75 employees working at these five branches. The 35 employees randomly selected as sample by using simple random sampling method in this study. Personal interview method applied by using structured questionnaire to collect primary data from them. Secondary data collected from previous papers, AYA bank's records and website. Multiple linear regression method applied for data analysis.

## **1.4 Organization of the Study**

This study is organized with five chapters. Firstly, Chapter one include introduction, rationale of the study and Objective of the study, scope, Limitation and Method of the study and organization of the paper. Chapter 2 presents theoretical background of the study and its framework and previous study and its framework. Chapter 3 represents the profile of AYA Bank. Chapter 4 describes the analysis of employee empowerment and organizational climate in AYA Bank. Finally, Chapter 5 deals with conclusion that contains findings, suggestions and needs for further research.

## **CHAPTER (2)**

### **LITERATURE REVIEW**

This chapter be set to describe theoretical background of organizational commitment of employees. Therefore, in this chapter, employee empowerment, organizational climate, job satisfaction, organizational commitment, analysis based on previous studies and the conceptual framework of the study are presented.

#### **2.1 Employee Empowerment**

Employee empowerment throughout the literature has differing conceptualizations; two conceptualizations noted in the literature include the relinquish of power from the managerial staff (Malone, 1997) and employee freedom (Menon,1995). Employee empowerment is a less well-known formulation of the two aforementioned ideas (Honold, 1997). The relinquish of power from the managerial staff was described by Malone (1997) as taking place in an organization that has several employees and therefore managers are less able to supervise and are forced to relinquish power and leave decisions up to subordinates. In this view of employee empowerment, managers are considered as coaches and employees are seen as empowered by tasks that managers give to them (Honold, 1997). (Keller & Dansereau, 1995).

Employee freedom is the second way that employee empowerment is conceptualized. Increased perceived self-control and consequent empowerment have been linked to freedom in decision-making and other areas of the job (Menon, 1995). Finally, according to Honold (1997), employee empowerment requires both employee participation in the freedoms afforded and the transfer of power by the managerial staff. This is the third paradigm of employee empowerment.

The conceptualization of employee empowerment helps to define the paradigm. Employee empowerment has numerous definitions, each stemming from the conceptualization of the paradigm. Employee empowerment is described as "individual and personal; it engages the employee at the level of emotion; it is about discretion, autonomy, power and control; and it is about responsibility, commitment, and enterprise"

for the purposes of this study by Lashley and McGoldrick (1994), who summarized the literature on empowerment.

Various researchers and theorists defined employee empowerment with different aspects. Employee empowerment means enabling employees to make decisions (Bowen and Lawler, 1992). The reason for this is because management gives front-line workers more autonomy. 1991 (Brymer). Giving staff members the freedom to take any action necessary to satisfy consumers without first seeking management consent is another way to characterize it. (2000) Evans & Dean Enhancing employee involvement requires employee empowerment.

(Davis & Goetsch, 2001). One conventional thought found in the literature is the use of employee empowerment as a management strategy. Nixon (1994) outlined a five-point empowerment method that included the following elements: develop a vision, act where it would have the biggest impact, build good relationships with coworkers, produce a large network, and use both internal and external support networks. Long (1996) claimed that the three goals for establishing empowerment as a management strategy are a yearly strategy diagram, performance reviews, and training/professional development.

Empowerment is a concept that is supported for service organizations since it is seen to be effective (Sternberg, 1992). While employee empowerment is utilized as a management technique in many businesses, it is also employed in the hospitality industry to improve service quality and gain a competitive edge (Hirst, 1992; Hubrecht & Teare, 1993). Hospitality businesses must differentiate on the basis of service, and by giving front-line staff more autonomy, they can provide customers better, quicker service.

Employee empowerment is regarded as a practical idea for the service industry as a result. Employees get emotionally invested in the work environment when empowered to take ownership of the customer experience (Barbee & Bott, 1991). (Conger & Kanungo, 1988). Due to this established connection, it is necessary and crucial that human resource management develop plans to use the empowerment concept (Lashley, 1999). The creation of the Organizational Empowerment Scale (OES) is a significant piece of study on employee empowerment (Matthews, Diaz, & Cole, 2003).

The OES divides organizational empowerment into three categories: fluidity in information exchange, control of workplace decisions, and dynamic structural framework (DSF) (FIS). A dynamic structural framework is a flexible collection of rules that a



company gives an employee to help them make decisions procedurally and behaviorally in a dynamic work environment (Conger & Kanungo, 1988; Quinn & Spreitzer, 1997). The ability of an employee to influence all aspects of their professional life is referred to as control over workplace decisions (Conger & Kanungo, 1988; Wilkinson, 1998). Last but not least, information sharing fluidity refers to all firm information being available to all personnel (Conger & Kanungo, 1988; Siegall & Gardner, 2000).

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## **2.2 Organizational Climate**

Although the organizational culture literature is vast and well developed, it exists at the organizational level, not as an aggregate at the individual level as does organizational climate. For this reason organizational climate was investigated in this study. Organizational climate and organizational culture are two related but different concepts, and they should not be used interchangeably.

In order to fully understand organizational climate, one must also understand how it differs from organizational culture. With Tylor's (1887) work, social anthropology gave rise to the term "culture" (Kotter & Heskett, 1992). Organizational culture is described by Kotter and Heskett (1992) as a continuum that ranges from a deep and unseen point to a surface and obvious one.

The culture of a business can influence its leadership, strategy, and customer interactions as well as how information is gathered, shared, and used (Alvesson, 2002). Culture, according to Alvesson (2002), is a "frame of reference of beliefs, expressive symbols, and values, through which people define their surroundings, express their emotions, and form opinions." Cooke and Szumal (1993) offered a different definition of

culture as the enduring beliefs and shared behavioral norms within a work/organizational unit.

Organizational climate is the sum of an employee's impressions of the rules, customs, and behaviors that are observed, encouraged, and rewarded in a work place. Organizational culture is a product of the social system, work unit, or even department (Schneider, 1990). Organizational climate and organizational culture are two separate and distinctive concepts, according to previous study (Glission & James, 2002).

Through previous research into organizational climate, academicians have realized relationships between organizational climate and job satisfaction, customers' perceptions of employee service quality, company productivity performance, psychological well-being and withdrawal behaviors (Carr, Schmidt, Ford & De Shon, 2003). When conducting research on organizational climate, it is crucial to pinpoint specific aspects of the work environment to examine despite the abundance of literature on this topic and its association with various organizational and individual outcomes (Tracey & Tews, 2004).

In accordance with Tracey and Tews' (2004) defines, one specific element of the work setting will be the focus of this organizational climate research, specifically service climate. Due to its significance to the success of hospitality businesses, this focus was chosen (Tracey & Tews, 2004). In environments where management supports service, service will be linked to favorable customer interactions, improving organizational performance through return behaviors and positive word of mouth (Juttner & Wehrh, 1994; Storbacka, Strandvik, & Gronroos, 1994). "Employee impressions of the practices, procedures, and behaviors that get rewarded, encouraged, and expected with regard to customer service and customer service quality" is how Schneider, White, and Paul (1998) described service atmosphere.

