

**YANGON UNIVERSITY OF ECONOMICS
DEPARTMENT OF COMMERCE**

**EMPLOYEE SATISFACTION ON COMPENSATION
SYSTEM OF POWER ELEVEN PUBLIC CO., LTD**

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**EMPLOYEE SATISFACTION ON COMPENSATION SYSTEM
OF POWER ELEVEN PUBLIC CO., LTD**

This Thesis is submitted to the Board of Examiners in Partial Fulfillment of the
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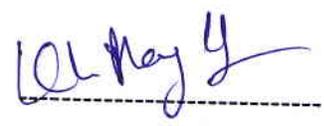
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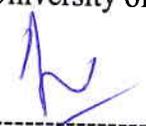
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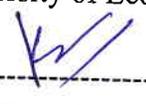
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ABSTRACT

The main objectives of the study are to identify the compensation system provided by Power Eleven Public Co., Ltd and to analyze the employees' satisfaction towards compensation system provided by Power Eleven Public Co., Ltd. As the method of the study, descriptive method is used. In this study, employees' satisfaction towards compensation system is measured by using both primary data and secondary data. The primary data are collected by using structured questionnaires with Likert-Scales for employee satisfaction towards compensation. By using convenience sampling method, a sample of 150 employees (drivers) is chosen from the total population of 260 employees (drivers) at Power Eleven Public Co., Ltd. The secondary data are collected from the records, documents of the company and interviews with authorized persons of Power Eleven Public Co., Ltd. This study indicates that the employees at YBS 21 are the most satisfied ones on the overall compensation system and the employees at YBS 39 and YBS 41 are least satisfied in comparison. In general, the employees are satisfied with the overall compensation system provided by Power Eleven Public Co., Ltd. This indicates that Power Eleven Public Company is managing its compensation system in an effective way, but it needs to make some improvements in order to maximize the employees' satisfaction on compensation system.

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TABLE OF CONTENTS

| | Page |
|---|-------------|
| ABSTRACT | i |
| ACKNOWLEDGEMENTS | ii |
| TABLE OF CONTENTS | iii |
| LIST OF TABLES | iv |
| LIST OF FIGURES | v |
| LIST OF ABBREVIATIONS | vi |
| CHAPTER 1 INTRODUCTION | |
| 1.1 Rationale of the Study | 3 |
| 1.2 Objectives of the Study | 4 |
| 1.3 Scope and Method of the Study | 4 |
| 1.4 Organization of the Study | 5 |
| CHAPTER 2 THEORITICAL BACKGROUND | |
| 2.1 Role of Human Resource Management | 6 |
| 2.2 Role of Compensation and Benefit in an Organization | 7 |
| 2.3 Compensation Policy | 13 |
| 2.4 Concept of Employee Satisfaction | 14 |
| 2.5 The Relationship between Compensation and Employee Satisfaction | 16 |
| 2.6 Conceptual Framework of the Study | 17 |
| CHAPTER 3 COMPENSATION SYSTEM AT POWER ELEVEN PUBLIC COMPANY LIMITED | |
| 3.1 Profile of Power Eleven Public Company | 19 |

| | | |
|-----|--|----|
| 3.2 | Compensation System of Power Eleven Public Company | 22 |
|-----|--|----|

CHAPTER 4 ANALYSIS ON EMPLOYEE SATISFACTION TOWARDS COMPENSATION SYSTEM

| | | |
|-----|--|----|
| 4.1 | Research Design | 30 |
| 4.2 | Demographic Characteristics of Employees | 30 |
| 4.3 | Analysis of Employee Satisfaction Level on Compensation System | 37 |
| 4.4 | Overall Employee Satisfaction towards Compensation System | 45 |

CHAPTER 5 CONCLUSIONS

| | | |
|-----|--|----|
| 5.1 | Findings | 48 |
| 5.2 | Suggestions | 50 |
| 5.3 | Limitations and Needs for Further Research | 51 |

REFERENCES

APPENDIX

LIST OF TABLES

| Table No. | Description | Page |
|------------------|---|-------------|
| 3.1 | Salary Structure of Power Eleven Public Company | 24 |
| 3.2 | Benefits Provided by Power Eleven Public Company | 25 |
| 3.3 | Types of Leaves Provided by Power Eleven Public Company | 25 |
| 4.1 | Respondents by Gender | 31 |
| 4.2 | Respondents by Age Groups | 31 |
| 4.3 | Respondents by Marital Status | 32 |
| 4.4 | Respondents by Educational Level | 33 |
| 4.5 | Respondents by Work Experiences | 34 |
| 4.6 | Respondents by Income Level | 35 |
| 4.7 | Respondents by Current Running Bus Line | 36 |
| 4.8 | Employee Satisfaction towards Direct Financial Compensation | 38 |
| 4.9 | Employee Satisfaction towards Indirect Financial Compensation | 40 |
| 4.10 | Employee Satisfaction towards Non-Financial Compensation | 43 |
| 4.11 | Overall Employee Satisfaction towards Compensation system | 46 |

LIST OF FIGURES

| Figure No. | Description | Page |
|-------------------|--|-------------|
| 2.1 | Components of Total Compensation Program | 9 |
| 2.2 | Conceptual Framework of the Study | 18 |
| 3.1 | Organizational structure of Power Eleven Public Company | 20 |
| 3.2 | Maintenance and Repair Department of Power Eleven Public Company | 22 |
| 4.1 | Respondents by Age Groups | 32 |
| 4.2 | Respondents by Marital Status | 33 |
| 4.3 | Respondents by Educational Level | 34 |
| 4.4 | Respondents by Work Experiences | 35 |
| 4.5 | Respondents by Income Level | 36 |
| 4.6 | Respondents by Current Running Bus Line | 37 |
| 4.7 | Differences in Satisfaction on Overall Employee Compensation | 46 |

LIST OF ABBREVIATIONS

| | |
|------|-----------------------------------|
| YBS | Yangon Bus Service |
| YRTA | Yangon Region Transport Authority |
| IT | Information Technology |

CHAPTER 1

INTRODUCTION

Human resource management practice plays a very important role in business success. The success of organization depends not only merely on its technical efficiency, update machinery, good plants layout and dynamic organization etc. but also depend its human resource. Human Resource Management is one important area that influences a number of employee's attitudes and behaviors like intention to leave, job satisfaction, and organizational commitment (Lee and Heard 2000).

Armstrong (2009) defines Human Resource management (HRM) as a strategic and coherent approach to the management of an organization's most value asset; is, the people working there who individually and collectively contribute to achievement of its objective. Moreover, Human Resource Management practice can be defined as a set of organization activities that aims at managing a pool of human capital and ensuring that the capital is employed toward the achievement of organization objectives (Wright and Boswell, 2002).

Employees are the organization's key resource and the success or failure of organizations on the ability of the employers to attract, retain, and reward appropriately talented and competent employees. Employees' willingness to stay on the job largely depends on compensation and benefit schemes of the organization. Nowadays, Myanmar is the transition period to Democracy country. Many businesses and organizations are planning and implementing attractive compensation and benefits schemes to create a highly motivated and skillful human resources to get the organization's overall goals.

Compensation is reward that employees receive in exchange for their performance. It is concerned with wages and salaries, pay raises, and similar monetary exchanges for employees' performance (Holt, 1993). Compensation is a part of transaction between employees and employer that results in employment contract. From the employees' point of view, pay is necessity for life. The compensation received from work is one of the basic reasons people seek for employment. From the employers' point of view, it is one of the most important human resource management functions and it constitutes a significant portion of organization cash-out flow. Compensation often equals 50% cash out flow of

organization is even larger. It may be the major instrument used to attract employees as well as ways to motivate employees towards more effective performance (Ivancevich and Glueck, 1989).

Employee satisfaction refers to a collection of positive and/or negative feelings that an individual holds towards his or her job. Job satisfaction is a part of life satisfaction. Employees who have higher job satisfaction are usually less absent, less likely to leave, more productive, more likely to display organizational commitment, and more likely to be satisfied with their lives. (Lease, 1998).

If the employees have dissatisfactions about their work, the employers may fail to achieve their goals and objectives. If a skilled worker decides to quit, an employer will lose not only workforce accompanied with experience and knowledge but also incur additional cost for recruitment and training of new personnel.

Although compensation and benefits can't motivate the employees, the employees are dissatisfied without enough compensation and benefits. Motivation in simple terms may be understood as the set of forces that cause people to behave in certain ways. A motivated employee is generally more quality oriented. Highly motivated workers are more productive than apathetic workers. One reason why motivation is a difficult task is that the workforce is changing. Motivated employees are always looking for better ways to do a job.

Compensation is the most primary factor for employees to make a decision of choosing the organization for working. A well planned compensation and benefits scheme positively impacts employees' attitude, behavior and performance. It can increase morale, loyalty, employee satisfaction towards organization and decrease turnover rate.

Compensation plays an important role in determining an employee's level of job satisfaction. According to Healthfield S.M (2012), compensation is a fixed amount of money paid to employee by an employer in exchange for a productive work performed. If individuals believe they are not compensated well, a state of emotional dissatisfaction develops. This emotional discrepancy grows and accumulates over time making employee grumble as they render their service to the organization.

Power Eleven Public Co., Ltd is one of the leading companies in Yangon Bus Service industry in Yangon. It was established in June 29, 2016 and it is located in 245, Taw Win St., Ward (7), Shwe Pyi Thar Township. Therefore, this study aims to

analyze the employee satisfaction on compensation system of Power Eleven Public Co., Ltd.

1.1 Rationale of the Study

In an organization, employees are the key resources through which all the other objectives are achieved. Drivers are the employees of the transport organizations, and their job satisfaction promotes safe driving and less accidents. Driver is played an important role to run day to day operation of the organization. Compensation has a great impact on productivity. To achieve effective work performance, it is called for job satisfaction among the drivers. Drivers are termed as human capital of transportations. Then, without proper compensation management, they cannot be properly managed and retained. And we all know that hiring cost is much higher than retaining cost. It is necessary that drivers in transportations are well compensated to achieve their goals effectively and efficiently. Drivers are the corner stone of transportations. Without them, transportations mean nothing.

Organization should use motivational factors such as pay, promotion, bonus, or other type of rewards to encourage high level performance of employees. Managers have to find the right combination of motivational practices to keep workers satisfied and productive in a variety of organizational situations.

The transportation system (Ma Hta Tha) in Yangon was started before the Independence Day, in 1948. This system has organized with individual bus owner in order to make easy transportation for regular long-distanced workers and to secure the services. There are many problems such as over charging the bus fees, talking passengers rudely and competitive driving between buses. Accidents were increasingly common due to the greediness of bus drivers and undisciplined manners of bus conductors who got paid per the number of routes they took a day. But the transportation system has to change Yangon Bus Service (YBS) system that is organized by Yangon Prime Minister in January 16, 2017. The purpose of new bus system is to be easy and safe of the everyday not only modern but also conform to bus passengers.

Power Eleven Public Company has three bus lines: YBS 21, YBS 39 and YBS 41. All drivers of bus lines get commission. However, the company gives different commissions for employees at YBS 21, YBS 39 and YBS 41. The employees at YBS

21 get 30% of reserve per day. Employees at YBS 39 get 20% of reserve per day but they get above 120,000 Kyats per day, the company gives 30% of reserves per day. Employees at YBS 41 get 20% of reserves per day.

Power Eleven Public Co., Ltd not only can maintain its loyal skillful employees but also can motivate its new skillful employees in terms of its attractive compensation and benefits scheme. Effective compensation and benefits practice is critical to build the human capital and competitive advantages in the dynamic environment. Power Eleven Public Co., Ltd will review the employee satisfaction to resist the high employee turnover. This study mainly focuses on employee satisfaction towards compensation systems of Power Eleven Public Co., Ltd.

1.2 Objectives of the Study

The main objectives of this study are:

1. To identify the compensation system of Power Eleven Public Co., Ltd.
2. To analyze the employee satisfaction on compensation system of Power Eleven Public Co., Ltd.

1.3 Scope and Method of the Study

This study mainly focuses on employee satisfaction towards compensation system at Power Eleven Public Co., Ltd. To implement the objectives of this study, both primary data and secondary data are used. The primary data are collected by using structured questionnaires with Likert-Scales for employee satisfaction on compensation systems. Secondary data are collected from the records, documents of the company and interviews with authorized persons of Power Eleven Public Co., Ltd. The obtained data are processed and analyzed with descriptive statistics such as mean. There are 450 employees at Power Eleven public Co., Ltd. However, 260 employees are drivers at YBS 21, YBS 39 and YBS 41. YBS 21 has 80 divers, YBS 39 has 50 drivers and YBS41 has 130 drivers respectively. By using the convenience sampling method, a sample of 150 employees (drivers) 58% is selected from the total population of 260 employees (drivers) at YBS 21, YBS 39 and YBS 41 in Power Eleven Public Co., Ltd.

1.4 Organization of the Study

This study consists of five chapters. The first chapter includes introduction of the study, rationale of the study, scope and method of the study, and organization of the study. The chapter two presents theoretical background of compensation system. Chapter three describes the profile of Power Eleven Public Co., Ltd including its background, organization structure, the explanation HRM practices and function of departments. Chapter four identifies analysis on employee satisfaction on compensation and benefits at Power Eleven Public Co., Ltd as well as demographic profiles of employees, analysis of employee satisfaction level on compensation system and overall employee satisfaction towards compensation system. Chapter five is the conclusion which consists of findings and discussions, suggestions and recommendations, and limitation and needs for further research. The references and appendices are included in the last chapter of the study.

CHAPTER 2

THEORITICAL BCKGROUND

This chapter presents the theoretical background of the compensation system. The role of Human Resource Management (HRM), the role of compensation in organization, definition of compensation, the components of compensation, compensation policy, concept of employee satisfaction and the relation between compensation and employee satisfaction and conceptual framework of the study are also stated.

2.1 Role of Human Resource Management (HRM)

Human Resource Management (HRM) refers to the policies and practices involved in carrying out the 'human resource(HR)' aspects of a management position including human resource planning, job analysis, recruitment, selection, orientation, compensation, performance appraisal, training and development, labor relations (Dessler, 2007). HRM is composed of the policies, practices and systems that influence employees' behavior, attitude and performance (Noe,Hollenback, Gerhart and Wright, 2007). On the other hand, Wright and McMahan (2000) defined human resource management as the organizational function that deals with issues related to people such as compensation, hiring, performance management, benefits, motivation, and training. The overall purpose of HRM is to ensure that the organization is able to achieve success through people (Armstrong, 2006).

