

FAIRNESS OF HUMAN RESOURCE MANAGEMENT PRACTICES, LEADER-MEMBER EXCHANGE AND ORGANIZATIONAL COMMITMENT

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ABSTRACT

The purpose of this research was to test the hypothesis that relations between fairness perception of human resource management (HRM) practices and organizational commitment are affected by the quality of leader-member exchange (LMX). Specifically, we predicted the unique (positive) contribution of fairness perception of HRM practices and LMX as well as their interaction to organizational commitment. A sample of 224 managers was drawn from nine diverse multinational, manufacturing companies located in Northern Malaysia. Participation in the research was voluntary. Data were gathered by means of a survey questionnaire that consisted of a series of psychometrically sound scales to assess the employed variables in the study. Hierarchical multiple regression results provided support for the direct impact of fairness perceptions and LMX on each component of commitment. But significant interactions were convincingly evident only in the case of affective commitment. These interactions suggest that the impact of fairness perceptions of HRM practices on affective commitment is not unconditional. Key implications of the survey findings both for theory and practice are discussed, potential limitations are specified, and directions for future research are suggested.

INTRODUCTION

Human resource management (HRM) is considered a critical organizational resource that helps an organization sustain its effectiveness. It is one important

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area that influences a number of employees' attitudes and behavior—such as intent to leave, levels of job satisfaction, and organizational commitment (Lee & Heard 2000). In order for organizations to stay competitive in a global economy in the new millennium, their practices must be competent to retain their workforce, particularly skilled workers. For instance, organizations that do not socialize new employees into their jobs or organizations may not be able to inculcate a sense of loyalty and commitment. Most obviously, organizations that do not pay equitably compared to others may lose their employees because of the non-competitive compensation package (Adams 1965). It is, therefore, important for organizations to design effective and competitive HRM practices that promote the level of commitment of high performing employees in the organization. Given the importance of organizational practices, research is undoubtedly needed to explore how far the fairness perceptions of these practices relate to employees' attitudes and behavior (Dailey & Kirk 1992). However, the potential impact of HRM practices on organizational commitment has received far less attention by the researchers than it deserves (see such recent reviews as those of Meyer & Allen 1997; Meyer, Stanley, Herscovitch & Topolnytsky 2002).

It has recently been found that the impact of HRM practices on organizational commitment is neither direct nor unconditional (Meyer & Smith 2000). One such conditional factor could be the quality of leader-member exchange (LMX). LMX has attracted the attention of researchers for over 25 years (Dansereau, Graen & Haga 1975). There is strong evidence that the quality of LMX is vital to aid people achieving greater commitment (Duchon, Green & Taber 1986). But LMX had been treated as a unidimensional construct in most of the previous studies. In addition, the two bodies of research--organizational practices-commitment relationship and LMX-commitment relationship--have been treated almost independently in the past organizational literature. Thus, the present study is a follow-up to the research on HRM practices, LMX, and organizational commitment and makes several contributions to these literatures.

- (a) It aims at integrating the two broad research areas--HRM practices and leader-member exchange--in predicting organizational commitment.
- (b) Most past research has treated the three variables mentioned above--HRM practices, LMX and commitment--as unidimensional constructs. In the present research, we conceptualized them as multidimensional constructs. Given the multi-dimensionality of the constructs, we contrast the effect of different dimensions.

- (c) Most studies on these constructs have been conducted in the United States. This study adds to the literature by testing the interaction of fairness perceptions and LMX on organizational commitment in the Malaysian context.

THEORETICAL FRAMEWORK AND DEVELOPMENT OF HYPOTHESES

Organizational commitment as an affective component has been considered a major factor in understanding employees' work-related behavior in organizations. It has by far been found to be the strongest predictor of turnover intentions (Khatri, Fern & Budhwar 2001; Porter, Steers, Mowday & Boulian 1974). The construct of organizational commitment has seen many different refinements and operationalizations. The earliest researches focused on the employees' commitment to their employers, commonly known as organizational commitment (Mowday, Steers & Porter 1979; Porter et al. 1974). More recently, it has been recognized that commitment may be domain-specific--such as union commitment (Fullagar & Barling 1989), employment commitment (Jackson, Stafford, Banks & Warr 1983), professional commitment (Morrow & Wirth 1989), and career commitment (Blau 1985, 1988). But most recently, researchers (e.g., Meyer & Allen, 1991; Meyer, Allen & Smith 1993; Meyer et al. 2002) have conceptualized organizational commitment in terms of three components: *affective commitment* (as an emotional attachment to and involvement in the organization), *continuance commitment* (as a perceived cost associated with leaving the organization), and *normative commitment* (as a perceived obligation to remain in the organization). In summary, the three component-model of commitment attempts to explain the cumulative strength of individuals connected to an organization because they want to (affective), they need to (continuance), and they ought to (normative) remain in the organization. In a recent meta-analytic review, Meyer et al. (2002) reported similarities and differences among the three components on several antecedent and outcome variables. They concluded that affective commitment had a much stronger relationship than normative commitment with desirable outcomes (such as attendance, performance, and organizational citizenship behavior). But, continuance commitment was unrelated or negatively related to these desirable outcomes.

