

# Managerial Fairness and its Effects on Employees' Job Commitment in the Nationalised Commercial Banks of Bangladesh

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**Abstract:** *The study of fairness in organisations, and in particular, procedural fairness, has given researchers fresh insights about management. In business organisations, considerations of fairness appeal to managers, employees, and other organisational stakeholders who see fairness as a unifying value, providing fundamental principle that can bind together conflicting parties and create stable social structures. This paper attempts to explore the relationship between managers' practice of procedural justice and employees' job commitment in the nationalised commercial banks (NCBs) of Bangladesh and analyse the predictability of the different components of procedural justice in explaining perceived job commitment. Several diagnostic techniques such as factor analysis, bivariate correlations and regression have been used in this study. Two components of procedural fairness – communication fairness and follow-up fairness – have been found to have significant effects in explaining employees' job commitment in the NCBs of Bangladesh.*

**Keywords:** *leadership: procedural justice: organisational commitment: nationalised commercial banks: Bangladesh.*

## 1. Introduction

The nationalised commercial banks of Bangladesh have been the main apparatus of financial activities in the country ever since its independence. Yet these banks have been labelled as being inefficient both in terms of physical facilities, and managerial efficiency (Choudhury, 1990; Jahangir, Haq, & Ahmed, 2005; Jahangir & Haq, 2005; Jahangir, Haq, & Ahsan, 2005). While the physical limitations, associated with these public banks, involve huge long-term investment for improvements, much of the managerial inefficiencies can be overcome by a mere modification of behaviour in the rank and file of these organisations.

Organisational scientists are concerned with human resources management, organisational behaviour, and organisational justice that influence people's perceptions of

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fairness in organisations. The subject of fairness becomes an inseparable matter whenever we are talking about the impact of large-scale organisational policies, such as pay systems, or individual practices at the local level, such as determining priorities of vacation scheduling in an office, and so forth. As both scientists and practitioners have become sensitive to the importance of such matters, the literature on organisational justice has proliferated. The study of fairness in organisations, and in particular, procedural fairness, has given researchers fresh insights about management. Justice or fairness (and this study will use the two concepts interchangeably) has its roots in philosophy, political science, and religion, among other disciplines, and strikes a chord with anyone who has experienced unfairness. In business organisations, considerations of fairness appeal to managers, employees, and other organisational stakeholders who see fairness as a unifying value, providing fundamental principles that can bind together conflicting parties and create stable social structures. In recent times, organisational researchers have used notions of procedural justice to understand organisational relationships among employees (Collins & Porras, 1997; Folger & Skarlicki, 1999; Konovsky, 2000; Kwong & Leung, 2002; Naumann & Bennett, 2000; Phillips, 2002).

Against the backdrop of increasing interest in exploration of justice and fairness in business organisations, this paper attempts to explore the practice of fairness by the managers of the nationalised commercial banks of Bangladesh and its impact on the commitment of the employees of these banks toward their respective organisations.

## **2. Review of Literature**

### ***2.1. Procedural Justice, and its Significance in Attaining Organisational Outcomes***

Contemporary literature in organisation behaviour and human resource management has given significant attention to the study of fairness or justice in organisations as a means of gauging employee commitment with a view to achieving superior organisational outcome. According to Lind, Kullik, Ambrose, and DeVera (1993) fairness serves as a heuristic, simplified view of the world that facilitates successful negotiation of the myriad daily decisions one must make. Folger, Konovsky, and Cropanzano (1992) argue that heuristics are necessary because humans have severe limitations with respect to the encoding, retrieval, and evaluative use of information. Lind et al. (1993) further insists that fairness heuristic is necessary because it is often difficult for employees to evaluate whether a supervisor's request is legitimate. Research reviewed by Tripp, Sondak, and Bies (1995) suggests that people attend to fairness when concerns for harmony are more salient than concerns for collective allocation of scarce resources. Tripp et al. argue that fairness concerns are predominant when individuals are concerned with preserving relationships.

In the study of organisational fairness the outcome of fairness is distinguished from the process by which fairness is demonstrated. The former is referred to as distributive justice



(Leventhal, 1976). It focuses on employees' responses to what they receive in relation to what they contribute. Outcomes however do not simply appear, they result from a specific set of processes, and peoples' perception of the fairness of such procedure is referred to as procedural justice. Procedural justice is critical indicator that may bring benefits from perceived procedures, and indicate the problems that may result from perceived unfair procedures (Greenberg, 1987).