Flippo (1984) defines HRM as the planning, organizing, directing and controlling of the procurement, development, compensation, integration, maintenance and separation of human resources to the end of individual, organizational and social objectives are accomplished. To Bratton and Gold (2009), HRM is a strategic approach to managing employment relations which emphasizes that leveraging people's capabilities is critical to achieving competitive advantage, this being achieved through a distinctive set of integrated employment policies, programs and practices.

HRM professionals maintain a workforce that has been recruited and developed. Maintenance of the current workforce involves compensation, wage and salary systems, benefits and occasional terminations. Compensation and benefit is one

of the important factors of three main function of HRM. Compensation and benefit does have an effect on employee intentions to stay in or leave organization.

2.2 Role of Compensation and Benefits in an Organization

Developing an effective compensation system is an important part of HRM because it helps to attract and retain talented workers in an organization. A company's compensation and benefits system has an impact on strategic performance. HR managers design the pay and benefits system to fit company strategy and to provide compensation equity. In this section, different ways of definitions of compensation and benefits by HRM experts and HRM books' authors are expressed detailed.

2.2.1 Definition of Compensation

Many authors defined Compensation has many different ways. According to Human Resource expert Healthfield, M. Susan (2012), Compensation is the total amount of the monetary and non-monetary pay provided to an employee by an employer in return for work performed as required. According to Gaol (2014), the compensation is accepted by the employee either in the form of money or not money as remuneration given to the employee's effort to the organization.

According to Daft, L. Rhichard (2009), the term Compensation refers to: (1) all monetary payment and (2) all goods or commodities used in lieu of money to reward employees. Richard L. Daft (2009) defines some benefits are required by law, such as social security, unemployment compensation, and workers' compensation. Other types of benefits, such as health insurances, vacations, and such things as on-site daycare or fitness centers are not required by law but are provided by organizations to maintain an effective workforce. Cascio, F. Waine (2009) said Compensation is a critical component of the employment relationship. Compensation is affected by forces as diverse as labor-market factors, collective bargaining, government legislation, and top management's philosophy regarding compensation and benefits policy as the indicator of the management towards them.

According to Wayne, R. Mondy & Robbert, M. Noe's theory (2005), compensation is the total of all rewards provided to employees in return for their services. It is an organized practice that involves balancing the work-employee relation by providing monetary and non-monetary benefits to employees. Effective

compensation scheme can help an organization to recruit and retain valuable staff, reward performance and productivity and get the best out of employees (Robert Gibbons and Kevin J. Murphy, 1994). A successful compensation scheme (Perreault and McCarthy, 1996) will not only increase profits but can also raise morale and inspire staff loyalty. The scheme should include all the three greatest incentives: empowering people; recognition in all its various forms and money. People are an organization most important asset. The technologies, products and structures can be copied by competitors but no one can match the highly charged, motivated people who care. People are the firm's repository of knowledge and are central to an organization's competitive advantage.

Compensation must be affordable, transparent and appropriate to the business and the jobs that they relate to. It is worth introducing them after consulting with staff or unions. Managers should therefore look at whether other incentives will increase staff motivation. For instance, in a sales environment an employer may wish to offer extra pay or benefits when targets are achieved (Hall, 2004). Hall (2004) expounds that some organizations make organization plans participatory by allowing an employee to self-select from a range of benefits.

Aswathappa, (2008) found that compensation play an important place in the life of an employee. Employee's standard of living, status in the society, motivation, loyalty, and productivity depend upon the compensation he or she receives. Money not only helps people to attain their basis needs, but it is also instrumental in providing higher need satisfaction as observed by (Dulebohn & Werling, 2007).

Rewards and benefits are also type of compensation program that are important for employees (Cascio, 2003). According to McNamara (2008), compensation includes issues regarding wage and salary programs, structures accruing from job descriptions, merit-based programs, commission based programs among others while benefits typically refers to retirement plans, health life insurance, disability insurance, vacation, employee stock ownership among others (Odunlade,2012).

Effective compensation schemes have the following advantages; they focus staff on hitting targets, they attach value to the achievement of the target, can recognize employee priorities and lifestyles; can encourage attachment to the organization; focuses an individual on attachment and links extra pay and extra output (Hubbard, 2004).

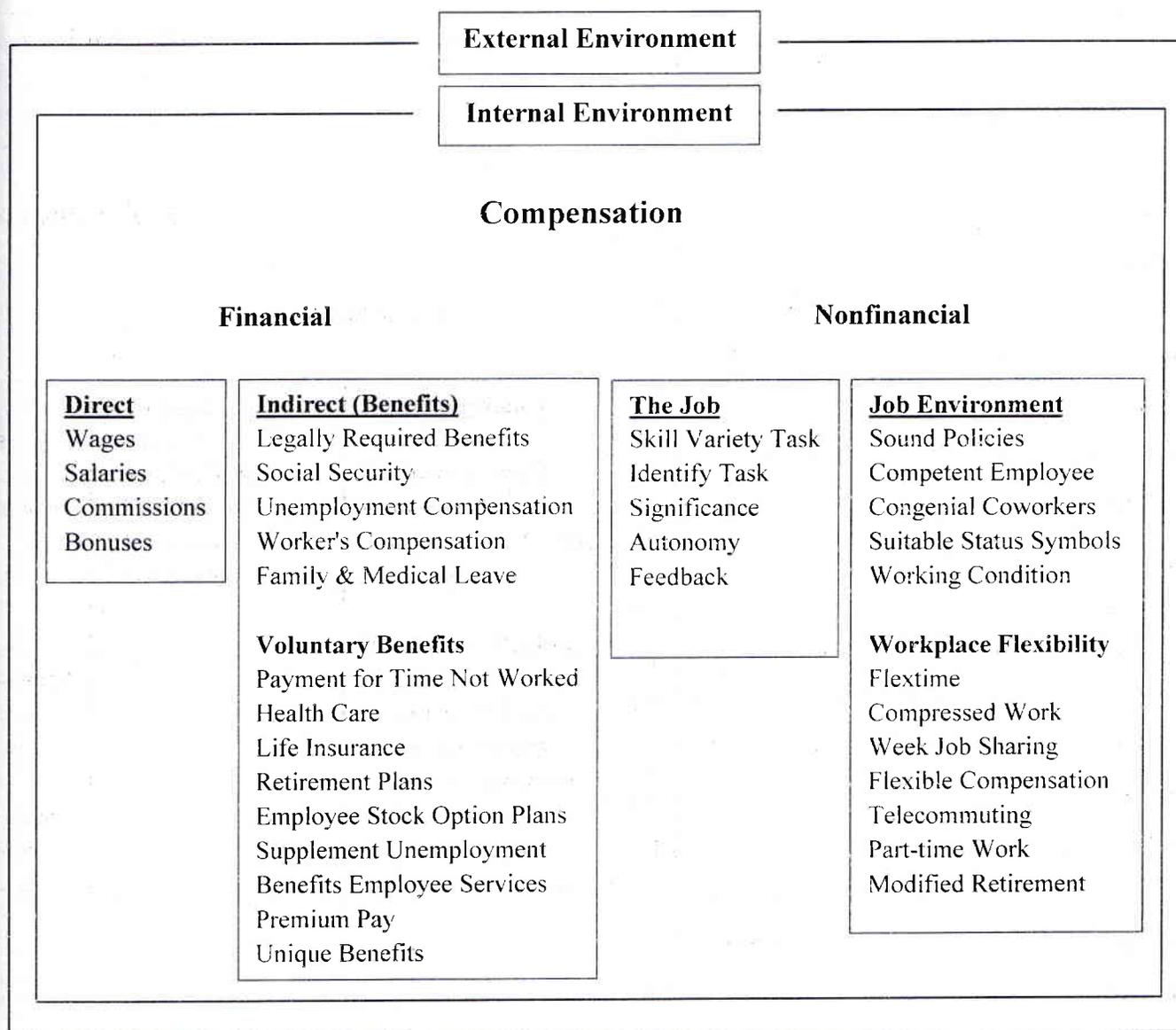
2.2.2 Components of Compensation

Although many authors and experts said compensation as many different ways, according to Mondy, R. Wayne, & Robert (2005), there are three components of a total compensation program.

- (1) Direct Financial Compensation
- (2) Indirect Financial Compensation
- (3) Non-Financial Compensation

The detail compensation of a total compensation programs are as shown in Figure (2.1).

Figure (2.1) Components of a Total Compensation Program



Source: Mondy & Noe, (2005)

(1) Direct Financial Compensation

Direct financial compensation consists of the pay that a person receives in the forms of wages, salaries, commissions and bonus.

(a) Wages and Salary

Salary is the amount received by the employee instead of the work done by them for a certain period say a day, a week, a month, etc. It is the money an employee received from their employer by rendering their services. It is used as the basis for calculating other allowances and benefits.

(b) Bonus

Bonus is paid to the employee during festive reasons to motivate them and provide them the social security. A bonus can be distributed randomly as the company can afford to pay a bonus, or the amount of bonus can be specified by contract.

(c) Commission

Additional financial compensation used to motivate and to reward employees for reaching and/ or exceeding standard performance or productivity goals. The total compensation and performance appraisal package should be positive tool with which to influence behavior (employee contribution) and attitude towards work and job performance. Well-adjusted and happy employees are more productive and increase the effectiveness of the entire organization.

(2) Indirect Financial Compensation (Benefit)

Indirect financial compensation refers to non-monetary benefits offered and provided to employees instead of the services provided by them to organization. They include leave policy, overtime policy, cars or transportation policy, insurance, leave travel assistance limits, retirement benefits, holiday and home. Indirect Compensation focuses on personal motivation of each person to work. Although salary is important, people are most productive in jobs where they share the company's values and properties.

(a) Payment for Times Not Worked

Employers recognize that employees need time away from the job for many purposes. Included in this category are paid vacations, payment for holiday not worked, sick pay and payment for jury duty. It is also common for organization to provide payments to assist employees in performing civic duties. Common benefits in the area include rest periods, coffee break, lunch periods, cleanup time and travel time.

(b) Paid Vacations

Paid vacation provides workers with an opportunity to rest, become rejuvenated, and more productive. They may also encourage employees to remain with firm. Paid vacation time typically increase with seniority.

(c) Leave Policy

A leave policy is a set of rules, procedures and guidelines established by organizations in accordance with applicable federal and local laws, which govern the process, timeframes and reporting procedures for time taken off work.

Leave or time off policies determine the type and amount of time that can be time off work, how much time will be reported and paid, the process of requesting time off. Without a leave policy, it would be impossible for organization to effectively manage their workforce and appropriately allocate resources.

Leave policy established the policies that govern paid time off, unpaid time off, and time required by federal and local laws. A consistent and clearly communicated leave policy establishes the expectations of employers and employees. Employees will know how much sick time they have, how to handle time off in the event of family illness, whether or not they are paid for jury duty or military reserve training.

Annual leave is referred to as vacation time or in some companies Paid Time Off (PTO). A leave policy will address the number of hours employees accrue annually for this leave, the procedures for requesting the leave, whether unused time can be carried over the next year and how unused leave is handle if the employee separate from the company.

In companies that separate paid time off into separate categories, leave policies will also address sick leave. Sick leave is taken for illness. The leave policy will also address short and disability leave.

(d) Employee Services

These benefits encompass a numbers of area including relocation benefits, child care, educational assistance, food service/ subsidize cafeterias, financial services and legal services.

(e) Social Security Benefits

The monetary benefits received by retired workers who have paid in to the social security system during their working year. Social security benefits are paid out on a monthly basis to retired workers and their surviving spouses. They are also paid to those who are permanently and totally disabled according to the strict criteria set by the Social Security Administration.

(3) Non-Financial Compensation

Non-financial compensation consists of the satisfaction that a person receives from the job itself or from the psychology and/ or physical environment in which the person works. These non-financial compensation elements are seen to have positive impact on employee performance, Non-financial compensation includes rewards that focus on the issues like needs for achievement, recognition, responsibility, influence and personal growth. Non-financial compensations are in the forms of holding special events, promotion, verbal praise and feedback, and educational reimbursement.

(a) Holding Special Events

Non-financial compensation can be in the form of holding special events for employees like holding holiday parties for them. This type of compensation is important for employees as it can increase employee morale and makes them feel appreciated.

(b) Promotion

Promotion is another form of non-financial compensation. When a company plans a program where employees need to be promoted to higher position and the

company plans to employ skillful and experienced employees for available open positions before they search for employees outside of the company.

(c) Verbal Praise and Positive Feedback

Verbal praise and positive feedback are also a form of non-financial compensation. This can be as simple as a manager taking time out to let the employee know how excellent they are doing at the job. This is important at all the levels of employees because it lets them know that the management and company appreciate the job that they are doing; it makes them feel special and appreciated.

(d) Educational Reimbursement

Educational reimbursement is a different form of non-financial compensation. This is a program that is offered to employees by company. The company will reimburse the employee up to a certain amount of classes and education. Most companies do require an employee to wait for a certain period before they are adequate for educational reimbursement. This is a crucial to any employee who would like to go to school and get more education to attain higher levels of pay and higher positions.

2.3 Compensation Policy

Compensation policy is derived from organizational strategy and its policy on overall human resource management. In order to make compensation management to work effectively, the organization should clearly specify its compensation policy, which must include the basis for determining base compensation, incentives and benefits and various types of perquisites to various level of employees. The policy should be linked with organizational philosophy on human resources and strategy. Organizations needs develop policies as general guidelines to provide for coordination, consistency, and fairness in compensating employees. (Source: <http://www.ioma.com>).

