

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

LEADER-MEMBER EXCHANGE RELATIONSHIP AND
EMPLOYEE PERFORMANCE AT AYA BANK

AUNG AUNG LWIN
ROLL NO. 1
MBF (Day) 2nd BATCH

OCTOBER, 2022

**LEADER-MEMBER EXCHANGE RELATIONSHIP AND
EMPLOYEE PERFORMANCE AT AYA BANK**

**A thesis submitted as a partial fulfillment towards the requirements for
the degree of Master of Banking and Finance (MBF)
(2019 - 2022)**

Supervised by:

Dr. Aye Thanda Soe
Professor
Department of Commerce
Yangon University of Economics

Submitted by:

Aung Aung Lwin
Roll No.1
MBF Day 2nd Batch
(2019 - 2022)

October, 2022

ABSTRACT

The role of leadership is extremely crucial in terms of encouraging the members of an organization to increase their level of motivation to act in an effort to achieve the goals of the business. The objectives of the study are to examine the leader-member exchange relationship (LMX) at AYA bank, to investigate the effect of leader-member exchange relationship on employee performance at AYA bank and to analyze the mediation effect of employee engagement on relationship between LMX and employee performance at AYA bank. The primary data was collected from 130 employees out of 175 employees (74% sample size) from the bank with questionnaires survey method. According to the findings, LMX dimensions have positive and significant effect on employee performance. However, the study found that employee engagement does not mediate between LMX and employee performance. Hence, the study recommends that the leaders should give a personal of being able to rely on when they are needed and leaders must create an atmosphere of fun to work with to improve employee performance. Further, leaders should also show mutual affection on friendship with each follower to improve employee performance. Additionally, leaders should build their own image to persuade its followers to gain and should act with their professional skills and treat kindly to its followers to enhance the profession respect on employee performance in AYA bank. To create good organizational conduciveness, LMX or the relationship between leaders and followers in AYA bank must be well established so as to improve employee performance.

ACKNOWLEDGEMENTS

Upon the completion of this research paper, I would like to express my sincere thanks to all those who greatly contributed and assisted me in various ways at all times before, during and after the preparation of the study.

First and foremost, I would like to thank Professor Dr. Tin Tin Htwe, Rector of Yangon University of Economics for giving me an opportunity to do this thesis paper as a requirement of master degree.

Secondly, I would like to express my special thanks to Professor Dr. Tin Tin Htwe, Program Director of MBF program, Yangon University of Economics for giving me this opportunity to study MBF program. I would also like to express my greatest gratitude to my supervisor Professor Dr. Aye Thanda Soe, Department of Commerce, for giving me valuable guidelines and feedbacks to improve my work efficiently. Without her supervisor, I would never have the chance to complete my research on time.

In addition, I would like to thank all of professors, associate professors, lecturers and colleagues who give me their valuable knowledge and time during this thesis period.

I wish to express my gratitude to my colleagues from AYA bank, who participated in this research for answering my survey questionnaires.

TABLE OF CONTENTS

	Page
ABSTRACT	i
ACKNOWLEDGEMENTS	ii
TABLE OF CONTENTS	iii
LIST OF TABLES	v
LIST OF FIGURES	vi
CHAPTER I INTRODUCTION	1
1.1 Rationale of the Study	2
1.2 Objectives of the Study	4
1.3 Scope and Methods of Study	4
1.4 Organization of the Study	4
CHAPTER II THEORETICAL BACKGROUND OF THE STUDY	5
2.1 Leader-Member Exchange	5
2.2 Dimensional of LMX	6
2.3 Work Engagement	9
2.4 Job Performance	11
2.5 Previous Study	12
2.6 Conceptual Framework of the Study	16
2.7 Working Definition of Key Terms	17
CHAPTER III LMX DIMENSIONS OF AYA BANK	18
3.1 Background Information of AYA Bank	18
3.2 Organizational Structure of AYA Bank	19
3.3 Employee Perception on LMX Dimensions of AYA Bank	20
3.4 Research Design	21
3.5 Reliability Analysis	22
3.6 Respondents' Demographic Profile	23
3.7 Leader-Member Exchange Relationship at AYA Bank	24

CHAPTER IV ANALYSIS OF LMX RELATIONSHIP AND EMPLOYEES' PERFORMANCE AT AYA BANK	30
4.1 Correlation between LMX Dimensions and Employee Performance	30
4.2 The Effect of LMX on Employee Performance	31
4.4 Mediation Effect	34
CHAPTER V CONCLUSION	36
5.1 Findings and Discussions	36
5.2 Suggestions and Recommendation	37
5.3 Need for Further Studies	38
REFERENCES	
APPENDIX	

LIST OF TABLES

Table No.	Title	Page
2.1	Working Definition of Key Terms	17
3.1	Mean Score Interpretation	21
3.2	Reliability Analysis	22
3.3	Respondents' Demographic Profile	23
3.4	Affect	24
3.5	Loyalty	25
3.6	Contribution	26
3.7	Professional Respect	27
3.8	Summary of LMX Dimension	27
3.9	Employee Engagement	28
3.10	Employee Performance	29
4.1	Correlation Analysis Between LMX Dimensions and Employee Performance	30
4.2	Regression Analysis on LMX and Employee Performance	31
4.3	Regression Result on Relationship Between LMX and Employee Engagement	32
4.4	Regression Result on Employee Engagement and Employee Performance	33
4.5	Regression Result on the Effect of LMX on Employee Performance via Employee Engagement	34

LIST OF FIGURES

Figure No.	Title	Page
2.1	The Relationship Between LMX and Job Performance	15
2.2	Conceptual Framework of the Study	16
3.1	Organizational Structure of AYA Bank (Kyauktada Branch)	18

CHAPTER I

INTRODUCTION

Leaders are those who have the capacity to persuade a group of individuals to achieve certain objectives or goals that have been defined (Robbin, 2003). The role of leadership is extremely crucial in terms of encouraging the members of an organization to increase their level of motivation to act in an effort to achieve the goals of the business. Because the performance of the employees is directly correlated to the success of the business, it is the leader's responsibility to inspire and encourage their team members to do better work. Due to the fact that leadership is a process that involves attributing causes and effects to persons and social behaviors, it is connected to the performance of the workforce.

The organization's success relies on the performance of its employees; thus, the leader pushes them to do their best. As a result, leadership has a direct impact on workforce performance. Therefore, developing high-level work management and the Leader-Member-Exchange (LMX) is important in order to enhance customer services, so that leaders and employees can assist each other and help each other increase employee performance. This theory focuses on the two-way (Dyadic) connection between leaders and their subordinates, and claims that the quality of the relationship between leaders and their subordinates affects the performance of both people and organizations (Grazen & Uhl-Bien, 1995). Therefore, LMX model tries to explain how leaders use their time, authority, and resources in order to cultivate a variety of relationships with their subordinates (Truchenbrodt, 2000).

The fulfillment of the responsibilities and rights that have been outlined in the official employment contract is the limit of the relationship that may exist between leaders and workers. This behavior may make employees less engaged in their job, which would have an effect on their performance. The number and quality of the accomplishments that an individual or a group brings to the business is what is referred to as an employee's performance. Because it contributes to achieving the maximum organizational effectiveness and goals, reaching the highest level of both individual and group contributions is a critical factor for the organization. A number of environmental factors, such as work relations with supervisors, affect job performance directly. According to the LMX theory, the quality of the working relationships that exist

between a leader and their various groups of subordinates may range from high to low quality (Liden & Graen, 1980). An increase in the quality of relationships will lead to an increase in the energy dimension. This is because an increase in the quality of LMX will give subordinates a greater sense of psychological security. This psychological security is enhanced by support and trust between coworkers, as well as support from management. Second, the use of high-quality LMX improves employees' devotion, which is a component of employee engagement (Agarwal, Datta, Blake-Beard, & Bhargava, 2012). Based on Rich, et al., (2010), an increase in employee engagement has a direct impact on performance (Rich, LePine, & Crawford, 2010).

1.1 Rationale of the Study

Leadership theories, such as transformational leadership and transactional leadership, and the Leader-Member Exchange Theory (LMX) are distinct from one another. These other leadership theories assume that the behavior of the leader is rationally equal and consistent across all employees without exception. The LMX theory, on the other hand, proposes that leaders treat their followers in various ways in order to create "in-groups" and "out-groups" (Schriesheim et al., 1992). The relationship of leader-member is one of the most important factors in job related factors. The structure of the relationship of the leader member were changed from the traditional management perspective which believe that the manager is in control and employee are being managed by the managers (Randolph, 1995). Leaders used to control their subordinates rather than inspire them (Kark, Samir, & Chen, 2003). The traditional job leadership needs to be changed to more transparent and exchange leadership, which allows staff to interact in their work positions. Studies have demonstrated that inspiring leadership will relate to the achievement of personal strength, job satisfaction, workplace engagement and dedication by employees (Konczak, Stelly, & Trusty, 2000). Nevertheless, academic literature has paid little attention to how leaders affect their subordinates' degree of performance. Existing literature is also very few. A high-quality relationship with a leader builds confidence in its staff and allows them more likely to articulate their job positions, making them more engaged and better performed because their members feel supported in their ability and comfortable around the leader (Macey & Schneider, 2008).

In the case of AYA bank, there has been challenges regarding to the relationships between leaders and members in all levels. Leaders do not give

transparency about the information so there has been lack of communication between its followers. Sometimes, there has been cases of members fighting against its leaders regarding the tasks they've given because of misunderstandings and miscommunications. Further, there is no sharing and caring between leaders and members in AYA Kyauktada Branch in Yangon, Myanmar. Some members become arrogant by thinking they can do better than their leaders which drive personal conflicts in the bank. According to Kang and Steward (2007), leaders that use LMX style attributes tend to make the differences of their subordinates a positive aspect of the working relationship (Khang & Steward, 2007). Therefore, the researcher assumed that out of all the traditional leadership styles, using the LMX style is the one that has the best chance of assisting in the solution of the current internal challenges that AYA is encountering. The results of this research will point out the current situation of the relationship between leaders and members, and the management team of AYA will become aware of the need to change the way they lead as a result of this research. By studying a relationship between LMX dimensions, employee engagement and employee performance, AYA bank will have a better understanding of how LMX dimensions can be used to contribute to higher levels of employee engagement and performance level in the workplace. By conducting this research, the results will point out the current situation of the relationship between leaders and members and make AYA's management team aware of the need of change in their leadership style.

Further, since this study will also test the relationship between employee engagement and employee performance, AYA bank will know how increased employee engagement can result greater performance of employees and this is all because of good relationship between leaders and members in the workplace. Since this study will also study the relationship between LMX dimensions and employees' performance, the results can contribute to AYA's management team to look insight of its employees' relationships well-beings and the impact of relationship wellbeing with their leaders to the company's profit. This research will act as a step for the researcher's future career by giving the knowledge of how leader-member relationship is important for a business and how it can contribute to the employee engagement and further develop to better employee performance. According to these, this study is to investigate the Leader-Member Exchange relations in employee engagement and employee performance in the banking context of AYA bank in Yangon, Myanmar.

1.2 Objectives of the Study

The objectives of the study are as below.

1. To examine the leader-member exchange relationship at AYA bank
2. To investigate the effect of leader-member exchange relationship on employee performance at AYA bank
3. To analyze the mediation effect of employee engagement on relationship between LMX and employee performance at AYA bank

1.3 Scope and Methods of the study

This study applied descriptive and quantitative research designs. The data were collected using survey questionnaires and the target population of this study is 130 employees from AYA Bank (Kyauktada Branch) Yangon.

All of the questionnaire's was distributed to the 130 employees that is 74% from AYA Bank (Kyauktada Branch) Yangon. The data was collected using primary and secondary methods. Primary data is collected through survey questionnaires and secondary data will be collected through journals, websites, and books on the related topic. Reliability analysis will be used by computing Cronbach's alpha. Correlation and regression analysis was used to test the formed hypotheses. In this study, LMX Dimension (Affect, Contribution, Loyalty Professional Respect) are independent variables, mediation factor is Employee Engagement and dependent variable is Employee Performance. Each item is measured on a five-point Likert scale and the scale range is 1 to 5 including: strongly disagree, disagree, neutral, agree and strongly disagree.