Procedural justice can refer to objective or subjective circumstances. Objective procedural justice refers to actual or factual justice and subjective procedural justice refers to perceptions of objective procedures or to the capacity of an objective procedure to enhance fairness judgments (Konovsky & Cropanzano, 1991). Procedural justice researchers most frequently measure subjective procedural justice and its effects (Cropanzano & Greenberg, 1997), while the link between objective justice and subjective justice remains largely unexamined.

Konovsky (2000) argued that objective procedural justice leads to subjective justice perceptions. Subjective procedural justice perceptions can be further understood by considering the cognitive, affective, and behavioural components of the justice experience (Leventhal, Karuza, & Fry, 1980). The cognitive component of subjective procedural justice refers to the calculations, made by a perceiver regarding the objective fairness of a decision. Perceivers may compare, for example, the way they are actually treated to the way they expect to be treated. Objective justice can also serve as the stimulus for an affective reaction as individuals form subjective justice perceptions. The affective component of procedural justice judgments consists of positive or negative emotional reactions to actual objective events (Tyler, 1994).

Little research exists on the emotional reactions to unfair procedures. Adams and Freedman (1976) were among the first to note that research on emotional reactions to unfairness could not be found. More recently, a small body of research on the emotional reactions to injustice has appeared in the literature on interpersonal relationships (Kwong & Leung, 2002; Mikula, 1998a, 1998b). Bies and Tripp (1996) have contributed to the understanding of the role of emotion in the justice context through their examination of reactions to a broken trust and their initial "mapping" of the emotional geography of revenge. Konovsky (2000) argued that organisational justice researchers have focused primarily on the cognitive aspects of procedural justice judgments and have not closely examined the affective components of fairness perceptions.

Finally, one of the reasons this study is interested in fairness perceptions is that they may lead to important consequences, regarding employee behaviour and work attitudes. Although these reactions to procedural justice are not part of the fairness construct, identifying the reactions to procedural fairness perceptions has, in fact, been the predominant theme of procedural justice research in the 1990s. Fair treatment in procedures, for example, has been demonstrated to result in increased job satisfaction,

organisational commitment, and organisational citizenship behaviours. Unfair treatment in procedures has been found to result in organisational retaliatory behaviours (Skarlicki & Folger, 1997). These reactions to procedural fairness perceptions are further discussed in a later section of this paper.

Recent research works on one structural element of procedural justice-voice-indicate its influence on procedural justice perceptions. Early research showed that opportunity for voice led to higher perceptions of procedural justice than no opportunity for voice. Furthermore, the voice effect may depend on instrumental and non-instrumental qualities of voice (Korsgaard & Roberson, 1995; McFarlin & Sweeney, 1998). Lind, Kanfer, and Earley (1990) demonstrated that voice had an impact on perceptions of procedural justice even when there was no opportunity for decision control. Shapiro (1993) demonstrated that people describe voice in instrumental and non-instrumental ways and recommended that future explorations of voice distinguish between these two elements of voice. Specifically, Shapiro (1993) proposed that perceptions of potential decision influence be referred to as instrumental voice effects and that the perceived interpersonal responsiveness of the listener is referred to as non-instrumental voice effects. Non-instrumental voice is more similar to interactional justice than to structural justice.

Konovsky (2000) argued that the consequences of procedural justice have been that perceptions of procedural justice have strong effects on attitudes about institutions, authorities and employees' work attitudes. Measures of attitudes about institutions typically include organisational commitment, trust, and job satisfaction. This perspective is supported by research conducted during the 1990s (Cobb & Frey, 1996; Lowe & Vodanovich, 1995; McFarlin & Sweeney, 1992). For example, Cobb and Frey found that procedural fairness was positively related to employee satisfaction and organisational commitment. Lowe and Vodanovich found that perceptions of the outcome fairness of a job restructuring were more closely related to commitment than were perceptions of the procedural fairness of the restructuring.

Procedural justice perceptions also influence supervisor-subordinate relationships, frequently resulting in changes in employee behaviour. One such behaviour influenced by procedural justice is employees' work attitudes. Numerous studies have demonstrated that procedural justice, but not distributive justice, predicts employees' work attitudes (Ball, Trevino, & Sims, 1994; Konovsky & Organ, 1996; Konovsky & Pugh, 1994; Moorman, 1991; Niehoff & Moorman, 1993). Skarlicki and Latham (1997) demonstrated that union members whose union stewards were trained to display procedurally fair behaviour displayed higher levels of work attitudes. Skarlicki and Latham (1997) further investigated leadership fairness effects and found that procedural justice mediated the relationship between transformational leadership and employees' work attitudes.

