

**The Relationship between Managers' Use of Power and Employees' Work
Variables in Nationalised Commercial Banks in Bangladesh**

Submitted by

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DECLARATION

This thesis contains no material published elsewhere or extracted in whole or in part from a thesis by which I have qualified for or been awarded another degree or diploma. No other person's work has been used without due acknowledgment in the main text of the thesis. This thesis has not been submitted for the award of any degree or diploma in any other tertiary institution. All research procedures reported in the thesis received the approval of the relevant Ethics committee.

Nadim Jahangir

January, 2003

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ABSTRACT

This thesis investigates managers' use of power and its relationship to employees' organisational commitment and job satisfaction and any other potential factors influencing the relationship in Nationalised Commercial Banks (NCBs) in Bangladesh.

Earlier research focused only on employees' perceptions of managers' use of power in NCBs, and findings indicated a positive relationship between managers' use of power and employees' perceptions. The present research differs from the previous studies by linking managers' use of power with employees' organisational outcomes. The objective was to gain insights into ways in which the management of NCBs might use their power to enhance the levels of employees' commitment and job satisfaction.

Data were collected from several sources. Likert-type questionnaires were distributed to 600 employees in three NCBs and semi-structured interviews were conducted with 36 branch managers and four experts on banking. Complete questionnaires (in total 321) were included for data analysis using multivariate analysis of variance (MANOVA) and stepwise regression analysis. Both the bank managers and experts on banking interview transcripts were coded according to the interview schedule questions.

The findings indicated a relationship between managers' use of power and procedural justice, and employees' organisational commitment and job satisfaction in NCBs. In the quantitative findings no significant relationships were found between gender, age, and education level, and power, procedural justice, commitment, and job satisfaction. The qualitative findings, however, suggested that employees' age and education level were related to criterion variables; but the findings indicated there was no relationship between gender and criterion variables.

The results of this study provide insight into how the management of NCBs can enhance the level of their employees' commitment and job satisfaction. To improve managers' use of power and its relationships with employees' commitment and job satisfaction in NCBs in Bangladesh, there have to be changes at the individual and organisational levels. At the individual level improving managers' power bases would involve basic education and specific job-related training. Managers should also be encouraged to enhance their skills through continuous self-learning. At organisational level top management should provide appropriate reinforcements for managers in learning about and improving their power bases.

TABLE OF CONTENTS

Declaration	Page i
Acknowledgement	ii
Abstract	iii
Table of Contents	v
List of Tables	x
CHAPTER 1 THE NATURE AND SCOPE OF THE STUDY	1
1.1 Introduction	1
1.2 Purposes of the Study	2
1.3 Research Problem and Questions	3
1.4 Significance of the Study	4
1.5 Limitations and Delimitations of the Present Study	5
1.6 Definition of the Key Terms	6
1.7 The Organisation of the Thesis	6
CHAPTER 2 BANGLADESH – THE RESEARCH CONTEXT	8
2.1 Profile of Bangladesh	8
2.1.1 Geographical Location	8
2.1.2 The People of Bangladesh	9
2.1.3 Significant Aspects of the Economy	11
2.1.4 Social Infra Structure	11
2.1.5 Financial History of Bangladesh	12
2.2 Role of a Banking System in the Growth of an Economy	14
2.3 The Development of the Banking Sector in Bangladesh	21
2.4 Summary	28

CHAPTER 3	REVIEW OF THE RELATED LITERATURE	29
3.1	The Concept of Power	30
3.1.1	Definition of Power	30
3.1.2	Power Framework of French and Raven (1959)	31
3.1.3	Managers' Use of Power in Relation to Employees' Organisational Outcomes	32
3.2	The Measurement of Power Bases	42
3.2.1	Selecting an Appropriate Measurement Approach for the Study	45
3.3	The Concept of Organisational Commitment and Job Satisfaction	47
3.4	Organisational Commitment	49
3.4.1	Types of Organisational Commitment	50
3.4.2	Selecting an Appropriate Definition of Organisational Commitment for the Study	55
3.5	Job Satisfaction	56
3.5.1	Definitions Job Satisfaction	59
3.5.2	Selecting an Appropriate Definition of Job Satisfaction for the Study	62
3.6	Procedural Justice and Its Impact on Business Organisations	63
3.7	Justice: Its Fundamental Nature in Organisations	64
3.8	The Importance of Fairness in an Organisational Setting	65
3.9	The Concept of Procedural Justice	68
3.9.1	Theories of Procedural Justice	70
3.9.2	The Antecedents and Consequences of Procedural Justice Perceptions	75

3.10	The Contexts for Procedural Justice Effects	83
3.10.1	Procedural Justice in Human Resources Management	83
3.11	The Relationship between Procedural Justice and Distributive Justice	86
3.12	Consideration of Procedural Justice Variables Under Cross-Cultural Setting	88
3.13	Measurement of Procedural Justice	90
3.14	Summary	92
CHAPTER 4	DEVELOPMENT OF CONCEPTUAL FRAMEWORK	95
4.1	Significance of the Selected Concepts	96
4.2	Proposed Conceptual Framework	100
4.3	Key Components of the Model	102
4.4	Research Questions and Hypotheses	106
4.5	Summary	107
CHAPTER 5	RESEARCH METHODOLOGY	108
5.1	Research Design	109
5.2	Triangulation Method	110
5.3	Research Approach	113
5.2.1	Sampling Method	113
5.2.2	Research Instruments	115
5.2.3	Data Collection	116
5.2.4	Survey Instruments	117
5.2.5	Data Collection Procedures	121
5.2.6	Data Analysis Procedures	122

5.4	Summary	123
CHAPTER 6	FINDINGS FROM QUESTIONNAIRES	125
6.1	Missing Data	125
6.2	Demographic Profile of NCB Employees	130
6.3	Reliability of the Instruments	139
6.4	Descriptive Statistics of the Study Variables	142
6.5	Correlation Analysis	144
6.6	Summary	148
CHAPTER 7	ANALYSIS OF QUALITATIVE DATA	150
7.1	Multivariate Analysis of Variance (MANOVA)	150
7.2	Stepwise Regression Analysis	154
7.3	Assessment of the Research Hypotheses	160
7.4	Summary	170
CHAPTER 8	FINDINGS AND ANALYSIS OF DATA FROM INTERVIEWS	172
8.1	Field Experience in Bangladesh	174
8.2	Demographic Profile of NCB Managers	179
8.3	Data Analysis	182
8.4	Implications of the Qualitative Data	184
8.5	Summary	201
CHAPTER 9	SUMMARY, CONCLUSIONS AND RECOMMENDATIONS	205
9.1	Summary of the Study	205
9.2	Conclusions	208
9.3	Implications of the Study	217

9.4	Discussion	223
9.5	Recommendations	227
REFERENCES		230
APPENDICES		263
Appendix 1	Map of Bangladesh	264
Appendix 2	Ethics Approval from the Human Research Ethics Committee	266
Appendix 3	Letter to the Participants from the Researcher	269
Appendix 4	Letter from the Supervisor	272
Appendix 5	Consent Form	274
Appendix 6	The Questionnaire for Bank Employees	276
Appendix 7	Interview Schedule for Bank Managers	281
Appendix 8	Interview Schedule for Bank Experts of Bangladesh Institute of Bank Management	283

LIST OF TABLES

Tables	Page
2.1 List of the Commercial Banks Operating in Bangladesh	25
6.1 Distribution of Missing Value for Managers' Use of Power (Reward Power, Coercive Power, Legitimate Power, Expert Power, Reference Power), Procedural Justice, Organisational Commitment, and Job Satisfaction	128
6.2 Response Rate for the Survey of the Three NCBs	131
6.3 Gender Distribution of the Employees of NCBs	132
6.4 NCB Employees' Age Profile	133
6.5 NCB Employees' Level of Education	135
6.6 NCB Employees' Length of Service	137
6.7 Employees' attendance at NCB Bank Training	138
6.8 Number of Items, and Reliability Coefficient of Managers' Use of Power (Reward Power, Coercive Power, Legitimate Power, Expert Power, Referent Power), Procedural Justice, Organisational Commitment, and Job Satisfaction	141
6.9 Descriptive Statistics for the Managers' Use of Power (Reward Power, Coercive Power, Legitimate Power, Expert Power, Referent Power), Organisational Commitment, and Job Satisfaction	143
6.10 Correlation Matrix for Managers' Use of Power (Reward Power, Coercive Power, Legitimate Power, Expert Power, Referent Power) and Procedural Justice, with Organisational Commitment, Job Satisfaction	146
7.1 One-Way Multivariate Analysis of Variance (MANOVA) Summary for Managers' Use of Power, Procedural Justice, Organisational Commitment and Job Satisfaction by Types of Bank, Gender, Age, and Level of Education	161
7.2 The Mean Differences of Managers' Use of Reward Power, Procedural Justice and Organisational Commitment Scales, and	163

	Scheffe Post-Hoc Comparisons for the Three NCBs	
7.3	Stepwise Regression on Organisational Commitment	166
7.4	Stepwise Regression on Job Satisfaction	169
8.1	Gender Distribution of the Managers of NCBs	180
8.2	Age Profile of the Managers of NCBs	180
8.3	Level of Education of the Managers of NCBs	181
8.4	Length of Service of the Managers of NCBs	181
9.1	Summary of the Findings from Hypothesis 1	209
9.2	Summary of the Findings from Hypothesis 2	212
9.3	Summary of the Findings from Hypothesis 3	215

CHAPTER 1

THE NATURE AND SCOPE OF THE STUDY

Introduction

In a country's economic development the banking system plays a significant role. In recent years, various aspects of the performance of Nationalised Commercial Banks (NCBs) in Bangladesh have been the subject of extensive research (Alam & Jahan, 1999; Bakar, Moral, & Chowdhury, 1997; Islam, 1997). In particular, studies have been carried out on financial achievements and on the role of managers in staff training and development (Alam & Jahan, 1999; Bakar, Moral, & Chowdhury, 1997; Islam, 1997; Saha, 1996).

This thesis investigates managers' use of power, and its relationship to employees' organisational commitment and job satisfaction and any other potential factors influencing the relationship in Nationalised Commercial Banks (NCBs) in Bangladesh. Earlier research (Huq, 1991, Rahim & Magner, 1996) focused only on employees' perceptions of managers' use of power in NCBs in Bangladesh, and findings indicated a positive relationship between managers' use of power and employees' perceptions. The present research differs from the previous studies by linking employees' perceptions of managers' use of power with employees' organisational commitment and job satisfaction.

Purposes of the Study

The researcher's interest in this topic arose from his previous study, which focused on credit disbursement and loan recovery by managers in NCBs in Bangladesh (Jahangir, 1999). Findings from this work showed that the managers did not achieve the organisation's expected financial outcomes. To investigate the reasons underlying this finding the current study takes a different focus. It concentrates on managers' use of power in relation to employees' organisational commitment and job satisfaction; and investigates how procedural justice might influence employees' organisational outcomes.

Limited research has focused on employees' perceptions of managers' use of power in regard to employees in NCBs (Huq, 1991; Rahim & Magner, 1996). Studies to date have investigated how employees in NCBs evaluate managers' use of power but there is no published research evidence about employees' perceptions of managers' use of power and a relationship with employees' organisational commitment and job satisfaction; nor about procedural justice as a factor affecting the employees' organisational outcomes.

In contrast, for almost a decade, the notion that employees' perceptions of managers' use of power is a crucial variable related to organisational commitment and job satisfaction has been widely acknowledged in the West (Brass & Burkhardt, 1993; Carson, Carson, Roe, Birkenmeier, & Phillips, 1999; Carlson, Carlson, & Wadsworth, 2000; Rahim, Antonioni, & Psenicka, 2001; Rahim & Manger, 1996; Rahim & Afza, 1993). There has been strong empirical support for the positive relationship between employees' perceptions of managers' use of power, and employees' organisational commitment and job satisfaction while procedural justice also has a significant impact on employees' organisational outcomes (Konovsky, 2000; Singer, 1992, 1993; Skarlicki & Folger, 1997).

The focus of such relationships, however, has not been addressed in the case of NCBs in Bangladesh. A few earlier studies have explored issues relating to employees' perceptions of managers' use of power in regard to employees (Huq, 1991; Rahim & Magner, 1996). The present study aims to investigate the relationships between managers' use of power and procedural justice, and employees' organisational outcomes in the case of NCBs in Bangladesh.

Research Problem and Questions

In the researcher's earlier study (Jahangir, 1999), the managers' failure to achieve the expected organisational outcomes led him to consider how the managers give directions to employees in NCBs to achieve the organisation's desired outcomes. In an organisational setting, managers achieve organisational outcomes through the employees. The managers' job is to direct the employees to carry out the organisation's decisions to achieve the desired outcomes. To find the reasons why managers are failing to achieve the organisation's expected outcomes, the current study extends the researcher's previous study and the studies of Huq (1991), and Rahim and Magner (1996), which relate employees' perceptions of managers' use of power to employees' organisational commitment and job satisfaction.

This study then investigates the relationship noted above, but with the dimension of procedural justice as an added variable. The study also investigates whether significant differences exist between employees' perceptions of managers' use of power, procedural justice, organisational commitment, and job satisfaction, by types of bank, gender, age and education in NCBs in Bangladesh.

The following research questions were generated from the research problem.

1. Are there significant differences between managers' use of power, procedural justice, employees' organisational commitment, and job satisfaction, by types of bank, gender, age and education in NCBs (Agrani Bank, Janata Bank, and Sonali Bank) in Bangladesh?
2. Is there a significant relationship between managers' use of power and procedural justice, and employees' organisational commitment in NCBs (Agrani Bank, Janata Bank, and Sonali Bank) in Bangladesh?
3. Is there a significant relationship between managers' use of power and procedural justice, and employees' job satisfaction in NCBs (Agrani Bank, Janata Bank, and Sonali Bank) in Bangladesh?

Significance of the Study

This study is significant for the following reasons:

1. In the extensive literature on banking in both developed and developing countries, little has been written about the relationship between managers' use of power, employees' perceptions of managers' use of power and the perceptions of bank experts.

2. The present study will enhance the limited research about employees' perceptions of managers' use of power and the relationships to employees' organisational commitment and job satisfaction.
3. It would seem to be an opportune time to undertake such a study in the light of the present global economic climate where there is demonstrated need for satisfaction and commitment of employees.
4. The approach used in this study may encourage further research and provide useful guidelines for the promotion of employees' job satisfaction and commitment.
5. It is hoped that this study will contribute to the on-going research about NCB managers' implementation of decisions.
6. A further significant aspect of this research topic relates to the country studied. Most of the studies of employees' perception of managers' use of power in regard to employees and employees' organisational outcomes have been carried out in Western countries. There is very little research conducted on employees' perceptions of managers' use of power in regard to employees in an organisational context in Asian countries, especially in Bangladesh.
7. Finally, it is expected that this study may serve as the catalyst for further research in other Asian countries to determine whether the results are

context specific to Bangladesh or whether the results may be common to other Asian countries as well.

Limitations and Delimitations of the Present Study

This study is limited by a number of factors. First, the sample population is limited in terms of its size and composition. The sample was drawn from Dhaka city only, and did not include bank branches from other states. Second, the data were collected at a single point in time providing insights through a ‘snap shot’ view but not an on-going picture. Third, the study was limited to bank employees, managers, and bank experts only. Perceptions of individuals or groups outside the banking sector in the wider community were not investigated.

Definitions of the Key Terms

Definitions of key terms used in this research are more appropriately dealt with later in this study. Terms such as managers’ use of power, procedural justice, organisational commitment, and job satisfaction are addressed in the literature review in Chapter 3.

The Organisation of the Thesis

The first chapter provided an introduction to the present study of managers’ use of power in relation to employees’ organisational commitment and job satisfaction in NCBs in Bangladesh. Chapter 2 outlines the context of the study and emphasises the unique

nature of Bangladesh in the world economy and the place of NCBs in the banking sector of the country. In Chapter 3, a review of literature related to the study is presented. Based on the literature review a conceptual framework is formulated and presented in Chapter 4. A detailed account of the research approach and methodology is addressed in Chapter 5. Chapter 6 presents the findings from the questionnaires. Chapter 7 reports the results of the quantitative data analysis. Chapter 8 presents the findings and analysis of data from the interviews. The final chapter addresses a summary of the research, conclusions, recommendations, and areas for future research.

CHAPTER 2

BANGLADESH – THE RESEARCH CONTEXT

A brief outline of the nature and scope of the study has been presented in Chapter 1. In this chapter a general overview is provided of Bangladesh, the country in which the research was carried out. The first section discusses a brief profile of the country and includes geographical location, population details, significant aspects of the economy, the social infrastructure and financial history. This section is followed by an outline of the role of a banking system in the growth of an economy. This chapter concludes with a discussion of the development of the banking sector in Bangladesh. The matters raised provide a theoretical and practical framework for this investigation.