1.4 Organization of the Study

This research includes five chapters. Chapter one provides an introduction, rationale, objectives, scope and method of the study. Chapter two presents literature review on the theories underpinning the study, empirical review of LMX Dimension, Employee Engagement & Employee Performance, summary of literature review and conceptual framework. Chapter three present the research methodology practiced in the study which includes the research design, population, data collection instrument and procedure. Chapter four deals with data analysis. Finally, chapter five presents the summary, conclusions, the findings and discussions, suggestions and recommendations, limitations of the study, and needs for future research.

CHAPTER II

THEORETICAL BACKGROUND OF THE STUDY

This chapter introduces the definition and theory of leader-member exchange, work engagement and employee performance that provide a good leadership system to achieve the organization's goals. Additionally, the relationship between leader-member exchange and work engagement and the relationship of work engagement to employee performance are described. Also, the previous study of leader-member exchange, work engagement and employee performance of the study are presented in this chapter.

2.1 Leader-Member Exchange

Employees and supervisors may be better understood by the leader member exchange theory, which states that leaders do not communicate with subordinates evenly because supervisors have a limited number of resources and time available to them. LMX theory is one of many leadership theories that investigates the quality of leader-member relationships and provides researchers with a new perspective on leadership (Sparrowe & Linden, 1997). According to Scandura and Pellegrinin (2008), leader-member exchange (LMX) is a concept that describes the mutual ties that exist between leaders and their employees in organizational work units (Scandura & Pellegrini, 2008). LMX are composed of high-quality relations (in-group) as well as low-quality relations (out-group). Members of the in-group will get a higher level of support from their leaders than members of the out-group (Farr-Wharton, Brunetto, & Shacklock, 2011). In addition to this, they stated that a good LMX connection is characterized by simple access to information, assistance, and involvement in decision making. In contrast, LMX relationships of low quality are characterized by low levels of trust, formal interactions, one-way influences (from managers to workers), limited support, and low levels of engagement. Additionally, these connections have a history of poor performance (Farr-Wharton, Brunetto, & Shacklock, 2011).

Dienesch and Liden (1986) described that the development of the leader-member relationship takes place in a sequence of phases that starts with the first encounter that takes place between the members of the dyad (Dienesh & Liden, 1986). After this first encounter, there will be a series of exchanges in which people will test one another to discover whether or not they are capable of constructing the relational

components of trust, respect, and responsibility that are essential for the development of high-quality exchanges (Uhl-Bien, Graen, & Scandura, 2000). Individuals will continue to communicate information and ideas with one another if the reception of an exchange behavior such as delegation is good and the party that initiated the exchange is satisfied with the response (for example, the subordinate made a choice that was suitable). If the reaction to the exchange is negative, for example, if it is not returned or if it fails to demonstrate competence, or if exchanges never occur, possibilities to establish high-quality exchange are restricted, and relationships are likely to stay at lower levels of LMX development (Dienesch & Liden, 1986).

Leaders assess their subordinates using several criteria, including agreeableness, competence, conscientiousness, locus of control, psychoticism, extraversion, flexibility, positive affectivity, and neuroticism. These criteria are based on LMX (Inac, 2018; Dulebohn, Bommer, Liden, Brouer, & Ferris, 2012). On the other side, leaders are evaluated according to their agreeableness and extraversion, as well as their conduct in response to contingent rewards, transformational leadership, and their supervisor's expectations of followers (Bedi, Alpaslan, & Green, 2016; Judge & Piccolo, 2004). When the nomological network of leader behaviors (such as transformative or ethical leadership) and outcomes (such as commitment and efficiency) is evaluated, the quality of the LMX is thought of as a mediator in the relationship between the two. This is because the way leaders act toward members is a sign of how helpful, trustworthy, and loyal the leader is toward members, which reflects into the quality of the connection positively or negatively. A longitudinal study design or novel associations are less common in the research that relate leader conduct to LMX quality. A high-quality exchange could, thus, be seen as more transformative, ethical, honest, and less harmful to those who participate in it (Erdogan & Bauer, 2015).

2.2 Dimensions of LMX

With a few notable exceptions, the LMX theory has assumed that the interactions between members are mostly connected to their job responsibilities such as work-related actions like showing up on time and putting in effort. Even yet, in Liden et al (1997)'s study of the literature on LMX, they recognized that it is not only job-related factors that LMX is founded on, but also socially related factors (Graen & Scandura, 1987). According to this point of view, Dienesch and Liden (1986) and Liden and Maslyn (1998) proposed four dimensions of LMX relationships. These were

labeled as affect, which includes things like friendship and liking, contribution, which includes things like performing work beyond what is indicated in the job description, loyalty, which includes things like loyalty and mutual obligation, and professional respect (e.g., respect for professional capabilities) (Dienesch & Liden, 1986; Linden & Maslyn, 1998). The validity of these dimensions has been proved, as well as the production of measurements of these constructs, by other LMX research (Linden & Maslyn, 1998). Examining the various aspects of LMX may be helpful in the future for understanding the effort that managers and employees put into the formation of relationships. This is due to the fact that LMX relationships may be composed of one or more of these components.

2.2.1 Affect

Affect is the term used to describe the mutual affection that members of the dyad feel for one another, which is largely motivated by interpersonal attraction as compared to job or professional values (Dienesch & Liden, 1986). It is the affection that both members of the dyad feel for one another, based largely on interpersonal attraction as contrasted to job or professional ideals. Affection of this kind might show itself in the form of a desire for, or the actual formation of, a connection with personally rewarding aspects and outcomes, such as friendship (Mumma, 2010). It has been suggested by Bridge and Baxter (1992) that affect may dominate in some LMXs. For instance, the group's leader and a member talk to each other frequently simply due to the fact that they enjoy each other's company. Indeed, friendships often originate from the encounters that take place at work (Bridge & Baxter, 1992). To be more precise, empirical research has given evidence for affect as an important factor in the development of LMX (Dockery & Steiner, 1990).

2.2.2 Contribution

Contribution refers to how each member sees his or her current level of work-related activities as they relate to the team's (explicit or implicit) common goal. It also refers to how well members in a reciprocal relationship handle and complete tasks that go beyond their job descriptions, as well as how generously the leader is in providing resources and opportunities for these activities (Dienesch & Liden, 1986). As Graen and Scandura (1987) noted, subordinates' work-related actions influence the formation of LMXs in the organization. It is claimed that the leader evaluates the performance of

each follower as those who "accept a leader's invitation" have a better interchange with the leader than those who have not done well (Graen & Scandura, 1987). Additional valuable resources provided to chosen members by leaders include both physical resources and knowledge and attractive job responsibilities (Graen & Cashman, A role making model in formal organizations: A developmental approach, 1975). The impression of each member's current degree of work-oriented activities towards the shared objectives (explicit or implicit) of the dyad is also important. Assessing how well one member of the dyad takes responsibility and completes tasks that go beyond their job description or contract with the company is critical when evaluating work-related activity. The supervisor must also provide adequate resources and opportunities to support these activities if they are to be considered successful (Mumma, 2010).

2.2.3 Loyalty

Loyalty refers to publicly supporting one other in terms of both actions and attitude, between supervisors and subordinates, in the workplace. Supervisors like to ask loyal followers to conduct work that demands an independent viewpoint or responsibility. In order to be loyal, one must show a continuous level of devotion to the person in all situations (Dienesch & Liden, 1986). Graen (1976) stated that if both the leader and members openly support each other's actions and attitude, that is an indication of loyalty (Graen 1976). However, Dienesch and Liden (1986) claimed that loyalty could be better seen as a component or dimension of LMX, which plays a vital role in the creation and development of LMXs. In earlier studies, LMX has been shown to have a significant role in defining what members are expected to do (Dienesch & Liden, 1986). Leaders are more inclined to provide tasks requiring independent judgment or responsibility to loyal subordinates than to non-loyal subordinates (Liden & Graen, 1980). As a result, loyalty is the demonstration of open support for the goals and the personal charter of the other member of the LMX dyad. A devotion to the person that is frequently maintained from one circumstance to the next is an essential component of loyalty (Mumma, 2010).

2.2.4 Professional Respect

Within or outside an organization, peers and colleagues may form an impression of an individual's standing as a professional in his or her field based on information, they have about the individual's past interactions with them and others, as well as

information they have learned about that individual from sources both inside and outside the organization, and on things such as professional awards or accolades the individual has received (Linden & Maslyn, 1998). It is the impression of the degree to which each member of the dyad has created a reputation, either inside or outside the business, of excelling at his or her area of work. This view may be positive or negative and may be based on past facts about the person, such as the person's personal experience with the individual, remarks made about the person by other persons either inside or outside the company, and awards or other professional recognition received by the person. As a result, it is possible to develop an impression of professional respect for the individual prior to working with or even seeing the person (Mumma, 2010).

2.3 Work Engagement

Kahn (1990) stated work engagement as the condition in which individuals bring their personal selves to work and are completely physically, intellectually, and emotionally attached to their tasks (Kahn, Psychological conditions of personal engagement and disengagement at work, 1990). Work engagement is primarily a motivating term that describes the active allocation of personal resources toward the various activities (Crawford, LePine, & Rich, 2010). Employees that are emotionally and physically invested in their job are more productive. It is said that work engagement is based on an employee's experience throughout their job duties rather than their attitude toward working circumstances, and it requires a personal investment of resources in their work activities (Christian, Garza, & Slaughter, 2011). Workers who are engaged in their work put in more effort, take a bigger share of the responsibility for their work, and contributes to their company's profit margins (Vogelgesang, Leroy, & Avolio, 2013).

Work engagement may be thought of as an attitude variable that is composed of three interconnected aspects: cognition, effectiveness, and behavior (Robbin & Judge, 2013 Agarwal, 2014). According to this concept, there are three components that make up one's degree of engagement at work: energy, absorption, and dedication (Schaufeli, Bakker, & Salanova, The measurement of work engagement with a short questionnaire, 2006) Energy may be defined as a high amount of stamina, strength, and toughness while working, as well as a desire to make effort and determination even when faced with challenging conditions. Dedication may be defined as an employee's commitment to work constantly and joyfully despite any challenges that may be presented to them.

When someone is absorbed in their job, they tend to lose track of time because they are completely focused, concentrated, and enthusiastic about what they are doing (Gupta, Acharya, & Gupta, 2015). Saks adopted Kahn's (1990) concept of work engagement as role related, which means that an employee is cognitively present in a certain organization function. When people are involved in their work, they feel obliged to work hard to achieve a difficult objective. They have a strong desire to be successful, and their level of involvement at work extends beyond just reacting to the present conditions. The workers are willing to make a personal commitment to achieving these objectives (Saks, 2006; Kahn, 1990).

In addition, work engagement indicates the personal energy that workers bring to the tasks they do. Employees that are engaged in their job not only possess the ability to be energetic, but they also eagerly apply that capability to their task. They do not save their energy for something more essential; rather, they acknowledge that the task that has to be done now deserves their energy. Further, work engagement displays significant participation in work. Employees who are engaged in their work pay attention to what is going on around them, consider what is really essential, and focus on getting to the core of difficult situations. Employees who are engaged in their job will get completely involved in it, reaching a state of "flow" in which they will lose track of the passage of time and become less reactive to interruptions. In this context, "work engagement" refers to any form of demanding job. It entails the capability of workers to contribute their full potential to the solution of issues, the development of relationships with others, and the creation of novel services. The ways in which workers react to the rules, procedures, and structures of an organization have an effect on the likelihood that they will become engaged in their work. An employee is able to keep their level of job engagement constant in a work environment that is consistent. Workplaces that effectively illustrate the deep links that exist between individual and organizational ideals are fertile ground for employee engagement (Erdogan & Bauer, 2015).