Fairness of HRM Practices

Our first objective was to examine the relationship between fairness perceptions of HRM practices and organizational commitment. Over the past two decades, HRM role has progressed from traditional personnel function to strategic management function. Being recognized as a central business concern, HRM

refers to the policies, practices, and systems that shape employees' behavior, attitudes, and performance (Noe, Hollenbeck, Gerhart & Wright 2000). HRM practices might consist of work incentives, training and career development, promotion opportunities and compensation, professional recognition and rewards, and stable employment and job security. The role of HRM in building organizational commitment is increasingly important and is receiving substantial attention (Grover & Crooker 1995; Iverson & Roy 1994; Kwon 2001). For instance, Kwon found career development and promotion opportunities to be predictive of greater affective commitment in government agencies. Similarly, Ogilvie (1987) found that supportive HRM practices provide tangible evidence of organizational concern for the employees. Such practices proved to be significant predictors of reciprocal employee attitudes and behavior in social exchange, including commitment to the organization (Settoon, Bennett & Liden 1996). Recently, organizational fairness (justice) has been conceptualized as composed of four dimensions: distributive, procedural, interactional, and systemic (Beugre 1998). However, most researchers have understood fairness in terms of two broad justice categories: procedural justice (the fairness of procedures used to determine outcomes) and distributive justice (the fairness of the outcomes).

Adams (1965) conceptualized fairness by comparing employee's payoff ratio of outcomes/inputs with other coworkers' ratio (distributive justice). In contrast to distributive justice, procedural justice focuses on the fairness of the decision-making procedures (Folger & Konovsky 1989). In comparative studies (such as those of Lind & Tyler 1988), individuals have been found to be more concerned with the fairness of procedures than with the actual outcome of the interaction. It has also been found that people are less likely to steal in response to pay cuts when these appear to be the result of fair procedures than unfair procedures (Greenberg 1990). These findings illustrate that the individual's perception of the fairness of the procedure--procedural justice--is more important than the equity of the outcome in the process (see such works as those of Greenberg 1986, 1990; Lind & Tyler 1988; Sheppard, Lewicki & Minton 1992).

Tyler and Lind (1992) noted that procedural fairness might be used as the basis by which people enhance their loyalty toward the organization. In line with this notion, several studies (e.g., Folger & Konovsky 1989; Martin & Bennett 1996; Masterson 2001; McFarlin & Sweeney 1992; Sweeney & McFarlin 1993; Tyler 1991) did support the proposition that perceptions of fairness positively related to organizational commitment. But, most of these studies employed a global dimension of organizational commitment. Past research (e.g., Meyer et al. 2002) indicates that affective and normative components of commitment are mostly associated with desirable outcomes, whereas continuance commitment is unrelated, or negatively related to these outcomes. In line with those studies and

given that we employ the three-component model of commitment in this research, we expect that fairness perceptions of HRM practices such as performance management, employee relations, compensation, and promotion will more strongly correlate with affective and normative commitment than with other practices like training. We also expect that fairness perceptions will be unrelated or negatively related to continuance commitment. Thus, we offer the following hypothesis:

H1: Fairness perception of HRM practices will be positively correlated with affective and normative components of commitment. On the other hand, these practices will be unrelated or negatively correlated with continuance commitment.

Leader-Member Exchange (LMX)

The second objective of the present research was to examine the relationship between leader-member exchange and organizational commitment. Relationship between leaders and members has been researched for over 25 years (Graen & Uhl Bien 1995) in an exchange framework. This leadership model was originally conceptualized as a vertical dyad linkage (VDL) model (Dansereau et al. 1975). Dansereau, Yammarino, and Markham (1995) defined VDL as a concept consisting of the characteristics of leaders, members, and the relationship between leaders and members. Later on, it was labeled the leader-member exchange or LMX model (Graen, Liden & Hoel 1982; Graen, Novak & Sommerkamp 1982). The model states that a leader uses varying styles to deal with individual subordinates. Stated differently, leaders develop different types of relationship or exchange with different subordinates (Bhal & Ansari 2000; Dansereau et al. 1975; Graen & Cashman 1975; Graen & Scandura 1987; Graen et al. 1982; Liden & Graen 1980). The relationship is based on social exchange, whereby each must offer something the other party considers valuable and each party must see the exchange as reasonably fair (Graen & Scandura 1987).