Schneider's research (Schneider, Parkington, and Buxton, 1980; Schneider & Bowen, 1985) revealed a significant correlation between employees' assessments of the work environment and the consequent customer views of the quality of the services provided. It is possible that the level of service atmosphere within the business could serve as an aspect of job satisfaction because job satisfaction has been studied in the literature as a result of work-related factors (Cranny, Smith, & Stone, 1992).

## **2.3 Job Satisfaction**

As noted by Rayton (2006), "Job satisfaction is one of the most heavily researched employee attitudes over the last 50 years". Porter and Lawler (1968) defined job satisfaction as having three elements: the nature of the tasks, the environment and relationships, and finally the overall sentiment related to the job. With this description, it is clear that three types of job satisfaction exist: global (overall) satisfaction, intrinsic work satisfaction, and extrinsic work satisfaction. Only global (overall) satisfaction will be evaluated for the sake of this study. This was chosen because it provides a better overall view of a worker's degree of job satisfaction by summing intrinsic and extrinsic job satisfaction.

Job satisfaction has been studied using a variety of approaches in the extensive body of work on the topic, acting as a predictor, outcome, moderator, and/or mediator variable. Job satisfaction has been associated with organizational commitment (Knoop, 1995; Lam & Zhang, 2003; Rayton, 2006; Silva, 2006; Vandenberg & Lance, 1992), events that make people feel good (Brief, Butcher, & Roberson, 1995), life satisfaction (Schmitt & Pulakos, 1985), training (Owens, 2006), empowerment (Carless, 2004), customer satisfaction (Heskett, Sasser, & Schlesinger, 1997), and (Ghiselli, La Lopa, & Bai, 2001).

With relationships to such crucial variables, it is easy to understand why job satisfaction has been researched as frequently as it has. Due to the simultaneous nature of service production and consumption, the relationship between employee job satisfaction and client happiness is significant in the hotel industry (Kandampully, 2002). Customers are effectively "in the factory," so the employee-customer interaction must be accurate and constant. The relationship between employee work satisfaction and customer satisfaction was characterized by Heskett, Sasser, and Schlesinger (1997) in such a way that employee attitudinal variables (such as job happiness, dedication, and loyalty) influence the customer service experience.

The consumer also forms opinions about the assistance and goods they have gotten. The customer's assessments ultimately determine whether they are satisfied or dissatisfied with the service and/or product. Customers are more satisfied as a result of

happy personnel providing better service. (Parasuraman, Berry, & Zeithaml, 1991; Berry, 1995; Heskett, Sasser, & Schlesinger, 1997) To research customer satisfaction, the European Customer Satisfaction Index (ECSI) was created (ECSI Technical Committee, 1998).

Employee work satisfaction is one component of this paradigm that is absent. According to Vilares and Coelho (2003), this is a significant link, and the model should be revised to take this crucial link in customer satisfaction into account. The authors suggested a redesigned version of the ECSI and discovered that the prior model could not adequately describe consumer happiness without taking into account staff job satisfaction (Vilares & Coelho, 2003). Although there is a significant connection between job happiness and customer satisfaction, there is also a significant and widely acknowledged connection between job satisfaction and organizational commitment.

## **2.4 Organizational Commitment**

Organizational commitment has been conceptualized as an employee's participation in, sense of belonging to, and emotional attachment with an organization (Allen & Meyer, 1996). Four aspects make up organizational commitment: dedication to the organization, dedication to senior management, dedication to immediate supervisors, and dedication to work groups (Becker, 1992). Although a one-factor model of organizational commitment has also been utilized in the literature, this suggests a multi-factor model of organizational commitment (i.e. Silva, 2006).

According to Silva's (2006) confirmatory factor analysis, a one factor model of organizational commitment was adequate for measuring purposes because all items loaded on one factor. Organizational commitment and its adverse correlation with turnover and turnover intention are one such well-documented link (Allen & Meyer, 1996; Lum, Kervin, Clark, Reid, & Sirola, 1998; Somers, 1995). Employees with high commitment levels may not intend to leave the company because they have a strong belief in the organization and its objective, which could be one explanation for this link (Dunham, Grube, & Castaneda, 1994).

Employees with high commitment may be better equipped to handle changes and potential equivocation and be more inclined to stay, which is a second reason for this widely reported association between organizational commitment and turnover (Judge,

Thoresen, Pucik, & Welbourne, 1999). Job satisfaction and organizational commitment have a second, well-established link (Gaertner, 1999; Lincoln & Kalleberg, 1990; Mowday et al., 1982; Wallace 1995). Mowday et al. (1982) described this relationship in that job satisfaction is an antecedent of organizational commitment. An employee must be satisfied with his/her job initially for commitment to develop (Mowday, et al., 1982).

Lam and Zhang (2003) stated that job satisfaction is a predictor of commitment. The authors studied this relationship in the fast food setting in Hong Kong. Their findings corroborated other studies' findings that there is a high correlation between the two variables of organizational commitment and job satisfaction. This interaction is seen in a variety of contexts, including hospitality (Silva, 2006). Rayton (2006) was able to determine the interdependence or link between work satisfaction and organizational commitment using a bivariate probit model. With the help of this model, the researcher was able to treat the variables as being interconnected and related to one another. The covariance estimate is what one looks at when utilizing the bivariate probit model to comprehend how closely related the variables are. Rayton (2006) found that "workers who are 'more devoted' than the model predicts are (on average) also 'more content' with their occupations than the model predicts" with a significant covariance estimate of 0.45.

The relationship between personality, specifically core self-evaluation, and job happiness has been examined through a review of the literature, among other notable and different associations. Job satisfaction and organizational commitment have another strong connection in the literature. When considering these connections, the issue of organizational variables comes up. What managerial and organizational elements have an impact on these relationships?

Although the dispositional method has demonstrated that there is general agreement that dispositions can predict actions, many people, like Brody (1988), have stressed that the environment's effect should not be disregarded. Understanding the fundamental relationship between self-evaluation and job happiness depends on the environment in which one interacts. In fact, this relationship may be mediated by environmental factors, such as corporate atmosphere and employee empowerment, as one step in the process.