Profile of Bangladesh

Geographical Location

The unique geographic location of Bangladesh provides a challenging context for the present research. Situated in South Asia, Bangladesh has as neighbours India on the West and North, Myanmar (previously known as Burma) on the East. On the south the Bay of Bengal surrounds Bangladesh. (Appendix 1)

Bangladesh comprises an area of 1, 47, 570 square kilometres. In this landmass, the river area comprises 8, 236 square kilometres, and the forested area is 19, 710 square kilometres (Bangladesh Diary, 2000). Nearly two-thirds of the land area is cultivated, and the remainder is in forests, rivers, roads, and houses.

The topography of Bangladesh varies and can be divided into three main regions: the East, the North-Central, and the South regions. The East consists mainly of hilly areas. The North-Central region, the basin of the Padma, Jumuna and Meghna rivers, is a fertile valley, the richest and most extensive rice producing area in the country. The third region, the Southern part of the country, is predominantly covered with forest.

The climate of Bangladesh is ruled by monsoons, resulting in three seasons: rainy (June to October), cool and dry (November to February), and hot (March to May). The geographic and climatic conditions make the country suitable for the cultivation of a wide range of tropical and semi-tropical agricultural crops such as rice, corn, jute, and tea (Bangladesh Diary, 2000).

There is a strong link between the geographical location, topography and climatic changes. Bangladesh is a country that predominantly consists of flat land, through which some of the mighty rivers flow. During the monsoon season, heavy rain and melted snow from the mountains flow through the country. Thus, flood is almost a yearly occurrence. A devastating flood struck Bangladesh during the time of the researcher's data collection period in the year 2000 (July-September). Some of the bank branches under study were affected by the floodwater, and were temporarily closed down. The researcher was also unable to access other branches because many roads were flooded.

The People of Bangladesh

The country has a population of 131.1 million (2000), with approximately 10 million living in the capital city, Dhaka. In Bangladesh, 944 people live per square kilometre. The growth rate of the population has been estimated to be 1.5 per cent per annum. Out of the total population, about 75 per cent live in rural areas and the remaining

25 per cent are urban dwellers, spread over approximately 500 urban localities. During the period of 1990-95, urbanisation increased at the rate of 9.3 per cent per annum (Statistical YearBook of Bangladesh, 2000).

Although Bangladesh has predominantly a homogeneous population, with the majority of the population known as Bangali, there are other ethnic groups scattered throughout the country. The most significant group (in terms of population) is the Chakma, and there are other ethnic groups located in the hilly parts of Bangladesh, such as the Garo, Monipori, Khasiya, Marma, Lusai, and Saotal (Bangladesh Diary, 2000). Though a small number of other ethnic groups live in Bangladesh, with a few exceptions, these ethnic people are not part of NCBs workforce, therefore the employees of the NCBs are Bangali.

To service the enormous population of 131.1 million, there was a rapid expansion of bank branches after independence in 1971. According to Chowdhury (1999) due to this branch expansion program, population per bank branch declined from 64,000 in 1971 to 51,000 in 1975 and to 25,000 in 1980. It further declined to 24,000 in 1981 but increased to 25,000 in 1982. In 1990 it decreased to 20,000. It remained at that level till 1999. Chowdhury (1999) pointed out that expansion in branches increased banks' deposits and advances, but profit margin was low. In fact, some branches were operating at a loss. Chowdhury (1999) further elaborated that after NCB management adopted the rapid branch expansion policy, the number of branches grew quickly, and with over concentration on lending and weak internal control mechanisms crises developed.

Significant Aspects of the Economy

The World Bank considers the Bangladesh economy as a third world income group economy (Choudhury, 1990). In 2000, per capita income was 370 US dollars, and economic growth rate was 4 percent per annum. Over the years 1973-86, the gross national income (GNP) increased at the rate of 4.7 percent per annum. During the time of 1987-97, the GNP increased at a 5.5 percent rate. In 1998, however, Bangladesh experienced the worst flood in its history and the following year the country was struck by a cyclone. This caused a sharp decrease in the growth rate. The Bangladesh currency was devalued by 8-10 percent (Bangladesh Diary, 2000). Since then, the economy has been slowly recovering.

Although agriculture registered the lowest annual growth of 3 percent during 1995-2000 from among all the sectors, agriculture dominates in the structure of production in terms of the contribution to GDP and its share in total employment was about 58 percent in 2000. Tea, jute, raw leather, and garments are the major contributors to the economic development of Bangladesh (Bangladesh Diary, 2000).

It can be observed from the above discussion that Bangladesh is a third world country. In addition, the country has a low economic growth rate and predominantly an agriculturally based economy.

Social Infrastructure

Some indicators of social development are also presented with economic indicators in order to give a more complete profile of Bangladesh. The literacy rate was 23 percent in 1971 and in 1980 literacy increased to 32 percent. Over the period of 1981 to

2000, the literacy rate had increased to 62 percent. Over the period, 1970-2000, the gross primary school enrolment ratio increased from 40 percent to 83 percent. In the area of health, daily per capita intake of calories was reduced from 2,100 in 1970 to 1,910 in 2000. Access to safe water increased 13 percent to 53 percent during the years 1970-2000; life expectancy at birth was 48 years in 1970 and increased to 62 years in 2000 (Bangladesh Dairy, 2000).

Administratively, the country is divided into six divisions, namely, Dhaka, Chittagong, Rajshahi, Kulna, Sylhet, Barishal, with Dhaka as the capital city. In 2000, there were fourteen public universities and seventeen private universities operating in Bangladesh.

From the above, it may be seen that although the education rate has increased, few people are college educated. In 2000, in the context of higher education, only fourteen public universities were operating in the country to cater for such a large population. Although there are also 17 private universities, the cost is high and out of the reach of the general population. According to Chowdhury (1999), the bank management was unable to find university-qualified employees to work in the bank branches. Thus, many employees of NCBs are high-school graduates or in some cases just grade 10 graduates.

Financial History of Bangladesh

Inadequacy of finance in Bangladesh is reflected in every annual development program mainly supported by foreign aid (Statistical Pocket Book of Bangladesh, 1998). Khan (1973) states “The problem of generating an adequate surplus for a reasonable rate of investment is perhaps the most uncertain of all aspects of the economic future of Bangladesh” (p. 165). However, the past economic history of Bangladesh depicts a

different picture. In the ancient and medieval days, the country's resources attracted traders and invaders from all over the world. The country had trade relations with Europe, Africa, West and Middle Asia, South and South-East Asia. It exported agricultural goods, textiles and products of cottage, salt, and sugar industries mostly in exchange for pure gold. Thus, the historian Farouk (1974) rightly named Bangladesh "Sonar Bangla" or "the land of gold". This glorious past was, however, clouded for nearly two centuries because of the plundering of its resources by colonial governments. This colonial legacy largely contributed to the country's present plight of poverty. As Ahmed (1983) rightly pointed out through the years of a happy marriage between agriculture and manufacture, Bengal was gradually reduced to a raw material producing country – a change promoted by the East India Company for the sake of its colonial manufacturing and commercial interests. Consequently with the advent of the partition of India the country (Bangladesh) was called satirically "the world's largest village slum" by a British bureaucrat (Farouk, 1982).

In 1947, Bangladesh became a part of Pakistan with the aspiration of attaining rapid economic development; but instead Bangladesh experienced unprecedented neo-colonial exploitation for a period of nearly two and half decades (Azharuddin, 1975). In this connection Rahman (1962) states:

The transfer of resources from Bangladesh to West Pakistan has sustained the central government of Pakistan, has augmented its resources, and has enabled West Pakistan to develop at a higher rate than would have been possible otherwise. (p. 157)

It was in this context that Bangladesh separated from Pakistan after nine months of a liberation war, which cost the lives of three million (Abedin, 1990). In 1971, Bangladesh gained its Independence. Notwithstanding, the country was faced with economic

disparities among its population. Within a few years of its independence, Bangladesh became one of the poorest countries of the world (Cole, 1991).

Commercial Banks, the oldest financial institutions of this country, have played an important role in resource mobilisation and building the country's financial structure. Today, however, the performance of the nationalised commercial banks is poor and they are not achieving stated objectives (Abedin, 1990). As the focus of the study is the nationalised commercial banks in Bangladesh, it was important that the role of a banking system in the development of an economy be presented, as well as an overview of the banking sector in Bangladesh.

Role of a Banking System in the Growth of an Economy

Economic growth leads to a general rise in the quality of goods and services in a country, and with the economic development a country's economic structure changes gradually (Dietrich, 1996; Srinivasan, 1977). To maintain a sustained level in the economic growth rate, capital accumulation is one of the necessary conditions (Higgins, 1968; Bursten, 1988). With the development of the economy, the need for developed financial intermediaries and instruments begins to emerge. This process opens up safe channels of savings and investments, which are most vital for promoting economic growth (Ghatak, 1981; Teichova & Hentenryk, 1997). The absence of mediation between savers and investors would certainly result in a lower level of savings and investments at each level of income and hence a lower level of economic growth (Fry, 1988; Koch & Macdonald, 2000; Polakoff, 1970).

Economic growth in developed countries has been significantly associated with the growth of financial intermediaries. Even as early as the 1960s, the role of the financial

intermediaries in the economic growth of a country had a particular prominence in the Gurley and Shaw study (1967). In this study, the writers contended that in economic growth, as per capita income rises, countries generally witness a rate of growth of financial assets that exceeds rate of growth of output or income. It also appears that differences in the level of development of a country are also associated with the development of the banking structure.

Economic history shows that financial development always starts with a banking system. In a country's development, the banking systems' contribution is highest in the initial stage of development compared with the other financial systems (Burton & Lombra, 2000; Goldsmith, 1969). As economic development and financial development proceed in the same direction, the corollary can be made that the economic development of a country and the development of banking are closely interrelated. As early as 1933, Schumpeter regarded the banking system as one of the two main agents (the other being entrepreneurship) in the whole process of development. Keynes (as cited in Sharma, 1985) when addressing the House of Lords about the International Monetary System also emphasised the role of bank services in the process of the economic development of a country.

Gerschenkren (1962) proposes one of the most widely discussed explanations on the role of banking. He stated that the banking system was by no means the only element in the economic development process, but it played a key role at certain stages of the industrialisation process. He further emphasised that the more backward the economy, the greater the part played by the banking system to increase the supply of capital into the economic development. Another prominent author Cameron (1972) pointed out that banking systems are not neutral with respect to economic development. Where they exist,

they do so because there is a demand for their services, and such a demand is usually evidence of a growing economy.

Case studies (Cameron, 1972; Dale, 1986; Green, 1972; Takeuchi, 1970) of some developed countries (Japan, Germany, US and England) also show that the banking system played a useful role in the economic development processes of these countries. Prior to and after World War II, Japan experienced very high growth rates in both industrial production and per capita income. Takeuchi (1970) credited the Japanese banking system with making vital contributions to that growth. Patrick (1972) pointed out that the Japanese banking system not only provided short and long term industrial loans, but also gave importance to customer services. In Europe and the US, performing the job (daily transaction) was considered as service, whereas in Japan, bank management gave a greater emphasis to the quality of services provided to the customers by the bank employees. This quality of services by the bank employees increased the cash flow to the banks from the savers. Patrick (1972) noted that this huge inflow of cash played a significant role in the industrial development of Japan. Quality service was the most distinctive characteristic of the banking system in Japan.

In Germany, banks through their ‘universal banking system’ and their philosophy of serving their clients from cradle to grave helped the country’s economy to move forward (Dale, 1986). According to Cameron (1972) the banks of England showed their reluctance to make long-term investments during the industrial revolution. This was due to the banking legislation of that time. Cameron pointed out that in spite of the legislation, banks did make long-term commitment to industrial enterprises. Consequently, the industrialists founded banks to cater for long-term loans to firms. The English industries grew largely through the reinvestment of profit. In the process of reinvestment, the country’s banks played a vital role. Moreover, there was a rapid proliferation of banks in

the last quarter of the eighteenth century and in the first quarter of the nineteenth century. All this illustrates the significant role English banks played in that country's economic development.

While scrutinising the contribution of banking in the economies of the US, Green (1972) argued that banks made a positive contribution to the country's economic welfare and financial growth and were active contributors to more rapid economic growth. Sylla (1972) also demonstrated conclusively that the US national banking system was consistently biased in favor of the industrial sector of the economy and thus helped rapid economic growth.

The foregoing discussion regarding the significance of the banking system in the development process indicates the importance of commercial banks in serving the purpose of economic development. It can be claimed that the operation of the whole banking system rests on the commercial banks. The essential function of a commercial bank is to act as an intermediary between the savers and borrowers. At the present time, the commercial banks are the principal types of financial institutions that issue demand deposits that are used as the principal means of payment, and as a secondary security. Commercial banks are unique because they can create money by holding and transferring the monetary deposits of the public (Gup, 1976; Koch & Macdonald, 2000).

In recent times, commercial banks have significantly contributed to economic development, not only of developed countries but also of developing countries. The role of commercial banks in the development process of developing countries is more important than in developed countries (Allen & Thomas, 2000). In the developing countries, the capital markets and money markets are yet to be more efficiently and effectively organised. Moreover, in the face of declining foreign capital inflow in the recent decades as the World Development Report 1989 indicates, the developing countries will need to rely primarily

on their domestic resources to finance their investments. Therefore, the commercial banks of the developing countries are obliged to play a role as the major channel of funds to make their economies more productive. In order to perform this crucial role of credit purveyors, the commercial banks in the developing countries are required to mobilise deposits at least at the same rate or at a faster rate than development of credit. This is necessary because of the fact that there is no one-to-one correspondence between credits and deposits in the developing countries (Allen & Thomas, 2000; Khusro & Siddhartan, 1972).

In the context of the developing countries, the pattern of commercial banking has undergone considerable changes in the last three to four decades. First, it was the replacement of the expatriate banks by the national local banks. The commercial banks in the developing countries that became independent after the Second World War were mainly expatriate banks. The most important characteristic of expatriate banking (with their head offices almost always in the respective countries) was the close relationship with, and the general integration with, the banking system of the home country through capital control and interlocking directorship (Basu, 1976; Fry, 1988). The chief line of business for these banks was in providing capital and export finance to expatriate industries. Consequently, there was an undercurrent of feeling among the indigenous industrialists and traders that the foreign banks were unsympathetic to their interests, and always favoured expatriate enterprises, even though local enterprises were credit worthy. Therefore, existing banking systems failed to meet the growing demand for bank credit in the newly independent developing countries. In this context, national governments of the developing countries took charge of expatriate banks or imposed legal controls on the expatriate banks regarding their operations. After their independence, in many of the developing countries such as India, Pakistan, Zambia, Morocco, Tunisia, and Bangladesh national governments started developing their own commercial banking systems in line

with their own needs, either by direct participation or by supporting the institutions (Nwankwo, 1973; Suzuki, 1990).

Second, the pattern of commercial banking of the developing countries has been changing in the functional sphere. In the past commercial banks were used to provide credit only for short-term trade and commerce purposes. These loans used to be risk-free and self-liquidating. Such loans were secured by physical goods in the process of production or in the process of orderly marketing, were repayable out of the price fetched by their sales and were considered to liquidate them automatically. Commercial banks are now focusing on more term lending (i.e. long term loans). These loans are usually given for the purpose of financing capital equipment and machinery. Term loans are essential for industrial development in developing countries (Ghatak, 1981; Teichova & Hentenryk, 1997).

Third, commercial banks in the developing countries are not only providing the traditional repositories of savings and purveyors of credit, but by encouraging the savings of the community and channelling credits into nationally desired directions, they participate effectively in economic development. In order to accelerate the process of development, the commercial banks are now required to function more and more as development institutions (Basu, 1976). In order to participate in the development process, the commercial banks in developing countries have been restructuring and diversifying their functions. The total structure of commercial bank lending in the developing countries in recent years has also been changing in favour of industry at the expense of commerce. The commercial banks in the developing countries are now also moving significantly to finance the agriculture and other primary sectors. In order to achieve social equality, not only in their lending structure, but also in their lending procedures, the commercial banks are required to change. For example, bankers have been encouraged to help disadvantaged

groups of people and small customers. The bank employees are also being encouraged to devote more attention to the purpose of generating capital and to make best use of this capital (Choudhury, 1990; Jha, 1970).

As the role of commercial banks becomes more accepted in the economic development and social equality of developing countries, the question of ownership of commercial banks by the government is quite relevant (Abedin, 1990; Agarwal, 1981; Choudhury, 1990). Individual private owners of the commercial banks are not expected to give importance to social considerations. A problematic issue is that social interest has no universal meaning for all countries. It differs from country to country depending on socio-economic conditions. However, to serve the social interest and to play a rightful role in the economic development process, commercial banks as well as the whole banking system have been nationalised in a number of developed and developing countries. It is assumed that the nationalisation process helps in the conscious adoption and reorientation of the banking and financial system to various new needs of the development of the countries. The role and performance of the banks in an economy should be judged in the context of the objectives of development and the socio-economic conditions prevailing in that country (Abedin, 1990; Choudhury, 1990; Catto, 1974).