2.4 Job Performance

Based on Al-Mehrzi and Singh (2016), performance is a person's ability to do activities in accordance with set standards, objectives, or predetermined criteria that have been mutually agreed on (Al-Mehrzi & Singh, 2016). In addition, performance is essentially what workers do or don't do. Management of performance encompasses all

activities undertaken to enhance a business's overall performance, as well as the performance of each individual employee and work group inside the business (Yang, Lee, & Cheng, 2016). Employee performance, according to Shmailan (2016), is an activity that workers do in the course of their job for the organization. Employee work satisfaction, pay, and leadership style all have a role in how well a company performs in achieving its objectives. Performance is also impacted by the individual's unique set of talents, abilities, and personality qualities (Shmailan, 2016). Aguinis (2009) asserted that performance does not consider the outcomes of an employee's actions; rather, it focuses only on the actions themselves. Performance is not about what people create or the results of their job; rather, performance is about employees' behaviors or what they do (Aguinis, 2009).

The employee overall beliefs of his or her own behavior and contributions to the success of the business are reflected in the employee's perceived performance. The manner in which workers carry out their responsibilities, whether directly or indirectly, may have a significant impact on the success or failure of any business because, eventually, it reflects the performance of the organization. Employees are able to be categorized as excellent performers if they meet or exceed the expectations set for their jobs (Sultana, Irum, Ahmed, & Mehmood, 2012). According to Kuruppu et al. (2021), employee performance may be defined as the accomplishment of a certain job when compared to the applicable standards of correctness, competence, cost, and speed (Kuruppu, Kavirathne, & Karunarathna, 2021). Because the performance of employees is essential to the overall profitability of a business, companies require workers who are capable of carrying out their duties. Achieving one's objectives is one of the most significant aspects of one's success as an employee. Employees that are successful are those who meet deadlines, create sales, and contribute to the growth of the brand via favorable interactions with customers. Customers will go elsewhere for assistance if they get the impression that the organization does not care about the problems that they face because of poor staff performance. Furthermore, when employees are executing their duties well, it has a positive influence on the morale of the whole workplace. An entire department might be brought to its knees if some employees lack the motivation to do their work as directed (Leonard, 2019).

2.5 Previous Study of Leader-Member Exchange, Employee Engagement and Employee Performance

This part will present the previous studies on leader-member exchange relationship and employee performance, LMX dimensions on employee engagement and the relationship between LMX, employee engagement and employee performance from different contexts and authors.

2.5.1 LMX and Employee Performance

According to the LMX theory, leaders have special social exchange relationships with their followers, and the quality of these relationships varies between employees who belong to the same leader on a scale from low to high. This suggests that the quality of these relationships is not consistent across employees who belong to the same leader (Graen & Uhl-Bien, 1995). When it comes to low-quality LMX interactions, it is all about the money; in other words, it is all about workers fulfilling their contractual obligations and being paid for it. As opposed to the formal contract approach, high-quality exchanges are built on trust, mutual obligation, and respect for one another. They are the result of a series of role-playing episodes in which leaders express their expectations and employees demonstrate how much they are capable and willing to deliver on those expectations. This means that leaders are more likely to provide workers with extra resources like autonomy, knowledge, and the ability to participate in the decision-making process if they have a strong LMX connection. Graen and Cashman (1975) argued that employees' work performance is enhanced by the quality of their LMX connection (Graen & Cashman, A role making model in formal organizations: A developmental approach, 1975).

A high LMX relationship is one in which the leader has high expectations of his or her workers' performance in exchange for the investments he or she has made. Research shows that individuals of high-quality LMX relationships outperform those in lower-quality relationships. Duleboh et al (2011) discovered that the relationship between LMX and subjective and objective performance was significant (Dulebohn, Bommer, Liden, Brouer, & Ferris, 2011). It is also a personal connection according to the concept of social exchange. LMX relationships and individual performances benefit from high-quality LMX. Or to put it another way, those who have an excellent LMX connection tend to do better (Casimir, Ng, Wang, & Ooi, 2014). Leadership support is

generated both professionally and emotionally by a high quality LMX. As a result, those who are following the lead will put up their best efforts in order to fulfill their tasks (Agarwal, et al, 2012). It has been concluded that LMX has a positive impact on employee performance.

2.5.2 LMX and Employee Engagement

It is possible to explain the relationship between LMX quality and employee performance using the concept of social exchange. However, the LMX-performance relationship mechanism requires factors that explain LMX's role in employee performance (Sue-Chan, Chen, & Lam, 2011). This research employs Weiss and Cropanzano (1996)'s affective event theory (AET). The AET views the connection between a stimulus and a person's attitude and conduct as the process of a mediating connection that influences their behavior (Ashkanasy, 2002). Employee performance cannot be improved by a positive stimulus (LMX) since a positive mindset is required before an employee can perform well (Ashkanasy, 2002). For a variety of reasons, high-quality LMX may increase performance through influencing work engagement as a positive attitude factor. According to Sparrowe and Liden (1997), high quality LMX is evident in the benefits that followers obtain from better time availability and stronger support from leaders for their followers' activities. It is for this reason that high-quality followers will feel more secure (Sparrowe & Liden, 1997).

High LMX, on the other hand, improves job engagement's second component, which is devotion. For followers who exhibit high LMX, such as those who exhibit a high level of passion, excitement, and initiative in their job, the qualities of high LMX may strengthen their engagement (Schaufeli & Bakker, 2004). This reason is in line with the fundamental characteristics of the LMX relationship model, which describes the reciprocal connection that exists between leaders and the people who follow them (Sears & Holmvall, 2010). Thirdly, the high quality of connections fostered by LMX also contributes to employee involvement in their job via the absorption dimension. According to Schaufeli and Bakker (2004), absorption is defined as the state of being fully concentrated on a task while also experiencing pleasure in doing that task. Employees who engage in their job are extremely focused, have a clear frame of mind, their mind and body are integrated, they concentrate, and they take great pleasure in their work. When considered from the perspective of the features of the absorption dimension, it has a tight relationship to investment in cognition, more specifically, the

process of learning new information (Schaufeli & Bakker, Job demands, job resources, and their relationship with burnout and engagement: a multi-sample study, 2004). When the LMX connection is of high quality, leaders will guide and instruct their followers, which will result in the subordinates gaining knowledge (Li, Sanders, & Frenkel, 2012). On the basis of these reasons, LMX, as a constructive stimulus, has the potential to enhance performance, which may be interpreted as behavior via work engagement (positive attitude). This favorable stimulation (high LMX) will develop a positive attitude among followers toward their leader, and further inspire them to devote their physical energy, emotional energy, and cognitive energy to increase their productivity or performance (Sepdiningtyas & Santoso, 2017).

2.5.3 LMX, Employee Engagement and Employee Performance

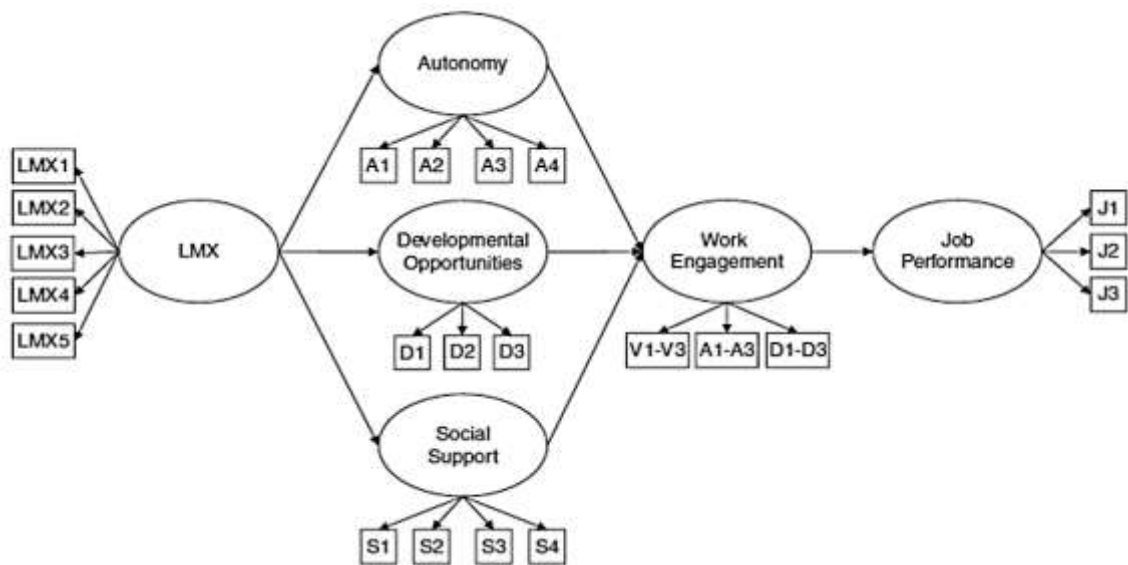
Work engagement is a positive, work-related state of mind that is defined by energy, dedication, and absorption. As a result, highly engaged workers are energized, passionate, inspired, and proud of their job, and they report that the time they spend at work seems to fly by. Competitive advantage in today's economy may be gained by a workforce that is actively engaged in their work and has a favorable impact on outcomes such as job performance (Halbesleben, 2010). The theory of conservation of resources (COR) holds that human beings' fundamental goal is to create, safeguard, and enhance their resource pools in order to safeguard their own interests and those of their social networks (Buchwald & Schwarzer, 2010). According to Halbesleben (2010), leadership is a key source of support and research has demonstrated that social support is positively associated to work engagement (Halbesleben, 2010). The Job Demands-Resources (JD-R) model also suggests that people are more interested in their job when their resources are matched with demanding requirements (Bakker & Demerouti, 2008). When workers have a high-quality exchange relationship, they are more likely to be engaged because their leader supports their work but also expects them to perform at a high level.

An employee's intrinsic drive to accomplish their job successfully may be influenced by the quality of their LMX interactions, making it more possible for high-quality LMX relationships to lead to engagement. Epitropaki and Martin (2005) found that supervisors in high-quality LMX relationships provide their subordinates with stronger intrinsic and extrinsic motivation, which results in more favorable attitudes towards work (Epitropaki & Martin, 2005). And last but not least, it has been shown

that those in a high-quality relationship are more likely to have high levels of optimism and self-efficacy, two of the most critical factors that influence work engagement (Halbesleben, 2010). Therefore, work engagement mediates the relationship between LMX and job performance.

This study refers to the research of Breevaart et al (2013)'s study which is on leader-member exchange, job resources, work engagement and job performance. The study investigates and sought to establish the relationship between LMX and job performance with the mediation factors of job resources (autonomy, developmental opportunities, social support) and work engagement. The study's participants were Dutch police officers working within one district of the Dutch police force.

Figure (2.1) The Relationship Between LMX and Job Performance



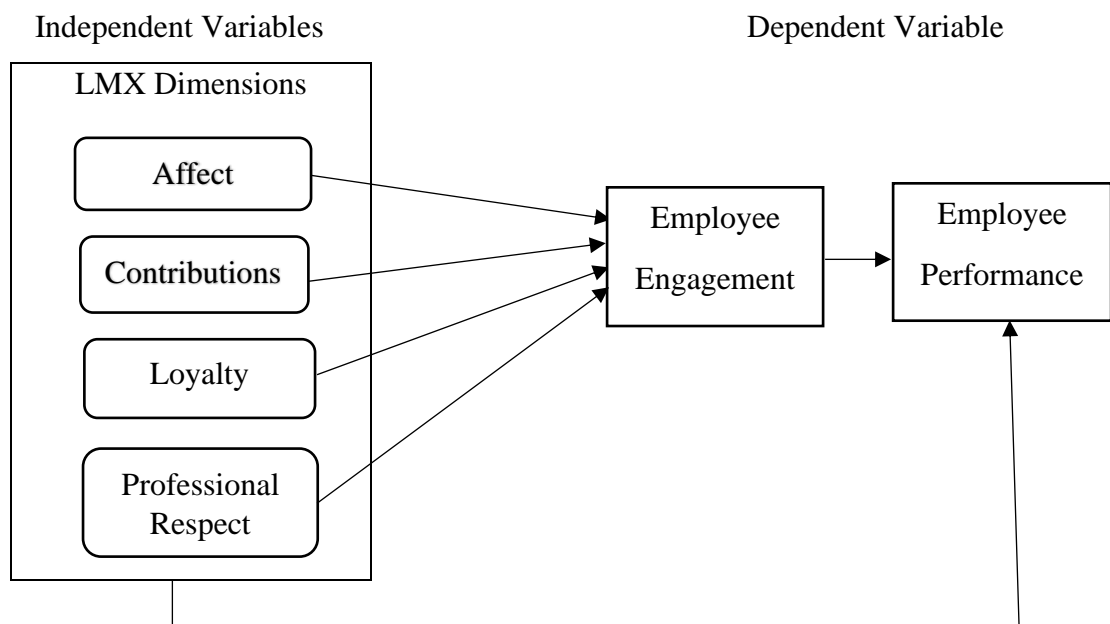
Source:(Breevaart, Bakker, Demerouti, & Heuvel, 2015)

According to the results, employees who have great LMX connections with their leaders operate in an environment that is more resourceful (I.e. report more developmental opportunities and social support, but not more autonomy). In turn, this resourceful working environment makes it easier for employees to get engaged in their work and perform well on the job. The research highlighted how important it is to have a large number of LMX interactions while attempting to create a resourceful workplace. In turn, this resourceful environment has substantial implications for the level of work engagement and performance that employees exhibit on the job.