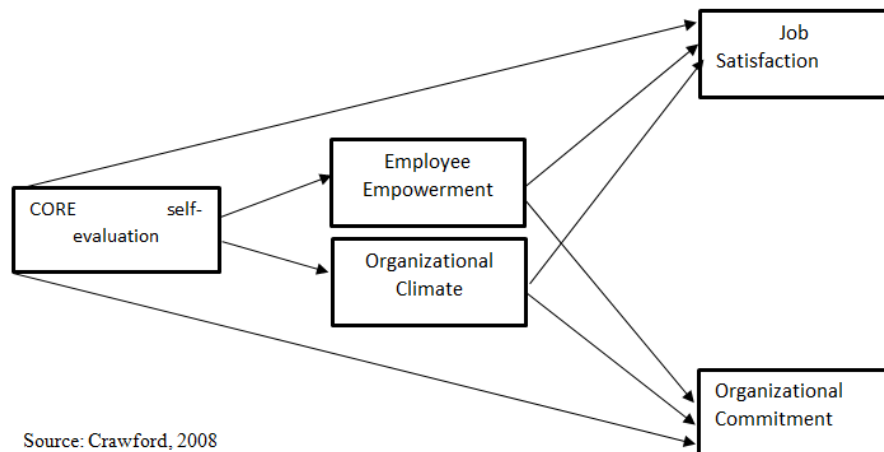
## 2.5 Previous Study

This part of the study is based on previous empirical studies that have been done before in relation to employee empowerment, organizational climate, job satisfaction and organizational commitment.

### i. Previous study of Crawford

The model of previous research reflects the threefold. Initially a replication of the core self-evaluation, job satisfaction relationship and extension of this line of study to the food and beverage industry was sought. Secondly, the inclusion of organizational commitment as an employee outcome of core self-evaluation was sought. The investigation of empowerment and organizational climate as potential mediators of the above mentioned relationships was sought as a final purpose of the study.

Figure 2.1 Conceptual Framework of Crawford

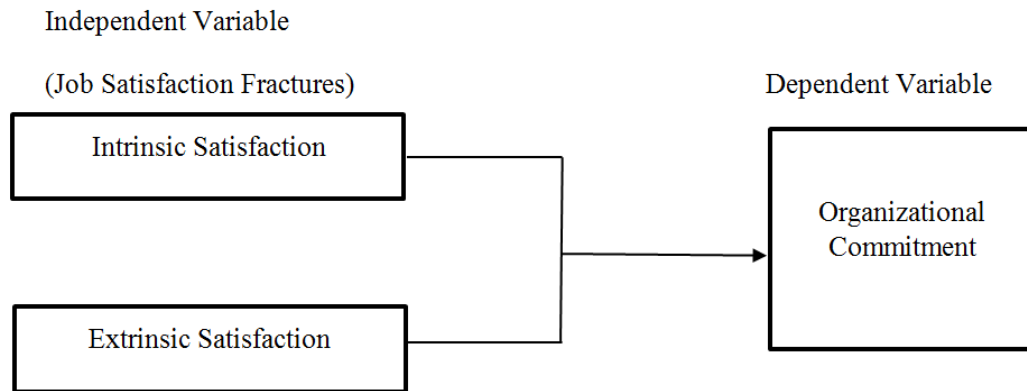


### ii. The Previous Study of Izman Ismail

The results of this study demonstrate that, in the analyzed organizations, organizational commitment and job satisfaction are strongly correlated. Administrators concentrate on issues relating to employee job satisfaction within the context of this

research. The majority of respondents think that organizational commitment, extrinsic satisfaction, and intrinsic contentment are all at high levels. According to this scenario, administrators' capacity to deliver adequate extrinsic and intrinsic pleasure may increase staff members' commitment to the organization's objectives and initiatives.

**Figure 2.2 Conceptual Framework of Ismail**



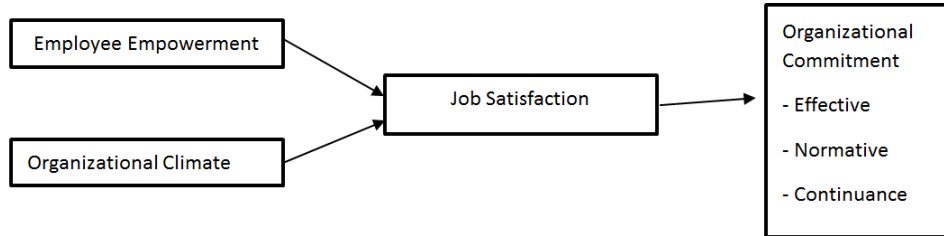
Source: Ismail (2016)

## 2.6 Conceptual Framework of the Study

The conceptual framework of the study is constructed by referring to the analyses and observations of previous authors mentioned. The conceptual framework of this study shows effect of employee empowerment and organizational climate on job satisfaction on job satisfaction, and the effect of job satisfaction the organizational commitment such as effective, normative, and continuance.

The first components of the proposed model suggest employee empowerment and organizational climate, and how these influence on job satisfaction. The second component of the model is job satisfaction and it also describes the effect of job satisfaction on the organizational performance of AYA bank. Having strong organizational climate and employee empowerment will lead to effective job satisfaction and having both variable improve the organizational performance of the organization.

**Figure 2.3 Conceptual Framework of the Study**



Source: Own Compilation, 2022s

This study focused on the relationship between job satisfaction and organizational commitment of AYA bank. It also analyze the effect of employee empowerment and organizational climate on job satisfaction at AYA bank branches in Bahan Township, Yangon.

The conceptual frame was developed after reviewing related literature on the study variable. The model is shown in the figure above examines the relationship between job satisfaction and organizational commitment. This conceptual framework is an own compilation based on the empowerment and organizational climate and an investigation of mediation effect on the core-self-evaluation, job satisfaction, and organization commitment relationship.



## **CHAPTER (3)**

### **PROFILE AND ORGANIZATIONAL CLIMATE OF AYA BANK**

This chapter presents the profile of AYA bank, and its organizational climate. AYA bank profile covers the mission and vision, core values, objectives, its services and its organizational structure. The organizational climate consists of top management support for job clarification, communication among employees, and the organizations support to employee development. Furthermore, this chapter also demonstrate the profile of respondents and reliability test according to result from the survey data.

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

AYA Bank received a development bank license from the Central Bank of Myanmar on July 2, 2010, and it was renewed as a full service universal bank under the Financial Institutions Law of 2016. In terms of its portfolio, AYA Bank's paid-up capital was MMK (140) billion, its assets were MMK (7) trillion, and its equity was MMK (309 billion). AYA Bank, the second-largest bank in the nation, has more than 3.2 million clients and 265 locations (2022). One of the main factors in our success has been our sizable and devoted customer base, which has allowed us to expand quickly over the years.

AYA Bank is committed to implementing international standards for corporate governance and compliance best practices in its management and operations as a member of the United Nations Global Compact (UNGC). As a result, AYA Bank has been IFRS compliant since 2014–15 and is audited in accordance with ISA by a big–four international firm. In order to ensure long-term sustainable growth for the communities it serves, the bank has also hired and retained outstanding people with both domestic and international exposure. It has also made considerable investments in learning and development.