By adopting a social exchange perspective, LMX evolved from a single dimensional construct to a multidimensional construct. Dienesch and Liden (1986) introduced the multidimensionality of LMX. They conceptualized it into three dimensions: perceived contribution, loyalty, and affect. Bhal and Ansari (1996) empirically demonstrated that measuring the quality of interaction in LMX could be translated into just two dimensions: perceived contribution and affect. Subsequently, Liden and colleagues (Liden & Maslyn 1998; Liden, Sparrowe & Wayne 1997) came out with a four-dimensional LMX model, incorporating *contribution* (perception of the current level of work-oriented activity each member puts forth toward the mutual goals of the LMX dyad), *loyalty* (the expression of public support for the goals and the personal character

of the other member of the dyad), *affect* (the mutual affection leader-member dyads have for each other based primarily on interpersonal attraction), and *professional respect* (perception of the degree to which each member of the dyad has built a reputation within and/or outside the organization). A multi-dimensional perspective of LMX implies that there may be much variability within exchange types (e.g., low and high quality LMX).

Researches have shown that LMX has significant associations with many important outcomes. For instance, LMX is positively related to organizational commitment, satisfaction with supervision, supervisory ratings of job performance, satisfaction with work, and frequency of promotions (Liden & Maslyn 1998). On the other hand, it is negatively related to turnover intentions (Liden & Maslyn 1998). More specifically, Duchon et al. (1986) reported that LMX correlates positively with organizational commitment. This relationship has been found in other empirical studies as well (Duchon et al. 1986; Graen et al. 1982; Nystrom 1990). However, in most studies, LMX had been conceptualized as a unidimensional construct. Given the fact that LMX is a multidimensional construct, we employed the four dimensions of LMX in this research: affect, contribution, loyalty, and respect. We expect that the higher the quality of exchange on each LMX dimension, the higher the employees will be on affective and normative commitment and lower the employees will be on continuance commitment. Hence, we state the following hypothesis:

H2: Each LMX dimension will be positively correlated with affective and normative components of commitment and negatively correlated with continuance commitment.

Our third research objective was to investigate how LMX affects the relationship between perceptions of HRM practices and organizational commitment. We are aware of no research that directly examines such interactions. We propose that the quality of supervisor-subordinates relationships and fairness perceptions of HRM practices may interact with each other. In this context, two studies clearly indicate that LMX is positively related to distributive justice (Vecchio, Griffeth & Hom 1986) and procedural and interactional justice (Manogran, Stauffer & Conlon 1994). If LMX positively relates to subordinates' perception of organizational fairness (Tansky 1993), then it follows that better quality of exchange between leaders and members (LMX) and positive fairness perception of HRM practices will together lead to greater affective organizational commitment. Alternatively, it may be argued that even if the HRM practices are perceived to be unfair, the nature of LMX might moderate the employees' interpretations of organizational practices. Employees under such an environment will perceive the HRM practices as fair and they will feel attached to the organization. Stated differently, the subordinates who are members of a leader's

in-group might perceive their leaders as treating them more fairly, because the leader gives them greater job latitude, support of the subordinate's actions, and confidence in and consideration for the subordinates. However, in the paucity of empirical research on this issue, we make no definite prediction about normative and continuance commitment. But we state the interaction hypothesis for affective commitment as follows:

H3: Fairness perceptions of HRM practices and LMX will significantly interact in predicting affective organizational commitment.

METHOD

Sample and Procedure

We distributed the questionnaire to 440 lower-to-middle level managers. Out of which, 224 voluntarily completed our survey questionnaire, yielding a response rate of 50.91%. They were randomly drawn from nine diverse multinational companies, located in Northern Malaysia. The companies were primarily dealing in semiconductor, medical products, and automobile components. The respondents were mainly in the age range of 25 to 35 years ($M = 29.62$; $SD = 5.18$), and over half of them were male (55%). Their average tenure was 3.71 years ($SD = 3.11$ years), and they had been with their current immediate supervisor for an average of 2.38 years ($SD = 1.82$ years).

Data were collected by means of a printed questionnaire. The questionnaire accompanied a personally signed letter stating the purpose of the study and an assurance of complete anonymity of individual responses.

Measures

We administered a four-section questionnaire to measure the variables employed in the study. All measures, except for personal data blank, employed a 7-point scale. We asked the respondents to indicate (1 = strongly disagree; 7 = strongly agree) the degree of their agreement or disagreement with each statement.