Procedural fairness is also related to the prevention of negative employee behaviours such as theft. Greenberg (1993a) and Shapiro, Trevino, and Victor (1995) found that



explanations for a layoff decreased subsequent employee theft. Procedural justice also moderates the relationships between other justice variables and negative employee behaviour. Greenberg (1993b), for example, demonstrated that procedural fairness moderated the relationship between equitable payment and theft with higher procedural justice, resulting in less theft associated with inequitable underpayment.

Employee turnover is causing concern to human resource managers in many Asian countries. Khatri, Fern, and Budhwar (2001) conducted a study on employees' turnover in relation to procedural justice perception in Singapore. Study results show that employees' perception of procedural justice is positively related to employee turnover intention. Khatri et al. argued that employees with lower perception of procedural justice will have a lower turnover rate and would be engaged in job-hopping (employees switching jobs for better alternatives) more frequently. Veiga (1981) found that those employees changed jobs not necessarily due to desires for high compensation or fringe benefits, but for a better work environment (procedural justice). According to the author, for many of these employees mobility was related to fair treatment. For many other Asian countries such as South Korea, Malaysia, and Taiwan, similar results were found (Barnett, 1995; Chang, 1996; Syrett, 1994).

From the above discussion, it is clear that procedural justice works as an antecedent towards employees' perception regarding organisational outcomes. A group of researchers (Erdogan, Kraimer, & Liden, 2001; Levy & Williams, 1998; Naumann & Bennett, 2000; Skarlicki, Ellard, & Kelln, 1998; Tsui & O'Reilly, 1989; Williams & Levy, 2000) argued that procedural fairness is shaped and influenced by characteristics of employees as much as by the actual design of the procedures. In particular, there may be substantial variance (such as education level, experience and training) across raters in the way in which they apply procedures. On the other hand, employees' characteristics (education level, level in organisation, and gender) also differ, so does their perception of procedural fairness.

## ***2.2. Organisational Commitment***

Organisational commitment has emerged as a very important construct in organisational research over the last three decades. This in part could be due to the relationship with such important work-related constructs as absenteeism, turnover, job satisfaction, job involvement, and leader-subordinate relations (Bateman & Strasser, 1984; Buchanan, 1974; Carson et al., 1999; Chang, 1999; Eby et al., 1999; Mowday, Steers, & Porter, 1979).

Numerous studies have been conducted on commitment focusing primarily on such professionals as scientists, nurses, and teachers to their employing organisations (Hrebiniak & Alutto, 1973; Lee, 1971; Sheldon, 1971). Other studies have explored the roots of commitment to utopian communities (Kantor, 1968) and of employees of large

public bureaucracies (Brown, 1969). Scant attention has been paid to the commitment level of managers and employees in an organisational context (Buchanan, 1974; Mowday, Steers, & Porter, 1979).

Organisational commitment has been widely investigated because employees become committed to the organisation even before attitudes towards the job can meaningfully emerge (Bateman & Strasser, 1984), also because it is a relatively stable attitude over time compared to other variables such as job satisfaction (Porter et al., 1974). However, organisational commitment has been regarded as a predictor that has attracted researchers interested in behaviours of individuals in organisations (Chang, 1999).

The concept employed in our study is the affective commitment concept as outlined in the study of Mowday, Steers, and Porter (1979). Mowday, Steers, and Porter's affective commitment does not imply only loyalty towards the organisation, rather it means that an individual is willing to give something of themselves in order to contribute to the organisation's well being. Affective commitment has been studied, focusing on attitude and behavioural contexts. Mowday et al. (1982) also compared the relation between these two types of commitment as mentioned previously. According to Reichers (1985), OCQ can be a valuable instrument used to assess commitment, which allows for more consistency and coherence to the notion of attitude and behavioural commitment. Eby et al. (1999) stated that over 500 studies have employed affective commitment in studies of organisational commitment since mid-1970s.