2.6 Conceptual Framework of the Study

The conceptual framework of this study was developed based on previous study of Breevaart, Bakker, Demerouti, & Heuvel, 2015 constructed with independent variable (LMX dimensions), mediating variable (work engagement) and dependent variable (employee performance).

Figure (2.2) Conceptual Framework of the Study



Source: Own Compilation (2022)

From the above Conceptual Framework, the study proposes that the dimensions of LMX are affect, contribution, loyalty and professional respect as independent variables. On the other hand, this study proposes work engagement as mediating factor between independent variables and dependent variable. Then, the study proposes employee performance as dependent variable of this study. In this study, the conceptual framework proposes that work engagement mediates the relationship between LMX dimensions and employee performance

2.7 Working Definition of Key Terms

For the purpose of this study, the following words was be taken to mean:

Table (2.1) Working Definition of Key Terms

No.	Variables	Working Definitions
1.	Affect	Affect is the term used to describe the mutual affection that members of the dyad feel for one another, which is largely motivated by interpersonal attraction as compared to job or professional values.
2.	Contributions	Contribution refers to how each member sees his or her current level of work-related activities as they relate to the team's (explicit or implicit) common goal
3.	Loyalty	Loyalty refers to publicly supporting one other in terms of both actions and attitude, between supervisors and subordinates, in the workplace.
4.	Professional Respect	It is the impression of the degree to which each member of the dyad has created a reputation, either inside or outside the business, of excelling at his or her area of work.
5.	Employee Engagement	Employee engagement is primarily a motivating term that describes the active allocation of personal resources toward the various activities.
6.	Employee Performance	AYA Bank employee performance must be defined as the quality and quantity of work that he or she produces while doing their job in line with the obligations that have been assigned to them.

Source: Own Compilation (2022)

CHAPTER III

LMX DIMENSIONS OF AYA BANK

This chapter presents the background information of AYA bank, mission, vision and objectives of AYA bank, organizational structure of AYA bank and leadership style of AYA bank.

3.1 Background Information of AYA Bank

The Central Bank of Myanmar authorized the establishment of AYA Bank in 2010. AYA Bank's head office is located the MahaBandoola Garden St, Kyauktada Township Yangon. Some of the services it provides as a bank include taking deposits, storing customers' assets in a safe environment, making loans (both secured and unsecured), and processing customer payments. In addition, the bank provides a full range of foreign banking services, including overseas payments, international commerce, and international remittances. By joining the UNGC, AYA Bank has pledged to adopt and adhere to the highest standards of corporate governance and compliance worldwide. Moreover, AYA Bank has worked with expert consulting company for non-audit services to fulfill regulatory obligations, contractual needs, and get strategic business insights beside its commercial venture. To guarantee long-term sustainable development for the communities it serves, the bank has hired and kept talented staff with local and international exposure and invested heavily in Learning & Development (AYA Bank, 2018). With over \$3.2 million in annual revenue and 265 locations, AYA Bank is the second biggest bank in the country. Among the factors that have contributed to AYA Bank's sustained development throughout the years is the bank's substantial and devoted customer base.

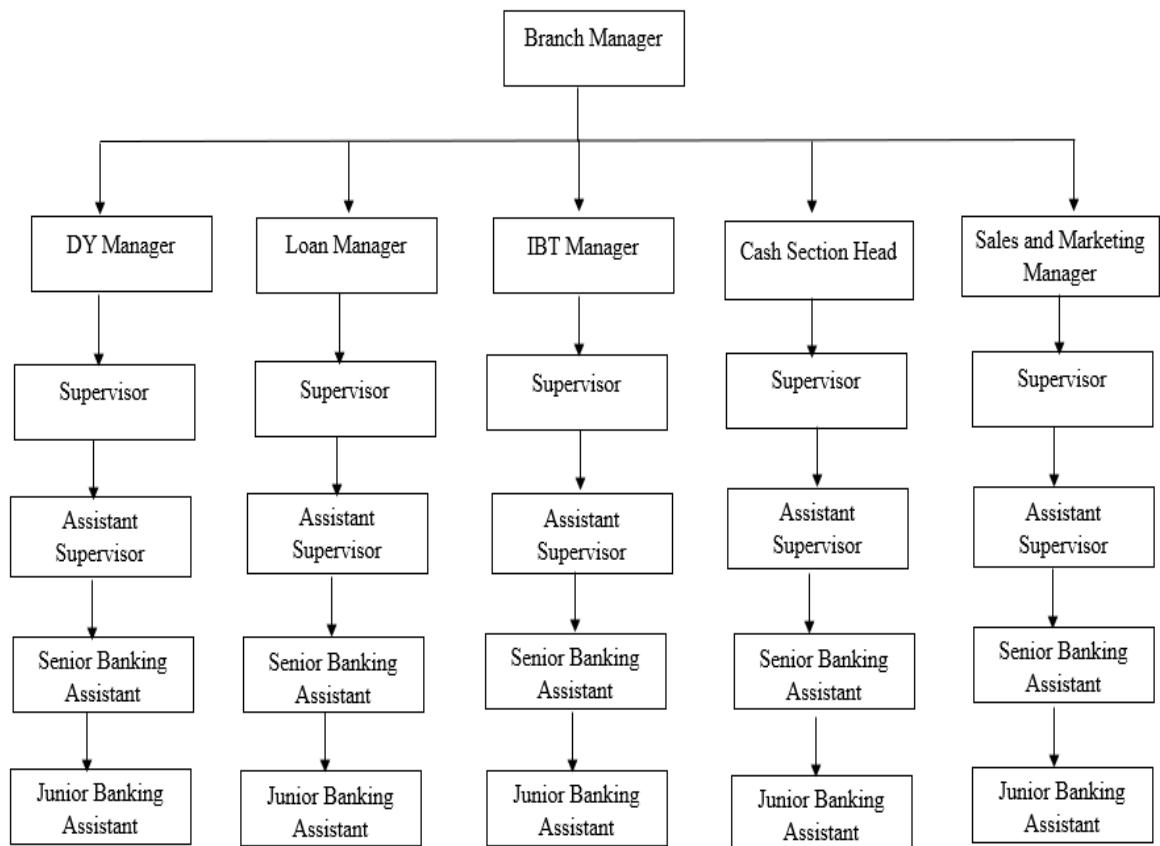
In the Myanmar banking industry, AYA bank offers a comprehensive range of retail and commercial banking products and solutions, including a wide range of electronic banking services such as Internet and mobile banking, automated teller machines (ATMs), and bill payment. AYA Bank is committed to providing customers with prompt, dependable, and trustworthy banking relationships at all times and provides a comprehensive selection of retail and commercial goods and services. Borrowing and Raising of money, Lending or Advancing of Money either secured or unsecured, Receiving Securities or valuables for Safe Custody, Collecting and

Transmitting money and Securities, and International Banking Services including International remittance, payment, and trade services are the primary activities that AYA Bank engages in. AYA Bank places a strong emphasis on developing its human resources and cultivating a culture of innovation inside the company via the use of technology.

3.2 Organizational Structure of AYA Bank

The board members and management staff of AYA Bank steer the bank to provide the most possible profit to its customers, stakeholders, and shareholders, while also driving responsible development inside the bank. Figure (3.1) shows the organizational structure of AYA bank (Kyauktada Branch). Branch manager is the main leader in AYA bank’s Kyauktada Branch. DY manager, Loan manager, IBT manager, cash section head and sales and marketing manager are under Branch manager. There are 4 positions under each manager which are supervisor, assistant supervisor, senior banking assistant and junior banking assistant.

Figure (3.2) Organizational Structure of AYA Bank (Kyauktada Branch)



Source: AYA Bank 2018

3.3 Employee Perception on LMX Dimensions of AYA Bank

The vision of AYA Bank is to be recognized as the leading bank in Myanmar via pursuit of outstanding and long-term sustainable development for the bank and its stakeholders. AYA Bank is under the belief that its human capital is the most valuable asset in the business and is the primary factor in its ability to achieve the goal. From the point of view of the employees, AYA fosters a culture of learning within the organization and maintains excellent learning opportunities for all employees. Additionally, the company recognizes and rewards employees who perform exceptionally well and offers employees the chance to advance their careers in a variety of AYA business units.

For AYA Bank, having strong corporate governance is essential to ensuring that the bank and the economy as a whole continue to operate as intended. Good Corporate Governance is essential to preventing poor management since it enables a company to run more effectively, increases its access to capital, reduces risk, and protects the interests of its stakeholders. Leaders in AYA bank are in charge of steering the bank toward responsible expansion and delivering the most possible profit to the bank's clients, stakeholders, and shareholders. In addition, the bank operates under a Governance Framework that has been thoroughly outlined. This framework assures high levels of openness, fairness, and accountability, as well as behavior that adheres to the highest ethical standards. The devoted members of the Bank's Board of Directors have fulfilled their duties in this capacity with the utmost care and effort (AYA Bank, 2018).

AYA bank also tries to fulfill LMX dimensions of affect, loyalty, contribution and professional respect. The leaders of AYA bank provides their followers with rewards and create a culture that is welcoming and supportive in the workplace. In addition to that, they provide medical insurance, educational and professional development programs, and competence coaching. In addition, they provide promotion and further rewards those followers who have the highest levels of performance. The leaders of the bank provide support for its followers and interact affably with them while they are at work. The leaders of AYA bank also make an effort to earn the followers' loyalty by cultivating friendly relationships with them and soliciting positive input. In addition, if followers ask them to, the leaders will provide help and resources that go above and beyond the responsibilities they have. Because the leaders of AYA

bank treat their followers with the utmost respect, the followers have a strong respect for their leaders.

3.4 Research Design

The study has used descriptive research design to describe the effect of leader-member exchange relationship and employees' performance at AYA bank. This study has employed quantitative research method data by performing statistical techniques. In order to fulfill this study's objectives, the required data were collected by using survey questionnaire. The target population of this study is employees from AYA bank (Kyauktada branch) in Yangon. Sample of 130 (employees ranging from supervisors to Junior Banking Assistant) out of 175 employees who have been working in Kyauktada bank's office are chosen by simple random sampling method. The required data was collected using structured questionnaire. The research questionnaire was divided into 3 parts: Part 1 consists of respondents' demographic profile such as gender, age, etc. Part 2 contains questions regarding to leader-member exchange relationship in AYA bank such as components related to LMX_MDM which are affect, loyalty, contribution and professional respect. Part 3 contains questions related to employee engagement and Part 4 contains employees' performance in AYA bank. Part 2 and Part 3 and 4's statements are measured by 5-Point Likert Scale items to examine the research objective formally. The scales range from (1 = Lowest, 2 = Low, 3 = Moderate, 4 = High, 5 = Highest). Mean values were calculated based on the results of respondents' answers. Likert Scale interpretation is as follow.

Table (3.1) Mean Score Interpretation

No.	Mean Score between	Interpretation
1	1.00 - 1.80	Lowest
2	1.81 - 2.60	Low
3	2.61 - 3.40	Moderate
4	3.41 - 4.20	High
5	4.21 - 5.00	Highest

Source: Moidunny (2009)

The collected data were then analyzed by SPSS statistical tool. Multiple Regression analysis and Sobel test were used to analyze the effect between leader-member exchange relationship and employee performance via the employee engagement.