There should be a written policy on compensation related matters including the determination of what, when and how they pay and related issues computed. According to Gary Dessler (1994), other compensation policies includes the amount of vacation and holiday pay, overtime pay, policy, method of payment (i.e. weekly,

biweekly, monthly) etc. Compensation is an expense in the sense that it reflects the cost of labor (Mondey and Noe, 1990), often governed by compensation policies. As organizations differ in size and purpose, so do in pay level. Glueck (1978) has identified three alternative strategies. These are: The high-pay-level strategy: under his strategy organizations choose to pay higher than the average pay level that the market pays. The assumption is that a higher salary or wage will enable organizations attract and retain competent employees and this, in turn enhances employee's productivity. The lower-pay-level strategy: In this alternative, the organization pays a minimum salary or wages to employees. This may be because of a poor financial condition or the work doesn't require highly qualified personnel. The comparable-pay-level strategy: This strategy requires organizations to follow "equal pay for equal work". In this strategy, employees are paid based on comparable value of jobs they are performing within the company and/or the market.

2.4 Concept of Employee Satisfaction

Hoppock (1935) was the first scholar to propose the concept of employee satisfaction which he defined as the subjective reaction or satisfaction of employees with physical and psychological aspects of their work environment. Employee satisfaction is also called "job satisfaction" (Wang, 2005). Beer (1964) defined employee or job satisfaction as employees' attitude toward enterprise, work, colleagues and the work environment. Locke (1976) proposed the Value theory, and suggested that employee satisfaction does not refer to individual needs, but is related to individuals' wants, desires or values. If employees are well-paid, have a good work environment and promotion opportunities that meet their work values, employees will be satisfied. Schneider and Vaught (1994) indicated that employee satisfaction refers to the positive emotion employees feel after evaluating their work situation.

According to Heskett et al. (1994), employee satisfaction is considered in the service profit chain, which includes internal service quality and external service quality. They emphasized that enterprises should pay attention to external customers' service quality, value internal employees' service quality, treat employees as internal customers, and thus increase employee satisfaction. Chang (2005) provided a general definition of job satisfaction that is very similar to earlier definitions: it is the feeling or attitude of employees towards their work environment. Chang measured workers'

overall satisfaction with their work by the "Minnesota satisfaction questionnaire" (MSQ). Jerald and Robert (1995) suggested that employee satisfaction refers to the general attitude of employees toward work, and that it reflects a person's work cognition, emotions and evaluations.

In general, the satisfaction of white-collar workers is higher than that of blue-collar workers; older workers have high job satisfaction than younger ones, and more experienced workers have higher job satisfaction than experienced ones. Interestingly, female employees' experience higher job satisfaction than male employees'. The definition of job satisfaction most often cited by scholars is the one proposed by Locke (1976): employee satisfaction is the pleasant or positive emotion an employee feels upon evaluating his or her work (Brown and Peterson, 1993, Morrison, 1996).

Hsu (1981) provided a more nuanced definition of employee satisfaction: it is the gap between a person's expectation in a specific work environment and the actual value obtained. Fournet, Distefano and Pryer (1966) went further and suggested that the factors of job satisfaction include personal factors (that is, age, education, gender, personality traits) and work factors (that is, organization and management, pay, work safety, communication). Locke (1973) suggested that factors that determine employees' job satisfaction can be divided into two basic categories: work events and behavior. He indicated that job satisfaction is the interaction between these two elements.

Work events include the work itself, compensation and the working environment; behavior includes the actors and others who move in and out of the organization. According to Shih (1991), factors included in employee satisfaction include work attributes (works), pay, supervisors, partners, promotion and overall satisfaction. Wang (1999) suggested that factors influencing employee satisfaction include employees' traits, including seniority, age, educational level, level, economic capacity and organizational commitment.

Employee satisfaction measures the degree to which employees are happy with their jobs. Moyes et al. (2008) assert that employee satisfaction describe how pleased an employee is with his or her position of employment. Employee satisfaction is a comprehensive term that comprises job satisfaction of employees and their overall satisfaction with companies' policies and procedure.

2.5 The Relationship between Compensation and Employee Satisfaction

Employee satisfaction is an important issue and usually measured by human resources departments in most of the organizations. The employee satisfaction covers the basic concerns and needs of the employees. A satisfied employee has their need met by the organization and may not have an incentive to go above and beyond. Employee satisfaction is the terminology used to describe whether employees are happy and contented and fulfilling their desires and needs at work. Many measures purport that employee satisfaction is a factor in employee motivation, employee goal achievement, and positive employee morale in the workplace (Deshpande et al, 2012).

Rewards can be both intrinsic and extrinsic. Intrinsic rewards often include praise for completing a job or meeting performance objectives. Other psychological and social effects of compensation reflect the intrinsic type of rewards. In contrast, intrinsic reward derives internally from individuals and can be experienced through their work, such as the feelings of competency, sense of accomplishment, personal development and self-esteem. The importance of being self-administered offers great advantages and power of motivating from within. Extrinsic rewards are tangible and having the form of both financial and non-financial rewards. There are significant influences of financial and non-financial compensation such as salary, incentives, benefits, self-development and work environment have significant influence on employees' performance but the promotion did not have significant influence (Prasetya and Kato, 2011).

Employee satisfaction relates to the design of compensation system because payment strategies based on compensation system. Lai (2011) argued that an efficient compensation system result in organizational growth and expansion and exhibit a positive relationship between employee satisfaction and job-based wages, skill-based pay and performance-based pay. Lai (2011) concluded that the intrinsic factors of motivation, including recognition, work, career opportunities, professional growth, responsibility, good feeling about the organization that has a significant correlation with job satisfaction, while hygiene (external) factors have no significant relationship with job satisfaction or employee satisfaction.

The employee satisfaction is the subjective reaction or satisfaction of employees with physical and psychological aspects of their work environment (Lai, 2011). Employee satisfaction and perceived fairness in compensation contribute to

employees' emotional, psychological and physical health. Although it might not be true that happier workers are more productive, it is true that healthier workers are more productive. If employees are well-paid, have a good work environment and promotion opportunities that meet their work values, employees will be satisfied.

Moreover, the work motivation in the organization is influenced by the satisfaction of the employees with their compensation offered by the organization (Ghazanfar et al, 2011). The employees are given with a number of reasons to stay with the company and do their jobs excellent to keep up with the competition. Their continuous growth, the right compensation and benefits, and work-life balance are just some of the things that motivate employees to perform better, producing better results for the company. But it is important to aware that employees do not work only for the money nowadays. Work for money is more and mare accomplishing and developing oneself and building relationship to others.

When service employees successfully deep act to provide quality service, they need to be not only recognized, but also rewarded (Chu, 2002). Thus, the degree to which employees are happy or satisfied with their job and work environment is crucial. Pay structure needs to be redesigned to attract more quality candidate. If the organization does not provide compensation that is viewed as fair by its employees, that organization may have higher turnover of employees, may have more difficulty recruiting qualified and scare-skill employees, may attract and retain individuals with less knowledge, skills, and abilities, resulting in lower overall organizational productivity.

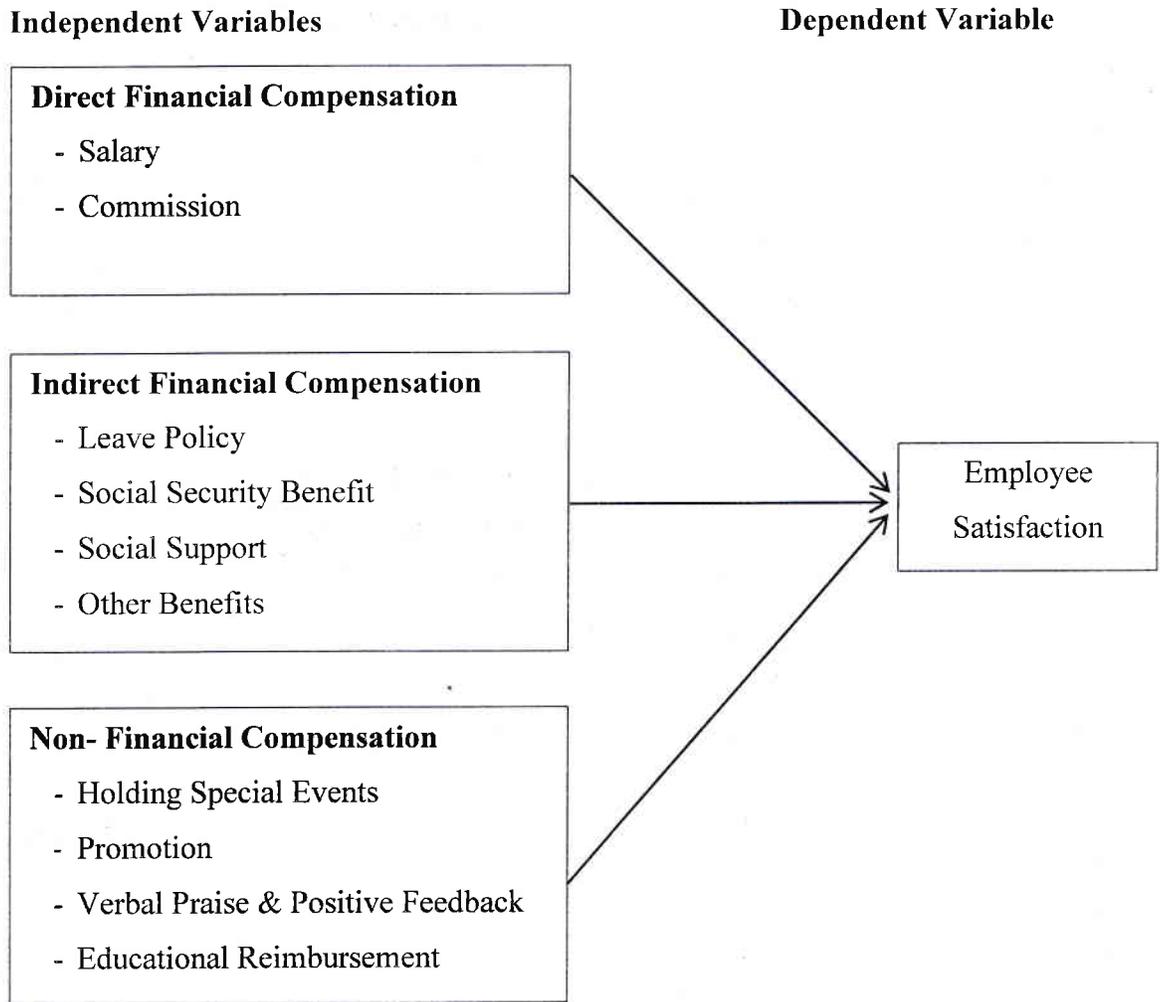
According to March and Simon (1958), compensation can determine what types of worker are attracted to the organization by signaling job seekers to less visible organizational attributes. The same also determines whether or not employees are willing to continue working for the organization. If pay level or benefit level is not satisfactory, the desirability of movement will increase and it is more likely that withdrawal behaviors such as tardiness, absenteeism, and turnover increases (March & Simon, 1958).

2.6 Conceptual Framework of the Study

The conceptual framework showed relationship between independent and dependent variables. The direct relationship between dependent variable (employee

satisfaction) and independent variables are conceptualized as motivation factors which include direct financial compensation (salary, bonus, and commission), indirect financial compensation (leave policy, social security benefit, social support, other benefits) and non-financial compensation (holding special events, promotion, verbal praise & positive feedback, educational reimbursement).

Figure (2.2) Conceptual Framework of the Study



Source: Own Compilation

CHAPTER 3

COMPENSATION SYSTEM OF POWER ELEVEN PUBLIC CO., LTD

This chapter consists of the profile of Power Eleven Public Co., Ltd, organization structure and briefing duties and responsibilities of respective departments as well as the explanation of the compensation system of Power Eleven Public Co., Ltd.

3.1 Profile of Power Eleven Public Co., Ltd

Power Eleven Public Co., Ltd was held on 29 June, 2016 at the Government Conference. It is located in 245, Taw Win St., Ward (7), Shwe Pyi Thar Township. According to Yangon Prime Minister's instruction, 1549 bus owners were invited to discuss better public transportation and to transform into public companies. With the agreement of car owners, Ma Hta Tha committee wrote the rules and regulations, team records and then reported to Yangon Division Government Organization. Power Eleven Public Co., Ltd became official registration No 2492/ 2016-2017 (Ya Ka). Originally, it has only No. 45 bus line (Ma Hta Tha).