Smith, Organ, and Near (1983) in their empirical study noted that any organisation that wants to sustain their position in the long-run must rely on acts of cooperation, altruism and spontaneous un-rewarded help from employees. Smith et al. also found that such employees' behaviour comes from affective commitment towards the organisation. A failure to develop this psychological attachment among members may require the organisation to bear the increased costs associated with more detailed and sophisticated control systems. Having employees that shares the organisation's goals and values can ensure that individuals act instinctively to benefit the organisation (Eby et al., 1999; Ouchi, 1980).

### *2.3. Interrelations among Power, Justice and Commitment*

Several researches in the area of leadership and organisational outcomes have revealed the existence of significant relationships among manager's use of power and fairness, employee job commitment, job satisfaction, burnout, and turnover (Carlson, Carlson, & Wadsworth, 2000; Jahangir, 2003; Mossholder et al., 1998). For almost a decade, the notion that employees' perception of managers' use of power is a crucial variable related to organisational outcomes has been widely acknowledged in the West (Brass & Burkhardt, 1993; Carlson, Carlson, & Wadsworth, 2000; Rahim & Manger, 1996). However, very little investigation has been carried out to gauge such relationships in the

specific context of the nationalised commercial banks (NCBs) of Bangladesh. Limited research has focused on employees' perception of managers' use of power in regard to employees in the NCBs (Haq, 1991; Rahim & Magner, 1996). Jahangir, Haq, and Ahmed (2005) found significant relationship between three bases of managerial power and perceived quality of managers in the NCBs of Bangladesh. Another study conducted by Jahangir and Haq (2005) explored the relationship between managers' use of social power and employees' job commitment. Finally, Jahangir, Haq, and Ahsan (2005) analysed the component structure of procedural fairness in the NCBs of Bangladesh and related it to perceived quality of the managers. Jahangir et al. (2005) found that managerial fairness in the NCBs of Bangladesh could be categorised into three components:

1. *Communication fairness*: The extent to which the manager can ensure subordinates that he/she expresses clearly and freely with utmost honesty and sincerity as to what is expected from them before the supervisor can expect the desired level of performance from the subordinates. Such expression of fairness should be visible and discernable to the employees.
2. *Follow-up fairness*: The extent to which the manager can avoid arbitrary practices of fairness in following up employee performance, which can influence how the employees will be rewarded or penalised in terms of receiving a pay raise, promotion, transfer, and job assignments. Furthermore, the leader has to consistently provide feedback to his subordinates on the quality and progress of their performance, and should talk to the employee in an atmosphere of cordiality and openness, to discuss the circumstances in which the employee had to make decision or take such action instead of making unilateral judgement on such decisions made and actions taken by the employee.
3. *Evaluation fairness*: The extent to which the manager can express behaviour or take actions that employees consider being unfair. One incidence of perceived unfairness may cause more dissonance than many acts of fairness. The leader should not create an impression among the subordinates that the leader was unduly influenced by circumstances considered unfair, or behaved in a manner considered inappropriate.

In these studies the interrelationships among social power, organisational fairness and organisational commitment have been established. This paper attempts to explore the link between employees' job commitment and the different components of procedural fairness applied by the managers of the NCBs of Bangladesh elicited in the work of Jahangir, Haq, and Ahsan (2005).

### 3. Hypotheses

It is proposed that employee perception of the managers' adoption of fairness in dealing with subordinates is crucial in accomplishing employee commitment toward the organisation, which in turn can bring about significant improvement in organisational outcomes.



The manager's ability to disseminate among the subordinates his/her sincere intention to be fair can build confidence among the employees that their input to the organisation will be duly rewarded. Hence we propose:

H<sub>1</sub>: The higher the manager's ability to communicate his/her intention of fairness, the greater will be the employees' organisational commitment.

Employees who believe that their superiors follow up their performance maintaining consistent standard of judgement and giving them enough opportunity to defend their actions before reaching conclusion about the employees' performance can be expected to have higher assurance that their efforts will be fairly rewarded. Receiving regular feedback of performance from the manager also sends an indication of the manager's intention to be fair. Such feedback of fairness from the superior can encourage employees to work more wholeheartedly for achieving the organisational objectives. Thus:

H<sub>2</sub>: The higher the manager's demonstration of fairness in following up employee performance the greater will be the organisational commitment of the employees.

The manager has to demonstrate in his/her actions that his/her evaluation of subordinate performance is not influenced by biases of any sort. Expression of annoyance, stereotyping employees, and submitting to external pressure while evaluating employee performance will have adverse effect on the job commitment of the employees. Hence our final proposition:

H<sub>3</sub>: The higher the managerial fairness in evaluating subordinate performance the greater will be the organisational commitment of the employees.