3.5 Reliability Analysis

In order to study the relationships between individual items in the scale, reliability analysis can be used to check the reliability of each dimension. Cronbach's alpha is used to see if multiple-question Likert scale surveys are reliable. Cronbach's alpha reliability coefficient normally ranges between 0 and 1. The value of greater than 0.7 is considered as good internal consistency. Reliability analysis of this study is as follows.

Table (3.2) Reliability Analysis

No.	Description	No. of items	Cronbach's Alpha
1	Affect	5	0.866
2	Loyalty	5	0.843
3	Contribution	5	0.883
4	Professional respect	5	0.887
5	Employee engagement	7	0.922
6	Employee performance	6	0.907

Source: Survey data, 2022

According to above table, all of the Cronbach's Alpha value is greater than 0.8 which indicates the acceptable internal consistency.

3.6 Respondents' Demographic Profile

Respondents' demographic profile is divided into 5 categories; gender, age, educational level, experience level and respondents' leader in the work place.

Table (3.3) Respondents' Demographic Profile

Description		No. of Respondent's	Percent
Gender	Male	61	46.9
	Female	67	51.5
	Other	2	1.5
Year	Between 20 to 30	51	39.2
	Between 31 to 40	64	49.2
	Between 41 to 50	9	6.9
	Over 51	6	4.6
Educational level	Bachelor	87	66.9
	Diploma	20	15.4
	Vocational	2	1.5
	Master or above	21	16.2
Experience Year	Below 1	3	2.3
	1 - 5	69	53.1
	5 - 10	33	25.4
	Over 10	25	19.2
Respondents' job position	Supervisor	43	33.1
	Assistant supervisor	25	19.2
	Senior banking assistant	30	23.1
	Junior accounting assistant	32	24.6

Source: Survey data, 2022

According to above table (3.3), 46.9% of the respondents are male and 51.5% of the respondents are female. Moreover 1.5% chose other. This indicates that the majority of the respondents are female. The results showed that 39.2% of the respondents are at the age of between 20 to 30, 49.2% are at the age of between 31 to 40, 6.9% are at the age of between 41 to 50 and the rest of 4.6% are over 51 years old. According to the results of educational level of respondents, 66.9% are Bachelor degree holders, 15.4% are Diploma degree holders, 1.5% are Vocational degree holders and 16.2% are Master.

The results of service years of respondents in AYA bank shows that 2.3% of the respondents have under 1-year experience level, 53.1% have 1 to 5 years' experience in the bank, 25.4% have 5 to 10 years' experience in the bank and 19.2% have over 10

years of experience in the bank. The results of respondents' job position shows that 33.1% are supervisors, 19.2% are assistant supervisors, 23.1% are senior banking assistants and 24.6% are junior banking assistants.

3.7 Leader-Member Exchange Relationship at AYA Bank

The respondents were requested to indicate their level of agreement on various statements in relation to the leader-member exchange relationship in AYA bank. LMX's dimensions are divided into 4 factors which are affect, loyalty, contribution and professional respect.

3.7.1 Affect

Table (3.4) represents the mean and standard deviation from respondents' assessment on affect. Affect is divided into 5 statements as follow.

Table (3.4) Affect

No.	Description	Mean	Std. Deviation
1	I like my supervisor very much	3.36	0.747
2	The kind of person one would like to have as a friend	3.35	0.645
3	A lot of fun to work with	3.35	0.723
4	Engage with my supervisor frequently because I enjoy his/her company	3.19	0.779
5	Me and my supervisor share work-related things because we have mutual affection on our friendship	3.34	0.665
Average Mean		3.32	

Source: Survey data, 2022

Above Table (3.4) showed that the majority of the respondents like their supervisor very much as a person. However, most of the respondents are moderate with supervisor's friendliness and they are moderate with which their supervisors are fun to work. Moreover, the majority of the respondents are moderate about their enjoyment of engaging with their supervisor and how they share work-related things based on mutual

affection on their friendship. The total mean score of affect is 3.32, which indicates that AYA bank's leaders offer moderate level of affection for its followers.

3.7.2 Loyalty

Table (3.5) represents the mean and standard deviation from respondents' assessment on loyalty. Loyalty is divided into 5 statements as follow.

Table (3.5) Loyalty

No.	Description	Mean	Std. Deviation
1	Defends my decisions, even without acknowledgement of the issue	3.21	0.690
2	Defend me while attacked by others	3.13	0.615
3	Defend me in the organization even when I make honest mistake	3.24	0.607
4	Publicly supports me in terms of both actions and attitude	3.22	0.693
5	I am devoted to work because of my supervisor's support	3.18	0.724
Average Mean		3.20	

Source: Survey data, 2022

Table (3.5) showed the leaders' loyalty upon employees in AYA bank. The results showed that the majority of the respondents' perceptions are moderate with how their supervisors defend their decisions, how their supervisors would come to their defense if they were attacked by others, how their supervisor would defend them if they made a mistake, how their supervisor publicly support them in terms of both actions and attitude and how they are devoted to work because of their supervisor's support. The total mean score of 3.20 indicates that AYA bank's leaders offer moderate level of loyalty for its follower.

3.7.3 Contribution

Table (3.6) represents the mean and standard deviation from respondents' assessment on contribution. Contribution is divided into 5 statements as follow.

Table (3.6) Contribution

No.	Description	Mean	Std. Deviation
1	Provides me support and resources that goes beyond job description	3.24	0.668
2	I am willing to apply extra efforts, beyond those normally required, to help my supervisor meet his or her work goals	3.27	0.632
3	I do not mind working my hardest for my supervisor	3.12	0.737
4	Listen openly to my advices which wants me to contribute more in my work	3.32	0.623
5	I contribute to the given tasks to meet my supervisor's expectations	3.16	0.645
Average Mean		3.22	

Source: Survey data, 2022

Table (3.6) stated the contribution of leaders upon employees in AYA bank. According to the results, the majority of the respondents are moderate with how their supervisor provides support and resources and how they would go beyond duties to help their supervisor to meet his or her work goals. Further, they stated that they are moderate with how they want to work their hardest for their supervisor, how they can advise openly to their supervisors and how they contribute to the given tasks to meet supervisors' expectations. The total mean score of 3.22 indicates AYA bank's leaders offer moderate level of contribute for its followers.

3.7.4 Professional Respect

Table (3.7) represents the mean and standard deviation from respondents' assessment on professional respect. Professional respect is divided into 5 statements as follow.

Table (3.7) Professional Respect

No.	Description	Mean	Std. Deviation
1	Impressed with supervisor's knowledge of his/her job	3.13	0.741
2	Respect supervisor's knowledge of and competence on the job	3.33	0.627
3	Admire supervisor's professional skills	3.26	0.665
4	Respect supervisor because he/she treat everyone in the team fairly	3.28	0.682
5	Respect supervisor for making me like a valued part of the team	3.30	0.566
Average Mean		3.26	

Source: Survey data, 2022

Table (3.7) stated the respondents' professional respect on leaders in AYA bank. According to the results, the respondents feel moderate with their supervisor's knowledge of job, their competence and professional skills. Further, they are moderate with how they respect their supervisor and how they respect their supervisor for valued part of the team. The total mean score of professional respect is 3.26 which indicates AYA bank's leaders offer moderate level of professional respect for its followers and vice versa.

Table (3.8) Summary of LMX Dimension

No.	Variables	Overall Mean
1.	Affect	3.32
2.	Loyalty	3.20
3.	Contribution	3.22
4.	Professional Respect	3.26

Source: Survey data, 2022

From the findings of table (3.8), the respondents' responses were averaged across five dimensions with the mean score are 3.20 to 3.32. The respondent satisfaction for above statements is moderate level for the LMX dimension of the bank.

3.6 Employee Engagement

The respondents were requested to indicate their level of agreement on various statements in relation to the employee engagement in AYA bank. It is divided into 7 statements as follow.

Table (3.9) Employee Engagement

No.	Description	Mean	Std. Deviation
1	At my work, I feel bursting with energy	3.31	0.756
2	When I get up in the morning, I feel like going to work	3.33	0.675
3	I can continue working for very long periods at a time	3.44	0.597
4	I find that the work I have to do is full of meaning and purpose	3.28	0.584
5	I am enthusiastic about my job responsibilities	3.48	0.574
6	It is difficult to detach myself from my job at AYA bank	2.35	0.679
7	Time flies when I am working in AYA bank	3.41	0.619
Average Mean		3.19	

Source: Survey data, 2022

Above showed the employee engagement in AYA bank. Based on the results, they can continue working for very long periods at a time, they are enthusiastic about their job responsibilities and they feel like time flies when they are working in AYA bank. However, they are moderate with how their feeling energy bursting while working, how they feel when they go to work and how they find work is full of meaning and purpose. Further, they stated that it is not difficult to detach themselves from their job at AYA bank. Overall mean score of employee engagement is 3.19, which means there is a moderate level of employee engagement in AYA bank.

3.7 Employee Performance

The respondents were requested to indicate their level of agreement on various statements in relation to the organizational performance in AYA bank. It is divided into 6 statements as follow.

Table (3.10) Employee Performance

No.	Description	Mean	Std. Deviation
1	I achieve the objectives of the tasks	3.92	0.758
2	I demonstrate expertise in all job-related tasks	3.23	0.793
3	I handle tasks with proficiency	3.34	0.629
4	I can plan and organizes to achieve objectives of the job and meet deadlines	3.38	0.662
5	I complete the duties specified in my job description	3.44	0.597
6	Neglect aspects of the job that is obligated to perform	3.85	0.776
Average Mean		3.45	

Source: Survey data, 2022

According to table (3.10) showed the organizational performance of employees in AYA bank. The results stated that the they can easily achieve the objectives of the tasks, they can always complete the duties specified in their job description and they never neglect their duties to perform. However, most of the respondents are moderate with their expertise in job related tasks, their proficiency and their ability to plan and organize to meet deadlines. The total mean score of organizational performance is 3.45, which indicates that there is a high organizational performance in AYA bank.

CHAPTER IV

ANALYSIS OF LMX RELATIONSHIP AND EMPLOYEE PERFORMANCE AT AYA BANK

In this chapter, analysis of leader-member exchange relationship, analysis of employees' performance in AYA Bank and an analysis on relationship between LMX dimensions and employees' performance in AYA Bank are presented.

4.1 Relationship Between LMX Dimensions and Employee Performance

In order to measure the strength of the linear relationship between variables and compute their association, this study used Correlation analysis. The results are shown as follow.

Table (4.1) Relationship Analysis Between LMX Dimensions and Employee Performance

No.	LMX Dimensions	Employee performance	P-Value
1	Affect	.334**	0.000
2	Loyalty	.606**	0.000
3	Contribution	.571**	0.000
4	Professional respect	.574**	0.000

Source: Survey data, 2022

All of the independent variables had a positive and significant correlation relationship with P-values of 0.000. A correlation coefficient value ranging from 0.10 to 0.29 is considered weak, from 0.30 to 0.49 is considered medium and from 0.50 to 1.00 is considered strong. Therefore, from the findings of the result, affect is moderately correlated with employee performance. However, Loyalty, Contribution and Professional respect are strongly correlated with employee performance in accordance with the respondents' perceptions. Additionally, the significance level is 0.05 in the Pearson Correlation test, which means there is 95% of confidence level. Therefore, the

hypotheses only can be accepted if the significant p-value is less than 0.05. According to the results from Table (4.1), the relationship analysis was conducted 95% confidence interval, hence it showed that there is a positive relationship between LMX dimension and employee performance of AYA Bank. It can be clearly seen that the respondents believe that the application of LMX has a relationship with employee performance of AYA Bank.

4.2 The Effect of LMX on Employee Performance

In order to examine the effect of LMX on employee performance via the mediating factor of employee engagement, multiple regression analysis and Sobel test was performed. A multiple regression analysis was used to conduct if there is a direct relationship between variables. Firstly, this study was conducted total effect between LMX and employee performance. Secondly, this study was conducting the direct effect between LMX and employee engagement. Thirdly, this study was conducting the relationship between employee engagement and employee performance. Further, this study will conduct the effect between LMX and employee performance via employee engagement. Sobel test is performed to calculate the mediating effect between LMX and employee performance.