Fairness of HRM practices

We used a 20-item scale (Ansari, Daisy & Aafaqi 2000) to assess the perceived fairness of HRM practices. The scale items were based on widely referred HRM content areas such as recruiting and selection, training and development,

compensation, promotion, performance management, and employee relations (Noe, Hollenbeck, Gerhart & Wright 2000). Following a series of psychometric analysis (such as content validation ratio and factor analysis), Ansari et al. (2000) identified four interpretable dimensions: fairness in employee relations and compensation (9 items), fairness in performance management and promotion (5 items), procedural fairness (4 items), and fairness in training (2 items). Sample items were as follows: "employee relations are considered good in this organization" and "employees are generally happy with the benefits scheme of this organization" (Fairness in Employee Relations and Compensation); "there is favouritism in performance evaluation in this organization" and "management follows a 'pick-and-choose' policy for promotion" (Fairness in Performance Management and Promotion); "the organization follows objective performance evaluation criteria" (Procedural Fairness); and "training and development policy in this organization is fair" (Fairness in Training).

Table 1 contains descriptive statistics, scale characteristics, and interrelationships among the factors. As can be seen, the four factors documented acceptable internal consistency reliability--the coefficients alpha ranged between 0.80 and 0.89. Although the four factors were intercorrelated (average $r^2 = 0.10$), substantial non-overlapping variances (almost 90%) were apparent.

TABLE 1
DESCRIPTIVE STATISTICS, CRONBACH'S COEFFICIENTS ALPHA,
AND ZERO-ORDER CORRELATIONS OF ALL STUDY VARIABLES

Variables	1	2	3	4	5	6	7	8	9	10	11
Organizational Commitment (OC)											
1. Affective	0.89										
2. Normative	0.59**	0.84									
3. Continuance	0.18**	0.39**	0.82								
Fairness of HRM Practices											
4. F1	0.58**	0.51**	0.31**	0.89							
5. F2	0.20**	0.05	-0.19**	0.13*	0.89						
6. F3	0.29**	0.23**	0.09	0.29**	0.55**	0.80					
7. F4	0.48**	0.54**	0.21**	0.59**	0.16*	0.19**	0.82				
Leader-Member Exchange (LMX)											
8. LMX-P	0.51**	0.51**	0.32**	0.52**	0.15*	0.29**	0.33**	0.92			
9. LMX-L	0.46**	0.46**	0.32**	0.42**	0.11	0.32**	0.31**	0.67**	0.84		
10. LMX-A	0.52**	0.55**	0.22**	0.51**	0.10	0.24**	0.41**	0.74**	0.71**	0.91	
11. LMX-C	0.42**	0.52**	0.32**	0.35**	0.01	0.07	0.21**	0.55**	0.55**	0.64**	0.80
M	4.82	4.16	4.38	4.83	3.69	3.89	4.72	4.68	4.32	4.54	4.97
SD	1.39	1.18	1.06	0.95	1.26	1.02	1.31	1.30	1.19	1.23	1.09

Note: N = 224; *p < 0.05; **p < 0.01; Diagonal entries in bold indicate Cronbach's coefficients alpha; F1 = Employees Relations and Compensation; F2 = Performance Management and Promotion; F3 = Procedural Fairness; F4 = Training; LMX = Leader-Member Exchange; LMX-P = Professional Respect; LMX-L = Loyalty; LMX-A = Affect; LMX-C = Contribution.

Leader-member exchange (LMX)

We employed a 12-item LMX scale (Liden & Maslyn 1998) to assess the quality of exchange between the participating managers and their immediate supervisor. The scale consisted of four dimensions--contribution, loyalty, affect, and professional respect--with each having three items. A specified principal components analysis followed by a varimax rotation was undertaken. As expected, four factors emerged, accounting for a total of 80.48% of the variance. The factor loadings ranged between 0.62 and 0.85. The coefficients alpha for the LMX dimensions ranged between 0.80 and 0.92 (as shown in Table 1). As expected, the LMX subscales were intercorrelated-- r -values ranged between 0.55 and 0.74, with an average r of 0.64. Although there was an overlap of 41% among the four subscales of LMX, non-overlapping variances were still substantial.

Organizational commitment

We employed Meyer and Allen's (1991) 18-item scale to assess the three components of organizational commitment: affective, continuance, and normative. Each component consisted of six items. A principal components analysis with equamax rotation confined to three clean factors--with factor loadings ranging between 0.64 and 0.89. The three factors together explained a total of 60.93% of the variance. The factors were named: "Normative Commitment" (4 items), "Affective Commitment" (3 items), and "Continuance Commitment" (6 items). The three commitment factors--affective, normative, and continuance--documented fairly adequate reliability coefficients of 0.89, 0.84, and 0.82, respectively. And, the three were significantly correlated (as indicated in Table 1).

Demographic-personal data

A series of single-statement items to assess the respondents' demographics such as age, sex, job level, and length of service were used.

RESULTS

We tested our hypotheses by means of a 3-step hierarchical multiple regression analysis. Given the past research findings (Meyer et al. 1993) that age and tenure were significantly correlated with organizational commitment, we controlled the effects of these variables at the first step. The second step contained the four dimensions of fairness perception of HRM practices and the four factors of LMX quality, respectively. We next entered the 16 interaction terms at the third step.