With a 34 percent market share in the new automobile financing sector, we are the top provider of auto loans in Myanmar. AYA Bank has converted 52% of its active customers to digital banking as part of the movement toward cashless transactions and

payments. As part of our attempts to promote growth and improve lives, our main business strategy is to offer complete banking and related financial products. Driven by digitalization, human resource development, and innovative goods and services across all client segments, management continually generates tremendous value for strategic investment partners. The bank's continued priorities are strengthening customer relationships, offering world-class customer service, and using technology as a catalyst for quick customer base growth. As a way to maintain balance and long-term growth, the bank also wants to further strengthen its governance, risk, and compliance framework.

**i. Mission, and Core Values and Brand Promise of AYA Bank**

The 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.

**The core values of AYA Bank**

1. We pursue our objectives with EXCELLENCE
2. We progress as a TEAM
3. We think and act in all HONESTY
4. We maintain INTEGRITY in all our dealings
5. We CARE for our customers, our colleagues and the people we interact with and in all our actions,
6. We always act with SINCERITY

**The brand promise of AYA Bank is**

1. Bank of choice for anyone who is looking for fast, reliable, honest banking relationships at reasonable cost.
2. AYA Bank is in compliance with both national and international standards in its governance and operations, and it provides the complete spectrum of retail and commercial banking products and services. AYA bank is your dependable partner in Myanmar for your long-term financial requirements.

**ii. Objectives of AYA Bank**

Objectives can be divided by the following kinds of: for customers, for the community and for the shareholders.

### **For Customers**

To achieve high level of customer satisfaction by:

- (a) Providing honest, efficient and courteous service.
- (b) Offering a full range of products and services.
- (c) Providing easy accessibility in terms of reach and delivery channels.
- (d) Employing technology as the enabler for all customer service endeavors.

### **For the community**

To be a good corporate citizen and build long term sustainable and active engagement with the community we serves

### **For Staff**

To ensure a highly competent and dedicated work- force by implementing transparent policies, and fostering staff well-being and goodwill.

### **For Shareholders**

To build sustained shareholder value through rapid growth international standards of governance, risk and compliance.

### **iii. Services of AYA Bank**

The bank has two part of service international banking and domestic banking. Services of AYA banks can be divided as follow;

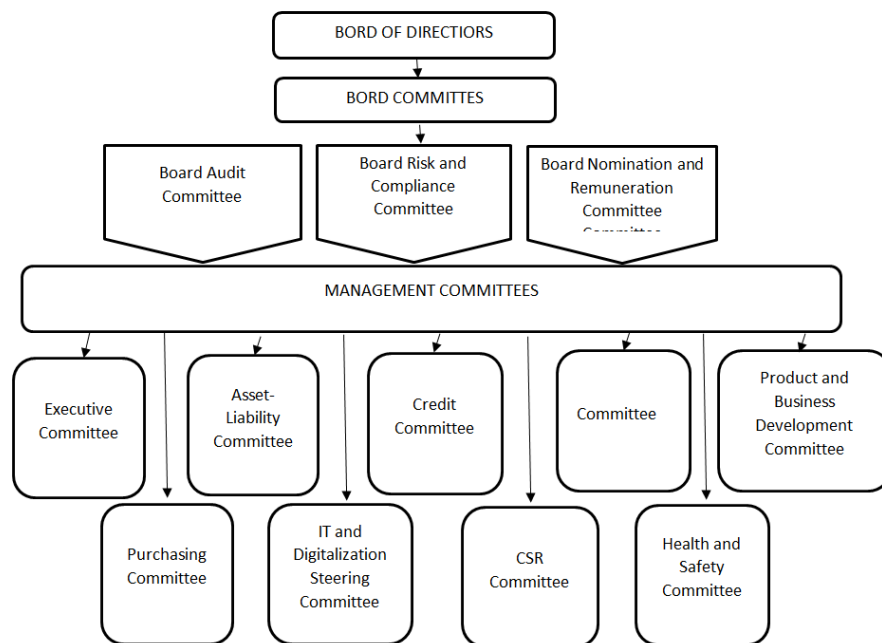
- Borrowing or raising of money
- Received securities or valuables for safe custody
- Lending or advancing of Money either secured or unsecured
- International Trade
- E banking
- Debit card/Credit card
- International remittance and payment
- Cash Management

- AYA loyal banking

### 3.2 Organizational Structure of AYA Bank

AYA bank, there are head office based in Yangon, and 265 branch(2022) office stretched out all across the major towns in the country and over 100 branch is located in Yangon, there has 31 townships. AYA Bank is the country’s second largest bank with more than (3.2) million customers.

Figure (3.1): Organizational structure of AYA bank



Source: [https://www.ayabank.com\(2022\)](https://www.ayabank.com(2022))

The proper operation of the Bank and the Economy as a whole depends on effective corporate governance. Good corporate governance is essential to prevent mismanagement and to help businesses operate more profitably, access money more easily, reduce risk, and protect stakeholders. Their Board Members and Executive Team lead the Bank to drive responsible growth and deliver maximum profit for their customers, stakeholders, and shareholders. As Chair of the Board, his primary goal is to protect and enhance AYA’s Vision and Mission. They have also clearly defined Governance Framework that ensures transparency, fairness, and accountability, high ethical conduct in all aspects of their operations.

### **3.3 Organizational Climate of AYA Bank**

In this study, to explore the organizational climate of AYA bank, the three top executives from AYA Bank Branch (13), which is located in Bahan Township, Yangon, are interviewed in depth. In these interviews, the three parts are focused: top management support for job clarification, communication among employees, and organization's support for employee development.

#### **(a) Top Management Support for Job Clarification**

In a bank branch, there are normally about 15/16 employees. The positions and In-Charge, Second In-Charge, Supervisors, Assistant Supervisors, Senior Banking Assistants, Junior Banking Assistants, and Drivers and Securities. For each position, AYA bank has clear job descriptions, which are regularly updated: normally once a year. Whenever the services are upgrades or new services are launched, if it is necessary, the job descriptions are renewed.

In-Charge is mainly responsible for loan and deposit transactions, and sharing information timely to staff. Second In-Charge is mainly responsible for monitoring and directing the cash department's transactions and supervising the daily operations of the bank branch. Supervisors are mainly responsible for supervising the respective department's daily transactions (e.g., supervisor of customer service department will act as the in-charge of this department). Assistant supervisors are at the role to assist to the supervisors. Senior banking assistants are mainly responsible for entering data of daily transactions into the system. Junior banking assistants are taking the role to assist to the senior banking assistants. Drivers are responsible for driving the ferries and driving the cars when the bank staff go for loan check for administration purpose, and for marketing. Securities are responsible for guard the banks building, facilities and also for the security of customers and their properties.

#### **(b) Communication among Employees**

For formal communication, branch meetings are regularly held once a month. If any important issues or messages to be reported, any staff can send the report through the formal chain of command. The viber groups are also developed by department, to share information or to disseminate some announcements among department staff. Each and every staff, except drivers and securities, has office emails provided by the bank.

For team spirit and warm relationships among staff, the launch time for all staff is set from 11:30 to 2:30, and the peaceful and pleasant place is also provided by the bank. The ferry arrangement is also supporting to the friendship among staff. Open communication is allowed from the top to bottom and also between the departments.