In the case of developing countries, the performance of a commercial bank should not be judged on profitability alone. Rather performance should be also judged on how much the banks are achieving the socio-economic objectives of the country. When the commercial banks (in particular nationalised commercial banks) are committed to achieving national goals, the question of conventional profitability cannot be given primary importance (Abedin, 1990; Srinivasan, 1977).

To this date, no in-depth empirical study of factors such as managers' supervision, mismanagement, and training and development can be found in commercial banking in

Bangladesh. A few studies (Alam & Jahan, 1999; Bakar, Moral, & Chowdhury, 1997; Huda, 1997) focused on employees' training and development, and employees' perceptions of managers' use of power in regard to employees. The exceptions are articles mostly referring to some subjective statements and comments with descriptive bank related data. After independence, the Bangladesh government formed a number of committees to study bank performances, in particular to investigate the poor performance of nationalised commercial banks in Bangladesh. These committees have submitted their reports to the government; but as yet they are unpublished. Only the recommendations of the committees have been announced.

A number of similar types of studies set in other Asian countries and some Western countries which relate to the research problem will be presented in the literature review. The researcher hopes that the methodologies and findings of these studies will be quite indicative and serve as a direction for Bangladesh.

The Development of the Banking Sector in Bangladesh

Bangladesh's banking system is comprised of four distinct categories of institutions. They are Central Bank, (known as the Bangladesh Bank), Commercial Banks, Development Banks and Specialised Financial Institutions. Prior to independence in 1971, the total banking system was privately owned, urban based, and profit oriented. After independence, the government nationalised all the banks except for the branches of foreign banks operating within the country. According to Choudhury (1990), there were three reasons behind this nationalisation policy.

The government thought that nationalisation of the banks would stop the flood of capital to a select group of people. This would also allow the government to monitor and control the

upper class (at the time of independence only a small number of families were controlling a large part of the economy). Nationalisation would make the banking sector more efficient and as a result social welfare could be maximised. According to the government, there was a lack of entrepreneurial skills in the private sector for the proper management of the banks.

At the time of independence in 1971, there were as many as 12 Pakistani commercial banks functioning in what is now Bangladesh. These banks had their head offices in Pakistan, except for Eastern Mercantile Bank and Eastern Banking Corporation, which had headquarters in Dhaka. Immediately after independence, the Bangladesh Government decided to amalgamate and nationalise these 12 commercial banks as well as two local banks into six nationalised banks (Khan, 1982). In early 1973, the government decided that the NCBs should play a significant role in rural development, particularly in the agricultural field. As a matter of policy, in the late 1970s and early 1980s, to handle the Special Agriculture Credit Program (SACP) of Taka 100 crores (approximately 1.8 million US dollar), large-scale expansion of NCBs mostly in the rural areas took place. In 1972-73, the number of NCB branches was 1,116 and the total of those employed was 16,277. By the year 1983-84 the number of NCB branches increased to 3,934 and employees to 57,868 (Sohrabuddin, Saha, & Choudhury, 1985).

After nationalisation, the NCBs focused on becoming more rural based development financial institutions rather than being urban-based institutions. Besides performing their traditional functions, the NCBs were also required to participate in the development of financial activities such as providing loans to the agriculture sector and non-farm activities, expanding branches in rural areas without banks and widening their range of services.

The NCBs dominate almost 50% of the economy of the country's banking assets, 70% of the deposits, and 71% of total advances. They have between them some 3,500 branches and 60,000 employees (Bank Statistics, 1999). In their quest for expansion of business, the NCBs paid scant attention to operational efficiency, quality of staff and quality of service. There was a large-scale recruitment of officers and employees for the opening of these new branches. Sometimes employees with limited or no training were placed in branches (LaPort, 1993). After the nationalisation of the banks in 1972, it was expected that the banks would play their due role in social and economic development of the country, contrary to the picture that was forming. The quality of customer service went down, especially in the urban areas, along with bank profit, while some of the rural branches of NCBs were operating at a loss (Sohrabuddin, Saha, & Choudhury, 1985).

The performance of the NCBs was not only affected by poor quality of services and losses, but also by the politicisation of the operations. The government took major decisions regarding banking operations such as selection of senior management, branch expansion, selection of borrowers, setting interest rates, directed credit, interest subsidies, and the loan forgiveness program. Politically powerful employee unions exerted increasing influence over personnel, as well as administrative and operational decisions of banks. At the same time, manager and employee relationships began to deteriorate. As a result, managers increasingly failed to implement decisions in the NCBs (LaPort, 1993; Chowdhury, 1990). Along with this was the failure of the NCB managers to recognise and fulfil the crucial organisational objectives in areas of customer service, social service, and retaining financial efficiency. Furthermore, banks functioned largely as government departments, not subject to the rigors of market discipline. These factors led to sharp regression in operational efficiency and quality of service for the NCBs. As the years passed, these NCBs became more of a financial liability to the nation (Chowdhury, 1990).

In 1982, to improve the performance of NCBs, the Bangladesh Government decided that some of the NCBs would be gradually denationalised and new commercial banks would be allowed to operate in the private sector. This decision was taken in the hope of achieving two objectives, that is, to improve the quality of customer services and to improve the profitability situation of NCBs in a competitive market environment. After this decision, in December 1986, two out of the six NCBs were decentralised and six new private commercial banks were allowed to operate in the banking sector of Bangladesh. After denationalisation, the government was left with only four NCBs: Sonali Bank, Janata Bank, Agrani Bank, and Rupali Bank. In 1993, the government sold 49% of the share of Rupali Bank to the public.

Thus, Bangladesh was left with only three state owned banks and one which was only partly state owned. In Bangladesh at present, twenty-three private banks, four Islamic banks, five specialised banks, and thirteen foreign private banks are operating (Bank Statistics 1999). Table 2.1 shows the listing of the commercial banks that are operating in Bangladesh.

Unlike the private sector commercial banks, the NCBs are not exclusively driven by profit motivation (Choudhury, 1990; Huq, 1991). NCBs being in the public sector have a large degree of economic obligation; that is, helping those sectors of the economy which have social priorities. Since NCBs usually operate and maintain their commercial footing in such sectors, they provide low profit and lead to high-risk exposure (Huq, 1991). The realisation of this organisational goal, involving a balanced mix of customer service and social service while retaining financial viability, is no easy task.

Table 2.1

List of the Commercial Banks Operating in Bangladesh

No	Nationalised Commercial Bank	No	Local Private Bank	No	Foreign Private Bank	No	Islamic Bank
1	Agrani Bank	1	Arab Bangladesh Bank Ltd.	1	AMEX Ltd.	1	Islami Bank Bangladesh Ltd.
2	Janata Bank	2	National Bank Ltd.	2	ANZ Grindlays Bank PLC	2	Al-Baraka Bank Bangladesh Ltd.
3	Rupali Bank	3	The City Bank Ltd.	3	Standard Chartered Bank Ltd.	3	Al-Arafah Islami Bank Ltd.
4	Sonali Bank	4	International Finance Investment and Commerce Bank Ltd.	4	State Bank of India	4	Social Investment Bank Ltd.
		5	United Commercial Bank Ltd.	5	Habib Bank Ltd.		
		6	Pubali Bank Ltd.	6	Citi Bank NA		
		7	Uttara Bank Ltd.	7	Credit Agricole Indosuez		
		8	Eastern Bank Ltd.	8	National Bank of Pakistan		
		9	National Credit and Commerce Bank Ltd.	9	Muslim Commercial Bank Ltd.		
		10	Prime Bank Ltd.	10	The Bank of Nova Scotia		
		11	South East Bank Ltd.	11	Hanvit Bank		
		12	Dhaka Bank Ltd.	12	HSBC Ltd.		
		13	Dutch Bangla Bank Ltd.	13	Faysal Islamic Bank of Bahrain		
		14	Mercantile Bank Ltd.				
		15	Standard Bank Ltd.				
		16	One Bank Ltd.				
		17	EXIM Bank Ltd.				
		18	Bangladesh Commerce Bank Ltd.				
		19	Mutual Trust Bank Ltd.				
		20	Premier Bank Ltd.				
		21	The First Security Bank Ltd.				
		22	Asia Bank Ltd.				
		23	The Trust Bank Ltd.				

Source: Bank Statistics 1999

It is, therefore, essential that managers of NCBs have a clear understanding of the stated organisational objectives of the banks with a view to providing supervision of their employees to motivate and prevail upon them to perform their jobs.

The performance of any organisation, whether it is a commercial bank or not, should be evaluated on the basis of its predetermined goals and objectives (Abedin, 1990; Choudhury, 1990; Joshi, 1987). Profit maximisation was never a major objective of the NCBs. The main objective was to play a significant role in the country's socio-economic development. An in-depth study should, therefore, be undertaken to evaluate the performance of NCBs in regard to their predetermined objectives. To understand the poor performance of the NCBs and the extent to which banks achieve their objectives, studies by researchers such as Alam and Jahan (1999), Chowdhury (1999) and Islam (1997) have been undertaken in relation to branch expansion, deposit mobilisation, deployment of credit, balanced regional development, employees' training and development.

Further to this point, Huda (1997) also noted that after nationalisation, the banks in Bangladesh were faced not only with non-liquidity, insolvency, fluctuation in interest and exchange rates, but also mismanagement and poor supervision. In the case of NCBs, financial problems have always been identified as a major cause of widespread bank crises. Managers' lack of experience in supervision, handling employees, and in dealing with organisational problems, however, shows that mismanagement also plays a major role in banks' insolvency. Poor bank supervision, and political interference in the areas of lending and recovery are also contributing factors to insolvency. Huda (1997) further elaborated that one of the main causes of NCB crises is frequently technical mismanagement. For example, after nationalisation the number of branches grew quickly, and with over-concentration on lending and weak internal control mechanisms crises developed. Even more pertinent, it is clear that the managers' lack of control over the employees was one of

the most frequent causes of this weak internal mechanism. When an erosion of profits and capital results from these management errors, the next stage is cosmetic management. According to Huda (1997), cosmetic management consists of hiding the past and current losses to buy time and remain in control, while looking and waiting for solutions. Once the cosmetic management fails, the management then looks for desperate management, which refers to a situation when losses are too large to be concealed by accounting gimmicks. The most common desperate strategies include lending to risky projects at higher rates, speculation, and paying above market rates for deposits. There have been cases where this mismanagement gave rise to fraud.

Following the nationalisation of the banks in Bangladesh, it was necessary to assess managers' relationship with their employees. Without the managers' control over employees, NCBs cannot participate in financial growth in an active way (Chowdhury, 1990). Moreover, managers' use of power needs to be examined in relation to employees' organisational commitment and job satisfaction within the organisation. In Western organisational literature, substantial studies on organisations have been published focusing on managers' use of power, employees' organisational commitment, and job satisfaction (Brass & Burkhardt, 1993; Carson, Carson, Roe, Birkenmeier, & Phillips, 1999; Carlson, 2000; Rahim, Antonioni, & Psenicka, 2001; Rahim & Manger, 1996; Rahim & Afza, 1993). Researchers in this field have argued that there is a relationship between managers' use of power and employees' organisational commitment and job satisfaction levels.

Summary

The previous sections which presented a profile of Bangladesh, the role of a banking system in the growth of an economy, and the development of the banking sector in Bangladesh provided a necessary background to the present research. From this, the researcher gained insights which helped to direct the focus for the review of literature. In the next chapter, it is argued that an understanding of the nature of power, organisational commitment, job satisfaction and procedural justice is necessary in order to study managers' use of power in the NCBs in Bangladesh.

CHAPTER 3

REVIEW OF THE RELATED LITERATURE

In the previous chapter a description and analysis of the context of the Nationalised Commercial Banks of Bangladesh served to give greater clarity to the focus of the research problem, that is, the relationship between managers' use of power and employees' organisational commitment and job satisfaction in NCBs in Bangladesh, and the extent to which procedural justice has an impact on employees' organisational outcomes. The study will also investigate whether significant differences exist between managers' use of power, procedural justice, organisational commitment, and job satisfaction by types of bank, gender, age and education in NCBs in Bangladesh.

The objective of this chapter is to review the existing literature on managers' use of power in relation to employees' organisational outcomes. The discussion begins with the concept of power, an outline of French and Raven's power framework, a view of managers' use of power in relation to organisational outcomes, and a presentation of the issues of measurement of bases of power. This leads to an exploration of the literature on organisational commitment, job satisfaction, and procedural justice.

There is a wide range of study on power particularly in relation to organisational outcomes. Much of the extended applied research on supervisors' use of power has employed French and Raven's power framework (1959) - a five-category classification scheme, to investigate relationships with subordinates' outcomes (Carson, Carson, & Roe, 1993; Cobb, 1980; Rahim, 1989; Rahim, Antonioni, & Psenicka, 2001). In this research, French and Raven's framework (1959) is used in relation to employees' outcomes (particularly focusing on employees' organisational commitment and job satisfaction) in

case of NCBs in Bangladesh. The research problem directed the researcher initially to the literature on the meaning of power, organisational commitment, and job satisfaction.

The Concept of Power

According to a number of writers (Pfeffer, 1992; Rahim, 1981; Rahim, Antonioni, & Psenicka, 2001) power is one of the major areas of study in management. Management scholars are particularly interested in supervisory power because it is associated with a number of important outcomes, such as organisational commitment and job satisfaction for the organisational members (Rahim, 1989). The following discussion summarises relevant literature on the notion of power including definitions of power, as well as French and Raven's framework (1959) to study power, and managers' use of power in relation to employees' organisational outcomes.

Definitions of Power

The concept of power can be traced to the 1950s when Dahl (1957) argued that power is the ability to overcome resistance in achieving a desired result. Bass (1960), Pfeffer (1981), Yukl and Falbe (1991) have defined power in a similar context to Dahl. Earlier, Kelman (1958) and French and Raven (1959) asserted that power needed to be considered in the context of influence. Each of these writers argued that the power holder would use power to influence the dependent. Etzioni (1961) supported the findings of Kelman, as well as those of French and Raven's study but broadened the definition by stating that it was the actor's ability to induce or influence another actor to carry out his direction.

Rahim (1989) elaborated on desired results, and proposed that power is the ability of one party to change or control the behaviour, attitudes, opinions, objectives, needs, and values of another party. In 1993, Brass and Burkhardt focused on the word “ability” from the definition of Bass (1960), Etzioni (1961), Pfeffer (1981), Rahim (1989), Yukl and Falbe (1991). Brass and Burkhardt (1993) argued that power depends on the person’s ability to use it and that ability depends on personal attributes and strategies of the power holder.

Numerous studies on power particularly in relation to organisational outcomes have been carried out employing French and Raven’s power framework (Carson, Carson, & Roe, 1993; Cobb, 1980; Rahim, 1989; Rahim, Antonioni, & Psenicka, 2001). In this research, French and Raven’s framework is used in relation to employees’ outcomes and particularly focuses on employees’ organisational commitment and job satisfaction.

Power Framework of French and Raven (1959)

French and Raven’s power framework (1959) appears to be the most frequently represented and popular in application (Cobb, 1980; Rahim, 1989; Rahim, Antonioni, & Psenicka, 2001). They define power as the ability of one party to influence the attitudes and/or behaviour of another. The types of power which French and Raven named as bases of power are as follows:

1. Coercive power is based on subordinates’ perceptions that a superior has the ability to punish them if they fail to conform to his or her influence attempt.
2. Reward power is based on the perception of subordinates that a superior can reward them for desired behaviour.

3. Legitimate power is based on the belief of subordinates that a superior has the right to prescribe and control their behaviour.
4. Expert power is based on subordinates' belief that a superior has job experience and special knowledge or expertise in a given area.
5. Referent power is based on subordinates' desires to identify with a superior because of their admiration or personal liking of the superior.

In the next section, the study will discuss the literature on managers' use of power in the context of the above framework, and the relationship to employees' organisational outcomes will focus in particular on organisational commitment and job satisfaction.

Managers' Use of Power in Relation to Employees' Organisational Outcomes

Research has supported the belief that there is a significant relationship between managers' use of power and employees' organisational outcomes; that is, change in one seems to change the other (Brass & Burkhardt, 1993; Carson et al., 1999; Carlson, Carlson, & Wadsworth, 2000; Rahim & Manger, 1996; Rahim & Afza, 1993; Rahim, Antonioni, & Psenicka, 2001). Yet, little investigation has been carried out on the relationship of managers' use of power in relation to employees' outcomes in organisations (Lusch, 1976; Ward, 2001). Among the earlier researchers Burke and Wilcox (1971), and Slocum (1970) conducted studies using French and Raven's power base in relation to subordinates' outcomes. Their research investigated the relationship between supervisors' power bases: (i) satisfaction with supervisors' supervision and (ii) subordinates' satisfaction with their jobs. The results of these studies show that there is a positive relationship between expert and referent power, and job satisfaction and supervision whereas coercive power is

negatively related. They also found that legitimate power and expert power were not significantly related to employees' job satisfaction.