For each interaction pair, scores on the predictors were first converted to z scores and then a product term was formed. Significant interactions were then analyzed graphically. We regressed these predictors and their interactions separately for each component of organizational commitment. Table 2 reports a summary of hierarchical regression analysis.

As evident in Table 2, control variables--age and tenure--did not significantly affect any of the components of organizational commitment. But the two sets of predictors, taken together, accounted significantly for a total of 47%, 47%, and 27% the variance, respectively, in affective commitment, normative commitment, and continuance commitment--thus supporting H1 and H2. Table 2 also indicated that fairness perception of HRM practices had significant positive impact on both affective and normative commitment. But such perception (as fairness in performance management and promotion) had strong negative impact on continuance commitment. Leader-member exchange (LMX), as hypothesized, also contributed significantly to organizational commitment. Professional respect had positive impact on affective commitment and contribution turned out to be a positive predictor of normative commitment. Affect dimension of LMX showed negative impact but contribution had positive impact on continuance commitment.

Of interest were five significant interactions for affective commitment (see Table 2 and Figure 1). The significant interactions are described below.

TABLE 2
SUMMARY OF HIERARCHICAL MULTIPLE REGRESSION ANALYSIS

Affective commitment			Normative commitment			Continuance commitment		
Step	Variables entered	Beta	Step	Variables entered	Beta	Step	Variables entered	Beta
1	(R ² Change = 0.00)		1	(R ² Change = 0.01)		1	(R ² Change = 0.01)	
	Age	0.03		Age	0.06		Age	-0.02
	Tenure	-0.05		Tenure	0.03		Tenure	0.15
2	(R ² Change = 0.47 ^{***})		2	(R ² Change = 0.47 ^{***})		2	(R ² Change = 0.27 ^{***})	
	F1	0.31 ^{***}		F1	-0.04		F1	0.16
	F2	0.08		F2	-0.09		F2	-0.34 ^{***}
	F3	0.13		F3	0.14 [*]		F3	0.12
	F4	0.22 ^{***}		F4	0.39 ^{***}		F4	0.10
	LMX-P	0.23 [*]		LMX-P	0.14		LMX-P	0.25
	LMX-L	-0.03		LMX-L	-0.08		LMX-L	0.13
	LMX-A	0.01		LMX-A	0.18		LMX-A	-0.35 ^{***}
	LMX-C	0.10		LMX-C	0.27 [*]		LMX-C	0.27 [*]

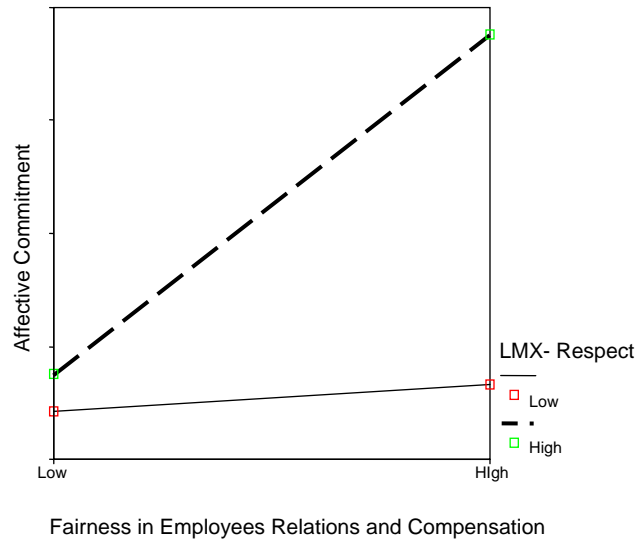
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TABLE 2 (Continued)

HRM practices, LMX, and organizational commitment

Affective commitment			Normative commitment			Continuance commitment		
Step	Variables entered	Beta	Step	Variables entered	Beta	Step	Variables entered	Beta
3	(R ² Change = 0.12 ^{***})		3	(R ² Change = 0.05)		3	(R ² Change = 0.08)	
	F1 x LMX-P	0.30 [*]		F1 x LMX-P	0.14		F1 x LMX-P	0.14
	F1 x LMX-L	-0.33 ^{**}		F1 x LMX-L	-0.25		F1 x LMX-L	0.03
	F1 x LMX-A	0.12		F1 x LMX-A	0.02		F1 x LMX-A	-0.28
	F1 x LMX-C	0.01		F1 x LMX-C	0.04		F1 x LMX-C	-0.01
	F2 x LMX-P	-0.37 ^{***}		F2 x LMX-P	0.02		F2 x LMX-P	0.09
	F2 x LMX-L	0.01		F2 x LMX-L	0.24 [*]		F2 x LMX-L	-0.06
	F2 x LMX-A	0.31 ^{***}		F2 x LMX-A	-0.07		F2 x LMX-A	0.16
	F2 x LMX-C	-0.19 ^{**}		F2 x LMX-C	-0.03		F2 x LMX-C	0.00
	F3 x LMX-P	0.14		F3 x LMX-P	-0.02		F3 x LMX-P	-0.00
	F3 x LMX-L	0.12		F3 x LMX-L	-0.12		F3 x LMX-L	-0.09
	F3 x LMX-A	0.14		F3 x LMX-A	-0.02		F3 x LMX-A	-0.02
	F3 x LMX-C	0.10		F3 x LMX-C	0.01		F3 x LMX-C	-0.03
	F4 x LMX-P	0.12		F4 x LMX-P	-0.11		F4 x LMX-P	-0.03
	F4 x LMX-L	0.12		F4 x LMX-L	0.05		F4 x LMX-L	-0.12
	F4 x LMX-A	0.12		F4 x LMX-A	0.14		F4 x LMX-A	0.12
	F4 x LMX-C	0.10		F4 x LMX-C	-0.06		F4 x LMX-C	0.02