**(c) Organization Support for Employee Development**

Trainings for In-Charge and Second In-Charge provided by AYA bank are leadership skill training and software application training by collaborating with outside organizations (e.g., Strategy First University). For Junior Banking Assistants, to start their positions, bank provides the basic banking training. For supervisors and assistant supervisors, trainings of bank's transactions (e.g., customer service) are provided.

To give promotions, the applicant staff can get relevant trainings as well as after receiving the promotions, they can get the relevant trainings for their personal and professional development.

**3.4 Employee Perception on Organizational Climate of AYA Bank**

This section presents the overall mean value of employee perception on organizational climate of AYA bank. There are twelve questionnaires that constitute to calculate the mean values of employee perception on organizational climate, which are measured on five-point Likert scale.

**Table (3. 1) Organizational Climate**

<b>Sr. No.</b>	<b>Organizational Climate Question Items</b>	<b>Mean</b>
1	Tasks are clear in demands and criteria.	3.14
2	Help meet organizational goals through the job behaviors.	3.86
3	The supervisor understands and responds to the needs.	3.57
4	Feel important and worthy by the supervisor.	3.51
5	The supervisor provides with the resources that are needed to meet group goals.	3.54
6	Have a team effort in completing difficult tasks.	3.49
7	Take pride in the team that work with.	3.51
8	There is open communication and trust among team members.	2.94
9	Work in a friendly environment.	3.37
10	Changes in policy and procedures are given.	3.29
11	Each department interacts in a friendly and cooperative way with other departments.	3.46
12	Have opportunities for growth in this profession.	2.97
13	Have the <u>supplies</u> which is needed in order to do the job.	3.34
14	The organization provides the opportunity for development of goals and skills.	3.51
	<b>Overall</b>	<b>3.3939</b>

Source: Survey data, (2022)

With reference to the Table (3.1), the mean scores of the results of all 14 questions were 3.39 and above with an average score of 3. It indicates that agree. The lowest mean score is 2.94 which indicates that opening communication and trust among my team members. It shows that need more superior communication and trust among employees of AYA bank. The result indicates that meeting organizational goals through my job behaviors with mean of 3.86 which is the highest. In addition, this is indicating that AYA bank has proper HR functions and organizational climates which help individual job behavior towards the organizational goals and achievement.

### **3.5 Reliability Test**

Reliability is important consideration throughout the data collection process. When using a tool to collect data, it's important that the results are precise, stable and reproducible, this means, applied methods must be consistency. In that study, Employee Empowerment is composed with 12 questions or items, Organizational Climate with 14, Job Satisfaction with 12 and Organizational Commitment with 13 items. Altogether 51 items are tested to be consistency of survey questions in each variable.

**Table (3.2) Results from Reliability**

<b>Sr. No.</b>	<b>Scale</b>	<b>No. of items</b>	<b><u>Cronbach's Alpha</u></b>
1	Employee Empowerment	12	0.855
2	Organizational Climate	14	0.939
3	Job Satisfaction	12	0.910
4	Organizational Commitment	13	0.921
	<b>TOTAL</b>	<b>51</b>	<b>0.975</b>

Source: Survey Data (2022)

The higher the internal consistency, the more confident researcher can be that survey is reliable. When the Cronbach Alpha value is more than 0.9, there is excellent internal consistency. In this study, internal consistency is measured by using a statistic known as Cronbach's Alpha. According to the Cortina (1993), if the value is between 0.8 and 0.9, there is good internal consistency of questions to a variable. By the Table (3.2), it reports the Cronbach's Alpha value of (Employee Empowerment is 0.855, Organizational Climate is 0.939, Job Satisfaction is 0.910, and Organizational Commitment is 0.921(Source: SPSS 22 output data). It is a higher alpha value means that the higher internal consistency and that, this survey is reliable.

### **3.6 Profile of Respondents**

There are five items of demographic characteristics explored in this study to describe the demographic profile of the respondents. They are age, gender, position, working experience and education. This study was conducted on convenience sampling method and sample size of (35) staffs including different levels of staffs from the organization.



Table (3.3) Profile of Respondents

Sr. No	Demographic Factors	No. of Respondents	Percent
	<b>Total</b>	<b>35</b>	<b>100.00</b>
1.	Gender: Male : Female	5 30	14.29 85.71
2.	Age: Below 21 years : 21-30 years : 31-40 years : 41-50 years : Above 50 years	0 22 11 2 0	0 62.85 31.43 5.72 0
3.	Education: Undergraduate : Graduate : Post Graduate	0 35 0	0 100 0
4.	Position: Manager & Above Assistant Manager Supervisor General Staff	0 11 13 11	0 31.43 37.14 31.43
5.	Working Experience: 1 to 3 years : 3 to 5 years : 5 to 10 years : Above 10 years	5 7 18 5	14.28 20 51.43 14.29

Source: Survey Data 2022

The first analysis of the demographic characteristics of respondents is the gender analysis. As shown in Table (3.3), it shows the result of the gender profile of respondents as there are 5 male respondents and 30 female respondents among 35 respondents.

Result findings shows that the age group under 21 years old respondents include 0 respondents, the age group 21-30 years old respondents include 22 respondents, the age group 30-40 years old respondents include 11 respondents and, the age group older than 41 years old respondents include 2.

In this study, most of the respondents are educated person.100 percent are graduated. In the analysis of position, the dominant group of the respondents is general staff which accounts for 11 respondents 31.43 % of the total respondents. The second largest group is supervisor, 13 respondents who represent 37.14 % of the total respondents. The third largest group is respondents who are manager & above level which account for 11 % which equals to 31.43 respondents. The position of the minority is

assistant manager and general staff position which account for 31.43 % which have 11 respondents each.

In this study, respondents who have working experiences one to three years are 5 respondents who account for 14.28%, 7 respondents with 20 % for 3 to 5 years and 18 % with 51.43 respondents for 5 to 10 years respectively. The minority groups account for 5 % with 14.29 for above 10 years.

## **CHAPTER (4)**

### **ANALYSIS OF EMPLOYEE EMPOWERMENT AND ORGANIZATIONAL CLIMATE IN AYA BANK**

This chapter presents an analysis and discussion of the study. There are two sections in this chapter. The first section is the overall mean value of employee empowerment, job satisfaction and organizational commitment. The second section is discussions on the regression analyses of employee empowerment and organizational climate on job satisfaction, and again, job satisfaction on organizational commitment of employees in AYA bank.

#### **4.1 Employee Empowerment, Job Satisfaction and Organizational Commitment at AYA Bank**

This section consists of the overall mean value of employee empowerment, job satisfaction, and organizational commitment. There are 49 structural questionnaires to evaluate those variables in AYA bank. According to Pimentel (2010), the levels of mean values are interpreted as 1-1.80 (strongly disagree), 1.81- 2.60 (disagree), 2.61- 3.40 (neither agree nor disagree), 3.41- 4.20 (agree) and 4.21- 5.00 (strongly agree).