## 4. Methodology

### 4.1. Secondary Research

Secondary research was first carried out to explore the ingredients of fairness and justice, previous studies conducted to determine the effect of the manager's use of fairness and justice on employees' job satisfaction and their perception of organisational commitment, and similar researches conducted in the specific context of the nationalised commercial banks of Bangladesh. The works of Folger & Konovsky (1989), and Mowday, Steers, and Porter (1979) were then studied to review and assess the applicability of the scale items developed by them in measuring the use of procedural fairness, and organisational commitment.

### 4.2. Questionnaire Design and Pre-testing

The "Procedural Justice Questionnaire (PJQ)" developed by Folger, R., & Konovsky, M. (1989) served as the basis for developing the scale items for independent variables. All the scale items in the Procedural Justice questionnaire were retained for the independent variables. Scale items for the dependent variable (organisational commitment) were



derived from the questionnaire developed by Mowday, Steers, and Porter (1979). The respondents were to respond to the questions under each scale item on managerial fairness and their organisational commitment on a five point Likert scale with a higher score indicating that a supervisor has a larger degree of fairness and commitment and vice versa.

As the scale items had already been used in previous surveys, pre-testing of the questionnaire was limited to only few randomly selected respondents to ensure the preciseness, conciseness, objectivity, and understandability of the questions.

### **4.3. Sampling and Data Collection**

The population for the research was all the employees working in the three NCBs of Bangladesh (Sonali, Janata, and Agrani) who have to perform their job responsibilities under a supervisor/manager. The nature of the survey made the respondents internally homogeneous as they all work under the authority of their supervisors, but externally heterogeneous in terms of their positions, ranks, income, responsibilities and so on. This justified the use of stratified random sampling for collecting the data for the study.

Altogether 600 questionnaires were distributed randomly among the employees of the three NCBs of which 345 responses were received. Of the respondents, 110 were from Agrani Bank, 129 from Janata Bank, and 106 from Sonali Bank. 262 respondents were male and 83, female. 13.6% of the respondents were between the age of 20–30 years, 38% between 31–40 years, 45.5% between 41–50 years, and the remaining 2.9% were above 50 years. Designations of the respondents ranged from storekeepers to principal officers to financial analysts. The respondents being educated were asked to fill in the questionnaire by themselves and given help from the data collectors when they had problems conceiving any questions.

### **4.4. Data Analysis**

The collected data were tabulated on the computer and the final analysis was performed on statistical software. Two types of analyses were primarily carried out:

- *Factor analyses* to check the how the scale items in Procedural Justice Questionnaire (PJQ) developed by Folger and Konovsky (1989) and the items in the organisational commitment questionnaire (OCQ) developed by and Mowday, Steers, and Porter (1979) grouped together in the specific context of the nationalised commercial banks of Bangladesh.
- *Correlations and Regression analysis* to find out if and to what extent the different components of managerial fairness explained the employee organisational commitment.

## **5. Analysis**

The data gathered for the study were analysed with several data analysis techniques. Frequency distributions were analysed first to obtain descriptive statistics. The data

gathered on the scale items for the procedural justice questionnaire developed by Folger & Konovsky (1989) were factor analysed to check the component structure of the perceived fairness of the managers. The factor structure derived from varimax rotation converged into three factors explaining 62.99% of the cumulative variation. Table 1 summarises the items associated with the three factors. All ten items in the questionnaire could be retained as they made reasonable sense in explaining three distinct categories of managerial fairness – communication fairness, follow-up fairness, and evaluation fairness.

The measures for organisational commitment were factor analysed next. Since we used previously tested scale items for extracting the respondents' opinions, we expected the data reduction techniques to group the scale items of the OCQ into one single variable as established by Mowday, Steers, and Porter (1979).