4.2.1 LMX and Employee Performance

This part was taking LMX dimensions as independent factors and employee performance as dependent factor. The results are as follow.

Table (4.2) Regression Result of LMX Dimensions and Employee Performance

Dependent Variable: Employee Performance	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.804	0.281		2.862	0.165
Affect	0.818**	0.084	0.081	0.970	0.043
Loyalty	0.404***	0.114	0.362	3.540	0.000
Contribution	0.173***	0.118	0.162	1.465	0.000
Professional Respect	0.282**	0.111	0.264	2.552	0.030
R-Square	0.437				
Adjusted R Square	0.418				
F Value	24.209***				
Note: *** Significant at 1% level, ** Significant at 5% level.					

Source: Survey data, 2022

F test value refers to the overall significance. According to above table, the value of F is 24.209 which is significant and concluded as R-squared does not equal zero, so the results are highly significant 5% coefficient level and the correlation between the model and dependent variables are statistically significant. R-squared value of 0.437 showed that this model can explain about 43% of the variation of LMX dimensions on employee performance. Moreover, the results shown that p-value is less than 0.05. This means there is a direct effect between affect, loyalty, contribution, professional respect and employee performance.

4.2.2 LMX and Employee Engagement

Secondly, this part was taking LMX as independent variable and employee engagement as dependent variable. The results are as follow.

Table (4.3) Regression Result on Relationship Between LMX and Employee Engagement

Dependent Variable: Employee Engagement	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.226	0.182		1.244	0.216
LMX	0.967***	0.055	0.839	17.445	0.000
R Square	0.704				
Adjusted R Square	0.702				
F Value	304.338***				
Note: *** Significant at 1% level					

Source: Survey data, 2022

According to above table, the value of F is 24.209 which is significant and concluded as R-squared does not equal zero, so the results are highly significant 5% coefficient level and the correlation between the model and dependent variables are statistically significant. R-squared value of 0.704 showed that this model explained about 70% of the variation of LMX on employee performance while other 30% was not explained. Further, there is a significant and positive relationship between LMX and employee engagement because of the p-value of less than 0.05. Beta value is 0.967 so

if the score of LMX increases by 1 unit, the level of employee engagement will increase by 0.967 units. This shows that there is a direct effect between LMX dimensions and employee engagement.

4.2.3 Employee Engagement and Employee Performance

This part will be taking employee performance as dependent variable and employee engagement as independent variable. The results are as follow.

Table (4.4) Regression Result on Employee Engagement and Employee Performance

Dependent Variable: Employee Performance	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.217	0.275		4.434	0
Employee Engagement	0.619***	0.081	0.562	7.687	0
R Square	0.316				
Adjusted R Square	0.310				
F Value	59.092***				
Note: *** Significant at 1% level					

Source: Survey data, 2022

According to above table, the value of F is 59.092 which is significant and concluded as R-squared does not equal zero, so the results are highly significant 5% coefficient level and the correlation between the model and dependent variables are statistically significant. R-squared value of 0.316 showed that this model explained about 31% of the variation of LMX on employee performance while other 69% was not explained. Moreover, there is a significant and positive relationship between employee performance and employee engagement because of the p-value of less than 0.05. This shows that there is a direct effect between employee performance and employee engagement.

4.3 Mediation Effect

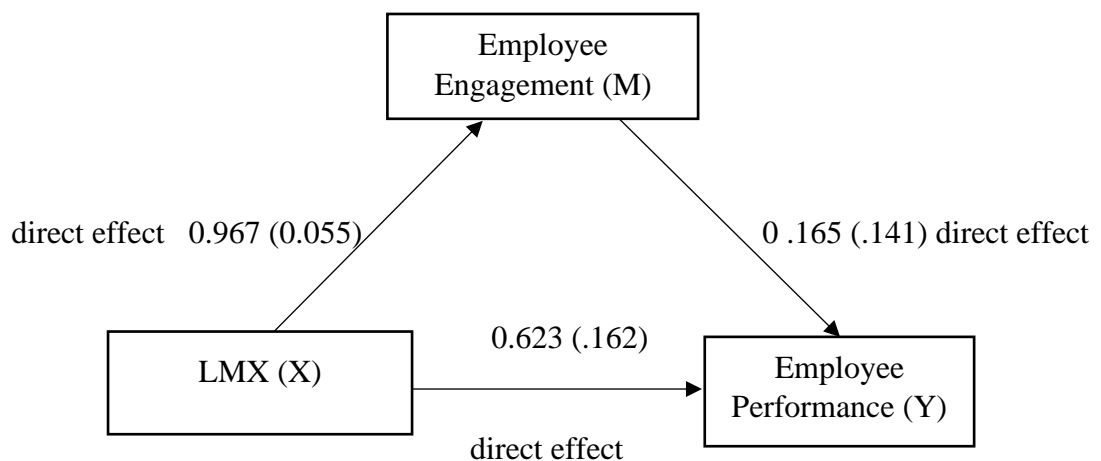
This part will be taking employee performance as dependent variable and LMX and employee engagement as independent variable. The results are as follow.

Table (4.5) Mediation effect of Employee Engagement

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.721	0.291		2.475	0.015
LMX	0.623***	0.162	0.491	3.844	0.00
EE	0.165	0.141	0.15	1.177	0.241
R Square				0.387	
Adjusted R Square				0.378	
F Value				40.115***	
Note: *** Significant at 1% level					

Source: Survey data, 2022

After calculating above multiple regression analysis, the values are added to the following diagram.



The result is a statistically significant direct effect between LMX and employee performance. However, the indirect effect between LMX and employee performance via employee engagement is not statistically significant because of the p-value of greater than 0.05. Further, z value is 1.167. It has been argued that if z-value is less than 1.96, then the mediating variable is not significantly mediating between x and y variable. Based on the results, indirect effect between a and b is 0.159. The

estimated of the indirect effect between LMX and employee performance through employee engagement based on Sobel test suggested that the point estimate of 0.159 is not statistically at p-value greater than 0.05. Overall, this is the mediation analysis with one mediator using the Sobel test to estimate the statistically significant associate with the indirect effect which was estimate at 0.159 on the basis of multiplying the 0.967 and 0.165. The direct effect between LMX and employee performance is found to be statistically significant on the basis of the multiple regression that have p value of 0.000. The study found that even though employee engagement has a significant influence on employee performance of AYA bank, it does not have the effect between LMX dimension and employee performance of AYA bank.

CHAPTER V

CONCLUSION

This chapter presents the summary and discussions on the findings of the study, suggestion and recommendation and need for further studies.

5.1 Findings and Discussions

According to the results, the majority of the respondents are female and most of the respondents are at the age of between 31 to 40 years old. In educational level, the majority of the respondents who participated in this study are Bachelor degree holders and most of them have 1-5 years of experience in AYA bank. The majority of the respondents' job position is supervisor.

Based on the finding of the results, it is found that affect is seemed to be moderately practicing in AYA bank from the perceptions of employees. The study revealed that affect is the best predictor of employee performance in AYA bank. The average score of loyalty indicated that bank look to be positively exerting on loyalty from the insights of the employee. The revealed that the employee are moderately agreed that contribution is look to be exerting in AYA bank. Furthermore, professional respect is also practicing moderately in AYA bank according to the perceptions of employees. Thus, the employees are moderately agreed that AYA bank seem to be exerted all of the LMX dimensions to enhance the leader member relationship in working environments. Next, in accordance with the findings, employee engagement is moderately practicing in AYA bank from the perceptions of employees. Moreover, the respondents are agreed that employee performance is in the high level of respondents' perceptions.

According to the analysis of correlation coefficient, it indicated that there is a positive relationship between LMX dimension and employee performance of AYA Bank. It can be clearly seen that the respondents believe that the application of LMX has a relationship with employee performance of AYA Bank. Based on regression analysis, LMX dimensions have positive and significant effect on employees' performance. According to the results, the most influencing factor on employee performance is affect, followed by loyalty, professional respect and contribution. This

indicates that if AYA bank's leaders can improve in these aspects, they will be able to increase their followers' performance. Further, the study found that there is a direct effect between LMX dimensions and employee performance.

In this study has conducted Multiple Regression Analysis and Sobel test was use to analyze the mediate effect of employee engagement on relation between LMX and employee performance. Due to the results, LMX has significant and positive effect on employee performance but employee engagement has no significant effect on employee performance. Therefore, by constructing the three-dimensional diagram, the value of a is the coefficient value of LMX and employee engagement. By running the Sobel test, employee engagement does not mediate between LMX and employee performance. However, due to regression analysis, LMX and employee performance have direct effect on each other and also, LMX and employee engagement have direct effect on each other. Further, employee performance and employee engagement have direct effect on each other on the basis of the multiple regression.

5.2 Suggestions and Recommendation

Banks expect employees to perform and vice versa, leaders expect their followers to perform. Therefore, to create good organizational conduciveness, LMX or the relationship between leaders and followers in AYA bank must be well established to improve employee performance. According to the results of the study, affect has positively and significantly influence on employee performance in AYA bank. Thus, an increase in affect can enhance the employee performance while other are constant. Therefore, in order to enhance employee performance AYA bank should encourage the affect to be strengthened.

Since loyalty is a dominant influencing factor on employee performance, the leaders should give a persona of being able to rely on when they are needed and leaders must create an atmosphere of fun to work with to improve employee performance. Further, as contribution is a second majority influencing factor on employee performance, leaders should also show mutual affection on friendship with each follower to improve employee performance. Finally, the study recommends that leaders should build their own image to persuade its followers to gain and should act with their professional skills and treat kindly to its followers to enhance the profession respect on employee performance in AYA bank.

5.3 Need for Further Studies

Since the employees in this study do not represent all of the employees from AYA bank (Kyauktada branch) or any other branches of AYA bank in Myanmar, this study does not cover all the perception of employee. Particularly, the sampling subjects are relatively random and there are certain limit actions in the geographical and industrial ranges. The conclusions may not be generalized to employees in all different kinds of industries. Further studies can be focused on the relationship between LMX dimensions and employee commitment, employee engagement and transformational leadership style, the impact of leadership styles on employee performance, etc. in other industry contexts.

REFERENCES

- Agarwal, U., Datta, S., Blake-Beard, S., & Bhargava, S. (2012). Linking LMX, innovative work behavior and turnover intentions. *Career Development International, 17*, 208-230.
- Aguinis, H. (2009). *Performance Management* (2nd ed.). Pearson Education.
- Al-Mehrzi, N., & Singh, S. (2016). Competing through employee engagement: A proposed framework. *International Journal of Productivity and Performance Management, 65*(6), 831-843.
- Ashkanasy, N. (2002). Studies of cognition and emotion in organisations: attribution, affective events, emotional intelligence and perception of emotion. *Australian Journal of Management, 27*, 11-20.
- AYA Bank. (2018). *Corporate Profile*. Retrieved Aug 8, 2022, from https://www.ayabank.com/en_US/about-aya/corporate-profile/
- AYA Bank. (2018). *Governance Structure*. Retrieved Aug 8, 2022, from https://www.ayabank.com/en_US/corporate-governance/governance-structure/
- Bakker, A., & Demerouti, E. (2008). Towards a model of work engagement. *Career Development International, 13*(3), 209-223.
- Bedi, A., Alpaslan, C., & Green, S. (2016). A meta-analytic review of ethical leadership outcomes and moderators. *Journal of Business Ethics, 139*, 517-536.
- Breevaart, K., Bakker, A. B., Demerouti, E., & Heuvel, M. V. (2015). Leader-member exchange, work engagement, and job performance. *Journal of Managerial Psychology, 30*(7), 754-770. Retrieved June 11, 2022, from https://www.researchgate.net/publication/281146474_Leader-member_exchange_work_engagement_and_job_performance
- Bridge, K., & Baxter, L. (1992). Blended relationships: Friends as work associates. *Western Journal of Communications, 56*, 200-225.
- Buchwald, P., & Schwarzer, C. (2010). Impact of Assessment on Students' Test Anxiety. *International Encyclopedia of Education*.