##### **(a) Employee Empowerment at AYA Bank**

In this study, there are twelve elements of employee empowerment of AYA bank. The overall mean scores of the employee empowerment are presented in Table (4.1).

**Table (4.1) Employee Empowerment**

Sr. No.	Employee Empowerment Question Items	Mean
1	“Thinking out of the box” behavior is appreciated.	2.83
2	The company provides information on company goals.	3.86
3	The company provides information on how these goals will be accomplished.	3.80
4	Employees have a say in changing company policies.	3.23
5	The company encourages risk taking with regard to service delivered.	3.29
6	While performing job duties, employees are encouraged to use independent problem-solving skills.	3.34
7	The company has established service delivery guidelines.	2.89
8	Employees are provided with financial information for the company.	3.37
9	The company has a way to share information to all employees.	2.89
10	Employees have access to the information in their personal work-files.	3.49
11	The company publishes information on employee rewards.	3.29
12	Employees are provided with information about guests.	3.29
	<b>Overall</b>	<b>3.30</b>

Source: Survey data, (2022)

In Table (4.1), the survey result represents that the highest mean is 3.86 and its statement “The Company providing information on company goals.” It means that AYA bank has a high level of transparency to their staff and stakeholders. The statement of “Thinking out of the box” is the lowest mean score of 2.83. It shows that there are some problems and difficulties in employees while they assign their job. The overall mean is 3.30 and it is in agreeing level of the employee. It can be described as employees have adequate knowledge of how they can perform their work tasks. Therefore, employees concentrated on the company’s goal and mission.

**(b) Job Satisfaction at AYA Bank**

In this study, it focuses on job satisfaction at AYA Bank practices, which are shown in the following Table (4.2).

**Table (4.2) Job Satisfaction**

<b>Sr. No.</b>	<b>Items</b>	<b>Mean</b>
1	Most days, very enthusiastic about work.	3.31
2	Feel fairly satisfied with the present job.	3.09
3	Look forward to going to work on every morning.	3.11
4	Found real enjoyment in the work.	3.57
5	Consider the job rather unpleasant.	3.54
6	Most interaction at the work <u>are</u> positive.	3.49
7	Feel free to do the things anyway at work.	2.74
8	Personal values fit with the organizational values.	2.91
9	Feel informed about what is going on.	3.34
10	Fairly compensated.	3.11
11	Feel positive and up most of the time at work.	3.46
12	Have opportunity to do the best every day at work.	2.94
	<b>Overall</b>	<b>3.22</b>

Source: Survey data, (2022)

In table (4.2), the survey result represents that the highest mean is 3.57 and its statement “Found real enjoyment in the work.” It means that employee of AYA bank trust to growth with their company together and has a high level of transparency for all level of employee. The statement of “Feel free to do the things anyway at work.” is the lowest mean score of 2.74. It shows that there are some work load problems because of lack of employee for each branch and while they assign their job. The overall mean is 3.22 and it is in agreeing level of the employee. It can be denoted as organization provides employees opportunity for development of goals and skills. Thus, employees have opportunities for growth in this profession.

### **(c) Organizational Commitment at AYA Bank**

In this study, it focuses on organizational commitment at AYA Bank practices, which are shown in the following Table (4.3).

**Table (4.3) Organizational Commitment at AYA Bank**

St. No.	Organizational Commitment Question Items	Mean
1	I am willing to put in a great effort above and beyond what is expected to help this organization be successful.	2.77
2	I tell my friends this is a great organization to work for.	3.46
3	I feel very loyalty to this organization	3.64
4	I would accept almost any job assignment in order to keep working for this organization.	3.43
5	I find that my values and the organization's values are very similar.	3.66
6	I will not working for a different organization even the type of work was similar.	3.23
7	This organization really inspires the very best in me in the way of job performance.	3.31
8	There are many things to be gained by staying with this organization.	3.46
9	It is not difficult to agree with this organization's policies related to important employee matters.	3.89
10	I really care about the fate of this organization.	3.51
11	For me this is the best of all possible organizations.	3.40
12	It would take very little change in my present circumstances to cause me to leave this organization.	3.66
13	Deciding to work for this organization was a definite right choice.	3.23
	<b>Overall</b>	<b>3.43</b>

Source: Survey data, (2022)

In table (4.3), the survey result represents that the highest mean is 3.89 and its statement “It is not difficult to agree with this organization’s policies related to important employee matters.” It means that AYA bank has clear instruction to their staff and free and fair for all. The management of AYA bank is managing proactively and flexibly with the changes, in other words, the level of adaptability is high. The statement of “I am willing to put in a great effort above and beyond what is expected to help this organization be successful.” is the lowest mean score of 2.77, which indicates that willing to put in a great effort above and beyond what is expected to help this organization be successful. The overall mean is 3.43 and it is in agreeing level of the employee. It can be described employee would accept almost any job assignment in order to keep working for this organization. Commitment-based organizations believe that staff's organizational commitment contributes to workforce stability and better customer service, hence increase business performance. Therefore; there are many things to be gained by staying with this organization.

## 4.2 Analysis on the Effect of Employee Empowerment and Organizational Climate on Jon Satisfaction in AYA Bank

To analyze the effect of employee empowerment and organizational climate on job satisfaction, the mean value of job satisfaction is regressed with the mean value of the measurements of employee empowerment and organizational climate. The results of the analysis are presented in Table (4.4).

Table (4.4) Analysis on the Effect of Employee Empowerment and Organizational Climate on Job Satisfaction

Variables	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.022	.243		-.092	.928
Employee Empowerment	.026	.223	.021	.117	.908
Organizational Climate	.930***	.178	.932	5.217	.000
R	.952				
R Square	.907				
Adjusted R Square	.901				
F Value	155.260***				

Source: Survey data (2022)

\*\*\* significant at 1% level, \*\* significant at 5% level, \* significant at 10% level

As presented in Table (4.4), the correlation coefficient (R) stands for the linear relationship between independent and dependent variables. The value of R is 0.952 and it underlie between 0 and 1. Hence, the effect of employee empowerment and organizational climate on job satisfaction are correlated. R square value shows 0.907 and adjusted R square is 0.901. It shows top management support, communication within the organization, and support for employee development of AYA bank plays an important role to develop the job satisfaction of AYA bank employees.

If one unit increase in organizational climate will result in a 0.930 unit increase in job satisfaction. It shows top management support, communication within the organization, and support for employee development of AYA bank plays an important role to develop the job satisfaction of AYA bank employees.

## 4.8 Analysis on the Effect of Job Satisfaction on Organizational Commitment

To analyze the effect of job satisfaction on organizational commitment, the mean value of organizational commitment is regressed with the mean value of the measurements of job satisfaction. The results of the analysis are presented in Table (4.5).