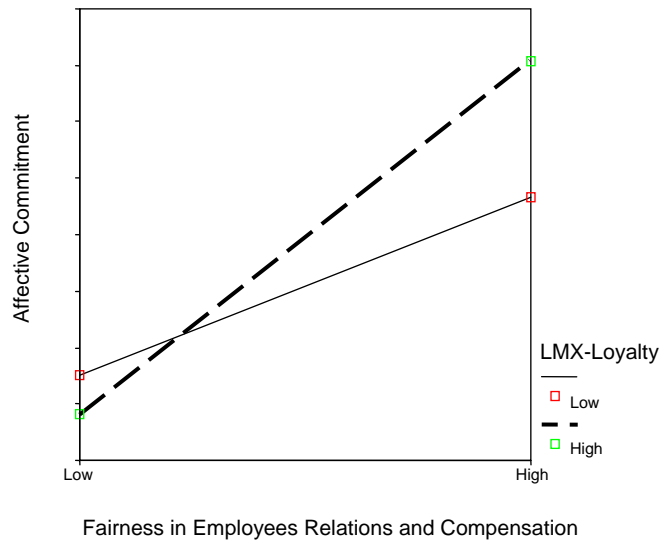
Note. N = 224; *p < 0.05; **p < 0.01; ***p < 0.001; F1 = Employees Relations and Compensation; F2 = Performance Management and Promotion; F3 = Procedural Fairness; F4 = Training; LMX = Leader-Member Exchange; LMX-P = Professional Respect; LMX-L = Loyalty; LMX-A = Affect; and LMX-C = Contribution.



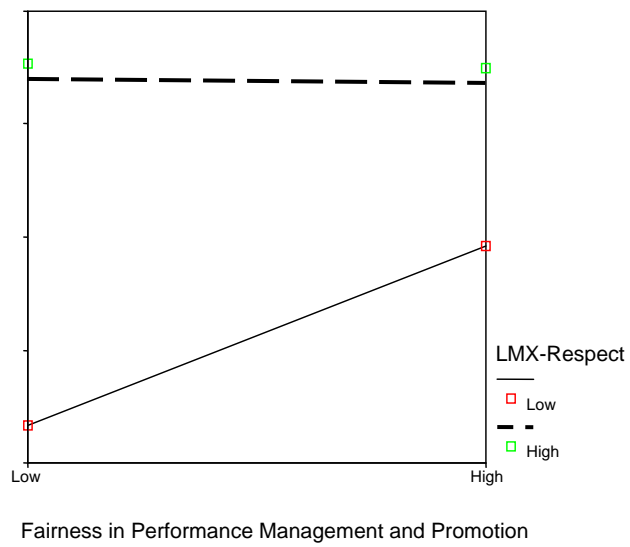
(a)

Figure 1. (Continued on next page)