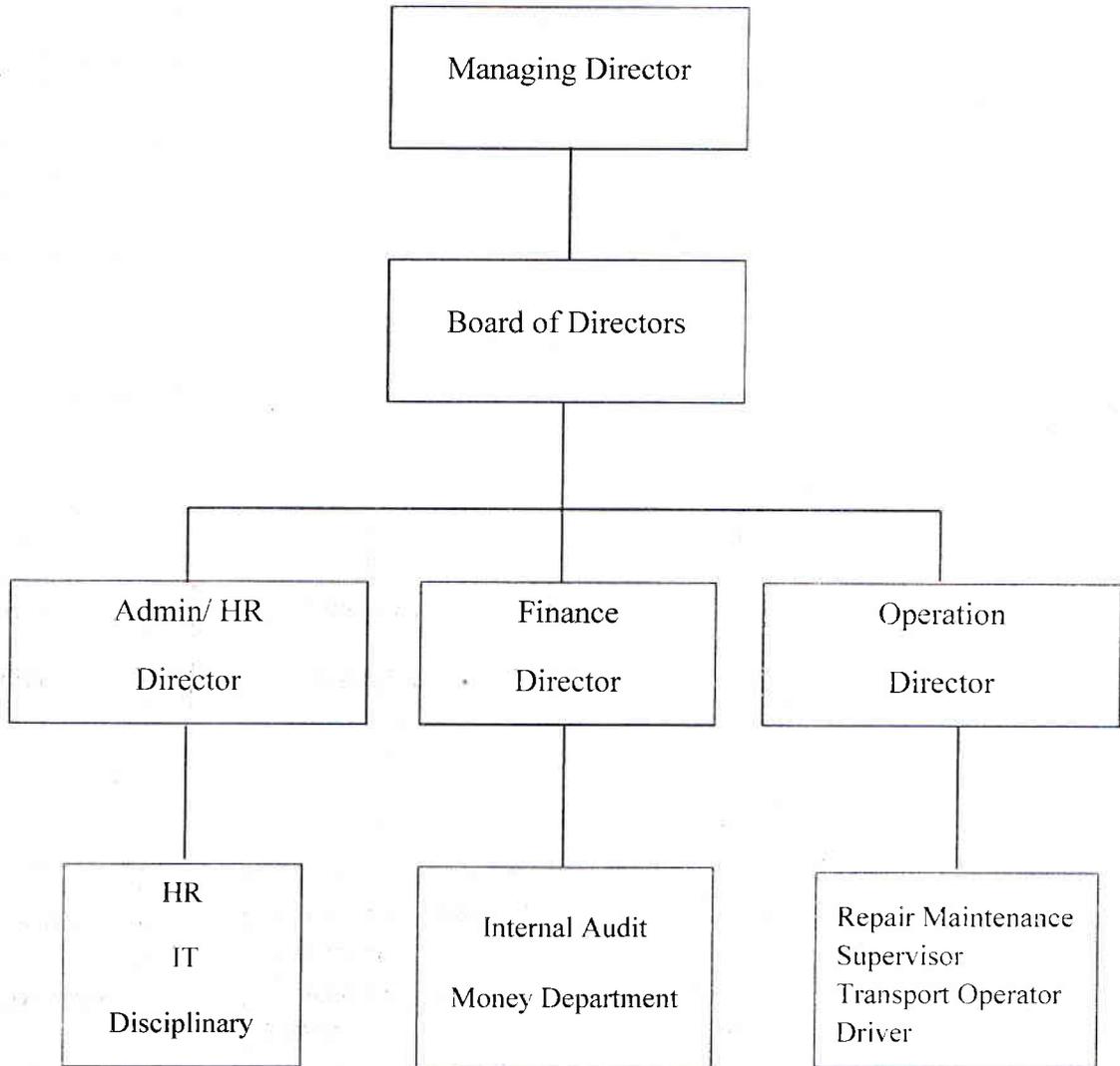
Yangon Bus Service (YBS) is a bus transport network system which was established on 16 January, 2017, serving Myanmar's former capital city of Yangon. It is operated by the Yangon Region Transportation Authority (YRTA). At the same time, No.45 bus line (Ma Hta Tha) has been changed to No.21 bus line (YBS). Under the guidance of the Yangon Region Transportation Authority (YRTA), Power Eleven Public Company and No.39 bus line (YBS) have decided to merge to improve services, according to a January 27 statement by Power Eleven Public Company. No.39 bus line (YBS) had previously run No.48 and 124 bus lines (Ma Hta Tha) respectively. No.39 bus line (YBS) was formed with bus owners. Yangon Region Transportation Authority (YRTA) ceased the authorization of bus running over Khit Thit Nyein Chan Yay Company which has No.41 and 22 bus line (YBS) on 8 November, 2017 and transferred the authority to Power Eleven Public Company. On 2 August, 2018, No.22 bus line (YBS) changed under private supervision of bus line. Now, Power Eleven Public Company has No.21, 39 and 45 bus line. Bus lines in Power Eleven Public Co., Ltd perform the responsibility of transportation with bus lines such as No.21 bus line is running from Yangon West University to Maw Tin,

No.39 bus line is running from Shwe Pyi Thar (Lane Kone) to Maw Tin and No.41 bus line is running from Technological University (Hmawbi) to Tha Khin Mya Garden.

3.1.1 Organization Structure of Power Eleven Public Co., Ltd

The organization structure of Power Eleven Public Co., Ltd is shown in figure (3.1).

Figure (3.1) Organization Structure of Power Eleven Public Co., Ltd



Source: Power Eleven Public Co., Ltd (2018)

According to figure (3.1), organization structure of Power Eleven Public Co., Ltd is formed by three departments. In Power Eleven Public Company, Managing Director sits on the very top of organization chart which directly goes down to board of directors. And then goes down to Admin/HR director, Finance Director and Operation Director.

The Admin and Human Resource Department play a crucial role in the company because it takes many responsibilities especially concerning human resource activities. Admin and Human Resource Department is responsible for human resource management (HRM), information technology (IT) and Disciplinary. The function of HRM are planning the bus line and staffing. The functions of IT are testing GPS and CCTV. The function of Disciplinary department is to collect penalties that YRTA act on refractory YBS drivers.

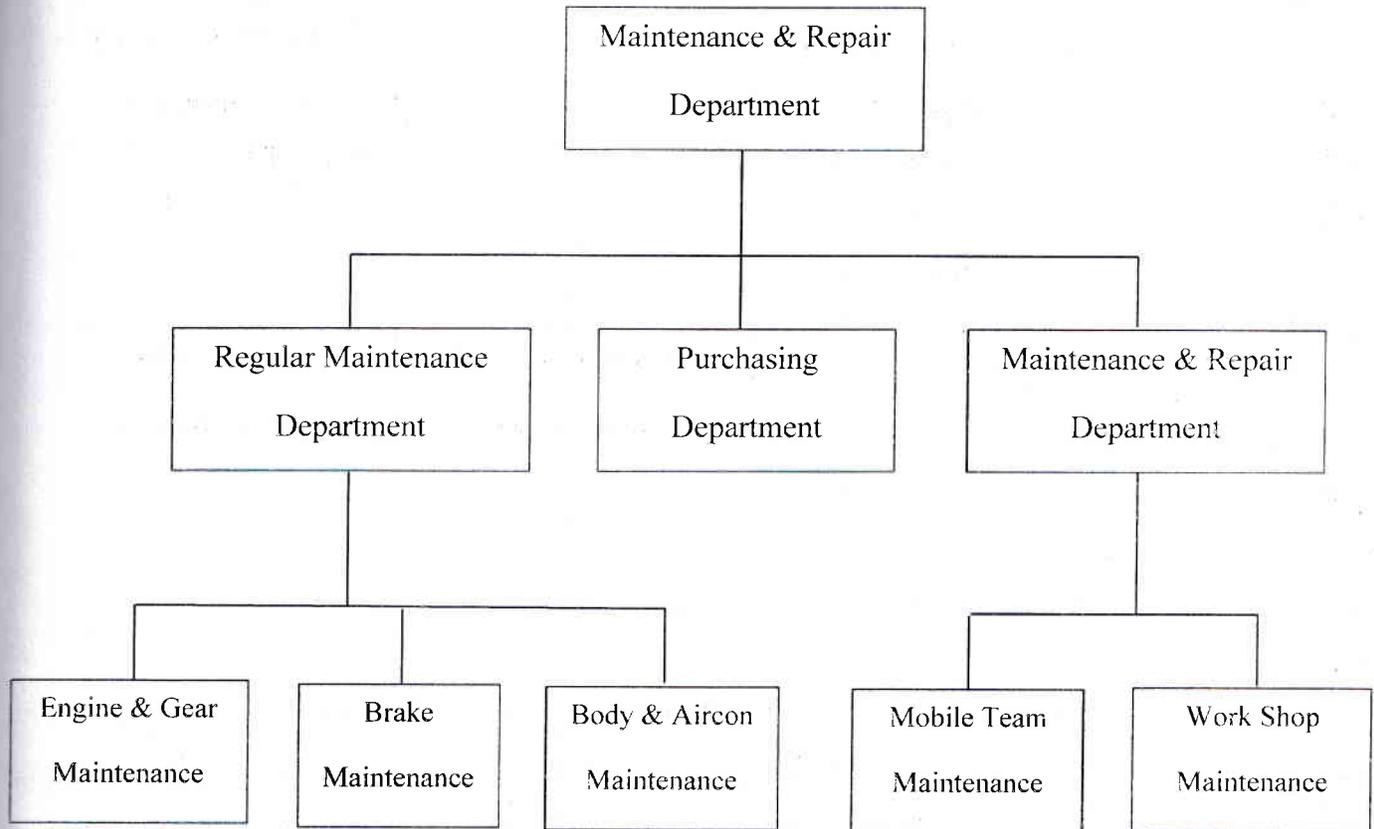
Human Resource has accountability for human resources management in the department in accordance with legal and ethical requirements, company policy, and collective bargaining agreements, responsibility for specific human resource decisions which have been delegated to the unit, support for individuals to whom you have delegated responsibilities by clearly delineating roles and responding to questions they raise. HR is responsible for the basic of HR activities such as recruitment to obtain the human resources and financial approvals required by the company, compensation that to compensate employees correctly, document the hours worked and salary paid to an employee, and the accrual and use of paid leave, in the payroll system and all jobs must be appropriately classified. It is also responsible for providing clear performance expectations to each employee.

The Finance department consists of two sections: internal audit and money department. The functions of internal audit and money department perform the daily transactions such as income and expense with computerized through MS Excel Application but some are manual.

Accountability ensures that proper controls and monitoring account procedures are in place and are being applied accordingly, and that reports are accurate and meaningful. It really means responsibility for financial resources. Assisting and maintaining sound budget plans for all departmental which requires maintaining positive budget balances and assuring transactions are posted to correct budget, implementing, monitoring and reporting procedures.

The Operation department is responsible for smooth and profitable production. And then, maintenance and repair department is the very important one of Power Eleven Public Co., Ltd. It consists of three departments such as regular maintenance department, purchasing department and repair department. Maintenance and repair department of Power Eleven Public Co., Ltd is shown in figure (3.2).

Figure (3.2) Maintenance & Repair Department of Power Eleven Public Co., Ltd



Source: Power Eleven Public Co., Ltd (2018)

3.2 Compensation System of Power Eleven Public Co., Ltd

Power Eleven Public Co., Ltd provides its employees with direct financial compensation, indirect financial compensation (benefits) and non-financial compensation. In terms of direct financial compensation, company provides wages, salaries and commissions. In terms of indirect financial compensation (benefits), company provides leave policy, social security benefits and social support. In terms of non-financial compensation, company provides holding special events, promotion, verbal phrase and positive feedback and educational reimbursement that focus on the issue like needs for achievement, recognition, responsibility, influence and personal growth. However, direct financial compensation varies with different positions and roles of employees within the company.

3.2.1 Direct Financial Compensation

Direct compensation is the money directly paid to employees in exchanged for their labor. Direct compensation includes wages, salaries, bonuses, and commissions. White-collar workers are paid as monthly basic salary and blue-collar workers are paid on daily and hourly basic.

(1) Salary

Salary is one of the forms of direct financial compensation. The employees are paid according to the standard salary scale set by the top management of Power Eleven Public Co., Ltd. The amounts of salary are designated in terms of position, working experience, knowledge and skills.

There are different employment types, such as contract, probation, and permanent employees. Fixed salaries are paid to contract staff. Daily wages are provided for probation staff and basic salary, meal allowance and transport allowance are provided for permanent staff. Meal and transport allowances are paid on daily basis and entitled for only working days.

Meal and transport allowances are calculated for 26 working days per month. The following table (3.1) describes salary structure of Power Eleven Public Co., Ltd.

Table (3.1) Salary Structure of Power Eleven Public Co., Ltd

| No. | Position | Salary in Kyats |
|-----|----------------------------|-----------------|
| 1. | Director | 500,000 |
| 2. | Mechanic (leader) | 300,000-400,000 |
| 3. | Operation Manager | 300,000 |
| 4. | Senior Accountant | 300,000 |
| 5. | Supervisor | 250,000 |
| 6. | IT | 250,000 |
| 7. | Gate In-charge(Supervisor) | 250,000 |
| 8. | Junior Accountant | 200,000 |
| 9. | Office staff | 200,000 |
| 10. | Gate In-charge | 200,000 |
| 11. | Mechanic | 200,000 |
| 12. | Car Cleaner | 200,000 |
| 13. | Conductor | 150,000 |

Source: Power Eleven Public Co., Ltd (2018)

(2) Commission

Another category of direct financial compensation is commission. Power Eleven Public Company gives commission for drivers. No.21 bus line gives 30% of reserves per day. No. 39 bus line gives 20% of reserves per day. If they get above 120,000 Kyats per day, the company will give them 30% of reserves per day. No.41 bus line gives 20% of reserves per day.

3.2.2 Indirect Financial Compensation

Indirect financial compensation includes non-monetary benefits offered and provided to employees for their contribution to the company. Different types of benefits are shown in Table (3.3).

Table (3.2) Benefits provided by Power Eleven Public Co., Ltd

| No. | Types of Benefits | Description |
|-----|-------------------------|-------------|
| 1. | Leave Policy | Provided |
| 2. | Social Security Benefit | Provided |
| 3. | Social Support | Provided |
| 4. | Other Benefits | |
| (a) | Meal Allowance | Provided |
| (b) | Loan Service | Provided |
| (c) | Uniforms | Provided |

Source: Admin and Human Resource Department of Power Eleven Public Co., Ltd

As shown in Table (3.2), leave benefit, social security benefit, social support and other benefits are provided to employees. In the terms of other benefits, meal allowance, loan service and uniform sets are included.

(1) Leave Policy

There are various types of leave in human resources theories. The different leave types are described in Table (3.3). The detailed description of leave benefits are mentioned below.

Table (3.3) Types of Leaves provided in Power Eleven Public Co., Ltd

| No. | Leave Type | Entitlement | Number of Days |
|-----|--------------------|--------------|----------------------------------|
| 1. | Annual Leave | Provided | 10days/year |
| 2. | Sick/Medical Leave | Provided | Depend on medical recommendation |
| 3. | Causal Leave | Provided | 10days/year |
| 4. | Vacation Leave | Not Provided | - |
| 5. | Maternity Leave | Provided | 14 weeks |
| 6. | Paternity Leave | Provided | 15days/year |
| 7. | Bereavement Leave | Not Provided | - |
| 8. | Unpaid Leave | Provided | 90days/year |
| 9. | Holiday | Provided | According to official calendar |

Source: Power Eleven Public Co., Ltd (2018)

As shown in Table (3.3), annual leave, sick leave, causal leave, maternity leave, paternity leave, bereavement leave, unpaid leave and holiday are provided while vacation leave and bereavement leave are not provided to employees.

(a) Annual Leave

Each employee after one-year service receives annual/ earn for each year worked. Annual leave needs to request 10 days in advance to Human Resource based on the approval of immediate supervisor or manager. The HR department will maintain the leaves records of each employee.

(b) Sick Leave/Medical Leave

Employees are entitled to have 10 sick leave/medical leave per year when in the event of illness or injury due to workplace accident. It may depend on the medical recommendation of doctor.

(c) Causal Leave

There are 10 causal leave day per year but not more than three consecutive working days at a time and not more than 5 causal leave days within 6 months. The causal leave needs to be requested by employee with justifiable reason and with prior notice to their department head or immediate supervisor.