**Table 1**  
**Factor analysis with varimax rotation: Independent variable; Managerial fairness**

Scale items	Factor 1 Communication fairness	Factor 2 Follow-up fairness	Factor 3 Evaluation fairness
My supervisor showed a real interest in trying to be fair.	0.815	0.181	0.015
My supervisor was completely candid and frank with me.	0.797	0.177	0.148
My supervisor was honest and ethical with me.	0.775	0.115	0.110
My supervisor made clear of what was expected of me.	0.541	0.456	0.025
My supervisor finds out why I got the size of raise I got.	-0.029	0.766	-0.095
My supervisor used consistent standards in evaluating my performance.	0.226	0.665	0.204
My supervisor gave me feedback that helped me find out how well I was doing.	0.447	0.628	0.066
My supervisor gave me an opportunity to express my side.	0.412	0.619	0.097
My supervisor was influenced by things that should not have been considered.	0.015	0.243	0.834
My supervisor behaved in a way I thought was not appropriate.	0.196	-0.119	0.827
	Eigenvalue	% of Variance	Cumulative %
Factor 1	3.869	26.535	26.535
Factor 2	1.351	21.639	48.174
Factor 3	1.078	14.811	62.985



The initial factor structure derived from varimax rotation converged into the two factors. Two items of the OCQ questionnaire appeared to be too generalised in terms of explaining organisational commitment and were hence removed from the analysis. Six out of the eight items could be retained for the final factor structure, which resulted in a single factor and explained 52.94% of the cumulative variation (Table 2).

**Table 2**  
**Factor analysis with varimax rotation: Dependent variable;**  
**organisational commitment**

Scale items	Factor Organisational Commitment
I would take any type of job assignment in order to keep working for this organisation.	0.786
I find that my values and the organisation's values are similar.	0.782
This organisation really inspires the very best in me in the way of job performance.	0.756
I talk up this organisation to my friends as a great organisation to work for	0.753
I am willing to put in a great deal of effort beyond what is normally expected in order to help this organisation to be successful.	0.690
The amount of job security I have is very satisfactory	0.577

Eigenvalue = 3.176, % of variance = 52.94

The three components of managerial fairness were fed through multiple regression to test the hypotheses and their predictability in measuring employee commitment. Two components of managerial fairness namely communication fairness and follow-up fairness came out to be significant at  $p < 0.00$  in predicting employees' organisational commitment and explained 48.17% of the cumulative variation in the data (Table 1). The third component, evaluation fairness, was extremely insignificant and was hence removed from the model.

Each of the two components of managerial fairness found significant along with the single factor dependent variable for organisational component was assessed for reliability

using coefficient  $\alpha$ . The reliability coefficient exceeded the value of 0.7 for each of the components, which is consistent with the recommendation of Nunnally (1978). Table 3 shows the summary statistics as well as the zero order correlation matrix for the variables included in the model. The multiple-item constructs for managerial fairness and employees' organisational commitment were further factor analysed to test the validity of the measures. In each case, the items always loaded on each factor only, which lent support to their validity. The correlation coefficient between and another is considerably lower than each scale's coefficient  $\alpha$  lending support for discriminant validity (Gaski & Navin, 1985). Nomological validity is supported by the directions of the signs of the correlation coefficients.

**Table 3**  
**Correlation matrix<sup>a</sup>**

		1	2	3	$\bar{x}$	$s$
(1)	Organisational commitment (6)	0.82			2.72	1.01
(2)	Communication fairness (4)	0.59	0.80		2.40	1.05
(3)	Follow-up fairness (4)	0.53	0.57	0.73	2.47	0.92

<sup>a</sup>All correlations are significant at  $p < 0.000$ ; Figures in the diagonal represent scale reliability coefficients; Figures in parentheses represent number of items measuring each construct.

## 6. Results

The multiple regression between the components of fairness and organisational commitment revealed communication fairness and follow-up fairness to have significance in explaining employee commitment toward the organisation ( $p < 0.00$ ). The final regression model with these two factors was significant with an overall  $F_{2,342} = 118.22$  ( $p < 0.00$ ) and explained 40.5% of the variation in the dependent variable as indicated by the adjusted  $R^2$  value. Table 4 summarises the results of the regression analysis. Organisational commitment is dependent on a multitude of variables and managerial fairness comprises only a fraction of these variables. Considering the fact that the analysis was limited strictly to employees' organisational commitment based on the manager's practice of fairness, the results are very satisfying.