- Casimir, G., Ng, Y., Wang, K., & Ooi, G. (2014). The relationship amongst leader-member exchange, perceived organizational support, affective commitment, and in-role performance. *Leadership & Organization Development Journal, 35*, 366-385.
- Christian, M., Garza, A., & Slaughter, J. (2011). Work engagement: A quantitative review and test of its relations with task and contextual performance. *Personnel Psychology, 64*, 89-136.
- Crawford, E., LePine, J., & Rich, B. (2010). Linking job demands and resources to employee engagement and burnout: A theoretical extension and meta-analytic test. *Journal of Applied Psychology, 95*, 834-848.
- Dienesch, R., & Liden, R. (1986). Leader-member exchange model of leadership: A critique and further development. *Academy of Management Review, 11*, 618-634.
- Dockery, T., & Steiner, D. (1990). The role of the initial interaction in leader-member exchange. *Group and Organization Studies, 15*, 395-413.
- Dulebohn, J., Bommer, W., Liden, R., Brouer, R., & Ferris, G. (2011). A meta-analysis of antecedents and consequences of leader – member exchange: integrating the past with an eye toward the future. *Journal of Management, 20*, 1-45.
- Dulebohn, J., Bommer, W., Liden, R., Brouer, R., & Ferris, G. (2012). A meta-analysis of antecedents and consequences of leader-member exchange: integrating the past with an eye toward the future. *Journal of Management, 38*, 1715-1759.
- Epitropaki, O., & Martin, R. (2005). From ideal to real: A longitudinal study of the role of implicit: Leadership theories on leader-member exchange and employee outcomes. *Journal of Applied Psychology, 90*(4), 659-676.
- Erdogan, B., & Bauer, T. N. (2015). *Leader-Member Exchange Theory*. Retrieved July 30, 2022, from https://www.researchgate.net/publication/304188804_Leader-Member_Exchange_Theory
- Farr-Wharton, R., Brunetto, Y., & Shacklock, K. (2011). Professionals' supervisor-subordinate relationships, autonomy and commitment in Australia: a leader

- member exchange theory perspective. *The International Journal of Human Resource Management*, 22, 3496-3512.
- Graen, G. (1976). Role making processes within complex organizations. *Handbook of industrial and organizational psychology*, 1201-1245.
- Graen, G., & Cashman, J. (1975). A role making model in formal organizations: A developmental approach. *Leadership Frontiers*, 143-165.
- Graen, G., & Scandura, T. (1987). Toward a psychology of dyadic organizing. *Research in Organizational Behavior*, 9, 175-208.
- Graen, G., & Uhl-Bien, M. (1995). Relationship-based approach to leadership: Development of leader-member exchange (LMX) theory of leadership over 25 years: Applying a multi-level multi-domain approach. *Leadership Quarterly*, 6(2), 219-247.
- Gupta, M., Acharya, A., & Gupta, R. (2015). Impact of work engagement on performance in Indian higher education system. *Review of European Studies*, 7, 192-201.
- Halbesleben, J. (2010). A meta-analysis of work engagement: relationships with burnout demands, resources, and consequences. *Work Engagement: A Handbook of Essential Theory and Research*, 102-117.
- Inanc, E. (2018). *The Mediating Effect of Leader Member Exchange on Personality Congruence and Affective Commitment*. Minneapolis: Walden University.
- Judge, T., & Piccolo, R. (2004). Transformational and transactional leadership: a meta-analytic test of their relative validity. *Journal of Applied Psychology*, 89, 755-768.
- Kahn, W. (1990). Psychological conditions of personal engagement and disengagement at work. *Academy of Management Journal*, 33, 692-724.
- Kahn, W. (1990). Psychological conditions of personal engagement and disengagement at work. *Academy of Management Journal*, 33(4), 692-724.
- Kark, R., Samir, B., & Chen, G. (2003). The two faces of transformational leadership: Empowerment and Dependency. *Journal of Applied Psychology*, 88, 246-255.

- Khang, D., & Steward, J. (2007). Leader-member exchange (LMX) theory of leadership and HRD: Development of units of theory and laws of interaction. *Leadership and Organization Development Journal*, 28(6), 531-551.
- Konczak, L., Stelly, D., & Trusty, M. (2000). Defining and Measuring Empowering Leader Development of an Upward Feedback Instrument. *Educational and Psychological Measurement*, 60(2), 301-313.
- Kuruppu, C., Kavirathne, C., & Karunarathna, N. (2021). The Impact of Training on Employee Performance in a Selected Apparel Sector Organization in Sri Lanka . *Global Journal of Management and Business Research: A Ministration and Management*, 21(2), 5-12.
- Leiter, M. P., & Bakker, A. B. (2010). *Work Engagement: Introduction*. Canada: Psychology Press.
- Leonard, K. (2019). *Importance of Employee Performance in Business Organizations*. Retrieved July 31, 2022, from <https://smallbusiness.chron.com/importance-employee-performance-business-organizations-1967.html>
- Li, X., Sanders, K., & Frenkel, S. (2012). How leader-member exchange, work engagement and HRM consistency explain Chinese luxury hotel employees' job performance. *International of Hospitality Management*, 31, 1059-1066.
- Liden, R., & Graen, G. (1980). Generalizability of the vertical dyad linkage model of leadership. *The Academy of Management Journal*, 23(3), 451-465.
- Linden, R., & Maslyn, J. (1998). Multidimensionality of leader-member exchange: An empirical assessment through scale development. *Journal of Management*, 24, 43-72.
- Macey, W., & Schneider, B. (2008). The meaning of employee engagement. *Industrial and Organizational Psychology*, 1, 3-30.
- Mumma, S. M. (2010). *Student Leader LMX Relationships as Moderated by Constructive Developmental Theory*. University of Nebraska.
- Randolph, W. (1995). The Leadership Challenge of Changing to a Culture of Empowerment. *Executive Development*, 8(1), 5-8.

- Rich, B., LePine, J., & Crawford, E. (2010). Job engagement: Antecedents and effects on job performance. *Academy of Management Journal*, 53(3), 617-635.
- Saks, A. (2006). Antecedents and consequences of employee engagement. *Journal of Managerial Psychology*, 21(7), 600-619.
- Scandura, T., & Pellegrini, E. (2008). Trust and leader-member exchange: a closer look at relational vulnerability. *Journal of Leadership & Organizational Studies*, 15, 101-110.
- Schaufeli, W., & Bakker, A. (2004). Job demands, job resources, and their relationship with burnout and engagement: a multi-sample study. *Journal of Organizational Behavior*, 25, 293-315.
- Schaufeli, W., Bakker, A., & Salanova, M. (2006). The measurement of work engagement with a short questionnaire. *Educational and Psychological Measurement*, 66, 701-716.
- Sears, G., & Holmvall, C. (2010). The joint influence of supervisor and subordinate emotional intelligence on leader-member exchange. *Journal of Business Psychology*, 25, 593-605.
- Sepdiningtyas, R., & Santoso, C. B. (2017). The Influence of Leader-Member Exchange on Individual Performance: The Roles of Work Engagement as a Mediating Variable and Coworkers Support as a Moderating Variabl. *Review of Integrative Business and Economics Research*, 6(4), 285-305.
- Shmailan, A. (2016). The relationship between job satisfaction, job performance and employee engagement: An explorative study. *Issues in Business Management and Economics*, 4(1), 1-8.
- Sparrowe, R., & Liden, R. (1997). Process and structure in leader-member exchange. *Academy of Management Review*, 522-552.
- Sparrowe, R., & Linden, R. (1997). Process and structure in leader-member exchange. *Academy of Management Review*, 22, 522-552.
- Sue-Chan, C., Chen, Z., & Lam, W. (2011). LMX, coaching attributions, and employee performance. *Group & Organization Management*, 36, 466-498.

- Sultana, A., Irum, S., Ahmed, K., & Mehmood, N. (2012). Impact of training on employee performance: A study of telecommunication sector in Pakistan. *Interdisciplinary Journal of Contemporary Research in Business*, 4(6), 646-661.
- Truchembrodt, Y. (2000). The relationship between leader-member exchange and commitment and organizational citizenship behavior. *Acquisition Review Quarterly*, 233-244.
- Uhl-Bien, M., Graen, G., & Scandura, T. (2000). Implications of leader-member exchange (LMX) for strategic human resource management systems: Relationships as social capital for competitive advantage. *Research in personnel and human resource management*, 18, 137-185.
- Vogelgesang, G., Leroy, H., & Avolio, B. (2013). The mediating effects of leader integrity with transparency in communication and work engagement/performance. *The Leadership Quarterly*, 24, 405-413.
- Yang, Y., Lee, P., & Cheng, T. (2016). Continuous improvement competence, employee creativity, and new service development performance: A frontline employee perspective. *International Journal of Production Economics*, 171, 275-288.

Survey Questionnaire

Part 1: Demographic Profile

1. Gender
 - Male
 - Female
 - Other
2. Age
 - Between 20 to 30
 - Between 31 to 40
 - Between 41 to 50
 - Over 51
3. Educational level
 - Bachelor
 - Diploma
 - Vocational
 - Master or above
4. Experience level
 - Below 1 year
 - 1 – 5 years
 - 5 – 10 years
 - Over 10 years
5. Please indicate your job position
 - Supervisor
 - Assistant Supervisor
 - Senior Banking Assistant
 - Junior Banking Assistant
6. Please tick the level of agreement that matches your opinions.
 - Strongly disagree
 - Disagree
 - Neutral
 - Agree
 - Strongly agree

Part 2: LMX-MDM

No	Statement	1	2	3	4	5
Affect						
1	I like my supervisor very much					
2	The kind of person one would like to have as a friend					
3	A lot of fun to work with					
4	Engage with my supervisor frequently because I enjoy his/her company					
5	Me and my supervisor share work-related things because we have mutual affection on our friendship					

No	Statement	1	2	3	4	5
Loyalty						
1	Defends my decisions, even without acknowledgement of the issue					
2	Defend me while attacked by others					
3	Defend me in the organization even when I make honest mistake					
4	Publicly supports me in terms of both actions and attitude					
5	I am devoted to my work because of my supervisor's support					

No	Statement	1	2	3	4	5
Contribution						
1	Provides me support and resources that goes beyond job description					
2	I am willing to apply extra efforts, beyond those normally required, to help my supervisor meet his or her work goals					
3	I do not mind working my hardest for my supervisor					
4	Listen openly to my advices which wants me to contribute more in my work					
5	I contribute to the given tasks to meet my supervisor's expectations					

No	Statement	1	2	3	4	5
Professional Respect						
1	Impressed with my supervisor's knowledge of his/her job					
2	Respect my supervisor's knowledge of and competence on the job					
3	Admire my supervisor's professional skills					
4	Respect my supervisor because he/she treat everyone in the team fairly					
5	Respect my supervisor for making me like a valued part of the team					

Part 3: Employee engagement

No	Statement	1	2	3	4	5
Employee engagement						
1	At my work, I feel bursting with energy					
2	When I get up in the morning, I feel like going to work					
3	I can continue working for very long periods at a time					
4	I find that the work I have to do is full of meaning and purpose					
5	I am enthusiastic about my job responsibilities					
6	It is difficult to detach myself from my job at AYA bank					
7	Time flies when I am working in AYA bank					

Part 4: Employee performance

No	Statement	1	2	3	4	5
Employee Performance						
1	I can easily achieve the objectives of the tasks					
2	I can easily demonstrate expertise in all job-related tasks					
3	I can handle tasks with proficiency					
4	I can plan and organizes to achieve objectives of the job and meet deadlines					
5	I can always complete the duties specified in my job description					
6	I never neglect aspects of the job that is obligated to perform					

APPENDIX 2

SPSS Outputs

```

DATASET ACTIVATE DataSet2.

SAVE OUTFILE='C:\Users\Dell\Desktop\AAL_Input.sav'
/COMPRESSED.
FREQUENCIES VARIABLES=Gender Age Educationallevel Experiencelevel
Leader
  /BARCHART FREQ
  /ORDER=ANALYSIS.