(d) Vacation Leave

There is no entitlement for vacation leave at year end. If an employee wants to have vacation leave, he/she has to take unpaid leave instead. But he has to submit a leave application in advance of 7 days to arrange necessarily for the assigned task during leave period.

(e) Maternity Leave

Female employees are granted 14 weeks maternity leave (6 weeks before and 8 weeks after the delivery) with full salary.

(f) Paternity leave

At Power Eleven Public Company, the husbands of the woman who are giving birth shall entitle to get 15 days of paternity leave around the birth date of the child.

(g) Bereavement Leave

Employees are granted unpaid bereavement leave to grieve and to handle matters that relate to a memorial service if they suffer the death of a family member. In terms of family members, there are parents, children, brothers, sisters, wife and husband who are living together with the employee according to household registration. If the decrease is not a family member, the employee will not entitle to take leave and they need to take unpaid leave instead.

(h) Unpaid Leave

Employees are granted three months unpaid leave and taking unpaid leave does not affect the individual's absenteeism status. So, they are entitled for no-absenteeism of the year award.

(i) Holidays

The company grants official holidays for all Myanmar gazette holidays which are circulated by administration department at the beginning of calendar year subjected to the approval of boards of director. At Power Eleven Public Company, Sunday is the normal off-days. The employees have to work only 6 days a week. But drivers do not have holidays.

(2) Social Security Benefit

The company is responsible for insurance against accident and illness for all employees according to social security acts. All employees are registered at Township Labor Registration Department and Social Security Board. Due to regular contribution of employer and employee based on the worker's earning in payroll, all employees are entitled to have the social security benefits of workplace-related accident or illness. For the illness not related to working environment, employees are still eligible to have common healthcare benefit according social security act.

(3) Social Support

There are two different types of social supporting in Power Eleven Public Co., Ltd. They are two events of birth and death. At the time of birth, the company provides 100,000 to 300,000 Kyats. In the case of employee's death, the company

provides 100,000 to 500,000 Kyats. The company also provides 100,000 to 300,000 Kyats as the bereavement assistance to the employee who losses his family.

(4) Other Benefits

The company provides other benefits to employees such as meal allowance (lunch), loan service and uniforms.

Concerning with meal allowance, the company provides meal allowance to all of its drivers of Power Eleven Public Co., Ltd. Meal allowance is 2500 Kyats per working day for operational staff especially.

Concerning with loans, Power Eleven Public Co., Ltd has a staff loan program for their employees-welfare. The employee can apply and get the loan with their Head of the Department's recommendation. Power Eleven Public Co., Ltd considers loans for education, health condition, health conditions and emergency cases of the employees.

For integrity and image of Power Eleven Public Co., Ltd, the company provides uniforms to all staff. Power Eleven Public Co., Ltd provides two sets of uniform and it is one of the motivational factors for the employees.

3.2.3 Non-financial Compensation

In terms of non-financial compensation, it can generally be divided into four: they are holding special events, promotion, occasional verbal praise and positive feedback, and educational reimbursement.

(1) Holding Special Events

Power Eleven Public Co., Ltd provides special events for employees like holding staff appreciation party in order to increase employee morale and makes employee feels appreciated for their contribution to company success.

(2) Promotion

Power Eleven Public Co., Ltd recruits for higher positions by internal promotion plan provided to skillful and experienced employees for available open positions before they recruit for potential employees outside of the company. The company provides clear career path for every level of employees. On-job training

courses are provided for fresh graduates to be able to work effectively on their duties and responsibilities.

Concerning the training and development for the employees, Power Eleven Public Co., Ltd provides training to employees for acquiring immediate skills and doing a task or job in an efficient and competent manner. The training and development program enables employees to grow with the company itself. An employee/trainee may be put under an experienced staff for instruction, guidance and learning of specific skills related to a job.

(3) Occasional Verbal Praise and Positive Feedback

At the management level, employees of Power Eleven Public Co., Ltd are given verbal praise and positive feedback to operational level of employees to let them know that the management and company appreciate the job that they are doing and let them feel special and appreciated. Based on the interview with operational employees, they are satisfied with occasional verbal praise and positive feedback of supervisors.

(4) Educational Reimbursement

Power Eleven Public Co., Ltd reimburses employees up to a certain amount for courses and education in order to help employees who want to get more education to attain better levels of pay and higher positions.

CHAPTER 4

RESEARCH METHODOLOGY

This chapter describes the research design, demographic characteristics of employees, analysis of employee satisfaction level on compensation system and overall employee satisfaction towards compensation system of Power Eleven Public Co, Ltd.

4.1 Research Design

This study is to analyze the employee satisfaction towards the compensation system by Power Eleven Public Co., Ltd. To implement the objectives of the study, the required data were obtained through structural questionnaire with a five point Likert-scale. All drivers of different running bus lines such as YBS 21, YBS 39 and YBS 41 were asked to complete the questionnaire. By using the convenience sampling method, a sample of 150 employees is chosen from the total population of 260 employees at Power Eleven Public Co., Ltd. The questionnaire consists of two main parts. The first part describes the demographic characteristics of respondents by gender, age, marital status, education, service year, income level and current running bus line. The second part includes employee satisfaction towards direct financial compensation, indirect financial compensation, and non-financial compensation which are based on 10 different characteristics of compensation systems namely (1) salary, (2) commission, (3) leave policy, (4) social security benefit, (5) social support, (6) other benefits (7) holding special events, (8) promotion, (9) verbal praise and positive feedback, (10) educational reimbursement. To analyze the collected data from the sample respondents, the statistical analysis of Statistical Package for Social Science (SPSS 20) was applied. Employee satisfaction level is assessed based on the mean value of each characteristic which are provided to the employees.

4.2 Demographic Characteristics of Employees

In this section, profiles of respondents are analyzed in accordance with survey result by gender, age, marital status, education, service year, income level per month and current running bus line.

4.2.1 Respondents by Gender

The following Table describes numbers of male and female employee in Power Eleven Public Co., Ltd. The gender of respondents in Power Eleven Public Co., Ltd is shown in Table (4.1).

Table (4.1) Respondents by Gender

| Gender | No. of Respondents | Percentage % |
|---------------|---------------------------|---------------------|
| Male | 150 | 100.00 |
| Female | 0 | 0 |
| Total | 150 | 100.00 |

Source: Survey Data (2018)

According to Table (4.1), 150 employees are males. In term of percentage, 100 percent of respondents are males because of the work nature of Power Eleven Public Co., Ltd which is responsible for running of various kinds of buses.

4.2.2 Respondents by Age Groups

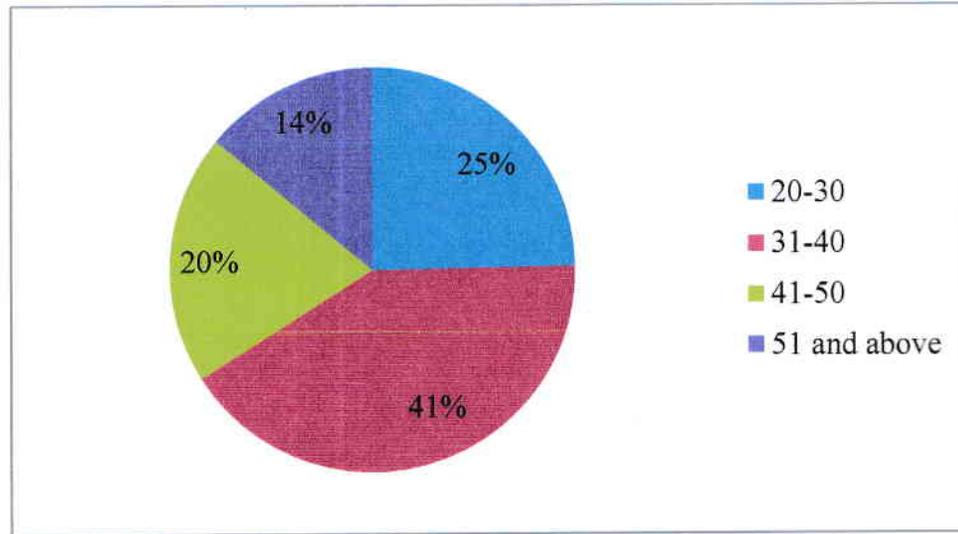
The age groups of respondents are emphasized by four groups, namely; 20 to 30, 31 to 40, 41 to 50, and 51 and above. The following Table (4.2) and figure (4.1) presents respondents by age groups.

Table (4.2) Respondents by Age Group

| Age (year) | No. of Respondents | Percentage % |
|-------------------|---------------------------|---------------------|
| 20-30 | 37 | 24.70 |
| 31-40 | 62 | 41.30 |
| 41-50 | 30 | 20.00 |
| 51 and above | 21 | 14.00 |
| Total | 150 | 100.00 |

Source: Survey Data (2018)

Figure (4.1) Respondents by Age Groups



Source: Survey Data (2018)

As shown in Table (4.2) and figure (4.1), it is found that 37 employees are between 20 years and 30 years old, 62 employees are between 31 years and 40 years old, 30 employees are between 41 years and 50 years old, and 21 employees are 51 years old and above, respectively. In terms of percentage, 20 to 30 years old respondent is 24.7 percent, 31 to 40 years old respondent is 41.3 percent, 41 to 50 years old respondent is 20 percent and 51 and above 51 years old respondent is 14 percent respectively. It is found that the most working respondent group is 31 to 40 years old in Power Eleven Public Co., Ltd.

4.2.3 Respondents by Marital Status

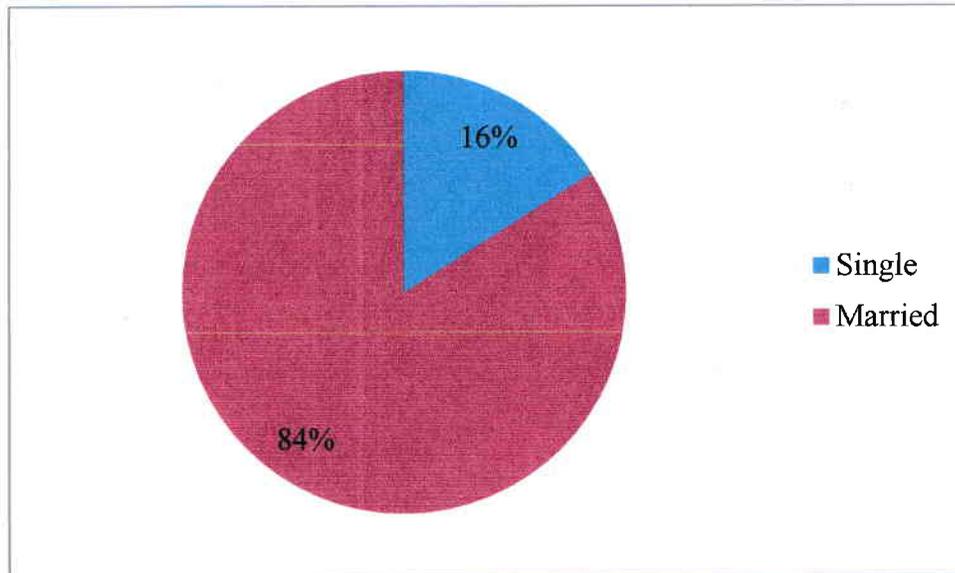
Marital status of employees is classified into two: single and married. The following Table (4.3) and figure (4.2) show respondents by marital status.

Table (4.3) Respondents by Marital Status

| Marital Status | No. of Respondents | Percentage % |
|-----------------------|---------------------------|---------------------|
| Single | 24 | 16.00 |
| Married | 126 | 84.00 |
| Total | 150 | 100.00 |

Source: Survey Data (2018)

Figure (4.2) Respondents by Marital Status



Source: Survey Data (2018)

As shown in Table (4.3) and (4.2), 24 employees are single and 126 employees are married. In terms of percentage, single respondents share 16 percent and married respondents share 84 percent. Most of the employees are married in Power Eleven Public Co., Ltd.

4.2.4 Respondents by Educational Level

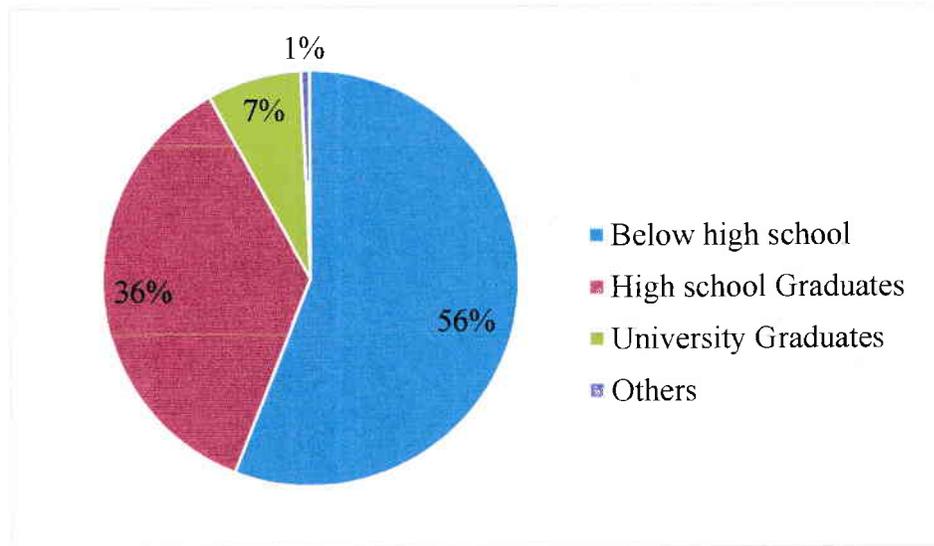
The educational level of employees is classified into four groups which are below high school, high school, graduated and others. Following Table (4.4) and figure (4.3) presents respondents by educational level.

Table (4.4) Respondents by Educational Level

| Education level | No. of Respondents | Percentage % |
|-----------------------|--------------------|---------------|
| Below high school | 84 | 56.00 |
| High school Graduates | 54 | 36.00 |
| University Graduates | 11 | 7.30 |
| Others | 1 | 0.70 |
| Total | 150 | 100.00 |

Source: Survey Data (2018)

Figure (4.3) Respondents by Educational Level



Source: Survey Data (2018)

As shown in Table (4.4) and figure (4.4), 84 are below the high school level employees, 54 are high school level employees, 11 are graduated level employees and 1 employee is in “other” group. In terms of percentage, 56 percent of employees are below the high school level, 36 percent of employees are at the high school level, 11 percent of employees are at the graduated level and 0.7 percent of employees are in “other” group. It shows that most employees are below the high school level in Power Eleven Public Co., Ltd.