Another perspective on the relationship between French and Raven's power bases and subordinates' job satisfaction was examined by Busch (1980) and Dunne, Stahl, and Melhart (1978). Their results showed that referent, legitimate, and expert power have a positive relationship with job satisfaction. Coercive power is negatively related, but reward power is negative and not-significantly related to job satisfaction. The findings of studies by Burke and Wilcox (1971), and Slocum (1970) are very similar to findings by Busch (1980), and by Dunne, Stahl, and Melhart's (1978). Their findings, however, showed that legitimate power was not significant. On the other hand, a study by Martin and Hunt (1980) showed that reward power is positively related with job satisfaction but that the relationship is not significant. Coercive power is negatively related as in the earlier studies. Referent, expert, and legitimate powers are all positively related in a significant way.

Greene and Podsakoff (1981) conducted a study to analyse supervisors' power bases using a modified form of French and Raven's power framework (1959). Unlike the earlier studies that concentrated on relationships between power base and outcome (Burke & Wilcox, 1971; Slocum, 1970; Busch 1980; Dunne, Stahl, & Melhart, 1978; Martin & Hunt, 1980), Greene and Podsakoff (1981) investigated the relationship between supervisors' use of power and subordinates' perception of the use of this power. If supervisors' reward power is not present, subordinates' perceive supervisors' use of power as limited. Greene and Podsakoff (1981) added a sixth dimension called 'upward influence' to the power framework. This dimension is defined as the supervisors' ability to influence upper management in obtaining benefits for the subordinates. House (1971) and House, Filley, and Gujarati (1971) showed that upward influence has a relationship with employees'

perception of supervisors' power bases. Greene and Podsakoff took this concept from studies by House (1971), and House, Filley, and Gujarati (1971), and added to French and Raven's power base framework to investigate their study. Their results showed that removal of the supervisors' reward power increased subordinates' perception of supervisors' use of coercive power. Removal of reward power decreased, in a significant way, both referent and legitimate power of supervisors, but the supervisors' expert power remained unaffected by the removal of reward power. With withdrawal of supervisors' reward power, subordinates perceived their supervisor to have less upward influence on management. A subsequent investigation by Hinkin and Schriesheim (1990) found empirical data to support the Greene and Podsakoff (1981) study.

Rahim and Buntzman (1989) used French and Raven's framework to examine how supervisors' power bases are related to subordinates' conflict handling, compliance, and job satisfaction. The Greene and Podsakoff (1981) study concentrated on subordinates' perception of supervisors' use of power only. Rahim and Buntzman (1989) furthered their study by adding three factors, that is, subordinates' conflict handling, compliance, and satisfaction. Data were taken from 301 American business administration students who had one-year work experience with their present supervisors. The results suggested that supervisors' coercive power is not positively related to subordinates' conflict handling, compliance, and satisfaction. On the other hand, it appears that referent power, and to some extent, expert, reward and legitimate power bases were effective in influencing the endogenous variables. This understanding was based on study results of Rahim and Buntzman (1989); they argued that supervisors should not depend on coercive power to attain individual or organisational outcomes. In addition, they stated that though reward power was associated with conflict handling, it had an impact on individual outcomes, such as compliance and satisfaction. However, legitimate, expert and referent power bases were

all associated with conflict handling and individual outcomes. Therefore, to achieve these outcomes, Rahim and Buntzman suggested that supervisors should focus on these three bases of power.

Previous researchers used French and Raven's framework to study subordinates' outcomes in relation to supervisors' particular power bases (Bachman, Bowers, & Marcus, 1968; Bachman, Smith, & Slensinger, 1966; Ivancevch & Donnelly, 1970). Rahim (1989) argued that to study supervisors' power bases it is necessary to consider supervisors' behaviour or personal attributes for the effectiveness of use of power. Warren (1968) conducted a study in which he found that supervisors' power bases have a relationship with supervisors' behaviour and attitudes. He also found that while using power supervisors' behavioural cues could increase the effectiveness of the use of power. In 1989, Rahim placed a different focus on supervisors' behavioural attributes to study power in relation to subordinates' outcomes, which he drew from Warren's 1968 study. The study results show that the relationship between coercive power and subordinates' compliance and satisfaction levels is not significant. When supervisors' behavioural cues enhanced reward and referent power effectiveness; the result was increased subordinates' satisfaction and compliance levels. Rahim's (1989) study also found that the relationship between supervisors' legitimate power and subordinates' satisfaction and compliance was negative. The negative relationship between legitimate power and subordinates' compliance was consistent with the study by Dunne et al. (1978). To investigate the above stated relationship Rahim has also taken into account the demographic variables (age and education level) of the respondents. Study results postulated that employees' age has no significant impact on the relationship between supervisors' behavioural attributes and organisational outcomes, whereas the employees' educational level indicated that it was positively associated with the above stated relationship. Rahim (1989), however, argued

that supervisors could be more effective through their personal attributes in increasing their subordinates' compliance and satisfaction; and could also enhance power bases, such as expert and referent power.

A study by Carson, Carson, and Roe (1993) was based on 16 previous studies on power bases. Through a meta-analytic examination, they investigated the relationship between supervisors' power bases and subordinates' outcomes. Hunter et al. (1982) defined meta-analysis as a quantitative technique to aggregate the results of empirical studies. This technique allows for empirical rather than subjective or judgmental interpretation of the data. Their sample size was $N=2,666$. Individuals comprising the selected samples were employed in a diversity of organisations and positions representing salespersons, medical technicians, and factory employees. Carson, Carson, and Roe (1993) looked into three types of subordinate outcomes: job satisfaction, performance, and satisfaction with the way in which they were supervised. The study results show that supervisors' expert power and referent power have a strong positive correlation with subordinates' satisfaction with their supervision as well as with their job satisfaction. This result is similar to findings from Rahim's study (1989). Coercive and legitimate power is negatively related to satisfaction with supervision; in the case of legitimate power there was a positive but not significant relationship with job satisfaction. In the case of subordinates' performance, except for coercive power, the other four power bases were positively related. Carson, Carson, and Roe (1993) concluded that out of all the power bases supervisors' referent power is strongly related to satisfaction, and expert power positively influences all the outcomes.

Yet another study (Rahim and Afza, 1993) measured managers' use of power based on the French and Raven framework. This study found a significant relationship between managers' use of power and employees' job satisfaction, organisational commitment,

compliance, and propensity to leave a job. To study this relationship, the researchers also included age, education level, and experience of the respondents as extraneous variables. Results show that age, education level, and work experience have a relationship with managers' use of power and employees' job satisfaction, organisational commitment, compliance, and propensity to leave a job. Although the majority of research in this area has been conducted in the United States, Rahim and Afza (1993) expressed their concern that experimental studies on managers' use of power and employees' organisational outcomes are needed not only in the U.S. but also in other countries.

In 1996, Rahim and Magner carried out a comparative study of managers' use of power using French and Raven power framework in the United States, Bangladesh, and South Korea. The primary objective of this study was to test the measurement sub-scale of the managers' power and to investigate how in different cultures, subordinates evaluate supervisors' power bases. Demographic variables, such as age, work experience, organisational level (management and non-management levels), and educational level (no high school degree, high school degree, undergraduate degree, graduate degree) were used to investigate their associations with the power bases in the different cultures.

In sample 1, data were collected from 308 accountants and finance professionals working in the U.S. In sample 2, data were collected from 578 employees working in different companies in U.S. In sample 3, data were collected from 558 BBA and MBA students who had full-time work experience. In sample 4, data were collected from 728 employees working in different companies in South Korea. In sample 5, data were collected from 250 bank employees in Bangladesh. The study results show that supervisors' power profile differs across the three national cultures represented in the study. For each power base, except for referent power, there were significant differences in the level of supervisors' power. The level of referent power was not significantly

different between the U.S. and Bangladesh, although each of these national cultures had a significantly different level of referent power from that of South Korea. For four of the power bases – coercive, reward, legitimate, and referent – the U.S. had the highest level of supervisory power, while Bangladesh had the highest level of expert power. South Korea had the lowest of supervisory power for each of the power bases. There appears to be a particularly striking difference with respect to the importance of coercive power and expert power. Coercive power was the second highest supervisory power base in the U.S., whereas it was the lowest ranked supervisory power in both Bangladesh and South Korea. As a supervisory power base, expert power was ranked the first in Bangladesh and second in South Korea, while it was the lowest ranked power base in the U.S. The study results also suggest that expatriate managers from the U. S. and other individualistic cultures who are assigned to work in collective cultures need to acquire more education, training, and job experience to enhance their expert power bases. On the other hand, coercive power, which they may have used extensively in dealing with subordinates in their own cultures, is likely to be ineffective as a basis for leading employees in their new work setting. Rahim and Magner (1996) noted that the supervisors' five power bases as represented in the sub-scale are not only applicable to the U.S., where the scale was developed, but also to the other countries.

Abdalla (1987) conducted a study on effectiveness of supervisors' power in mid-level management from Arab personnel in a wide variety of organisations in the state of Kuwait. To study the supervisors' power, the researcher also investigated respondents' level of expertise, work experience, and education as other attributes influencing employees' perception of supervisors' power. The study results show that supervisors' expert power plays an important role in determining subordinates' acceptability to the influence. Supervisors' coercive power is more effective in influencing the lower level

subordinates compared to higher rank subordinates. The findings reveal that supervisors' application of coercive power is attributed to subordinates' level of education and work experience. In addition, supervisors take into consideration their own level of expertise and that of their subordinates before applying the coercive power. In particular, educated employees who are from elite social groups are likely to feel that they are very important and consider themselves above the system. As a result, they are very difficult to influence not only through position power but also through expert power.

In Japan, Imai (1989) carried out a study with students who had one-year job experience with their supervisors. He investigated employees' perception of the relationship between supervisors' use of power and employees' perception of being influenced. A sample of 53 students from Tokyo Women's Christian University and 42 students from Tama Art University were selected. It was revealed that the perception of the coercive power as well as legitimate power directly affected the perception of being influenced. Referent, reward, and expert power also effected indirectly the perception of employees. Study results also suggest that gender has no effect on the perceptions of managers' use of power. While social position has an effect on employees' perceptions of managers' use of power, employees who came from a higher social class were less influenced by managers' use of power.

In a study on Indian nationalised banks, Sinha and Singh-Sengupta (1991), found quite different results when the managers' power is restricted and where subordinates are able to resist influence. While managers did indeed use their stronger bases of power, such as coercive power, they tended to supplement it with ingratiation, followed by personal reward and personal coercion. Subordinates became resigned to their own lack of power and resorted instead to such strategies as legitimate power of dependence, reciprocity, and praise.

Huq (1991) in his review on commercial banks in Bangladesh examined managers' use of power in relation to subordinates' perception found that all the power bases are positively related. This result is similar to that of Rahim and Magner (1996). Both the studies found coercive power and expert power to be higher in the power base; but the Rahim and Magner (1996) scores were even higher when compared to those of Huq.

Findings of the Mossholder, Bennett, Kemery, and Wesolowski study (1998) support the findings of Rahim and Afza (1993). Mossholder et al. (1998) revealed in their research that managers' use of power has a positive relationship with employees' organisational commitment and job satisfaction. In 1999 Carson, Carson, Roe, Birkemeier, and Phillips took the Mossholder et al. (1998) study a step further when finding that managers' use of power has a significant relationship with employees' commitment in relation to empowerment, service recovery and work attitudes.

Power and conflict are certainly two of the major areas of study in organisational behaviour and management (Rahim, Antonioni, & Psenicka, 2001). Rahim et al. restate that managers' use of French and Raven's bases of supervisory power (reward, coercive, legitimate, expert and referent) and styles of handling conflict with employees (problem solving and bargaining) will affect employees' organisational outcomes. Unfortunately, little has been done to investigate the relationship between the two constructs and their effects on criterion variables, such as organisational commitment, job satisfaction, and job performance. The published literature on managers' power and employees' outcomes, while extensive, suffers from four deficiencies. First, the literature has devoted inadequate attention to the interrelationships among power bases. Despite Raven's call (1993) for studying how certain power bases influence the existence and use of the remaining power bases, there has been little systematic attempt to investigate this process. Second, little or no attention has been devoted to investigating whether power bases have direct as well as

mediated effects through conflict-management styles on other variables such as organisational commitment, job satisfaction, and job performance. Third, the measures used in the early research on power bases had weak psychometric properties, and data were collected mainly from the same subjects. Fourth, the most popular method of data analysis used in the published studies was correlations between variables. This type of analysis did not address the intercorrelations among power bases.

In 2001, Rahim et al. attempted to bridge these gaps by taking a more functional approach to provide alternative explanations of the relationships among correlated variables. The analysis of data indicates that legitimate power influences referent power positively and coercive power negatively, and that reward power and legitimate power positively influences expert power, which in turn, positively influences referent power. Referent power also positively influences problem solving and negatively influences conflict-management styles, and finally, problem solving style, but not bargaining style, positively influences employees' organisational outcomes.

In essence, the literature on managers' use of power in relation to employees and their organisational outcomes is composed of many fine individual studies, which illuminate the complexity of the topic. The preceding discussion demonstrates that the empirical findings indicate a relationship between managers' use of power in relation to employees' organisational commitment and job satisfaction. Other variables such as gender, age, and education level also influence employees' perception of managers' use of power. This research will use French and Raven's power framework (1959) to find the relationship between managers' use of power in relation to employees' organisational commitment and job satisfaction in NCBs in Bangladesh, where such a relationship has not yet been investigated.

In the next section, the literature related to measures of power bases is studied in an effort to find an appropriate measure for power bases of managers in NCBs in Bangladesh.

Measurement of Power Bases

Measurement of supervisors' power bases is one of the most challenging topics in the study of organisational power (Rahim, 1986; Schriesheim, Hinkin, & Podsakoff, 1991; Ward, 2001). Bachman, Smith, and Slesinger (1966), Student (1968) and Thamhain and Gemmill (1974) were the primary researchers on measures with French and Raven's (1959) five power bases. Bachman et al. (1966), Student (1968), and Thamhain and Gemmill (1974) used a ranking procedure to assess the supervisors' bases of power. In this procedure, respondents were asked to rank the reasons for compliance with the requests of their supervisors. Podsakoff and Schriesheim (1985) argued that ranking procedure produces rank order measures that are not independent of each other. Another aspect of ranking procedure is that any single base of power can be given prominence at the expense of the other bases. According to Podsakoff and Schriesheim (1985), ranking procedures tend to force negative empirical relations among the power bases, and this precludes a straight-forward interpretation of results. Bachman et al. (1966) urged caution in the use of rank order measure:

Some caution must be exercised in interpreting correlations with the bases of power. The ranking method used in obtaining the data makes it impossible for all five bases of power to be co-related in the same direction with any single criterion variable. Thus, it may be that positive correlations with expert and referent power are responsible for negative correlations with other bases of power (Bachman et al., 1966, p. 133).

Alderfer (1972) and Beer (1966) also provided similar cautions about the use of rank order scales. Podsakoff and Schrieshem (1985) stated that the studies that used a ranking procedure should be interpreted with considerable caution. Rahim (1986) also pointed out that Bachman et al. (1966), Student (1968), and Thamhain and Gemmill (1974) used single items to measure supervisors' power bases, and these single items are generally less reliable than multi-item instruments.

Instead of using questionnaires to obtain information from subordinates on supervisors' power bases, Bussom, Larson, and Vicars (1982), Davis and Luthans (1979), Schrieshem (1981a, 1981b), and Yukl (1983) used an observational measurement procedure to study power bases. The basic focus of these studies was: (a) the direct observation of supervisors in their natural work environment and (b) the recording of the supervisors' behaviours, either through empirically derived categories or a narrative description of the behaviours observed.

According to Podsakoff and Schrieshem (1985) observational measures allow researchers to observe behaviours that might not otherwise be picked up in the questionnaires generally used to assess supervisors' power base. Thus, the data obtained from such studies are often richer and more isomorphic about the phenomenon under investigation. Luthans and Lockwood (1984) also stated that greater validity would be obtained with observational procedures than with more traditional paper-and-pencil questionnaires. They also mentioned that the lag time between the observation of behaviour and its actual recording is shorter than that which occurs in questionnaires. Thus, observational procedures may be less susceptible to selective recall and halo biases than are self-report measures.

Bussom et al. (1982), and Martinko and Fadil (1994) argued that researchers failed to develop an observational method with an appropriate research design. Second, most

observational studies utilised structured observation, at least to some degree. Either a predetermined categorisation scheme was used by the observer to classify events or activities on the spot, or the scheme evolved as observation occurred. While structured observation is relatively easy to carry out, it allows for the recording of very little information about the phenomenon being studied, and much is lost. Third, unstructured observation research in the natural setting is very expensive, time consuming, frustrating, and exceedingly difficult, requiring a team of scientists to do well.