In this study, job satisfaction is used to measure the organizational commitment of AYA bank. The multiple linear regression analysis is applied to examine the impact of independent variables of job satisfaction on a single dependent variable organizational commitment. Results from the regression between organizational commitment and the influence factors job satisfaction is shown in the Table (4.5).

As shown in Table (4.5), since the value of the adjusted R square is 0.647 this model can explain 64.7% of the variation of Organizational Commitment, which is predicted by the measurements. Since F-value, the overall significance of the model is highly significant at 1% level, the model is said to be valid.

**Table (4.5) Analysis on the Effect of Job Satisfaction on Organizational Commitment**

Variables	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.176***	0.294		3.998	.000
Job Satisfaction	.699***	.090	.804	7.778	.000
R	0.804				
R Square	0.647				
Adjusted R Square	0.636				
F Value	60.501***				

Dependent Variable: Organizational Commitment  
 \*\*\* significant at 1%, \*\* significant at 5%, \* significant at 10%  
 Source: Survey data (2022)

As presented in Table (4.5), it represents that impact has positive effect on innovative behavior at 1% significant level. R square value shows 0.647 and adjusted R square is 0.636. The correlation coefficient (R) means for the linear relationship between independent and dependent variables. The value of R is 0.804 and it exists between 0 and 1. Hence, job satisfaction and organizational commitment are correlated. In the value of F test, the overall significance of the model is highly significant at 1 percent level. Thus, this specific model can be regarded as valid.

According to the standardized coefficient (Beta), Job Satisfaction is contributing factor Organizational Commitment. It shows the nature of tasks, the relationship between



stakeholders, and overall feeling of AYA bank employees plays an important role to develop the organizational commitment of AYA bank employees.

## **CHAPTER 5**

### **CONCLUSION**

In this chapter, there are three parts. First part presents the findings of the analysis on Employee Empowerment, Organizational Climate, Job Satisfaction and Organizational Commitment at AYA Bank. The second part presents suggestions, and the last part is needs for future research.

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

This study aimed to examine the effect of employee empowerment and Organizational Climate on Job Satisfaction and it also includes analyzing the effect of Job Satisfaction on organization Commitment in AYA Bank in Myanmar. The data are analyzed based upon 35 target respondents in AYA Bank. Multiple Linear regression of SPSS software is applied to analyze the data of respondents.

The results showed that the demographic numbers of male respondents are 5 out of 35 respondents in AYA Bank. Hence, Female employees are more than male employees. The majority of the respondents are supervisor, assistant supervisor, senior banking assistant and junior banking assistant of AYA bank's employee. Furthermore, employees in age group between 21-40 years old are more than any other age group and it can be expressed as most of the employees in AYA bank are considered as in young aged.

According to the mean value of employee empowerment and organizational climate, among of these two variables, the organizational climate is higher than employee empowerment. Consequently, there is open communication and employees need among their team members and then organization provides the opportunity for development of goals and skills. Consequently, each department interacts in a friendly and cooperative way with other departments in organizational climate. Employee understands the reason of working for AYA bank is meaningful and they have proper skills and knowledge for the job.

According to regression results for the first objective of the study, analysis of employee empowerment and organizational climate on job satisfaction of the AYA bank, among of these two variables, organizational climate is only positive significant effect on job satisfaction. It means that supervisor provides their employees with the resources they need to meet group goals .Therefore; the employees can meet organizational goals through their job behavior. By doing so, employee can get job satisfaction in the AYA bank.

For the second objectives of the study, job satisfaction is positive significant effect on organizational commitment. In order to encourage organizational commitment of the employees in AYA bank, the company should always monitor employee empowerment process in the organization. Moreover, the leader in the organization should always evaluate employee empowerment process and organizational climate with the way of how satisfaction of the job for the employees, how confident level of the employee to make their own decision and then how impact of the employee contribution for the organization. It can be described as if employees are more opportunity in doing their jobs, willing to put in a great effort above and beyond what is expected to help this organization be successful. Thus, employee can feel fairly satisfied with their present job assignment confidently and create innovative ideas to approach the challenges in the job. The greater impact of the employee's job satisfaction is very important to run smoothly the daily operation of the banking service of AYA bank and can improve service quality of employee. These factors lead employees to make organizational commitment.

## **5.2 Suggestions and Recommendations**

Based on the finding from the previous sections, some relevant suggestions and recommendations are submitted to emphasize on more employee empowerment and organizational climate to improve organizational commitment of AYA bank. According to data analysis of the previous sections, the company should prioritize employee empowerment and organizational climate process that stimulates the organizational commitment of the employee in AYA bank.

For regression results, company should take advantages from this benefit to generate more employee empowerment and organizational climate of the employees continuously. Branch manager in the organization should give strong job description and

job scope to employees under their administration of branch. Therefore, employees feel their job is more meaningful. Furthermore, the company should add some extra jobs depending on capabilities of the employees to get new challenges. In a consequence, the employees are more interested in their work and they strongly desire to stay in the organization. The company allows the employees to make own choices and own decision to solve the problems without controlling their respective supervisors in AYA bank.

Therefore, AYA bank should practices on this way continuously in the future. The branch manager in the organization should more emphasize to practice decentralized system as much for the smooth information flow. As a result, the employee can accomplish their duties more confidently and achieve the organization goal efficiently.

Concerning the job satisfaction, employees can help meet organizational goals through their job behaviors in AYA bank. To more extent for this benefits, the company should provide more professional training and workshop not only for technical skills to improve management skills but also for interpersonal skills to develop complain-solving and communication skills depending on employees' knowledge level to communicate their customer and internal customer. Moreover, the company should pay attention to "on the job training". As an instance, the leaders should positively share their experiences and guided appropriate ways while the employees are in difficult situations.

Regarding organizational commitment, there are effective impact of employee stay in AYA bank. Accordingly, the leaders should continuously practice empowerment, organizational climate and delegation system to get larger influence of the employees for the organization development. In addition, the leaders should believe their subordinates achievements of the job. Therefore, it can lead to promote more profession and experts to attempts better recognition of the organization amid the competitors of the business.

This research supported a three factor structure of organizational climate, including: top management support for job clarification, communication among employees, and organization's support for employee development. An organization that supports its employees, creates a feeling of camaraderie and teamwork among the employees, and provides opportunities for professional and personal development is one that provides an organizational climate that fosters employee job satisfaction and organizational commitment. Human resource professionals and general managers alike can work to put in place a climate that provides these component parts of a positive and supportive work environment. The advantage to creating this environment for

practitioners is the “buy-in” of employees to the organization through satisfaction and commitment.

The important implications for the banking company encourage to their employees by practicing empowerment and organizational climate, that lead to enhance the company working flow and system is going smoothly and efficiently. Furthermore, it can set up employee confident level to do their jobs by smarter way and that will lead to job satisfaction through organizational commitment of the employee. Due to employee commitment to their organization is increased, they consider their company recognition and support for the current and future development of the business. Thus, employee can create more impressive design and higher quality buildings infrastructure for their clients. In this way, the company have good exposure among their clients and developers for the business.