4.2.5 Respondents by Work Experiences

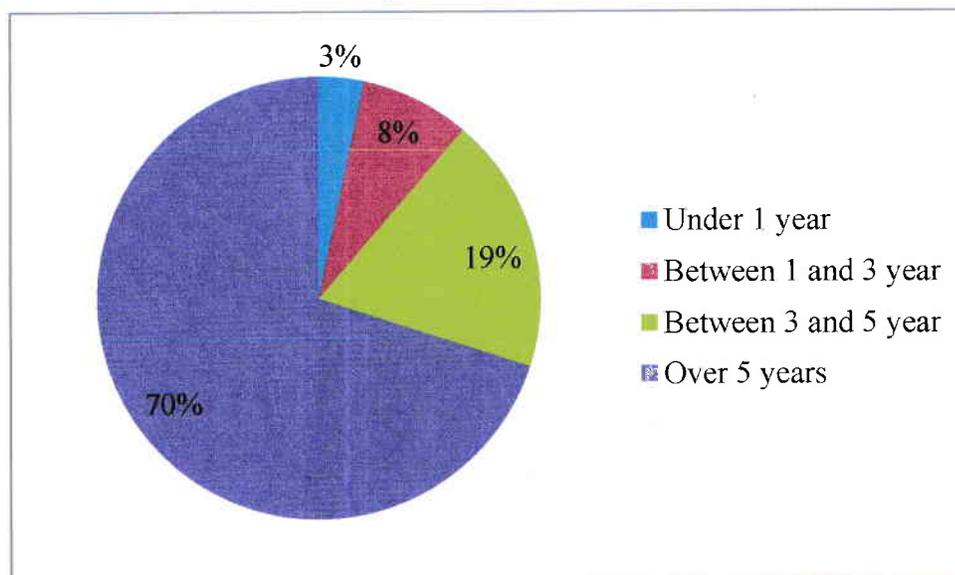
Work experiences of respondents are classified into four groups which are under 1 year, between 1 and 3 years, between 3 and 5 years and over 5 years respectively. Table (4.5) and figure (4.4) show the respondents by work experiences.

Table (4.5) Respondents by Work Experiences

| Work Experiences | No. of Respondents | Percentage % |
|----------------------|--------------------|---------------|
| Under 1 year | 5 | 3.30 |
| Between 1 and 3 year | 12 | 8.00 |
| Between 3 and 5 year | 28 | 18.70 |
| Over 5 years | 105 | 70.00 |
| Total | 150 | 100.00 |

Source: Survey Data (2018)

Figure (4.4) Respondents by Work Experiences



Source: Survey Data (2018)

According to Table (4.5) and (4.4), 5 employees are under 1-year service, 12 employees are between 1 and 3 years' service, 28 employees are between 3 and 5 years' service and 105 employees are over 5 years' service respectively. In terms of percentage, under 1-year service of respondent is 3.3 percent, between 1 and 3 years' service of respondent is 8 percent, between 3 and 5 years' service of respondent is 18.7 percent and over 5 years' service of respondent is 70% respectively. The most working respondents are over 5 years' service in Power Eleven Public Co., Ltd.

4.2.6 Respondents by Income Level

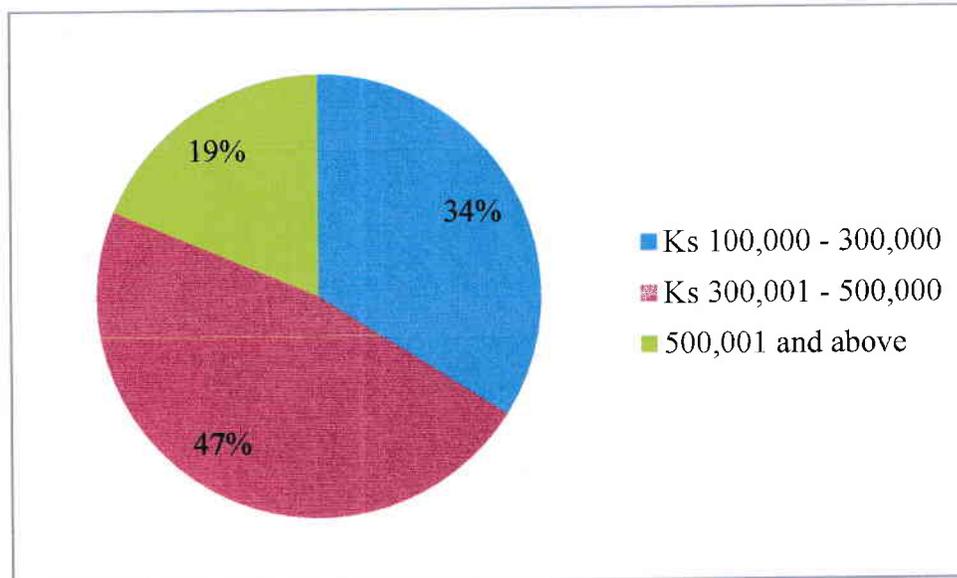
Individual income levels of respondents are classified into three groups which are 100,000 Kyats to 300,000 Kyats, 300,001 Kyats to 500,000 Kyats and 500,001 Kyats and above. The following Table (4.6) and figure (4.5) show the respondent by income level.

Table (4.6) Respondents by Income Level

| Income Level(kyats) | No. of Respondents | Percentage % |
|----------------------|--------------------|---------------|
| Ks 100,000 - 300,000 | 51 | 34.00 |
| Ks 300,001 - 500,000 | 71 | 47.30 |
| 500,001 and above | 28 | 18.70 |
| Total | 150 | 100.00 |

Source: Survey Data (2018)

Figure (4.5) Respondents by Income Level



Source: Survey Data (2018)

As shown in Table (4.6) and figure (4.5), there are 51 employees who earn 100,000 Kyats to 300,000 Kyats, 71 employees who earn 300,001 Kyats to 500,000 kyats and 28 employees who earn 500,001 kyats and above. In terms of percentage, 34 percent of employees who earn 100,000 kyats to 300,000 kyats, 47.3 percent of employees who earn 300,001 Kyats to 500,000 kyats and 18.7 percent of employees who earn 500,001 Kyats and above. Therefore, it can be found that most of the employees who earn 300,001 Kyats to 500,000 Kyats in Power Eleven Public Co., Ltd.

4.2.7 Respondents by Current Running Bus Line

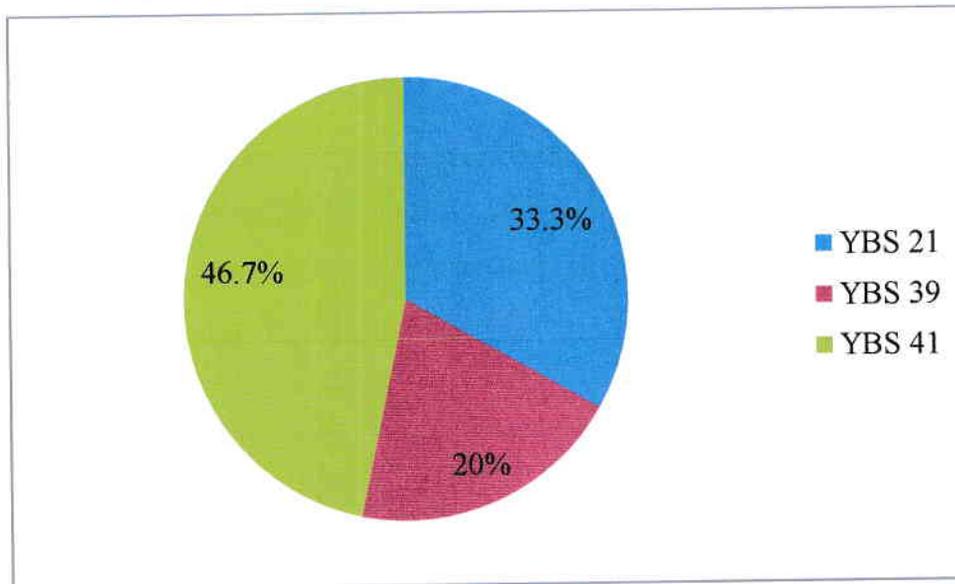
Bus lines are classified into three such as YBS 21, YBS 39 and YBS 41 respectively. The following Table (4.7) and figure (4.6) show the number of the respondents by current running bus line.

Table (4.7) Respondents by Current Running Bus Line

| Current Running Bus Line | No. of Respondents | Percentage % |
|---------------------------------|---------------------------|---------------------|
| YBS 21 | 50 | 33.30 |
| YBS 39 | 30 | 20.00 |
| YBS 41 | 70 | 46.70 |
| Total | 150 | 100.00 |

Source: Survey Data (2018)

Figure (4.6) Respondents by Current Running Bus line



Source: Survey Data (2018)

As shown in Table (4.7) and (4.6), YBS 21 is run by 50 employees, YBS 39 by 30 employees and YBS 41 by 70 employees. In terms of percentage, 33.3 percent of employees are running YBS 21, 20 percent of employees are running YBS 39 and 46.7 percent of employees are running YBS 41. It can be said that most of the employees are running YBS 41 in Power Eleven Public Co., Ltd.

4.3 Analysis of Employee Satisfaction Level on Compensation System

In this section, employee satisfaction towards compensation system provided by Power Eleven Public Co., Ltd is analyzed based on direct financial compensation, indirect financial compensation and non-financial compensation which include 10 different characteristics of compensation systems namely (1) salary, (2) commission, (3) leave policy, (4) social security benefit, (5) social support, (6) other benefits, (such as meal allowance, loan service, and uniform sets) (7) holding special events, (8) promotion, (9) verbal praise and positive feedback, (10) educational reimbursement program provided by Power Eleven Public Co., Ltd Each characteristic includes more than one question, and each question is measured on a five point Likert-scale (1= Strongly Dissatisfied, 2 = Dissatisfied, 3= Neutral, 4 = Satisfied, 5 = Strongly Satisfied). Employee satisfaction level is evaluated based on the average overall mean score of each characteristic. It can be assumed that employees are dissatisfied if the mean score of particular characteristic is less than 3. On the other hands, it can be assumed that employees are satisfied if the mean score of particular characteristic is

more than 3. However, it is inconclusive whether employees are satisfied or dissatisfied even if the mean score is not exactly equal to 3.

4.3.1 Employee Satisfaction towards Direct Financial Compensation

Power Eleven Public Co., Ltd provides direct financial compensation such as Salary and Commission. Each characteristics of direct financial compensation are analyzed separately for employees of YBS 21, YBS 39 and YBS 41 in following Table (4.8).

Table (4.8) Employee Satisfaction towards Direct Financial Compensation

| No. | Description | YBS 21 | YBS 39 | YBS 41 | Mean |
|-----|---|-------------|-------------|-------------|-------------|
| | Salary | | | | |
| 1. | The amount of current salary | 4.04 | 2.80 | 2.83 | 3.22 |
| 2. | The amount of salary compared to other employees in the company | 4.08 | 3.27 | 3.13 | 3.49 |
| 3. | The amount of salary compared to other companies | 4.22 | 3.50 | 3.11 | 3.61 |
| | Commission | | | | |
| 4. | The amount of commission | 4.34 | 3.03 | 3.16 | 3.51 |
| 5. | The amount of commission compared to other employees in the company | 4.24 | 3.03 | 3.03 | 3.43 |
| 6. | The amount of commission compared to other companies | 4.28 | 3.27 | 3.16 | 3.57 |
| | Overall Mean | 4.20 | 3.15 | 3.07 | 3.47 |

Source: Survey Data (2018)

Table (4.8) presents employee satisfaction towards direct financial compensation. Direct financial compensation includes salary and commission. “The amount of current salary”, “The amount of salary compared to other employees in the company” and “The amount of salary compared to other companies”, employees at YBS 21 are the most satisfied as shown by mean scores of 4.04, 4.08 and 4.22 respectively. “The amount of commission”, “The amount of commission compared to other employees in the company” and “The amount of commission compared to other companies”, employees at YBS 21 are the most satisfied as shown by a mean score of

4.34, 4.24 and 4.28. As these are more than 3, it can be concluded that the employees at YBS 21 are satisfied on the salary and commission provided by the company.

On the other hand, those at YBS 39 and YBS 41 are dissatisfied with the amount of current salary. The mean scores are 2.80 and 2.83 and these are less than 3. It indicates that employees at YBS 39 and YBS 41 are least satisfied with the amount of current salary they earn because they expect higher salary. Employees at YBS 39 and YBS 41 are less satisfied with the amount of salary compared to other employees in the company and the amount of salary compared to other companies. It can be concluded that employees at YBS 39 and YBS 41 are less satisfied with the salary provided by Power Eleven Public Co., Ltd. "The amount of commission", "The amount of commission compared to other employees in the company" and "The amount of commission compared to other companies", employees at YBS 39 are less satisfied as a mean score of 3.03, 3.03 and 3.27, and employees at YBS 41 are less satisfied as a mean score of 3.16, 3.03 and 3.16 respectively. It can be concluded that employees at YBS 21 are the most satisfied with the commission and employees at YBS 39 and YBS 41 are less satisfied with the commission provided by the company.

The employees of YBS 21 are most satisfied than employees of YBS 39 and YBS 41 with direct financial compensation as shown by means score of 4.20, 3.15 and 3.07 respectively. This study is found that employees at YBS 21 are most satisfied with direct financial compensation and employees at YBS 39 and YBS 41 are less satisfied with direct financial compensation provided by Power Eleven Public Co., Ltd.

4.3.2 Employee Satisfaction towards Indirect Financial Compensation

The employees' satisfaction towards indirect financial compensation provided by Power Eleven Public Co., Ltd is analyzed and the results are presented in the following sections. Indirect financial compensation such as Leave Policy, Social Security Benefit, Social Support and Other Benefits are analyzed separately for employees of YBS 21, YBS 39 and YBS 41 in following Table (4.9).