In 1988, Rahim developed a multi-item instrument, the Rahim Leader Power Inventory (RLPI), containing factorially independent subscales for measuring the five bases of supervisory power. To avoid response bias, the items of the questionnaire were randomised. Also, some of the items were phrased positively and others negatively to overcome the problems of acquiescence. When Hess and Wagner (1999) conducted a study to test the construct validity of scores based on the five-factor structure of the RLPI, they found the results of their study were very similar to those of Rahim's study.

Hinkin and Schriesheim (1989) argued that one of the major shortcomings of the measures used by Bachman, Smith, and Slesinger (1966), Student (1968) and Thamhain and Gemmill's (1974) were that they were not consistent with theoretical definitions of the various power bases; and that researchers used single item ranking scales as opposed to Likert-type measures. According to Hinkin and Schriesheim (1989), their new scale is conceptually consistent with French and Raven's (1959) theoretical definitions of the various power bases. Their developed scale describes behaviours, rather than traits or characteristics. This newly developed scale instead of using single-item rankings that were used in prior research used the Likert scale to assess French and Raven's original five power bases.

Schriesheim, Hinkin, and Podsakoff (1991) conducted a study on the effectiveness of the single item ranking and the Likert scale to measure French and Raven's (1959) bases of power. The study results show that using single item ranking produced distorted research results, particularly for reward, coercive and legitimate power. Findings by Schriesheim, Hinkin, and Podsakoff (1991) also showed that single rating scales produced increased measurement error. These findings are similar to those of the 1985 Podsakoff and Schriesheim study. Schriesheim, Hinkin, and Podsakoff (1991) also found that results yielded similar patterns for the single item scale and the multi item Likert scale for coercive, referent, and expert power. However, results for reward and legitimate power differed from each other. Schriesheim, Hinkin, and Podsakoff (1991) argued that multi-item Likert scales produced better results and that investigators into power bases should use this scale.

Selecting an Appropriate Measurement Approach for the Study

In reviewing the various approaches to the measurement of French and Raven's (1959) power framework, it can be found that there are number of ways researchers have measured and evaluated the power bases – single item ranking, observation and multi-item Likert scale. Though there are a number of methods available to measure the power base the use of one method over another is dependent on the theoretical perspective of the researcher.

The most promising technique for measuring, evaluating and assessing power bases seems to lie in the development of psychometrically sound power base measures. Yet, researchers must have confidence in the validity and reliability of instruments purportedly measuring the power base. In addition, power base measuring instruments must be able to

pass any professional scrutiny in order that proper and relevant comparisons can be made between studies.

Raven (1993) has expressed satisfaction that the present development of French and Raven's (1959) power base measuring techniques has come a long way over the last three decades. According to Raven (1993):

Podsakoff and Schriesheim (1985) carried out a very thorough review of field studies' in organizational settings that utilized the French and Raven (1959) framework and its measuring techniques. Their review was very complementary with regard to the impact that the bases of power approach had on organizational research. However, they also had some very important and constructive criticisms and suggestions for further development. One of their major concerns was that many of the investigators were defining and conceptualizing the bases of power differently and that there were further problems with inconsistency in operational definitions...there have been some noteworthy attempts to remedy these problems (Hinkin & Schriesheim, 1989; Hinkin & Podsakoff, 1991). We are currently exploring a series of scales that include the original power bases, plus the newly developed additional forms. (p. 240)

Given the diverse constructs affected by the power bases of managers, researchers have developed several measuring instruments. To measure French and Raven's (1959) framework for this study, Hinkin and Schriesheim's (1989) measurement technique has been selected. This scale is conceptually consistent with the French and Raven (1959) theoretical definitions of the various power bases and focuses on developing scales that describe behaviours rather than traits or characteristics. Instead of using single item ranking, the Likert scale is used to assess French and Raven's (1959) five power bases. To assess the managers' power bases in relation to subordinate's outcomes in NCBs, the Hinkin and Schriesheim (1989) measurement will be used.

In this thesis, the researcher is proposing that managers' use of power is important in the context of their relationships with employees' organisational outcomes (i.e. organisational commitment and job satisfaction) in case of NCBs. These relationships are supported by several studies that found managers' use of power is related to both the

variables (Mossholder et al., 1998; Rahim, 1989). In the next section, the concept of organisational commitment and job satisfaction will be discussed.

The Concept of Organisational Commitment and Job Satisfaction

Job satisfaction and organisational commitment are important because they have, in turn, been associated with other positive organisational outcomes (Kirkman & Shapiro, 2001). For example, employees who are more satisfied with their jobs are less absent (Hackett & Guion, 1985), less likely to leave (Carsten & Spector, 1987), more likely to display organisational citizenship behaviour (Organ & Konovsky, 1989) and to be satisfied with their lives overall (Judge & Watanabe, 1993). Employees who are more committed are less likely to intend to leave their jobs (Mathieu & Zajac, 1990), less likely to experience stress (Begley & Czajka, 1993); more likely to perform well (Mathieu & Zajac, 1990) and behave pro-socially (O'Reilly & Chatman, 1986). Internationally, commitment has been linked to lower intent of leave in India (Agarwal, 1993) and Japan (Marsh & Mannari, 1977) and to higher organisational citizenship behaviour in Israel (Koslowsky, Caspy, & Lazar, 1988) and New Zealand (Inkson, 1977).

Interestingly, a body of literature has consistently identified differences in levels of satisfaction and commitment across cultures (Clugston, Howell, & Dorfman, 2000; Kanungo & Wright, 1983; Lincoln & Kalleberg, 1985; Luthans, McCaul, & Dodd, 1985; Near, 1989; Palich, Hom, & Griffeth, 1995; Sommer, Bae, & Luthans, 1996; Verkuyten, de Jong, & Masson, 1993). For example, Luthans and his co-authors (1985) found, contrary to popular belief, that U.S. employees have higher levels of organisational commitment than employees in Japan or South Korea; and Lincoln and Kalleberg (1985) found that job satisfaction was higher in the United States than in Japan.

Researchers also have attributed satisfaction and commitment differences to cultural values (Dorfman & Howell, 1988). For example, Palich and colleagues (1995) found employees' commitment levels in 15 European and Canadian affiliates of a U.S. multinational to be significant; and negatively affected by individualism, and uncertainty avoidance; while commitment levels were significantly and positively affected by masculinity (Hofstede, 1980). Hui, Yee, and Eastman (1995) found a positive relationship between collectivism and job satisfaction. In a review of 27 organisational commitment studies conducted across cultures, Randall (1993) concluded that there was no overarching theoretical framework within which findings like those cited above could be interpreted.

Testa (2001) investigated the relation between organisational commitment and job satisfaction in the context of service related industries. He argued that the majority of empirical evidence suggests that job satisfaction is an antecedent to organisational commitment. The results of this study are congruent with previous findings, with the original model of job satisfaction as an antecedent yielding a better fit than an alternate model did. This outcome suggests that increases in job satisfaction will stimulate increased organisational commitment and, in turn, service effort. Effort is an important construct in the service environment as customers' evaluations of service quality are linked directly to the performance of the service worker. Service employees' verbal and nonverbal actions greatly affect customer perceptions. Consequently, employee attitudes in the service environment may affect quality more dramatically than they do in the manufacturing setting. It is reasonable to assume that increased effort on the part of the service worker will yield higher quality as perceived by the customer.

Although the causal sequence is still in question, it is clear that organisational commitment and job satisfaction are associated variables that affect organisational outcomes such as turnover (Brown, 1993), absenteeism (Sagie, 1998), and work

performance (Mathieu & Zajac, 1990). However, from the above discussion, it is clear that both organisational commitment and job satisfaction have been linked with organisational performance.

The purpose of this research is to find an appropriate definition for commitment and job satisfaction to investigate the organisational commitment and job satisfaction level in NCBs in Bangladesh. The discussion will begin with the review of literature on organisational commitment.

Organisational Commitment

There has been increasing interest among scholars in the concept of commitment and in empirical assessments of its causes in a variety of organisational settings (Buchanan, 1974; Carson, Carson, Roe, Birkenmeier, & Phillips, 1999; Chang, 1999; Dwyer, Welker, & Friedberg, 2000; Eby, Freeman, rush, & Lance, 1999; Mowday, Steers, & Porter, 1979; Neubert & Cady, 2001; O'Reilly & Chatman, 1986). There are numerous studies on commitment mainly focusing 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, 1972) and of employees of large public bureaucracies (Brown, 1969; Patchman, 1970). Scant attention has been paid to the commitment of managers and employees in an organisational context (Buchanan, 1974; Mowday, Steers, & Porter, 1979; O'Reilly & Chatman, 1986).

For the last three decades, organisational commitment has emerged as a very important construct in organisational research. 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; Farrell & Stamm, 1988; Mathieu & Zajac, 1990; Michaels & Spector, 1982; 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). This study will concentrate on identifying in the NCBs the kinds of organisational commitment that were identified by researchers; and select an organisational commitment definition that is most appropriate to investigate employees' organisational commitment level in NCBs.

Types of Organisational Commitment

There is little consensus concerning a definition of the concept of organisational commitment. Different groups of researchers define such commitment focusing on different contexts. One of the earliest researchers in organisational commitment was Becker (1960), who regarded commitment as a continuous process for an individual towards the organisation, and noted that individuals remain in organisations because they acquire benefits. If the individual does not stay with the organisation then the acquired benefits will be discontinued. According to Becker (1960), the individual is committed to the organisation through extraneous interests (e.g., pensions, seniority). Hrebiniak and Allutto (1973), Shoemaker, Snizek, and Bryant (1977), and Stevens, Beyey, and Trice (1978) considered commitment as individuals' unwillingness to leave the organisation for

increment in pay, status, or professional freedom or for greater collegial friendship. The researchers also found that gender and marital status have a relationship to commitment and a career pattern. These two variables, however, can also affect the organisational commitment of employees. In exchange terms, married or separated individuals, especially women, see higher costs attached to leaving an organisation than single individuals. Age is another variable that affects employees' commitment level. Age can reduce the attractiveness of individuals to other organisations, thus reducing mobility. Moreover, as in the case of length of service, age implies the actual value of the age investment, which can enhance the attractiveness of the employing system and increase commitment to it. These studies provided support to Becker's study (1960).

Grusky (1966) also viewed commitment in a similar way to Becker (1960). According to Grusky the strength of a person's commitment to an organisation is influenced by the rewards she/he has received from the system and the kinds of experience she/he has had to undergo in order to receive the rewards. Sheldon (1971) had a similar finding to Becker (1960) and Grusky (1966). He viewed commitment as a positive evaluation of the organisation and the intention to work towards its goals. He found that commitment was related to social involvement with colleagues and to such personal investments as length of organisational service, age, and hierarchical position. Farrell and Rusbult (1981), and Rusbult and Farrell (1983) also perceived commitment as a function of the rewards and costs associated with organisational membership.

The above researchers' commitment construct reflects a utilitarian perspective based on exchange with the organisation with the assumption that individuals invest in the organisation by staking something they value. However, while a number of researchers came to the same conclusion, it was Becker (1960) who identified commitment as a concept. Later researchers elaborated Becker's concept referring to commitment as

associated to the costs that employees experience with leaving the organisation. Chang (1999), and Huselid and Day (1991) referred to this type of commitment as continuance commitment. According to these writers, continuance commitment arises from exchange relationships between the organisation and employees. They argued that individuals become continuously committed to an organisation because the benefits they accrue from a continuing relationship with the organisation increases. Chang (1999) noted that continuance commitment is also related to employees' age, gender, need for achievement, and job tenure. Stevens et al. (1978) found that continuance commitment is generally believed to develop on the basis of an economic rationale.

Other groups of researchers' perceived commitment in behavioural contexts (Kiesler & Sakumura, 1966; O'Reilly & Caldwell, 1980; Salancik, 1977). Kiesler and Sakumura (1966), and Salancik (1977) defined commitment in a behavioural context instead of a monetary context. They defined commitment as binding of the individual to the organisation by engaging in behaviours that are volitional, explicit, and irrevocable. O'Reilly and Caldwell (1980) also demonstrated empirical support for the attributional nature of commitment. Their work indicates that commitment results from irrevocable and volitional acts that the individual engages in during the job choice process. This approach, then, links the development of organisational commitment with pre-organisational entry phenomena.

All these researchers have seen commitment as a dependent on either monetary or some other forms of reward or behavioural attributes. Other groups of researchers investigated commitment in terms of identification (Brown, 1969; Hall, Schneider, & Nygren, 1970) and defined it as a notion of membership with the organisation. This identification depends on the employees' involvement with the organisation. According to Brown (1969), involvement of an individual is related to his perception of the organisation.

An individual forms perceptions based on possibilities for personal achievement, and the kind of power the individual has within the organisation. This perception would determine how an individual identifies with the organisation. With an increase in involvement, employees' identification also increases. Brown (1969) and Hall, Schneider, and Nygren, (1970) argued that commitment is depended on identification rather than on monetary or other kinds of benefits.

Other researchers have been less supportive of the above researchers' findings or provided contradictory evidence. This group of researchers studied commitment in relation to individual/organisational goal congruence, and emotional attachment with the organisation. Hall and Nougaim (1968) and Zou, Liang, Sun, and Laixiang (2000), for example, saw it as the willingness of an employee to exert high levels of effort on behalf of the organisation, a strong desire to stay with the organisation, and an acceptance of its major goals and values. Zou et al. (2000) pointed out that this type of commitment brings higher efforts from the employees and reduces the risk factor for the organisations. Kantor (1972) defined it as the willingness of social actors to give energy and loyalty to the organisation. Lee (1971) defined commitment where employees feel some degree of belongingness or loyalty towards the organisation. He found that commitment comes from employees' work accomplishment, relations with supervisors, and length of organisational service.

Several studies have conceptualised commitment as an emotional orientation to an organisation (Buchanan, 1974; Porter, Crampon, & Smith, 1976; Porter, Steers, Mowday, & Boulian, 1974; Steers, 1977). According to Buchanan (1974), and Porter, Crampon, and Smith (1976), commitment is seen when employees remain with the organisation for their own sake, apart from purely instrumental worth. Mowday, Steers, and Porter (1979) defined organisational commitment as (a) a strong belief in acceptance of the

organisation's goals and values; (b) a willingness to exert considerable effort on behalf of the organisation; and (c) a strong desire to maintain membership in the organisation.

O'Reilly and Chatman (1986) argued that the employees' concept of psychological attachment to an organisation needs to be clarified. According to them psychological attachment is a broadly defined term; it needs to be studied focusing on compliance, identification and internalisation. They took this concept from Kelman's (1958) study. O'Reilly and Chatman stated that psychological attachment is the process of identification. When an individual receives some kind of reward or benefit, compliance occurs. When the individual's and the organisation's value is the same, then internalisation occurs. Therefore, commitment is rooted in compliance, identification, and internalisation.

Most of these scholars are convinced commitment involves some form of psychological bond between people and organisations (Buchanan, 1974; Lee, 1971; Porter, Crampon, & Smith, 1976; Porter, Steers, Mowday, & Boulian, 1974; Steers, 1977). Researchers are studying commitment in relation to psychological bonding to the organisation and are focusing on attitude and behavioural context. Mowday et al. (1982) have found that attitudinal commitment reflects the individual's identification with organisational goals and willingness to work towards them. Behavioural commitment, on the other hand, is a binding of the individual to behavioural acts. According to Mowday et al. (1982) there is a cyclical relationship between these two types of commitment, whereby commitment attitudes lead to commitment behaviours, which in turn, reinforce commitment attitudes.

Dunham, Grube, and Castaneda (1994), Jaros et al. (1993), and Meyer and Allen (1990) argue that the degree to which an individual is psychologically attached to an employing organisation is determined by feelings such as loyalty, affection, and belongingness. They elaborated that psychological attachment is not similar to that of

continuance commitment. According to Dunham, Grube, and Castaneda (1994), Jaros et al. (1993), and Meyer and Allen (1990), employees' emotional bond or attachment to an organisation is named 'affective commitment'.

Another group of researchers identified a different type of commitment termed 'normative'. This refers to the employees' feelings of obligation or responsibilities to remain within the organisation (Allen & Meyer, 1993). This aspect indicates that individuals will show certain behaviours because they believe it is the right and moral thing to do (Weiner, 1982). Less research regarding identification and the measurement of predictors of normative commitment compared to the other two types of commitment has been undertaken (Dunham, Grube, & Castaneda, 1994; Meyer & Allen, 1990).

Selecting an Appropriate Definition of Organisational Commitment for the Study

The concept employed in this study is the affective commitment concept as outlined in the study of Mowday, Steers, and Porter (1979) and this study will also use the measuring instrument Organisational Commitment Questionnaire (OCQ). The Mowday, Steers, and Porter concept of affective commitment does not imply only loyalty towards the organisation; rather it means that individuals are 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 context. Mowday et al. (1982) also compared the relation between these two types of commitment as mentioned previously. According to Reichers (1985), the 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 research of organisational commitment since the mid-1970s.

Smith, Organ, and Near (1983) in their empirical study noted that organisations that want 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 share the organisation's goals and values can ensure that individuals act instinctively to benefit the organisation (Eby et al., 1999; Ouchi, 1980).