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

This study mainly focuses on employee empowerment and organizational climate practices of AYA bank. Moreover, this study applied employee empowerment, organizational climate, job satisfaction and organizational commitment of the employee and excludes such as job autonomy, employee motivation, training, compensation. Besides, this study mainly focuses on part of the AYA bank. Hence, this study does not cover other banking sector of Myanmar. In the future, the study should be conducted other sectors of business in Myanmar, (such as, healthcare sector, tourism sector, Foods & Beverage sector and so on) to find out different implications of employee empowerment and organizational climate on organizational commitment of the employees.

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## APPENDIX A

### Questionnaire

#### **The Effect of Employee Empowerment and Organizational Climate on Organizational Commitment of Employees at AYA Bank**

This questionnaire will be used to study the effect of employee empowerment and organizational climate on organizational commitment of employees at AYA Bank (Bahan Township). This would be confidential and data will be only used for the academic research of MBA thesis for Yangon University of Economics.

#### **Section (A): Demographic Information**

Please tick [] the appropriate answer for each of the following questions.

- |                                |                   |                          |                 |                          |
|--------------------------------|-------------------|--------------------------|-----------------|--------------------------|
| 1. Gender                      | Male              | <input type="checkbox"/> | Female          | <input type="checkbox"/> |
| 2. Age                         | Below 21 years    | <input type="checkbox"/> | 21-30 years     | <input type="checkbox"/> |
|                                | 31-40 years       | <input type="checkbox"/> | 41-50 years     | <input type="checkbox"/> |
|                                | Above 50 years    | <input type="checkbox"/> |                 |                          |
| 3. Education                   | Undergraduate     | <input type="checkbox"/> | Graduate        | <input type="checkbox"/> |
|                                | Post Graduate     | <input type="checkbox"/> |                 |                          |
| 4. Position                    | General Staff     | <input type="checkbox"/> | Supervisor      | <input type="checkbox"/> |
|                                | Assistant Manager | <input type="checkbox"/> | Manager & Above | <input type="checkbox"/> |
| 5. Division .....              |                   |                          |                 |                          |
| 6. Year of Service in the Firm | Under 1 year      | <input type="checkbox"/> | 1-3 year        | <input type="checkbox"/> |
|                                | 3 – 5 years       | <input type="checkbox"/> | 5-10 years      | <input type="checkbox"/> |
|                                | Above 10 years    | <input type="checkbox"/> |                 |                          |



## Section (B)

**The following questions indicate how employee empowerment and organizational climate effect on employee satisfaction and how employee satisfaction effect on the organizational commitment of employees at AYA Bank (Bahan Township).**

Please read the following statements and circle the number that represents your degree of agreement/disagreement with them (1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree).

### **PART 1:**

#### **Employee Empowerment**

No.	Employee Empowerment	1	2	3	4	5
1	“Thinking out of the box” behavior is appreciated.					
2	The company provides information on company goals.					
3	The company provides information on how these goals will be accomplished.					
4	Employees have a say in changing company policies.					
5	The company encourages risk taking with regard to service delivered.					
6	While performing job duties, employees are encouraged to use independent problem-solving skills.					
7	The company has established service delivery guidelines.					
8	Employees are provided with financial information for the company.					
9	The company has a way to share information to all employees.					
10	Employees have access to the information in their personal work-files.					
11	The company publishes information on employee rewards.					
12	Employees are provided with information about guests.					

#### **Organizational Climate**

No.	Organizational Climate	1	2	3	4	5
1	Tasks are clear in demands and criteria					
2	I help meet organizational goals through my job behaviors.					
3	My supervisor understands and responds to my needs.					
4	My supervisor makes me feel important and worthy.					
5	My supervisor provides me with the resources I need to meet group goals.					
6	We have a team effort in completing difficult tasks.					
7	I take pride in the team I work with.					
8	There is open communication and trust among my team members.					
9	I work in a friendly environment.					
10	Changes in policy and procedures are given to me.					
11	Each department interacts in a friendly and cooperative way with other departments.					
12	I have opportunities for growth in this profession.					
13	I have the supplies I need in order to do my job.					
14	My organization provides me the opportunity for development of goals and skills.					

**PART 2:**

**Employee Satisfaction**

No.	Employee Satisfaction	1	2	3	4	5
1	Most days I am enthusiastic about my work.					
2	I feel fairly satisfied with my present job.					
3	I look forward to going to work on every morning.					
4	I find real enjoyment in my work.					
5	I consider my job rather unpleasant.*					
6	Most interaction at my work are positive.					
7	I feel free to do the things the way I like at work.					
8	My values fit with the organizational values.					
9	I feel informed about what is going on.					
10	I am fairly compensated.					
11	I feel positive and up most of the time I am working.					
12	I have opportunity to do what I do best every day at work.					

\* item was reverse coded

### **PART 3:**

#### **Organizational Commitment**

<b>No.</b>	<b>Organizational Commitment</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1	I am willing to put in a great effort above and beyond what is expected to help this organization be successful.					
2	I tell my friends this is a great organization to work for.					
3	I feel very loyalty to this organization					
4	I would accept almost any job assignment in order to keep working for this organization.					
5	I find that my values and the organization's values are very similar.					
6	I will not working for a different organization even the type of work was similar.					
7	This organization really inspires the very best in me in the way of job performance.					
8	There are many things to be gained by staying with this organization.					
9	It is not difficult to agree with this organization's policies related to important employee matters.					
10	I really care about the fate of this organization.					
11	For me this is the best of all possible organizations.					
12	It would take very little change in my present circumstances to cause me to leave this organization.					
13	Deciding to work for this organization was a definite right choice.					

## APPENDIX - B

### SPSS Output

#### Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.952 <sup>a</sup>	.907	.901	.18955	1.578

a. Predictors: (Constant), MeanOC, MeanEE

b. Dependent Variable: MeanES

#### ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.157	2	5.578	155.260	.000 <sup>b</sup>
	Residual	1.150	32	.036		
	Total	12.307	34			

a. Dependent Variable: MeanJS

b. Predictors: (Constant), MeanOC, MeanEE

#### Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.022	.243		-.092	.928
	MeanEE	.026	.223	.021	.117	.908
	MeanOC	.930	.178	.932	5.217	.000

a. Dependent Variable: MeanJS

Regression Analysis of JC on OCM

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

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.804 <sup>a</sup>	.647	.636	.31528	1.723

a. Predictors: (Constant), MeanJS

b. Dependent Variable: MeanOCM

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

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.014	1	6.014	60.501	.000 <sup>b</sup>
	Residual	3.280	33	.099		
	Total	9.294	34			

a. Dependent Variable: MeanOCM

b. Predictors: (Constant), MeanJS

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

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.176	.294		3.998	.000
	MeanJS	.699	.090	.804	7.778	.000

a. Dependent Variable: MeanOCM