**Table 4**  
**Regression results, dependent variable: Organisational Commitment<sup>a</sup>**

	<i>b</i>	Std. Error	$\beta$	<i>t</i>	Significance <i>P</i> <
(Constant)	.944	.127		7.446	.000
Communication fairness	.417	.049	.432	8.554	.000
Follow-up fairness	.314	.056	.285	5.643	.000

<sup>a</sup> $R^2 = 0.409$ ; Adj.  $R^2 = 0.405$ ;  $F_{2,342} = 118.219$ ;  $p < 0.000$

Communication fairness emerged as having the greatest effect on organisational commitment as indicated by the standardised  $\beta$  value. It explained 43.2% variability in employee commitment. As the organisational manager succeeds in making the subordinates believe in his sincerity in being fair with them, the subordinates commit themselves to their job responsibilities with the belief that their efforts will be justly rewarded.

Follow-up fairness explained 28.5% variability in commitment of employees. The employees view that the communication of fairness on the part of the manager should manifest into actions. The manager has to monitor and fairly analyse the activities of his/her subordinates and build a conviction among them about his/her expression of fairness.

The final phase of managerial fairness, evaluation fairness, did not prove to be significant in predicting employees' job commitment in the NCBs of Bangladesh. The plausible reason for this insignificance is that the managers at the lower level or even mid level of organisation hierarchy of the NCBs have very little authority to evaluate employee performance to such degree that is decisive in granting of rewards. The traditional bureaucratic structure of management in the NCBs of Bangladesh gives more emphasis on seniority than merit when it comes to awarding such rewards as promotion, pay raise, and transfer to more important positions. Similar findings were found by Jahangir and Haq (2005) where they found evaluation fairness of the managers in the NCBs was only nominally significant in predicting the employees' perceived quality of their leader ( $p < 0.075$ ) and explained only 7.8% variability in the perceived leader quality of the managers.

## 7. Discussion

The findings of this study provide insights to researchers who might be interested in conducting research works in the specific area, and address important policy issues for the government and the management of the NCBs. The results may also be important to other developing countries where similar operating environment as in Bangladesh exists.

Further research in this particular area is needed, particularly in refining the scale items to fit more accurately to the circumstances of Bangladesh. Additional surveys may also be carried out to explore the reasons why certain types of procedural justice are more significant than others as perceived by the employees of the NCBs of Bangladesh to have effect on their job commitment. Exploring the bounds of exercising each component of fairness can be another avenue for conducting researches. Findings of such works can help concerned authorities of the NCBs to reshape and revitalise the organisation structures of the banks providing a balance between a supervisor's position and authority to reward subordinates based on performance. A proper balance between position and evaluation authority accompanied by fairness can improve employees' job satisfaction and commitment to the organisation. Private banks, financial institutions, and even non-financial organisations can also replicate the model in their respective organisations to find out how their managers apply fairness in the process of securing employee commitment and compliance.

Theoretically, the model presented in this paper classifies the procedural fairness used by the managers of the NCBs of Bangladesh that are perceived to be significant in explaining their degree of commitment to the organisation. Despite the perceptual nature of the dimensions rather than objective, the components of procedural fairness found significant from the study robustly explained the employee commitment of the employees in the NCBs of Bangladesh. The model can help the government and the NCB managements plan and implement changes in the human resource management and decision making process in these banks so the managers can exercise fairness more effectively and yield higher satisfaction and performance from the employees.

The results of this study must be viewed by the NCB management, as an overall evaluation of their use of fairness and such use of fairness is important for employee performance and commitment. In today's dynamic work environment, human resources management calls for the leader to modify his/her own behaviour toward the subordinates in order to ensure favourable behaviour from them in return.

The mean scores on the different bases of fairness obtained from the study as depicted in Table 3 indicating negative valence, i.e., on a scale of 5, all of the factors rated below 3, the neutral point. Significant improvement in the use of managerial fairness in the NCBs of Bangladesh is therefore needed. The use of communication and follow-up fairness was rated almost alike at mean scores of 2.47 and 2.40 respectively suggesting considerable



improvement in these areas. The results of this study can be tied to any reform plans to revitalise the NCBs of Bangladesh, be it under government control or under private managements. Within the existing structure of governance, highest priority has to be given to the enhance the managers' ability to influence subordinates by means of communicating fairness and following up fairly as indicated by their respective beta ( $\beta$ ) values. However, if the managers are not provided with the necessary empowerment to participate in the process of evaluating subordinate performance (under necessary surveillance from top management) will have very little effect in enhancing employee commitment to the organisation. Such empowerment can make the leaders' role in the organisation more effective and meaningful. For a longer-term benefit, policymakers may contemplate how the use of these three components of fairness can be enhanced to make leadership in the NCBs more fruitful.

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