The current financial situations of NCBs do not favour continuance commitment for the employees, and normative commitment is still in its early stages. Focusing on the research problem, this study will utilise the Mowday, Steers, and Porter (1979) affective organisational commitment construct to study the commitment level of employees of NCBs in Bangladesh.

Job Satisfaction

Job satisfaction has received extensive attention in organisational research during the past two decades (Farber, 1983; Hackman & Oldham, 1980; Holtzman & Glass, 1999; Jayaratne & Chess, 1984; Kim, 2002; Maslach, 1986; Wagner & Rush, 2000; Zhao, Thurman, & He, 1999). Job satisfaction has been found to have a significant influence on job performance, absenteeism, turnover, and psychological distress (Andrisani, 1978; Davis, 1992). Thus, as an antecedent condition, job satisfaction influences employees' job-

related performance, which in turn affects employees' occupational attainment (Felmlee, 1995). Job satisfaction can also be viewed as the consequence of factors that impinge on it, such as the work environment and the reward structure offered on the job, as well as the family obligations of the employee (Andrisani, 1978; Davis, 1992). For instance, research with employees has demonstrated that job characteristics such as supervisor and co-worker support, pay, benefits, and job security increase employees' job satisfaction as well as their attachment to their employer and the labour force in general (DeSai & Waite, 1991; Greenberger, Goldberg, Hamill, O'Neil, & Payne, 1989).

Job satisfaction has also been linked to positive workplace outcomes such as increased organisational commitment (Brown, 1993; Johnston et al., 1990). Workers with high levels of job satisfaction are more likely to be committed to the organisation (Brown, 1993). Furthermore, individuals with higher levels of job satisfaction demonstrate decreased propensity to search for another job (Sager, 1994) and a decreasing propensity to leave (Brown, 1993). Employee job satisfaction is an important factor in an organisational context because of the costs associated with hiring and training new personnel, as well as the costs associated with not having that individual contributing his/her work efforts towards organisational goals. These findings suggest that job satisfaction is one of the most important attitudinal issues facing employers in the workplace.

Wagner and Rush (2000) have investigated organisational performance in the context of job satisfaction, pay satisfaction, and trust in management and peers, and organisational commitment as an antecedent of organisational performance in U.S. populations. Wagner and Rush argued that job satisfaction has, perhaps, been most consistently associated with organisational performance. They pointed out that the younger and the older workers may view work and self in fundamentally different ways. As a result, job satisfaction will differ for an employee in his/her life-career-stage. Wagner and Rush suggested that the

early years (20-34) are years of establishment and settling down; later years (35-50) are associated with a stronger sense of self and location vis-a-vis life and work. Therefore, younger and older workers' job satisfaction may differ in regard to their orientations toward self, others, and work. These differences may lead to different salient motives for altruistic performance among younger and older employees.

Another study carried by Richmond and McCroskey (2000) also establishes as did the earlier research that employees' job satisfaction will result in positive outcomes for the organisation as a whole. They argue that supervisors' positive behaviour will increase employees' job satisfaction, and will create a positive affect on the organisation. The corollary in their study is that if the employees like their immediate supervisors, then they will have greater motivation toward their work and more satisfaction with that work.

Kim (2002) noted that for public organisations to enhance performance and accountability human resources management strategies are required. He argued that in particular employees' job satisfaction is related to employees' performance. Kim conducted a study exploring the relationship between participative management in the context of strategic planning and job satisfaction in public organisations in US public organisations. The results show that managers' use of a participative management style and employees' perceptions of participative strategic planning processes are positively associated with high levels of job satisfaction. The study also finds that effective supervisory communication in the context of the strategic planning process is positively associated with high levels of job satisfaction. The study suggests that participative management that incorporates effective supervisory communications can enhance employees' job satisfaction. Kim argued that in this regard organisational leaders in the public sector should emphasise changing organisational culture from the traditional pattern

of hierarchical structure to participative management and empowerment. He further elaborated that increased job satisfaction leads to improved performance by the employees.

In the following section, different definitions of job satisfaction will be discussed, and an appropriate definition will be selected to investigate the research problem for the study.

Definitions of Job Satisfaction

Almost all theories of job satisfaction begin with a focus on the workplace itself (Zhao, Thurman, & He, 1999). Zhao et al. explored employees job satisfaction not only based on work environment but also in relation to employees' demographic variables. Their study included employees' education level, ethnicity, gender, rank, and years of service. Study results suggest that employees' education level has a positive relationship with employees' job performance and job satisfaction. The employees with master degrees tended to demonstrate the lowest levels of positive attitudes toward their jobs. Their study suggests that employees with and without a college degree have a different level of job satisfaction. Regarding ethnicity and gender, findings show that employees who are both white and male tend to be more satisfied with their jobs compared to both minority and female counterparts. Zhao et al. also noted that female employees are the least satisfied with their jobs. The study results suggest that employees' rank and year of service are associated with job satisfaction.

One of the primary researchers on job satisfaction, Vroom (1964), developed the expectancy theory to explain the dependence on an individual's evaluation of a task assignment and level of satisfaction, based on his or her willingness to perform the expected functions of a job. The two-factor theory of job satisfaction developed by

Herzberg (1968) was formulated from research on 1,685 employees in 12 different investigations. Findings from these investigations suggest that satisfaction in the workplace is intrinsic to the job with which an employee is directly involved. That is, the stimulus for employees' satisfaction is derived from job content that is found in the work environment (Herzberg 1968).

Herzberg (1968) identified several important sources of job satisfaction in the work environment: (1) the importance of the work itself; (2) the responsibility one has while doing the work; and (3) the recognition received from doing one's work. In contrast, job dissatisfaction is a result of strict policies, overemphasis on rules, inadequate working conditions, and poor interpersonal relationships. Therefore, from a theoretical perspective, it seems reasonable to argue that a more comprehensive test of job satisfaction must include variables that measure a variety of job characteristics as well as individual employees' demographic attributes.

One of the most influential models for investigating various dimensions of the immediate job environment was developed by Hackman and Oldham (1980). One key feature of this approach is its ability to measure some of the most important dimensions that can be commonly identified in a workplace at the individual employee level (Griffin & McMahan, 1994; Idaszak & Drasgow, 1987). On the basis of extensive research conducted to refine their measures, Hackman and Oldham (1980) identified five "core" dimensions for evaluating the immediate work environment. They found that these core dimensions were correlated significantly with job satisfaction and employees' motivation. Key among the underlying characteristics are the meaningfulness of the work (to what extent the individual perceives the work as significant and important), responsibility for the job (how far the individual feels personally accountable for the outcomes of the work), and the extent to which the employee has knowledge about the results of his or her efforts.

According to Hackman and Oldham(1980), job meaningfulness is conceptualised as the product of five dimensions: skill variety (activities that challenge skills and abilities, Dimension 1); task identity (the extent to which the job requires completion of a "whole," identifiable piece of work, Dimension 2); task significance (how substantially the job of affects other people's lives, Dimension 3); responsibility (the extent of the employee's autonomy over how he or she will perform the work, Dimension 4); knowledge of results (feedback to the employee about the effectiveness of his or her efforts Dimension,5) .

Other groups of researchers define job satisfaction as a positive emotional state resulting from the appraisal of one's job situation and as linked with the characteristics and demands of one's work (Arches, 1991; Butler, 1990; Dressel, 1982; Locke, 1976; Smith, Kendall, & Hulin, 1967).

From the above discussion it can be seen that organisational researchers have identified a number of possible antecedent constructs of job satisfaction. These include a variety of actionable work-related perceptions and attitudes. For example, supportive supervision is related to increased job satisfaction (Johnston et al., 1990). Likewise, other supportive aspects of the work environment may result in higher levels of job satisfaction (Boles & Babin, 1996). Role stress, on the other hand, is negatively related to job satisfaction (Fisher & Gitelson, 1983). In fact, role conflict and role ambiguity may be the most important predictors of job satisfaction in many work settings.

The literature concerning job satisfaction is very extensive. The purpose of this study is not to provide an exhaustive review of the job satisfaction literature. The literature cited in this section, however, does indicate that, across a variety of work settings, job satisfaction is an important construct in the workplace and one that is of concern for effective management.

Selecting an Appropriate Definition of Job Satisfaction for the Study

Two distinct models of job satisfaction become apparent from the above discussion. The first model originates in the school of management and emphasizes the importance of an individual's immediate work environment (Herzberg, 1968). The second model focuses on the relationship between an employee's motivation and his or her level of job satisfaction (Hackman & Oldham's, 1980).

Herzberg's theory is that the employees' immediate work environment determines an employee's job satisfaction. Consequently, managers should focus on that environment as a primary means of increasing employees' job satisfaction and motivation. Very little research, however, exists to verify or refute Herzberg's claims (Zhao, Thurman, & He, 1999).

For the last two decades, researchers have been using Hackman & Oldham's (1980) model for measuring core job dimensions and their relationship to job motivation and satisfaction. This model has been tested extensively, and also applied to different work environments (Griffin & McMahan, 1994; Idaszak & Drasgow, 1987; Kulik, Oldham, & Langner, 1988; Zhao, Thurman, & He, 1999), including the public sector in general (Lee & Klein, 1982).

A review of the literature suggests that job satisfaction can be measured, particularly within the organisational context (Jayaratne, 1993; Zhao, Thurman, & He, 1999). Jayaratne (1993) argued that the selection of the measure should be based on the extent to which the measurement has been tested empirically. In addition, Dantzker (1993) recommends using Likert scales to tap job satisfaction. Given these considerations, the Hackman & Oldham's (1980) job satisfaction measurement has been chosen to study NCB employees' job satisfaction in Bangladesh. The reasons for this are: first, the chosen

measurement is widely tested and validated; second, the Hackman & Oldham measurement is easy to comprehend and transportable across a wide variety of organisations (Zhao, Thurman, & He, 1999).

The literature reviewed up to this point shows that there is empirical support for the relationship between employees' perception of managers' use of power in regard to employees, and their organisational commitment and job satisfaction. Further review of the literature on these two constructs revealed that there is another factor influencing the employees' organisational outcomes, and that is procedural justice. The second part of the literature review discusses the notion of procedural justice and its impact on employees' organisational outcomes. In the following section, a review is made of relevant literature on procedural justice as another factor influencing employees' organisational commitment and job satisfaction.

Procedural Justice and Its Impact on Business Organisations

The study of fairness in organisations, and in particular, procedural fairness, has given to 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 appeals 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 & Cropanzano, 1998; Folger & Skarlicki, 1999; Konovsky, 2000; Kwong & Leung, 2002; Naumann & Bennett, 2002; Phillips, 2002).

This section reviews the theoretical and empirical procedural justice literature in relation to the research focus. The study will first elaborate on the fundamental nature of justice in organisations, and then define fairness and discuss its importance in organisations. Then the study defines procedural justice and discusses procedural justice theories, the antecedents and consequences of procedural justice, and the contexts in which procedural justice effects are salient. Subsequent sections address the relationship between distributive justice and procedural justice, and cross-cultural approaches to procedural justice. Finally, the chapter will conclude by selecting a measure for procedural justice appropriate for the study.

Justice: Its Fundamental Nature in Organisations

In general, the study of organisational justice has focused on two major issues: employees' responses to what they receive – that is, *outcomes* – and the means by which they obtain these outcomes – that is, *procedures*. Individuals' evaluation of these outcomes is referred to as judgments of *distributive justice* (Leventhal, 1976).

Distributive justice is the first form of justice that captures the attention of organisational scientists (Greenberg, 1987). Previous researchers did not pay attention to other forms of justice in the organisational setting. Outcomes do not simply appear; they result from a specific set of processes or procedures, for example, people may raise questions about how their performance is rated, the promotion decision is made, pay raises are given, or selection decisions were determined. To determine the outcomes, the first question people would be asked is what procedure the employers used and how fair were

they in their judgment. These people's perception of the fairness of the procedures is referred to as *procedural justice*. This procedural justice is a critical indicator that may bring benefits from perceived fair procedures, and indicate the problems that may result from perceived unfair procedures (Greenberg, 1987).

The practical and theoretical knowledge that procedural justice researchers have provided managers with may be one of the linchpins that carry organisations into the tumultuous 21st century, where rapid change and increasingly complex human resources management issues become even more a concern of organisational life. Greenberg (1990) with regard to procedural justice concluded that the literature had entered the second of three stages of the research life cycle. Procedural justice concepts had been introduced and elaborated (Stage 1), and during the 1980s, these concepts were evaluated and augmented (Stage 2). Greenberg concluded that little in the way of consolidation and integration (Stage 3) had yet appeared in the procedural justice research.

The Importance of Fairness in an Organisational Setting

Much contemporary writing on organisations emphasises the importance of core values to the organisation (Clawson, 1999; Collins & Porras, 1997), and justice is identified as one of those values. According to Collins and Porras, core values are an organisation's essential and enduring guiding principles. Rawls identified justice as the "first virtue of social organisations" (Rawls, 1971, p. 3). Barnard (1938) identified fairness as one of the fundamental bases of cooperative action in organisations. More recently, the guiding principles of effective supervision identified by Clawson (1999) included truth telling, promise keeping, fairness, and respect for the individual. Thus, one argument for the importance of fairness is its role as a fundamental organisational value.

Lind, Kulik, Ambrose, and deVera Park (1993) argue that fairness serves as a heuristic. The purpose of a heuristic is to simplify the world and facilitate successful negotiation of the myriad daily decisions one must make. Heuristics are necessary because humans have severe limitations with respect to the encoding, retrieval, and evaluative use of information (Folger, Konovsky, & Cropanzano, 1992). According to Lind et al. (1993), the fairness heuristic is necessary because it is often difficult for employees to evaluate whether a supervisor's request is legitimate. To resolve this dilemma, employees often use the apparent fairness of the authority as an indicator of whether the authority's orders are legitimate. If the supervisor appears to be acting fairly, the employee assumes that a directive is legitimate. Similar to Barnard's conceptualisation of "zones of indifference" (Barnard, 1938), where individuals are accepting of an authority's order, fair treatment indicates that an individual should accept authority. Alternatively, research reviewed by Tripp, Sondak, and Bies (1995) suggests that people (e.g., negotiators) attend to fairness when concerns for harmony are more salient than concerns for competitive allocation of scarce resources. Thus, Tripp et al. argue that fairness concerns predominate when individuals are concerned with preserving relationships.

The above discussion presents some of the pertinent reasons why fairness is important in the organisational context. The consideration of fairness, however, would not be complete without a more critical examination of the assumptions underlying fairness research in organisations. This study focuses on the importance of fairness in an organisational context primary purpose of which is to carry out organisational objectives. The original context inspiring much of the organisational fairness research, however, was in judicial institutions where conflicts of interest are presided over by an impartial, disinterested judge (Cohen, 1985). In contrast to the judicial institutions, the employer in the capitalist enterprise is not disinterested. In fact, those in positions of power have an

interest in preserving their power and in legitimising the structure that supports them (Scott, 1988). According to Nord and Doherty (1994), ideologies, or sets of related beliefs held by a group of persons, can act as frames that influence interpretations of events. Specifically, they note that a free market ideology of profit maximization encourages a focus away from community utility and collective rationality and onto market rationality. When managers are concerned with market rationality, conditions that give rise to pseudo-fairness can occur. Pseudo-fairness can also arise when the basic conflicts of interest between managers and employees are ignored. Pseudo-fairness superficially resembles fair behaviour, but it stems from tactical motives unrelated to fairness (Leventhal, Karuza, & Fry, 1980). For example, pseudo-fairness can serve as a method of persuasion where the purpose is to preserve management's power. In the case of pseudo-fairness, authentic justice does not prevail. According to Cohen, in fact, authentic fairness goals can be subverted anytime attention is diverted away from the fundamental conflict of interest between the employee and employer. In sum, ideologies, or sets of beliefs held by a group of persons (managers, in this case), play an important role in influencing the experience and interpretation of events such as conflicts of interest (Nord & Doherty, 1994; Naumann & Bennett, 2002).

The above discussion illustrates that one key assumption in the organisational justice literature is that the interests of employers and employees in business enterprises are the same and that principles of procedural justice observed in organisations equally serve both constituents. However, the existence of organisational justice systems is not sufficient evidence for their effectiveness. As Scott (1988) noted, justice systems exist and are positively responded to even in the most despotic organisations. Scott explains this apparent contradiction by contrasting liberty and justice. Liberty refers to individual choice and justice requires individuals' obedience to an established order (Scott, 1988).

When the interests of management and labour do not coincide, a conflict between justice and liberty arises because managers' desire obedience and employees desire free choice. Under these circumstances, American and other Western countries managers historically opted for justice, arguing that liberty cannot be an independent value for management to pursue because management best understands the issues affecting the organisation and they are ultimately responsible for an organisation's achieving its goals (Barnard, 1938). In order to "justify justice," therefore, organisational researchers assume that management decision-making occurs in a context where management and employee interests are similar. Thus, when the interests of management and labour do not coincide, liberty, or authentic individual choice, is sacrificed to maintain the established order, and conditions favourable to pseudo-fairness prevail.