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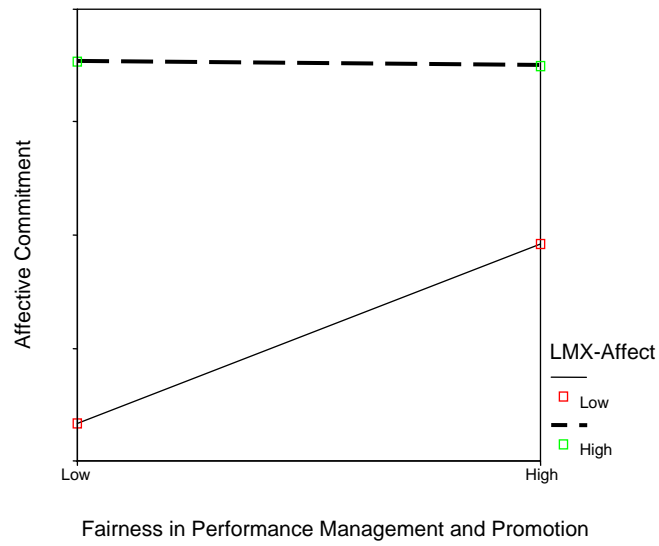
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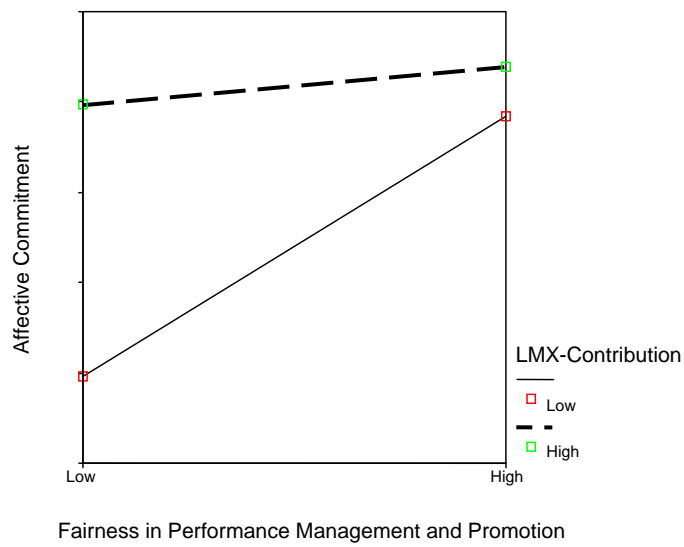
(c)

Figure 1. (Continued on next page)

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(d)



(e)

Figure 1. Fairness perception of HRM practices-LMX interactions on affective commitment.

It is evident [see Figure 1(a) through 1(e)] that a combination of high fairness perception and high quality of exchange between supervisor and subordinates (LMX) predicted affective organizational commitment ($R^2 = 0.12$). The first interaction [Figure 1(a)] revealed that, in the case of low fairness perception of employee relations and compensation, the low and the high LMX-Respect groups did not differ significantly in terms of their affective commitment. In fact, both groups reported lower commitment. On the other hand, in the case of high fairness perception, the high-LMX-Respect group scored significantly higher on commitment than the low LMX group. A similar trend was observed for the fairness perception and LMX-Loyalty interaction on affective commitment [see Figure 1(b)]. Figure 1(c) and (d) indicated that, regardless of the level of fairness perception in performance management and promotion, the high LMX-Respect or LMX-Affect group showed more commitment than the low LMX group. However, affective commitment increased for the low LMX group as fairness perception increased. The final interaction [Figure 1(e)] revealed that, for the low fairness perception in performance management and promotion, the low and the high LMX-Contribution groups did not differ significantly in terms of affective commitment. But the high LMX group reported significantly higher commitment than the low LMX group when the fairness perception was lower.

DISCUSSION AND CONCLUSION

Relatively little is empirically available showing the relationship between fairness perception of HRM practices and employee attitudes and behavior. On the other hand, a few empirical studies are available that provide a link between the quality of leader-member exchange (LMX) and commitment (see such reviews as those of Liden et al. 1997). However, in most studies, both LMX and commitment have been conceptualized as unidimensional constructs. But almost nothing is known about the link between HRM practices and LMX.

Our findings are generally consistent with those of earlier research (Folger & Konovsky 1989; Greenberg 1990; McFarlin & Sweeney 1992; Sweeney & McFarlin 1993; Tyler 1991) conducted in an organizational justice framework that fairness perception of HRM practices acts as a significant predictor of organizational commitment. Specifically, our results suggest that perceived fairness in HRM practices such as employee relations and compensation, procedures, and training are positively associated with affective and normative organizational commitment. This finding is consistent with that of Lind and Tyler (1988), who found that people care a great deal about the fairness of procedures (procedural justice).

Our findings indicate that fairness in training has a positive correlation with affective and normative commitment but has no relation with continuance commitment. Clearly, fairness in training (one part of the working experience) would lead one to develop affective attachment, a sense of obligation, or both, to the organization. Past research (Meyer et al. 1993) has found a positive impact of these organizational practices on positive work experiences, such as satisfaction with job and training experience. In the same vein, Wayne, Shore, and Liden (1997) suggested that HRM practices that signaled the organization's intentions to invest in employees (such as developmental experiences and training) produced higher levels of affective organizational commitment. In a psychological contract context, fairness in HRM practices may indicate the nature of the relationship that employees can expect to get from their organization. Reciprocity norms would suggest that an investment in the organization on behalf of employees is a fair trade for an investment in employees on behalf of the organization.

Furthermore, our findings suggest that fairness in performance management and promotion negatively correlates with continuance commitment. The strong negative impact on continuance commitment is in the predicted direction and it makes sense. Individuals who perceive performance management and promotion as fair may recognize greater cost associated with leaving the organization. This conclusion is upheld by previous research (Meyer, Paunonen, Gellatly, Goffin & Jackson 1989) that continuance commitment to the occupation correlates negatively with the tendency to engage in behaviors that are beneficial from the standpoint of the occupation or profession.