```

Frequencies

		Statistics				Respondents' leader in the workplace
		Gender	Age	Educational level	Experience level	
N	Valid	130	130	130	130	130
	Missing	0	0	0	0	0

Frequency Table

		Gender			Cumulative Percent
		Frequency	Percent	Valid Percent	
Valid	Male	61	46.9	46.9	46.9
	Female	67	51.5	51.5	98.5
	Other	2	1.5	1.5	100.0
	Total	130	100.0	100.0	

		Age			Cumulative Percent
		Frequency	Percent	Valid Percent	
Valid	Between 20 to 30	51	39.2	39.2	39.2
	Between 31 to 40	64	49.2	49.2	88.5
	Between 41 to 50	9	6.9	6.9	95.4
	Over 51	6	4.6	4.6	100.0
	Total	130	100.0	100.0	

Educational level

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Bachelor	87	66.9	66.9	66.9
	Diploma	20	15.4	15.4	82.3
	Vocational	2	1.5	1.5	83.8
	Master or above	21	16.2	16.2	100.0
	Total	130	100.0	100.0	

Experience level

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 1 year	3	2.3	2.3	2.3
	1 - 5 years	69	53.1	53.1	55.4
	5 - 10 years	33	25.4	25.4	80.8
	Over 10 years	25	19.2	19.2	100.0
	Total	130	100.0	100.0	

Respondents' leader in the workplace

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Supervisor	43	33.1	33.1	33.1
	Assistant supervisor	25	19.2	19.2	19.2
	Senior banking assistant	30	23.1	23.1	23.1
	Junior banking assistant	32	24.6	24.6	24.6

DESCRIPTIVES VARIABLES=A1 A2 A3 A4 A5
 /STATISTICS=MEAN STDDEV.

Descriptives

Descriptive Statistics			
	N	Mean	Std. Deviation
I like my supervisor very much	130	3.36	.747
The kind of person one would like to have as a friend	130	3.35	.645
A lot of fun to work with	130	3.35	.723
Engage with my supervisor frequently because I enjoy his/her company	130	3.19	.779
Me and my supervisor share work-related things because we have mutual affection on our friendship	130	3.34	.665
Valid N (listwise)	130		

DESCRIPTIVES VARIABLES=L1 L2 L3 L4 L5
 /STATISTICS=MEAN STDDEV.

Descriptives

Descriptive Statistics			
	N	Mean	Std. Deviation
Defends my decisions, even without acknowledgement of the issue	130	3.21	.690
Defend me while attacked by others	130	3.13	.615
Defend me in the organization even when I make honest mistake	130	3.24	.607
Publicly supports me in terms of both actions and attitude	130	3.22	.693
I am devoted to my work because of my supervisor's support	130	3.18	.724
Valid N (listwise)	130		

DESCRIPTIVES VARIABLES=C1 C2 C3 C4 C5
 /STATISTICS=MEAN STDDEV.

Descriptives

Descriptive Statistics			
	N	Mean	Std. Deviation
Provides me support and resources that goes beyond job description	130	3.24	.668
I am willing to apply extra efforts, beyond those normally required, to help my supervisor meet his or her work goals	130	3.27	.632
I do not mind working my hardest for my supervisor	130	3.12	.737
Listen openly to my advices which wants me to contribute more in my work	130	3.32	.623
I contribute to the given tasks to meet my supervisor's expectations	130	3.16	.645
Valid N (listwise)	130		

DESCRIPTIVES VARIABLES=PR1 PR2 PR3 PR4 PR5
 /STATISTICS=MEAN STDDEV.

Descriptives

Descriptive Statistics			
	N	Mean	Std. Deviation
Impressed with my supervisor's knowledge of his/her job	130	3.13	.741
Respect my supervisor's knowledge of and competence on the job	130	3.33	.627
Admire my supervisor's professional skills	130	3.26	.665

Respect my supervisor because he/she treat everyone in the team fairly	130	3.28	.682
Respect my supervisor for making me like a valued part of the team	130	3.30	.566
Valid N (listwise)	130		

DESCRIPTIVES VARIABLES=EE1 EE2 EE3 EE4 EE5 EE6 EE7
/STATISTICS=MEAN STDDEV.

Descriptives

Descriptive Statistics

	N	Mean	Std. Deviation
At my work, I feel bursting with energy	130	3.31	.756
When I get up in the morning, I feel like going to work	130	3.33	.675
I can continue working for very long periods at a time	130	3.44	.597
I find that the work I have to do is full of meaning and purpose	130	3.28	.584
I am enthusiastic about my job responsibilities	130	3.48	.574
It is difficult to detach myself from my job at AYA bank	130	3.35	.679
Time flies when I am working in AYA bank	130	3.41	.619
Valid N (listwise)	130		

DESCRIPTIVES VARIABLES=EP1 EP2 EP3 EP4 EP5
EmployeePerformanceI never neglect aspects of the job that is obligated to
/STATISTICS=MEAN STDDEV.

Descriptives

Descriptive Statistics

	N	Mean	Std. Deviation
I can easily achieve the objectives of the tasks	130	3.19	.758
I can easily demonstrate expertise in all job-related tasks	130	3.23	.793
I can handle tasks with proficiency	130	3.34	.629
I can plan and organizes to achieve objectives of the job and meet deadlines	130	3.38	.662
I can always complete the duties specified in my job description	130	3.44	.597
I never neglect aspects of the job that is obligated to perform	130	3.24	.776
Valid N (listwise)	130		

Reliability

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	130	100.0
	Excluded ^a	0	.0
	Total	130	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.866	5

```
RELIABILITY
/VARIABLES=L1 L2 L3 L4 L5
/SCALE('ALL VARIABLES') ALL
/MODEL=ALPHA
```

Reliability

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	130	100.0
	Excluded ^a	0	.0
	Total	130	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.843	5

```
RELIABILITY  
  /VARIABLES=C1 C2 C3 C4 C5  
  /SCALE('ALL VARIABLES') ALL  
  /MODEL=ALPHA.
```

Reliability

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	130	100.0
	Excluded ^a	0	.0
	Total	130	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.883	5

```
RELIABILITY  
  /VARIABLES=PR1 PR2 PR3 PR4 PR5  
  /SCALE('ALL VARIABLES') ALL  
  /MODEL=ALPHA.
```

Reliability

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	130	100.0
	Excluded ^a	0	.0
	Total	130	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.887	5

```
RELIABILITY  
  /VARIABLES=EE1 EE2 EE3 EE4 EE5 EE6 EE7  
  /SCALE('ALL VARIABLES') ALL  
  /MODEL=ALPHA.
```

Reliability

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	130	100.0
	Excluded ^a	0	.0
	Total	130	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.922	7

RELIABILITY

/VARIABLES=EP1 EP2 EP3 EP4 EP5

EmployeePerformanceIneverneglectaspectsofthejobthatisobligatedto

/SCALE('ALL VARIABLES') ALL

/MODEL=ALPHA

Reliability

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	130	100.0
	Excluded ^a	0	.0
	Total	130	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.907	6

Regression

Variables Entered/Removed^a

Model	Variables Entered	Variables		Method
		Entered	Removed	
1	LMX ^b	.		Enter

a. Dependent Variable: EP

b. All requested variables entered.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.617 ^a	.380	.376	.462

a. Predictors: (Constant), LMX

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.757	1	16.757	78.608	.000 ^b
	Residual	27.286	128	.213		
	Total	44.044	129			

a. Dependent Variable: EP

b. Predictors: (Constant), LMX

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.758	.290		2.615	.010
	LMX	.783 ^{***}	.088	.617	8.866	.000

a. Dependent Variable: EP

```
REGRESSION
  /MISSING LISTWISE
  /STATISTICS COEFF OUTS R ANOVA
  /CRITERIA=PIN(.05) POUT(.10)
  /NOORIGIN
  /DEPENDENT EE
  /METHOD=ENTER LMX.
```

Regression

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	LMX ^b	.	Enter

a. Dependent Variable: EE

b. All requested variables entered.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.839 ^a	.704	.702	.290

a. Predictors: (Constant), LMX

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	25.565	1	25.565	304.338	.000 ^b
	Residual	10.752	128	.084		
	Total	36.318	129			

a. Dependent Variable: EE

b. Predictors: (Constant), LMX

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.226	.182		1.244	.216
	LMX	.967 ^{***}	.055	.839	17.445	.000

a. Dependent Variable: EE

```
REGRESSION
  /MISSING LISTWISE
  /STATISTICS COEFF OUTS R ANOVA
  /CRITERIA=PIN(.05) POUT(.10)
  /NOORIGIN
  /DEPENDENT EP
  /METHOD=ENTER LMX EE.
```

Regression

Variables Entered/Removed^a

Model	Variables Entered	Variables		Method
		Removed		
1	EE, LMX ^b		.	Enter

a. Dependent Variable: EP

b. All requested variables entered.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.622 ^a	.387	.378	.461

a. Predictors: (Constant), EE, LMX

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17.052	2	8.526	40.115	.000 ^b
	Residual	26.992	127	.213		
	Total	44.044	129			

a. Dependent Variable: EP

b. Predictors: (Constant), EE, LMX

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.721	.291		2.475	.015
	LMX	.623 ^{***}	.162	.491	3.844	.000
	EE	.165	.141	.150	1.177	.241

a. Dependent Variable: EP

```
REGRESSION
  /MISSING LISTWISE
  /STATISTICS COEFF OUTS R ANOVA
  /CRITERIA=PIN(.05) POUT(.10)
  /NOORIGIN
  /DEPENDENT EP
  /METHOD=ENTER EE.
```

Regression

Variables Entered/Removed^a

Model	Variables Entered	Variables		Method
		Removed		
1	EE ^b		.	Enter

a. Dependent Variable: EP

b. All requested variables entered.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.562 ^a	.316	.310	.485

a. Predictors: (Constant), EE

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13.911	1	13.911	59.092	.000 ^b
	Residual	30.133	128	.235		
	Total	44.044	129			

a. Dependent Variable: EP

b. Predictors: (Constant), EE

Coefficients^a

Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients		
1	(Constant)	1.217	.275		4.434	.000
	EE	.619***	.081	.562	7.687	.000

a. Dependent Variable: EP

CORRELATIONS

```

/VARIABLES=Affect loyalty contribution PR EP
/PRINT=TWOTAIL NOSIG
/MISSING=PAIRWISE.
    
```

Regression

Variables Entered/Removed^a

Model	Variables	Variables	Method
	Entered	Removed	
1	PR, Affect, loyalty, contribution ^b	.	Enter

a. Dependent Variable: EP

b. All requested variables entered.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.661 ^a	.437	.418	.446

a. Predictors: (Constant), PR, Affect, loyalty, contribution

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	19.226	4	4.807	24.209	.000 ^b
	Residual	24.818	125	.199		
	Total	44.044	129			

a. Dependent Variable: EP

b. Predictors: (Constant), PR, Affect, loyalty, contribution

Coefficients^a

Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients Beta		
1	(Constant)	.804	.281		2.862	.005
	Affect	.818**	.084	.081	.970	.043
	loyalty	.404***	.114	.362	3.540	.001
	contribution	.173***	.118	.162	1.465	.000
	PR	.282**	.111	.264	2.552	.012

a. Dependent Variable: EP

Correlations

		Affect	loyalty	contribution	PR	EP
Affect	Pearson Correlation	1	.536**	.507**	.525**	.334**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	130	130	130	130	130
loyalty	Pearson Correlation	.536**	1	.713**	.648**	.606**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	130	130	130	130	130
contribution	Pearson Correlation	.507**	.713**	1	.726**	.571**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	130	130	130	130	130
PR	Pearson Correlation	.525**	.648**	.726**	1	.574**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	130	130	130	130	130
EP	Pearson Correlation	.334**	.606**	.571**	.574**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	130	130	130	130	130

** . Correlation is significant at the 0.01 level (2-tailed).

Sobel Test Table

Input:	Test statistic:	Std. Error:	p-value:
a 967	Sobel test: 1.16762933	0.13664867	0.24295631
b .165	Aroian test: 1.16575356	0.13686855	0.2437141
s _a 0.055	Goodman test: 1.16951419	0.13642844	0.24219653
s _b 0.141	Reset all	Calculate	