Table (4.9) Employee Satisfaction towards Indirect Financial Compensation

| No. | Description | YBS 21 | YBS 39 | YBS 41 | Mean |
|--------------------------------|---|-------------|-------------|-------------|-------------|
| Leave Policy | | | | | |
| 1. | Total number of leaves allowed | 3.66 | 4.03 | 4.10 | 3.93 |
| 2. | The policy and practice of leave | 3.84 | 4.00 | 4.10 | 3.98 |
| 3. | Total number of leave days allowed compared to other companies | 3.92 | 3.83 | 4.17 | 3.97 |
| Social Security Benefit | | | | | |
| 4. | The allowance of leaves for workplace accident or related illness | 3.72 | 3.87 | 3.76 | 3.78 |
| 5. | Provision of healthcare for illness | 2.92 | 2.63 | 2.27 | 2.61 |
| 6. | Lack of deduction of salary for being ill | 3.42 | 2.90 | 2.89 | 3.07 |
| 7. | Provision of social security benefit compared to other companies | 3.62 | 3.13 | 3.13 | 3.29 |
| Social Support | | | | | |
| 8. | Provision of support for giving birth and death | 3.44 | 2.60 | 2.87 | 2.97 |
| 9. | Provision of social support compared to other companies | 3.52 | 2.67 | 2.81 | 3.00 |
| Other Benefits | | | | | |
| 10. | The policy of providing meal allowance | 3.16 | 3.07 | 3.13 | 3.12 |
| 11. | Provision of loan service | 3.00 | 2.30 | 2.13 | 2.48 |
| 12. | Provision of uniform sets | 2.96 | 2.93 | 2.67 | 2.85 |
| 13. | Provision of other benefits compared to other companies | 3.58 | 3.27 | 2.89 | 3.25 |
| Overall Mean | | 3.44 | 3.17 | 3.15 | 3.25 |

Source: Survey Data (2018)

Table (4.9) present employee satisfaction towards indirect financial compensation. Indirect financial compensation includes leave policy, social security benefits, social support and other benefits, (such as meal allowance, loan service and uniform sets). The employee at YBS 39 and YBS 41 are the most satisfied with the

total number of leaves allowed and the policy and practice of leave by mean scores of 4.03, 4.10 and 4.00, 4.10 but employees at YBS 21 are less satisfied with total number of leaves allowed and the policy and practice of leave by mean score of 3.66 and 3.84 because they have difficulty in taking leaves. The employee in 41 are the most satisfied with the total number of leaves allowed compared to other companies by mean score of 4.17 and employees at YBS 21 and YBS 39 are also satisfied with the total number of leaves allowed compared to other companies by means score of 3.92 and 3.83 respectively. It can be said that employees at YBS 21, YBS 39 and YBS 41 are the most satisfied on the leave policy provided by the company.

The employees of YBS 21, YBS 39 and YBS 41 on "The allowance of leave days for workplace accident or related illness" are the most satisfied shown by mean score of 3.72, 3.87 and 3.76. On the other hand, employees at YBS 21, YBS 39 and YBS 41 on "Provision of healthcare for illness" is dissatisfied by mean score of 2.92, 2.63 and 2.27 shown because they expect more provision of healthcare for illness. And also employees at YBS 39 and YBS 41 on "Lack of deduction of salary for being ill" are also less satisfied by the mean score of 2.90 and 2.89 but employee at YBS 21 are satisfied with lack of deduction of salary for being ill. The employee at YBS 21, YBS 39 and YBS 41 are satisfied with the provision of social security benefit compared to other companies with the mean score of more than 3. It can be concluded that employee at YBS 21 are satisfied with the social security benefit and employee at YBS 39 and YBS 41 are less satisfied with the social security benefit provided by the company.

The employees at YBS 21 on "Provision of support for giving birth and death" and "Provision of social support compared to other companies" are the most satisfied by mean scores of 3.44 and 3.52 shown. As these are more than 3, it can be said that employees at YBS 21 are satisfied with the social support provided by the company. Employees at YBS 39 and YBS 41 are dissatisfied with "Provision of support for giving birth and death" and "Provision of social support compared to other companies" are dissatisfied with the means score of 2.60, 2.87 and 2.67, 2.81 respectively. As this is less than 3, it can be concluded that the employees at YBS 39 and YBS 41 are dissatisfied with the social support provided by the company. This is because the most employees of YBS 39 and YBS 41 expect more amount of social support given by the company.

The employees at YBS 21, YBS 39 and YBS 41 are satisfied with the policy of providing meal allowance with the means score of 3.16, 3.07 and 3.13. Employees at YBS 21 are fairly satisfied with the provision of loan service and employees at YBS 39 and YBS 41 are dissatisfied about the provision of loan service with the mean score of 2.30 and 2.13. The employees at YBS 21, YBS 39 and YBS 41 are dissatisfied with the provision of uniform sets with the mean score of 2.96, 2.93 and 2.67. As this is less than 3, it can be concluded that employees at YBS 21, YBS 39 and YBS 41 are dissatisfied with the provision of uniform sets provided by the company. The employees at YBS 21 and YBS 39 are satisfied with the provision of other benefits compared to other companies with the means score of 3.58 and 3.27 but employees at YBS 41 are dissatisfied with the provision of other benefits compared to other companies with the mean score of 2.89. It can be concluded that employees at YBS 21 are satisfied with the other benefits but employees at YBS 39 and YBS 41 are dissatisfied with the other benefits provided by the company.

The employees of YBS 21 are most satisfied than employees of YBS 39 and YBS 41 with indirect financial compensation as shown by means score of 3.44, 3.17 and 3.15 respectively. This study is found that employees at YBS 21 are most satisfied with indirect financial compensation and employees at YBS 39 and YBS 41 are less satisfied with indirect financial compensation provided by Power Eleven Public Co., Ltd.

4.3.3 Employee Satisfaction towards Non-Financial Compensation

The employees' satisfaction towards non-financial compensation provided by Power Eleven Public Co., Ltd is analyzed and the results are presented in the following sections. Non-financial compensation such as Holding Special Events, Promotion, Verbal Praise and Positive Feedback and Educational Reimbursement are analyzed separately for employees at YBS 21, YBS 39 and YBS 41 in following Table (4.10).

Table (4.10) Employee Satisfaction towards Non-Financial Compensation

| No. | Description | YBS 21 | YBS 39 | YBS 41 | Mean |
|-----|---|-------------|-------------|-------------|-------------|
| | Holding Special Event | | | | |
| 1. | Holding special events as holiday parties | 3.52 | 2.47 | 2.30 | 2.76 |
| 2. | Holding special events as holiday parties compared to other companies | 3.58 | 2.63 | 2.44 | 2.88 |
| | Promotion | | | | |
| 3. | Provision of giving training opportunity | 4.64 | 3.00 | 3.37 | 3.67 |
| 4. | Provision of giving opportunity for promotion after training | 4.68 | 3.03 | 3.37 | 3.69 |
| 5. | Provision of giving opportunity for promotion compared to other companies | 4.90 | 3.47 | 3.57 | 3.98 |
| | Verbal Praise and Positive Feedback | | | | |
| 6. | Recognition on accomplishment of task | 3.84 | 3.43 | 3.54 | 3.60 |
| 7. | Provision of recognition compared to other companies | 3.90 | 3.43 | 3.51 | 3.61 |
| | Educational Reimbursement | | | | |
| 8. | Provision of expenses for schools and training programs for employees | 2.88 | 2.70 | 2.37 | 2.65 |
| 9. | Provision of educational expenses for the families of employees | 2.76 | 2.40 | 2.13 | 2.43 |
| 10. | Provision of educational reimbursement compared to other companies | 3.04 | 2.83 | 2.46 | 2.78 |
| | Overall Mean | 3.77 | 2.94 | 2.91 | 3.21 |

Source: Survey Data (2018)

Table (4.10) presents employee satisfaction towards non-financial compensation. Non-financial compensation includes holding special events, promotion, verbal praise and positive feedback and educational reimbursement. The employees at YBS 21 are the most satisfied with the holding special events as holiday parties and holding special events as holiday parties compared to other companies with the means score of 3.52 and 3.58. As this is more than 3, it can be concluded that the employees of YBS 21 are satisfied with holding special events provided by the company. On the other hand, employees at YBS 39 and YBS 41 are dissatisfied with the holding special events as holiday parties and holding special events as holiday parties compared to other companies with the means score of 2.47, 2.30 and 2.63 and 2.44 respectively. As these are less than 3, YBS 39 and YBS 41 are dissatisfied with holding special events provided by the company.

“Provision of giving training opportunity”, “Provision of giving training opportunity after training” and “Provision of giving opportunity for promotion compared to other companies”, employees at YBS 21 are the most satisfied with the means score of 4.64, 4.68 and 4.90. As these are more than 3, it can be said that employees at YBS 21 are satisfied with the promotion provided by the company. Employees at YBS 39 are less satisfied with the provision of giving training opportunity and provision of giving training opportunity after training with the means score of 3.00 and 3.03 but employees at YBS 39 are satisfied with the provision of giving opportunity for promotion compared to other companies with the mean score of 3.47. On the other hand, employees at YBS 41 are satisfied with the provision of giving training opportunity, provision of giving training opportunity after training and the provision of giving opportunity for promotion compared to other companies with the means score of 3.37, 3.37 and 3.57 respectively. As this is more than 3, it can be concluded that the employees at YBS 39 and YBS 41 are satisfied with promotion provided by the company.

The employees at YBS 21, YBS 39 and YBS 41 are satisfied with the recognition on accomplishment of task by the means score of 3.84, 3.43 and 3.54 shown. As this is more than 3, it can be concluded that the employees at YBS 21, YBS 39 and YBS 41 are satisfied with the recognition on accomplishment of task provided by the company. Employees at YBS 21, YBS 39 and YBS 41 are satisfied with the provision of recognition compared to other companies by the means score of 3.90, 3.43 and 3.51 shown. As this is more than 3, it can be concluded that the

employees at YBS 21, YBS 39 and YBS 41 are satisfied with the provision of recognition compared to other companies provided by the company. On average, since the mean score of employees' response over verbal praise and positive feedback are over 3, it can be said that employees at YBS 21, YBS 39 and YBS 41 are satisfied with verbal praise and positive feedback provided by the company.

The employees at YBS 21, YBS 39 and YBS 41 are dissatisfied with the provision of expenses for schools and training programs for employees and the provision of educational expenses for the families of employees by the means score of 2.88, 2.70, 2.37 and 2.76, 2.40, 2.13 shown. As these are less than 3, it can be concluded that the employees at YBS 21, YBS 39 and YBS 41 are dissatisfied with the provision of expenses for schools and training programs for employees and the provision of educational expenses for the families of employees provided by the company. Employees at YBS 21 are less satisfied with the provision of educational reimbursement compared to other companies with a mean score of 3.04 and YBS 39 and YBS 41 are dissatisfied with the provision of educational reimbursement compared to other companies with a mean score of 2.83 and 2.46 respectively. On average, since the mean score of employees' response over educational reimbursement are less than 3, it can be concluded that employees at YBS 21, YBS 39 and YBS 41 are dissatisfied with educational reimbursement provided by the company.

The employees of YBS 21 are most satisfied than employees of YBS 39 and YBS 41 with non-financial compensation as shown by means score of 3.77, 2.94 and 2.91 respectively. This study is found that employees at YBS 21 are most satisfied with non-financial compensation and employees at YBS 39 and YBS 41 are less satisfied with non-financial compensation provided by Power Eleven Public Co., Ltd.

4.4 Overall Employee Satisfaction towards Compensation System

The comparison on the differences of the satisfaction towards compensation system by the employees at YBS 21, YBS 39 and YBS 41 are calculated and the result is presented in Table (4.11). Employee satisfaction towards overall compensation system provided by Power Eleven Public Co., Ltd. In direct financial compensation, salary and commission are included. In indirect financial compensation, leave policy, social security benefit, social support and other benefits,

(such as meal allowance, loan service and uniform sets) are included. In non-financial compensation, holding special events, promotion, verbal praise and positive feedback and educational reimbursement program are included.

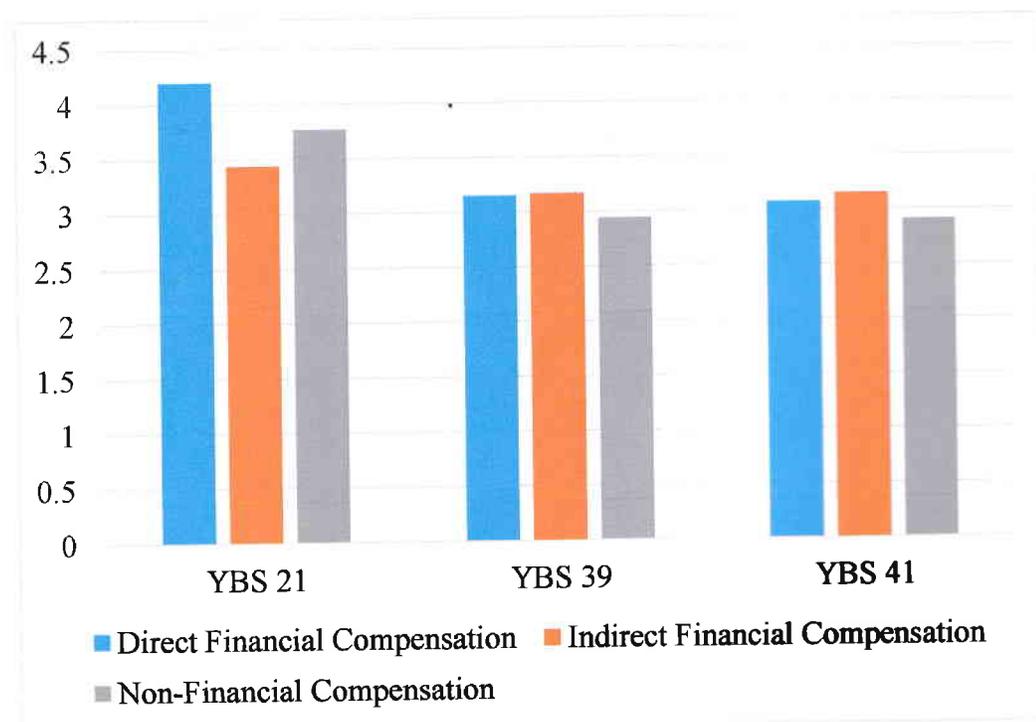
Table (4.11) Overall Employee Satisfaction towards Compensation System

| No. | Characteristics | YBS 21 | YBS 39 | YBS 41 | Mean |
|-----|---------------------------------|-------------|-------------|-------------|-------------|
| 1. | Direct Financial Compensation | 4.20 | 3.15 | 3.07 | 3.47 |
| 2. | Indirect Financial Compensation | 3.44 | 3.17 | 3.15 | 3.25 |
| 3. | Non-Financial Compensation | 3.77 | 2.94 | 2.91 | 3.21 |
| | Overall Mean | 3.80 | 3.09 | 3.04 | 3.31 |

Source: Survey Data (2018)

According to Table (4.11), it can be concluded that the employees at YBS 21 are most satisfied ones towards the compensation system and those at YBS 39 and YBS 41 are least satisfied in comparison. However, as the satisfaction scores are more than 3, it can be said that employees at YBS 21, YBS 39 and YBS 41 are satisfied with the compensation system in general. The differences in employees' satisfaction on overall compensation system are also analyzed and the results are shown in Figure (4.7).