The Concept of Procedural Justice

Procedural justice refers generally to how an allocation decision is made. Procedural justice is contrasted with distributive justice, which refers to the fairness of the decision outcome. Procedural justice can refer to objective or subjective circumstances. Objective procedural justice refers to actual or factual justice (Lind & Tyler, 1988) 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 chapter.

The conceptualisation of fairness perceptions in terms of cognitive and affective components and their consequences is helpful in understanding the focus of the procedural justice theories discussed in the next section. The following theories addressing procedural fairness have emerged as important in the 1990s: the self-interest models, the group value model, justice judgment model, and the fairness heuristic model. The self-interest (also known as the instrumental model) models focus primarily on the effects or consequences of subjective justice perceptions. The group value model (also known as the non-instrumental model), justice judgment model, and the fairness heuristic model focus primarily on the relationship between objective justice and subjective justice perceptions.

Theories of Procedural Justice

The first models used to explain procedural justice effects were based on the self-interest effect model of procedural justice. These models propose that interest in fair procedures is due to a belief that fair procedures lead to favourable outcomes. The self-interest model claims that individuals posit no value for fair procedures independent of their association with fair outcomes.

One early example of the self-interest model is Thibaut and Walker's process control model. Thibaut and Walker (1975) investigated two types of control that people have in dispute-resolution procedures: the amount of control over procedures used to settle grievances (process control) and the amount of control over determining the outcomes (decision control). They suggested that the distribution of control among disputants and a

third-party decision maker is the key procedural characteristic shaping people's views about the fairness of the procedures and that individuals view procedures as most fair when control is vested in the participants. They then suggested that people prefer procedures that maximize their personal outcomes and that procedural control is perceived as the best means for ensuring the best personal outcome. Thus, the desire for procedural control is related to the desire to achieve a favourable outcome (Tyler, 1994).

Another example of self-interest models of procedural justice is the social exchange model. Social exchange theories deal with how people form relationships and how power is dealt with in those relationships. Blau (1964) posited that relationship formation is one of the basic problems of social interaction that must be resolved for society to remain stable. Blau contrasted economic exchange with social exchange as the basis for relationships. Social exchange refers to relationships that entail unspecified future obligations. Like economic exchange, social exchange generates an expectation of some future return for contributions; however, unlike economic exchange, the exact nature of that return is unspecified. Furthermore, economic exchange occurs on a quid pro quo or calculated basis, whereas social exchange relationships are based on individuals trusting that the other parties to the exchange will fairly discharge their obligations in the long run (Holmes, 1981). This trust is necessary for maintaining social exchange, especially in the short term, when some temporary asymmetries may exist between an individual's inducements and contributions to the relationship. According to Blau, trust provides the basis for relationship formation. Trust is a multi-dimensional construct and includes factors such as an expectation that another party will act benevolently, a belief that one cannot control or force the other party to fulfil this expectation, and a dependence on the other party (Whitener, Brodt, Korsgaard, & Werner, 1998). Although trust is a key element in the emergence and maintenance of social exchange relationships, social

exchange theorists have largely ignored the issue of how trust emerges in these relationships (Holmes, 1981). One important source of trust is procedural fairness (Konovsky & Pugh, 1994). In organisations, managers can have considerable impact on building trust (Naumann & Bennett, 2002; Whitener et al., 1998). Fair treatment by management can create feelings of trust by removing fears of exploitation. Fair treatment by management also demonstrates respect for the rights and dignity of employees, leading to the development of trust (Folger & Konovsky, 1989). This emergent trust is then the engine that propels further positive reciprocation, resulting in the stabilizing of relationships (Konovsky & Pugh, 1994). In addition to stabilizing relationships, procedural justice induced trust also predicts important employee behaviours such as citizenship behaviour (Konovsky & Pugh, 1994). Additional procedural justice research is based on the social exchange model. For example, Moorman, Blakely, and Niehoff (1998) found that organisational support within a social exchange process mediated the relationship between procedural justice and citizenship behaviour.

In contrast to procedural justice theories concerned with instrumental results, the group value model of procedural justice (Tyler, 1989; Tyler & Lind, 1992) describes factors influencing procedural justice judgments. The group value model stipulates that people value long-term relationships with groups because group membership is a means for obtaining social status and self-esteem. Social status and self worth are evaluated according to three relational concerns: neutrality, trust, and standing (Tyler, 1989). Neutrality indicates that an individual is treated without bias. Trust emerges from a decision maker using unbiased procedures. Standing is conveyed when group authorities treat people with politeness, respect for their rights, and dignity (Tyler, 1994). These relational concerns influence judgments of procedural justice. Treatment by group

authorities that enhances neutrality, trust, and standing enhances judgments of procedural justice. These processes, in concert, also contribute to the stability of a group.

Leventhal and his colleagues (Leventhal, Karuza, & Fry, 1980) also addressed the factors that enhance justice judgments. Justice judgment theory proposed several procedural criteria indicating the presence of procedural justice. These justice judgment rules include, for example, consistency over time, bias suppression, accuracy, correctability, and representativeness. Leventhal's justice judgment theory contributed greatly to understanding the criteria leading to procedural justice perceptions.

Fairness heuristic theory also focuses on the relationship between objective fairness and fairness perceptions. The fairness heuristic model focuses on how procedural justice and distributive justice function together to determine fairness perceptions. Furthermore, fairness heuristic theory proposes that individuals are largely uncomfortable with authority relations because they provide opportunities for exploitation. As a result, when individuals must cede some control to an authority, they ask themselves whether the authority can be trusted. Van den Bos and his colleagues argue that individuals do not often have information regarding the trustworthiness of authorities so individuals refer to the fairness of an authority's procedures to determine trustworthiness (Van den Bos, Wilke, & Lind, 1998). If an authority figure treats an individual in a procedurally fair manner, the authority is described as trustworthy and the individual reacts positively to that authority. Thus, procedural justice is not only an antecedent of trust; it can also serve as a substitute for trustworthiness.

In addition to procedural justice guiding trust judgments, fairness heuristic theory addresses why procedural justice information can affect judgments of distributive justice. Lind and Tyler (1988) argued that fairness judgments depend more on the order in which an individual receives information. When procedural information is available before

outcome information, information about procedures will affect fairness judgments about outcomes. A third component of fairness heuristic theory is that the fairness of outcomes may be more difficult to judge than the fairness of procedures. There is often little or no information available about the outcomes for others. For example, employees typically do not know pay level information for another person. Under these conditions when outcome information is unavailable, van den Bos, Vermunt, and Wilke (1997) demonstrated that individuals use procedural fairness to judge the fairness of the outcomes.

The above review of the four theories of procedural justice reveals several key similarities and differences. First, the theories differ in terms of whether procedural justice and distributive justice judgments are inter-related. For example, the instrumental model asserts that perceptions of distributive justice influence perceptions of procedural justice, while the group value model does not. Second, the theories differ in their emphasis on the relationship between objective fairness and subjective fairness perceptions versus the relationship between subjective fairness perceptions and their consequences. The social exchange models focus on the consequences of procedural justice, while the fairness heuristic model and the group value model focus on the relationship between objective fairness and subjective fairness perceptions. Finally, the role of trust is differently emphasised by each of the theories. Trust is a central explanatory construct in the group value model, for example, but not in the instrumental model.

A natural question to ask at this point is which theory really explains procedural justice and its effects? In contrast to the voluminous literature devoted to developing theories of procedural justice, there are only a few studies that compare alternative models of procedural justice. One example is Shapiro and Brett's study (Shapiro & Brett, 1993) comparing instrumental, non-instrumental, and procedural enactment models. This study of the grievance process indicated that each of these procedural justice models accounted

for some variance in procedural justice and related perceptions. Konovsky (2000) suggests that the search for "the best" procedural justice model may be misdirected, as there can be multiple causes of procedural justice judgments. In general, the self-interest model and the group value model have received empirical support. Though there are four models that could be used to interpret how various actions by supervisors could affect employees' procedural justice perceptions (Cropanzao & Greenberg, 1997), it is useful however to consider the employees' perceptions of managers' power use in terms of the self-interest model and the group value model (Mossholder et al., 1998). Mossholder et al. argued that the self-interest model and the group value model are useful tools in the organisational context to study the employees' perceptions of managers' use of power over employees. This study will use the self-interest model (also known as the instrumental model) and the group value model (also known as the non-instrumental model) to analyse the research focus.

The Antecedents and Consequences of Procedural Justice Perceptions

This section focuses on summarising the most frequently examined antecedents and consequences of procedural justice judgments. There is ongoing discussion in the procedural justice literature regarding the components of procedural justice (Greenberg, 1990; Greenberg, 1993a; Tyler & Bies, 1990). Initially, procedural fairness was conceptualised in terms of structural elements such as organisational policies and rules, including providing advanced notice for decisions or opportunities for voice (Greenberg, 1990; Lind & Tyler, 1988). Bies and Moag (1986) introduced the interpersonal context of procedural justice by referring to the quality of interpersonal treatment people receive during the enactment of organisational procedures. The interpersonal procedural justice

context included treating others with dignity and respect, and is referred to as interactional justice (Bies & Moag, 1986), while providing adequate information regarding decision-making is referred to as informational justice (Greenberg, 1993a). Debate and discussion regarding the existence of various components of procedural justice are likely to persist in the literature (Cropanzano & Prehar, 1999) because little empirical work exists that systematically examines all procedural justice components for convergent and discriminant validity (Colquitt, Conlon, Wesson, Porter, & Ng, 1999). A meta-analysis by Colquitt et al. examining the construct validity of some of the procedural justice components proposed in the literature does indicate that there is value in terms of variance which is explained in separating and retaining interactional, informational, and structural components of procedural justice.

The recent research on one structural element of procedural justice, voice, indicates 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 noninstrumental ways and recommended that future explorations of voice distinguish between these two elements of voice. Specifically, Shapiro 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 noninstrumental voice effects. Noninstrumental voice is more similar to interactional justice than to structural justice.

More recent research on voice indicates that there may be limits to the positive effects of voice, van den Bos, Lind, Vermunt, and Wilke (1997) reported that participants who expected no voice, yet received it, had lower perceptions of procedural justice. Hunton, Hall, and Price (1998) found that increases in voice did not lead to corresponding increases in fairness perceptions. Further, Price et al. (1999) suggested that the incremental value of voice is related to the expectations that subjects have regarding voice.

With respect to interactional justice, Konovsky (2000) recently identified factors indicating the absence of interactional injustice. These include derogatory judgments, deception, and invasion of privacy, inconsiderate or abusive actions, public criticism, and coercion. Konovsky also provides evidence that violating any of these elements of interactional justice leads to decreased perceptions of fair treatment.

Informational justice has been operationalised primarily as providing explanations or accounting for decisions made. Bies and Shapiro (1988) were among the first to distinguish the role of structural justice (i.e., voice) from that of informational justice (i.e., providing mitigating justifications). They demonstrated that justifications had an effect independent of voice on procedural fairness judgments. Although informational justice is sometimes included in the same category as interactional justice, its unique effects warrant its being differentiated from interactional justice. Cropanzano and Greenberg (1997), for example, separate interactional justice from informational justice. Shapiro, Buttner, and Barry (1994) found no significant relationship between communicator style (interactional justice) and perceptions of explanation adequacy (informational justice). Shapiro et al. (1994) found that the specificity of an explanation was most important in increasing fairness perceptions. They also found that information communicated verbally rather than in writing was more effective in enhancing fairness perceptions. Shapiro (1991) and Bobocel, Agar, Meyer, and Irving (1998) found that fairness perceptions were enhanced

when explanations shifted responsibility to an external cause. Shapiro (1991) and Brockner, DeWitt, Grover, and Reed (1990) identified several moderators of the explanation-fairness perception relationship, including the uncertainty of the decision, importance of the decision, the severity of the decision, and the adequacy of the explanation.

One important consideration in gauging whether fairness perceptions will be enhanced is an individual's scope of justice (Brockner, 1990). Scope of justice refers to the group of people an individual believes deserves fair treatment. This group is also described as an individual's social identity group. Lerner (1981) first discussed the relationship of social identity to the commitment to justice. Mollica, Gray, Trevino, and DeWitt (1999) examined social identity group membership and found that, when people perceived that members of their identity group experienced unjust outcomes, they judged them as unfair even though they were observers rather than victims of the injustice. Thus, direct experience of the justice may not be a prerequisite for stimulating perceptions of fairness. It depends on one's scope of 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 (1996) demonstrated that union members whose union stewards were trained to display procedurally fair behaviour displayed higher levels of work attitudes. In another study, Skarlicki and Latham (1997) 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 procedural justice perception 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.

Erdogan, Kraimer, and Liden (2001) argued that employees' characteristics are related to procedural justice perception. Erdogan et al. who conducted a study in a commercial bank in Turkey supports this distinction. The study examined a set of employees' characteristics (employees' level in the organisation, education level, and gender) as antecedents of procedural justice. Organisational level has been found to be positively related to procedural justice. This study indicated that what is fair for higher-level employees may be unfair to lower level employees. According to Erdogan et al., the reason for this may be that those in higher positions may have developed higher levels of loyalty to the organisation because of the higher degree of control they have over organisational decisions and higher levels of rewards they receive or expect from the organisation. Their study also found that employees' education level and gender are

related to perceptions of procedural justice. If the rater and ratee are from the same demographic background, employees' perceptions of procedural justice tend to be high.

Research has shown that higher-level employees in organisations have expectations about a higher level of procedural fairness (Lerner & Miller, 1978; Lott & Lott, 1986; Skarlicki, Ellard, & Kelln, 1998). Findings show that high-level employees have the attitude that they deserve to be treated more fairly.

It has been argued that the demographic similarity within the managers and the employees' dyad may be related to justice perception. For example, Wesolowski and Mossholder (1997) contended that demographic dissimilarity would be related to lower levels of procedural justice, and they found this effect to be true for race dissimilarity. Jeanquart-Barone (1996) also found that race dissimilarity was a predictor of lower levels of procedural justice.

According to Jeanquart-Barone when individuals are demographically similar, they perceive themselves as being similar to the other individual, which in turn results in mutual attraction. This attraction may influence the relationship between dyad employees both in general and with regard to organisational outcomes. Using the similarity attraction paradigm, Tsui and O'Reilly (1989) found that similarity in gender and education was associated with higher levels of affect and liking in dyads. Due to this linking, when the ratee is similar to the rater, the rater may behave in a fairer manner regarding the organisational outcomes. Ratees may have more trust in raters who are similar to themselves and therefore may perceive higher levels of procedural justice from the rater than is true of relatively less similar raters.

Research results indicate that knowledge (education level and training) of employees is a determinant of procedural justice perception. Two studies have shown that the perceived system knowledge of the managers' or employees' belief of how well managers

understand the system is related to justice perceptions (Levy & Williams, 1998; Naumann & Bennett, 2000; William & Levy, 2000). In addition, Tang and Sarsfield-Baldwin (1996) found that employees' education level is an important determinant of managers' understanding of the system.

Studies carried out in Singapore and South Korea on the demographic profile also found that there is a stable relationship with procedural justice and organisational outcomes in Asian countries (Khatri, Fern, & Budhwar, 2001; Wai & Robinson, 1998). Their research included age, tenure, level of education, level of income and job category of managers and employees. Analysis of the results (Khatri et al., 2001) indicated that job category is positively related to perception of procedural justice while the Wai and Robinson study in Korea found that the education level is positively related to fairness perception. The latter findings suggested that more educated employees are more concerned about fairness of treatment, and that less fairly treated employees tend to quit jobs more often.

In Singapore, despite the increasing participation of females in the workforce, they work basically to supplement the family income. The traditional belief is that females should be subdued and accept the given situation. As a result, as long as females are getting financial benefits they will continue with their jobs while males are more concerned about freedom, work place environment, and fair treatment. Studies conducted by Cotton and Tuttle (1986) in Singapore found that males are more likely to leave jobs due to unfair treatment. However, studies by Berg (1991), and Miller and Wheeler's (1992) reported no relationship between gender and procedural justice in Singaporean society.

The discussion of procedural justice effects continues below by examining some of the contexts in which the procedural justice effects occur.

The Contexts for Procedural Justice Effects

Procedural justice effects have been demonstrated in numerous contexts. This study will discuss the procedural justice effect on human resource management with particular reference to the research problem. The effect of procedural justice in human resource areas is one of the most challenging managerial issues in the 21st century. Many visionary and successful organisations in the 1990s attribute their success to the efforts of their people (Collins & Porras, 1997), and thus, effective human resources management is closely linked to organisational effectiveness.

Procedural Justice in Human Resources Management

Nowhere are the practical implications of procedural justice research so evident as in the human resources management arena. The influence of procedural justice has been investigated in the areas of personnel selection and staffing, performance evaluation, and compensation, to name a few. Procedural justice has also been shown to have a positive effect on employees' acceptance of policy implementation such as smoking bans (Greenberg, 1994) and parental leave policies (Grover, 1991).