The present data pertaining to the relationship between LMX and organizational commitment are mostly in the expected direction and in line with previous research (Duchon et al. 1986; Kinicki & Vecchio 1994; Nystrom 1990; Settoon et al. 1996). For example, one of the dimensions of LMX—contribution—significantly predicts both normative and continuance commitment. Our results also indicate, as predicted, that the professional respect dimension of LMX positively predicts affective and continuance commitment. However, the positive impact on continuance commitment is difficult to explain. This implies that if employees have good interpersonal relationship with their supervisor in terms of professional respect and perceived contribution, they are more likely to enhance their (continuance) commitment to the organization. One of the reasons could be that employees in manufacturing organizations attach more importance to supervisor-subordinate relationships. However, LMX-Affect negatively related to continuance commitment. This suggests that members who have high affect toward their leaders would recognize less cost associated with leaving the organization. It is reasonable to expect that when the nature of exchange relationship is based on a strong personal identification and affection, employees

will be motivated to perform their task activities to the best of their ability--thus enhancing the level of commitment.

Interestingly, our findings suggest that the impact of fairness perception of HRM practices on affective organizational commitment is not unconditional. Instead, the impact is modified by the quality of exchange between supervisors and subordinates. But none of the interactions reached its significance level for normative and continuance commitment. Clearly, the means of affective commitment were much higher in the high-high quadrant than in the low-low quadrant as shown in Figure 1. It suggests that those members who perceive the employee relations and compensation as fair and had high respect for their leader, they were more likely to demonstrate high affective commitment. Also, they were more likely to demonstrate high affective commitment if they perceived the employees relations and compensation as fair and had high loyalty for their supervisor.

Furthermore, affective commitment was much higher in the high-low quadrant. It suggests that although there was low professional respect, members would still commit to the organization if they perceive the performance management and promotion as fair. Results also suggest that employees were more likely to express high affective commitment when they perceived the performance management and promotion as fair, and they had high quality of exchange with their supervisor in terms of affect and contribution.

Future research could benefit from identifying the major potential limitations of the present research. First, our data are correlational in nature. As such we cannot make a tall claim about causality. There is a strong possibility that committed workers are the ones who perceive HRM practices of their organization as fair. Similarly, committed workers are likely to develop good quality of exchange with their supervisor. Thus, future research should systematically manipulate the two sets of independent variables--fairness perception of HRM practices and quality of LMX--and observe their main and interaction effects on various attitudes and behavior, including organizational commitment. Only then can we claim a definite causality. A second limitation is that our data are cross-sectional. Since both of the predictors--fairness perception of HRM practices and quality of LMX--employed in the study are developmental in nature, only future longitudinal investigations can uncover the stage at which employees develop organizational commitment. A third limitation is that since all variables were assessed using self-report measures, the possibility of shared response bias (such as self-presentation and consistency) cannot be ruled out. Future research should also use LMX rated by supervisors. The final limitation is limited statistical power owing to the geographical coverage and relatively small sample from manufacturing sectors only. Future research should extend the

research sites with a larger sample. Yet, the relatively strong effects that we have observed seem to provide evidence for robust relationship of commitment with fairness perception of HRM practices and leader-member exchange.

A data limitation aside, the present research does have some obvious implications for theory, practice, and research. From a theoretical perspective, we identified two salient predictors of organizational commitment. We also treated predictor and criterion measures as multidimensional constructs. Importantly, not all dimensions of fairness perception of HRM practices or LMX are equally important in generating commitment in employees. Furthermore, we found that the three components of commitment are not necessarily associated with predictors in identical ways (Meyer & Allen 1991; Meyer et al. 2002). Practically, our findings indicate that if HRM practices are perceived to be fair and LMX quality is good, the employees are most likely to develop commitment (especially, affective commitment) to their organization. In other words, the results of this study provide considerable insight that the perceived fairness of organizational practices and quality of LMX could promote employees' affective responses to the organization. Appropriate guidelines could be provided to help managers improve their understanding of how to increase employees' commitment to the organization and also make better decision about outcomes for their employees. For instance, management needs to pay special attention to the fairness of HRM practices and the quality of LMX, as the quality of interpersonal working relationships enhance employees' perception of fairness. In conclusion, management practices must be seen to be practicing fairly. Fair practice is certainly important but to look fair is even more important. The leader should play a crucial role in making the organization look "fair". Fairness is a perceptual phenomenon and judgments of fairness are relative. "A critical point in all such judgments is perceptions . . . we act on our own perceptions, and must deal with the perceptions of the people with whom we interact" (Sheppard et al. 1992: 12).

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