Figure (4.7) Differences in Satisfaction on Overall Employee Compensation



Source: Survey Data (2018)

Figure (4.7) reveals that employees at YBS 21 are most satisfied with direct financial compensation by a mean score of 4.20 shown but those of the employees of YBS 39 and YBS 41 are less satisfied with direct financial compensation by the means score of 3.15 and 3.07 shown. On average, since the mean score of employees' response over direct financial compensation are 3.47, it can be said that employees of YBS 21, YBS 39 and YBS 41 are satisfied with direct financial compensation provided by the company.

The employees at YBS 21 are more satisfied than YBS 39 and YBS 41 with indirect financial compensation by the means score of 3.44, 3.17 and 3.15 shown. On average, since the mean score of employees' response over indirect financial compensation are 3.25, it can be said that employees of YBS 21, YBS 39 and YBS 41 are satisfied with indirect financial compensation provided by the company.

The employees at YBS 21 are most satisfied with non-financial compensation by a mean score of 3.77 shown but those of the employees of YBS 39 and YBS 41 are neutral with non-financial compensation by the means score of 2.94 and 2.91 shown. On average, since the mean score of employees' response over non-financial compensation are 3.21, it can be said that employees of YBS 21, YBS 39 and YBS 41 are satisfied with non-financial compensation provided by the company.

According to the analysis, the employees of YBS 21 are the most satisfied ones on the overall compensation system and those from YBS 39 and YBS 41 are least satisfied with the overall compensation system provided by the company. The satisfaction score of the employees at YBS 21 is 3.80, that of the employees at YBS 39 is 3.09, and the employees at YBS 41 is 3.04. The average satisfaction of the employees on the overall compensation system is 3.31. As all the scores are more than 3, it can be concluded that all the employees are satisfied with the compensation system provided by Power Eleven Public Co., Ltd.

CHAPTER 5

CONCLUSIONS

In this chapter, findings, suggestions and needs for further research are expressed.

5.1 Findings

This study is intended to identify the compensation system of Power Eleven Public Co., Ltd and to analyze how much employees are satisfied with current compensation system. To implement these objectives, a convenient sample of 150 employees at YBS 21, YBS 39 and YBS 41 is chosen and the required data are collected with questionnaire.

According to the demographic information of employees, it is found that all of employees are males because of the work nature of Power Eleven Company which is responsible for running of various kinds of buses. The ages of most employees are between 31 to 40 years old. Among the employees, it can be seen that most of the employees are married. With regard to the educational level, most employees are below high school. The largest group of work experience is over 5 years' service which is collected as 70% of total respondents. Most of the employee's income level is 300,001 Kyats to 500,000 Kyats. Most employee's current running bus line is YBS 41 which consist of respondents by 46.7% of employees.

Employee satisfaction is analyzed from 10 different aspects namely (1) salary, (2) commission, (3) leave policy, (4) social security benefit, (5) social support, (6) other benefits, (7) holding special events, (8) promotion, (9) verbal praise and positive feedback, and (10) educational reimbursement provided by the company. Salary and commission are combined and analyzed as direct financial compensation. Leave policy, social security benefit, social support, and other benefits (such as meal allowance, loan service and uniform sets) are combined and analyzed as indirect financial compensation. Holding special events, promotion, verbal praise and positive feedbacks, and educational reimbursement programs are combined and analyzed as non-financial compensation.

Regarding "direct financial compensation", the employees at YBS 21 are more satisfied than employees at YBS 39 and YBS 41 on the salary because employees at

YBS 39 and YBS 41 are neutral about “the amount of current salary” provided by the company. And then employees at YBS 21 are more satisfied than employees at YBS 39 and YBS 41 on the commission because employees at YBS 39 and YBS 41 are less satisfied with “the amount of commission compared to other employees in the company” provided by the company.

Regarding “indirect financial compensation”, the employees of YBS 41 are the most satisfied and YBS 21 and YBS 39 are also satisfied with the leave policy provided by the company. The employees of YBS 21 are more satisfied than YBS 39 and YBS 41 with the social security benefit because employees at YBS 39 and YBS 41 are dissatisfied with “provision of healthcare for illness” provided by the company. The employees at YBS 21 are satisfied and employees at YBS 39 and YBS 41 are neutral with the social support provided by the company. And then employees at YBS 21 are satisfied and employees at YBS 39 and YBS 41 are neutral with the other benefits because employees at YBS 39 and YBS 41 are dissatisfied with “provision of loan service” provided by the company.

Regarding “non-financial compensation”, the employees at YBS 21 are satisfied but employees at YBS 39 and YBS 41 are dissatisfied with the holding special events because employees at YBS 39 and YBS 41 are dissatisfied with “holding special events as holiday parties” provided by the company. The employees at YBS 21 are the most satisfied and YBS 39 and YBS 41 are the less satisfied with the promotion provided by the company. The employees at YBS 21, YBS 39 and YBS 41 are satisfied with verbal praise and positive feedback provided by the company. The employees at YBS 21 and YBS 39 are neutral and employees at YBS 41 are dissatisfied with the educational reimbursement because employees at YBS 41 are dissatisfied with “provision of educational expenses for the families of employees” provided by the company.

By analyzing the factors of employee satisfaction towards direct financial compensation, indirect financial compensation and non-financial compensation, employees at YBS 21 are most satisfied with direct financial compensation but those at YBS 21 are less satisfied with indirect financial compensation. The employees at YBS 39 and YBS 41 are satisfied with indirect financial compensation but those at YBS 39 and 41 are neutral with non-financial compensation. The average satisfaction of the employees on the overall compensation system is 3.31. As all the scores are

more than 3, it can be concluded that all the employees are satisfied with the compensation system provided by Power Eleven Public Co., Ltd.

5.2 Suggestions

Compensation plays an important role in the recruitment and retention of employees. The compensation system is not only important for retaining and motivating employees but also for attracting new people to the company. The company should invest more in the compensation and benefits function of major HR practices in order for those the employees to get more satisfaction and for their better performance.

Most employees do not just work for the love of the job. Most people also want a decent salary and other incentives that will reward them for hard working. These compensations need to be created, managed and distributed effectively. The right compensation and benefit scheme ensure that hardworking employees are rewarded fairly and in most cost effective way for the company. This is true because need to motive employees to sustain their performance.

To get better improvement in the compensation and benefit scheme of Power Eleven Public Co., Ltd, the following ways are needed to take into consideration. Employees should participate in compensation and benefit decision, so that the sense of responsibility entrusted in to employees will be enhanced. Employee participation in decision making process gives good results. Modern organizations make the employees as a part of their decision process to attain the goals and objectives.

The company may need to raise the pay scale in order to prevent the dissatisfaction among the employees. According to the findings, the company needs to increase the compensation and benefits such as social support, other benefits, holding special events and educational reimbursement up to rational level perceived by its employees.

To increase the employee satisfaction, the company needs to improve the working environment for the employees, because the quality of working environment is important not only for the better job performance, but also for the higher employees' satisfaction. In order to enhance the employees' satisfaction level, the company needs to develop more flexible work schedule

Power Eleven Public Co., Ltd provides their employees with the attractive the compensation system which includes a variety of component for the employees. Although it is found that employees are satisfied with current the compensation system, Power Eleven Public Company should explore to understand the needs and wants of employees and upgrade compensation system so that the performance of employee will be linked to the goals of the company. Since the satisfaction on compensation system is correlated with employees' overall job satisfaction, employees' satisfaction on compensation system could contribute to their overall job satisfaction. Hence the company should utilize this linkage to improve the performance of employees and to maintain the competent employees.

5.3 Limitations and Needs for Further Research

Compensation system is very important HRM tool to achieve organizational goals. Employees will be motivated when they are satisfied with their compensation. Only motivated employees perform their tasks well to achieve organizational goal. Hence, the compensation should be linked with organizational goal. The company should consider their employee's satisfaction towards compensation and need to update and upgrade continuously. Therefore, the company should conduct employee satisfaction survey in future. Moreover, the study only focuses on employee satisfaction on compensation, the further study should explore other aspect of job satisfaction and HR Management area, to support sustainable development of the company.

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APPENDIX

Questionnaire for Employee Satisfaction on Compensation System of Power Eleven Public Co., Ltd

Part I

Demographic Characteristics

Please tick (✓) the appropriate answer for each of the following questions.

1. Gender

Male

Female

2. Age (in year)

20-30

30-40

40-50

50& above

3. Marital Status

Single

Married

Others

4. Education Level

Below high school*

High School Graduates

University Graduates

Others

5. Work Experiences

Under 1 year

Between 1 and 3 years

Between 3 and 5years

Over 5 years

6. Income Level

Ks 100,000-300,000

Ks 300,000-500,000

Ks 500,000 & above

7. Current Running Bus Line

YBS 21

YBS 39

YBS 41

Part II

Employee's Satisfaction on Compensation System of Power Eleven Public Co., Ltd

Please check you level of satisfaction with each of the following statements.

Please circle O the choice of your answer. Thank you.

The answer corresponds with your opinion should be ONE of the below mentioned number respectively.

- | | |
|----------------------------|-------------------|
| 1 = Strongly Dissatisfied; | 2 = Dissatisfied; |
| 3 = Neutral; | 4 = Satisfied; |
| 5 = Strongly Satisfied | |

| | | Characteristics | Satisfaction | | | | |
|----|----|--|--------------|---|---|---|---|
| | | Direct Financial Compensation | | | | | |
| 1. | | Salary | | | | | |
| | 1. | The amount of current salary | 1 | 2 | 3 | 4 | 5 |
| | 2. | The amount of salary compared to other employees in the company. | 1 | 2 | 3 | 4 | 5 |
| | 3. | The amount of salary compared to other companies. | 1 | 2 | 3 | 4 | 5 |
| | | | | | | | |
| 2. | | Commission | | | | | |
| | 1. | The amount of commission | 1 | 2 | 3 | 4 | 5 |
| | 2. | The amount of commission compared to other employees in the company. | 1 | 2 | 3 | 4 | 5 |
| | 3. | The amount of commission compared to other companies. | 1 | 2 | 3 | 4 | 5 |
| | | | | | | | |
| | | Indirect Financial Compensation (Benefits) | | | | | |
| 1. | | Leave Policy | | | | | |
| | 1. | Total number of leave allowed | 1 | 2 | 3 | 4 | 5 |
| | 2. | The policy and practice of leave | 1 | 2 | 3 | 4 | 5 |
| | 3. | Total number of leave allowed compared to other companies. | 1 | 2 | 3 | 4 | 5 |

| | | | | | | | |
|----|----|--|---|---|---|---|---|
| 2. | | Social Security Benefit | | | | | |
| | 1. | The allowance of leave for illness | 1 | 2 | 3 | 4 | 5 |
| | 2. | Provision of healthcare for illness | 1 | 2 | 3 | 4 | 5 |
| | 3. | Lack of deduction of salary for being ill. | 1 | 2 | 3 | 4 | 5 |
| | 4. | Provision of social security benefit compared to other companies. | 1 | 2 | 3 | 4 | 5 |
| | | | | | | | |
| 3. | | Social Support | | | | | |
| | 1. | Provision of support for giving birth and death | 1 | 2 | 3 | 4 | 5 |
| | 2. | Provision of social support compared to other companies. | 1 | 2 | 3 | 4 | 5 |
| | | | | | | | |
| 4. | | Other Benefits | | | | | |
| | 1. | The policy of providing meal allowance | 1 | 2 | 3 | 4 | 5 |
| | 2. | Provision of loan service | 1 | 2 | 3 | 4 | 5 |
| | 3. | Provision of uniform sets | 1 | 2 | 3 | 4 | 5 |
| | 4. | Provision of other benefits compared to other companies. | 1 | 2 | 3 | 4 | 5 |
| | | | | | | | |
| | | Non-Financial Compensation | | | | | |
| 1. | | Holding Special Events | | | | | |
| | 1. | Holding special events as holiday parties | 1 | 2 | 3 | 4 | 5 |
| | 2. | Holding special events as holiday parties compared to other companies | 1 | 2 | 3 | 4 | 5 |
| | | | | | | | |
| 2. | | Promotion | | | | | |
| | 1. | Provision of giving training opportunity | 1 | 2 | 3 | 4 | 5 |
| | 2. | Provision of giving opportunity for promotion after training. | 1 | 2 | 3 | 4 | 5 |
| | 3. | Provision of giving opportunity for promotion compared to other companies. | 1 | 2 | 3 | 4 | 5 |

| | | | | | | | | |
|----|----|--|---|---|---|---|---|--|
| 3. | | Verbal Praise & Positive Feedback | | | | | | |
| | 1. | Recognition on accomplishment of task | 1 | 2 | 3 | 4 | 5 | |
| | 2. | Provision of recognition compared to other companies. | 1 | 2 | 3 | 4 | 5 | |
| | | | | | | | | |
| 4. | | Educational Reimbursement | | | | | | |
| | 1. | Provision of expenses for schools and training programs for employees. | 1 | 2 | 3 | 4 | 5 | |
| | 2. | Provision of educational expenses for the families of employees. | 1 | 2 | 3 | 4 | 5 | |
| | 3. | Provision of educational reimbursement compared to other companies. | 1 | 2 | 3 | 4 | 5 | |