Personnel Selection.

Two goals of the selection practices are evident in the literature: accuracy and fairness. Accuracy refers to the ability of a selection device to correctly gauge an individual's true ability to perform tasks associated with a particular job. Historically, accuracy has been the focus of selection practices (Gilliland, 1993; Schmitt & Gilliland,

1992). More recently, justice researchers have recognised the importance of social fairness perceptions with regard to selection practices. The perceived fairness of selection practices is associated with important organisational consequences such as refusal to apply for a job, refusing to accept a job, and questions about future commitment to a job (Singer, 1992, 1993). The most frequent procedural justice element associated with positive selection outcomes is open and honest communication from the organisation (Schmitt & Gilliland, 1992; Singer, 1992).

Interestingly, the selection tools that applicants perceive to be most fair do not always correspond to the selection tools that research demonstrates are most valid (Cropanzano & Greenberg, 1997; Folger & Cropanzano, 1998). Cropanzano and Konovsky (1995) refer to this as the "justice dilemma." For example, Latham and Finnegan (1993) found that job applicants view unstructured interviews as more fair than structured interviews even though the research demonstrates that unstructured interviews have lower-validity coefficients than structured interviews. Thus, it appears that there are trade-offs between the goals of accuracy and fairness in selection practice. Folger and Cropanzano (1998) recommend three strategies for dealing with this trade-off, that is, substituting unfair tests with fair tests, modifying existing instruments to make them fairer, and decreasing outcome negativity. This latter suggestion is based on research findings indicating that concerns about procedural fairness are especially salient when outcomes are extremely negative.

Performance Evaluation.

Although the goal of accuracy in performance appraisal has historically been a single-minded pursuit, more recent justice-based analyses of performance appraisal indicate a need for performance appraisals to meet a goal of procedural fairness (Folger & Greenberg, 1985). Without this fairness goal, performance appraisal is often driven by political interests. Folger, Konovsky, and Cropanzano (1992) proposed a due process model of performance appraisal as a guide for avoiding the breakdown of the performance appraisal process. The due process model stipulates three essential features of due process that must characterise performance appraisal: adequate notice, fair hearing, and judgment based on evidence. In their test of the due process model, Taylor, Tracy, Renard, Harrison, and Carroll (1995) found that when the three elements of due process were present in performance appraisal, employees not only rated the process as more fair, they also reported that the appraisals were more accurate, displayed higher levels of satisfaction, and evaluated their managers more positively. Positive results in the form of higher satisfaction, greater resolution of work group problems, and less distortion of appraisal results characterised management's reactions to evaluation by due process. These positive results occurred in spite of the fact that, in the Taylor et al. study, employees received lower evaluation results under the due process appraisal than under a more standard appraisal form and process (Holbrook, 1999a, 1999b).

Compensation.

Concerns about distributive justice have prevailed in the pay context (Hundley & Kim, 1997; Miceli, 1993). Concerns about procedural justice, However are increasing. For

example, in examining the factors that contribute to pay satisfaction, Miceli (1993) identified the important and positive role that effective organisational communication has regarding pay differentials and pay levels that determine pay satisfaction.

Procedural justice also influences employees' perceptions of, and reactions to, alternative compensation schemes such as group level incentive pay: gainsharing programs and skill based pay. As with individual level incentive pay, important aspects of procedural justice such as communication and understanding positively influence employees' reactions to group-level incentives (Dulebohn & Martocchio, 1998). Cooper, Dyck, and Frohlich (1992), for example, noted that numerous studies demonstrated that participation represents perhaps the most crucial factor in determining the success of gainsharing programs. Their research showed that participation in the development of fair gainsharing rules increased worker productivity. Welbourne, Balkin, and Gomez-Mejia (1995) demonstrated that procedural justice in gainsharing programs also enhanced mutual monitoring, one factor important for the success of gainsharing programs. Finally, Konovsky (2000) demonstrated that fairness perceptions resulting from communication and the understanding of a skill based pay program were important factors in determining pay satisfaction. Communication also turns out to be an important factor in determining employee reactions to pay policies. Schaubroeck, May, and Brown (1994) demonstrated that providing explanations for a pay freeze mitigated negative effects on turnover intentions, satisfaction, and organisational commitment.

The Relationship between Procedural Justice and Distributive Justice

As noted by Greenberg (1990), one of the most basic tasks faced by justice researchers is establishing that the distinction between distributive justice and procedural

justice is more than a theoretical convenience. The bulk of the early research on procedural justice and distributive justice validates the theoretical distinction between the two. For example, many studies were able to construct measures of procedural justice and distributive justice that were only moderately correlated with each other and that predicted different consequences. Folger and Konovsky (1989), among others, found that procedural justice predicted attitudes toward authorities and organisation, whereas distributive justice predicted attitudes toward specific outcomes such as increase in pay level. Joy and Witt (1992) determined that the strength of the relationship between procedural justice and distributive justice was moderated by the time frame with which employees viewed their organisations. Procedural justice and distributive justice were more highly related for those employees with a long-term perspective compared to employees with a short-term organisational perspective.

A final issue regarding the relationship between procedural justice and distributive justice is the presence of interaction effects. One striking and important finding in the literature is that the negative effects of outcome severity can be mitigated by the presence of high levels of procedural justice: the more severe the outcome, the more salient the procedural fairness effect (Brockner, Tyler, & Cooper-Schneider, 1992). This result was observed in a variety of organisational contexts (Cropanzano & Konovsky, 1995; Shapiro & Kirkman, 1999). The reverse effect also occurs. Receiving favourable outcomes can mitigate the negative effects of low procedural justice. Brockner and Wiesenfeld (1996) reviewed the voluminous literature in which interaction effects of outcomes and procedures were observed. Brockner and Wiesenfeld noted when a negative event occurs individuals initiate sense-making or information-seeking activities to search for clues about why it occurred. This information search heightens individuals' susceptibility to be influenced by salient external cues. If the negative event included unfair procedures, this heightens

people's sensitivity to the outcomes they received. If a negative outcome was received, this heightens people's sensitivity to the procedures used to determine the outcome. This heightened sensitivity is manifested by the interaction effect of procedural justice and distributive justice.

Consideration of Procedural Justice Variables in Cross-Cultural Settings

Procedural justice and its antecedents and consequences have been conceptualised and measured mainly at the individual level (Mossholder, Bennett, & Martin, 1998; James, 1993). Almost wholly absent from consideration has been the influence of procedural justice including culture and organisation or group-level procedural justice antecedents and consequences. This study will first consider the role of culture in influencing procedural justice judgments and effects, and then consideration will be given to group-level effects.

Some research indicates that procedural justice judgments are similar across cultures (Lind, Tyler, & Huo, 1997) and that voice, in particular, is associated with justice judgments in different cultures. Price et al. (1999), for example, found that voice was equally important in four countries including Great Britain, Mexico, the Netherlands, and the United States. Giacobbe-Miller, Miller, and Victorov (1998) found that voice was important in choosing the method of payment affected distributive justice judgments in Russia. In sum, the voice effect appears to be similar in magnitude across cultural boundaries (Lind & Earley, 1992).

Individualism and collectivism also influence procedural justice judgments (Lind & Earley, 1992). Leung and Lind (1986) found that people in individualistic cultures such as the United States prefer higher levels of process control, whereas those in collectivistic cultures such as China show no such preference. Kozan (1997) explains this phenomenon

in his model of conflict resolution where he describes individualistic cultures as confrontational and collectivistic cultures as oriented toward harmony. Research also indicates that power distance influences procedural justice judgments, with cultures high in power distance showing a preference for more autocratic processes compared to cultures low in power distance (McFarlin & Sweeney, 1998).

With regard to the effects of procedural justice, two studies indicate that cross-cultural differences exist. In a sample from Mexico, Konovsky, Elliot, and Pugh (1995) found distributive justice was more important than procedural justice in predicting trust and citizenship behaviour. Konovsky and Pugh (1994) found the opposite in a sample from the United States where procedural justice, not distributive justice, predicted trust and citizenship behaviour. Similarly, Pillai and Williams (1999) found that procedural justice was a stronger predictor of trust in the United States and India, but distributive justice was a slightly stronger predictor of trust in Germany. Collectively, the studies reviewed above indicate similarities across cultures in the predictors of justice judgments, but differences in the consequences of procedural justice and distributive justice judgments across cultures were evident.

For only a decade has procedural justice itself been conceptualised and examined at group levels. For example, Sheppard, Lewicki, and Minton (1992) introduced the concept of systemic justice, or the fairness of the system, within which outcomes and procedures are generated. Mossholder et al. (1998) proposed and found that group-level procedural justice perceptions explained variance in individual level satisfaction beyond that explained by individual level procedural justice perceptions.

Measurement of Procedural Justice

The measurement of procedural justice is one of the most challenging topics in organisational studies. However, as is often the case with new areas of research, measurement has not been consistent across studies. According to Bauer, Truxillo, Sanchez, and Craig (2001) developing a comprehensive scale of procedural justice is required for reliable and valid research. Bauer et al. stated an important reason for having a valid measurement scale in procedural justice research that was that the reactions between the employee and employer process involves complex sets of perceptions. Valid and reliable measurement of the different procedural justice constructs can assist practitioners and researchers to understand more fully the role that fairness plays among employees in different organisational contexts. Greenberg (1990) also noted without the use of established scales it is difficult to compare results across studies. Heneman (1985) has noted measures that are created for each specific study as "ad hoc measures" and argued that the use of ad hoc measures can fragment research in a given area.

Churchill (1979) developed a procedural justice scale based on four major theories. The proposed scale by Churchill is designed as suitable for retail business. Using this scale the retailer or interested researchers in the retail business will be able to determine how fairly the complaints are handled in organisations (Saxby, Tat, & Johansen, 2000). Folger and Konovsky (1989) developed a measure consistent with the Greenberg (1986) and Lind and Tyler (1988) models. Folger and Konovsky's measurement items were based on personalised relationships between employees and their supervisors.

Bauer et al (2001) developed a scale largely driven by Gilliland's (1993) theoretical model which includes 10 procedural justice rules that fall under three broad categories. The formal characteristics category includes job-relatedness, the chance to perform,

reconsideration opportunity, and consistency. Under the explanation grouping is feedback, information known, and openness. Within the interpersonal treatment domain is treatment at the test site, two-way communication, and propriety of questions. These rules are theorised to influence perceptions of overall fairness of a given selection process and other outcomes. Potential outcomes noted by Gilliland include reactions during hiring such as organisational attractiveness, job acceptance, and test-taking motivation; reactions after hiring such as legal actions, on-the-job performance, attitudes, and reapplication intentions; and self perceptions such as self-esteem and test-taking self-efficacy. Gilliland's model is based on the Folger and Greenberg (1985), and the Folger and Konovsky (1989) procedural justice models.

Some studies measured procedural justice based on instrumental and noninstrumental theories. These items focused on employees' perceptions about formal procedures that would directly affect outcomes. On the other hand, items also focused on aspects of interpersonal treatment. For example, Konvsky and Cropanzano (1991), Lind, Kanfer, and Earley (1990), Robbins, Summers, Miller, and Hendrix (2000), and Schroth and Shah (2000) have taken both instrumental and non-instrumental concerns to develop their scales.

Other studies measured procedural justice based on group value (noninstrumental theory) construct only. Items in these measures are focused on affecting perceived respect, status or standing in the immediate work group. In particular, the developed items assessed the perceived degree of supervisory support, and the quality of treatment by the supervisor. Tyler (1989) is one of the pioneer researchers in the group value model. His measure focused on employer and employee relationships, in particular on long-term relationship, trust, standing (status) in the group, and interpersonal treatment with the employer. Likewise, consistent with Tyler's model, other researchers also developed procedural justice scales for their respective studies. For example, Shapiro and Brett

(1993), Erdogan, Kraimer, and Liden (2001), Greenberg (1994), Magner, Johnson, Sobery, and Welker (2000) and Moorman (1991) developed their items to assess quality of treatment by the supervisor.

Other groups of researchers developed their scales based on the instrumental model only. For example, Schaubroeck, May, and Brown (1994), developed their scale to measure employee reaction to monetary benefit only.

Faced with a choice of using measurement based on all the constructs or the particular constructs of procedural justice, it was decided for this thesis to use the Folger and Konovsky (1989) measure. Their measurement scale of procedural justice is most appropriate to interpret the various actions by supervisors which affect the employees' procedural perceptions (Cropanzano & Greenberg, 1997). Mossholder et al. (1998) argued it is perhaps most useful to consider employees' perceptions of managers' use of power in regard to employees in terms of noninstrumental and instrumental processes. Folger and Konovsky's measure is consistent with both the constructs (Mossholder et al., 1998). Konovsky and Pugh (1994) also demonstrated that Folger and Konovsky (1989) had developed a valid measure to study personalised relationships between employees and supervisors.

Summary

The literature review revealed that there is empirical support for the relationship of managers' use of power in relation to employees, and their organisational commitment and job satisfaction. Further, the review on these two constructs revealed that there is another factor influencing the employees' organisational outcomes, and it is procedural justice.

What stands out from the procedural justice literature is that procedural justice perception influences employees' organisational outcomes. The review of the literature also reveals that this perception frequently results in changes in employees' behaviour, in particular effecting employees' organisational commitment and job satisfaction.

A sound theoretical foundation is the first step in the commencement of a proper research activity. As has been shown in this chapter the theoretical foundation of procedural justice and its major constructs is based on previous validated empirical studies. The notion of distributive justice has also been discussed. In addition to identifying the difference between procedural justice and distributive justice, the importance of procedural justice relative to distributive justice has been demonstrated.

In the second part of the chapter, measures of procedural justice have been discussed. Measurement has not been consistent across studies. The researcher, however, has selected a measure for this study, which is based on instrumental and noninstrumental constructs of the procedural justice. The selected measure of Folger & Konovsky (1989) has also been empirically tested by other researchers in their respective studies.

From the review of the literature, it is revealed that there is empirical support between managers' use of power, and employees' organisational commitment and job satisfaction. Further literature review reveals that procedural justice also has a significant impact on managers' use of power in relation to employees' organisational commitment and job satisfaction.

Although empirical studies on managers' use of power in relation to employees, procedural justice, and employees' organisational commitment and job satisfaction have been repeated in many countries, a review of the evidence so far suggests that most studies have been carried out in developed countries. This thesis will contribute evidence from a developing country, Bangladesh, to the worldwide database on the studied topic.

In the review of literature in this chapter, a number of theories relating to the topic of the research were examined and brought greater clarity and focus to the research problem. In the next chapter, a simple conceptual framework is developed in which concepts are identified and defined, relationships between concepts are explored, and operationalisation of concepts is decided. The research questions are narrowed and limited, and hypotheses are proposed.

CHAPTER 4

DEVELOPMENT OF CONCEPTUAL FRAMEWORK

In the previous chapter the review of literature revealed that managers' use of power is important in the context of their relationships with employees' organisational outcomes. As procedural justice has been found to correlate with employees' organisational related attitudes, it was anticipated that these procedural justice evaluations would, in turn, be associated with employees' organisational outcomes (such as organisational commitment and job satisfaction). Thus, the empirical research postulates that there is a theoretical rationale for describing that there are relationships between managers' use of power, procedural justice, and organisational commitment and job satisfaction.

The objectives of this chapter are to propose a conceptual framework developed from insights gained from the review of literature in Chapter 3, and to suggest research questions and hypotheses drawn from this framework.

The chapter is divided into three major sections. The first section emphasises the significance of the key concepts. In the second, a conceptual framework for this research is proposed. The third section presents the research questions and hypotheses generated for the study.

Significance of the Selected Concepts

In the following sections the significance of the chosen concepts is emphasised and the relationships between the concepts are identified. This in turn leads to the development of the conceptual framework.

Academic scholars and organisational researchers (Brass & Burkhardt, 1993; Carson et al., 1999; Carlson, 2000; Rahim & Manger, 1996; Rahim & Afza, 1993; Rahim, Antonioni, & Psenicka, 2001) have long advocated the importance of managers' use of power in relation to employees' organisational commitment and job satisfaction.

Academics and researchers also elaborated that procedural justice (Ball, Trevino, & Sims, 1994; Konovsky, 2000; Konovsky & Organ, 1996; Konovsky & Pugh, 1994; Moorman, 1991; Niehoff & Moorman, 1993) has a significant impact on employees' organisational outcomes.

Research has supported the belief that there is a significant relationship between managers' use of power and employees' outcomes; that is, change in one appears to change the other (Brass & Burkhardt, 1993; Carson et al., 1999; Carlson et al., 2000; Rahim & Manger, 1996; Rahim & Afza, 1993; Rahim, Antonioni, & Psenicka, 2001). The results of these studies show that there is a positive relationship between managers' use of power in regard to employees, and employees' organisational commitment and job satisfaction. Rahim and Afza (1993), and Rahim and Magner (1996) investigated employees' perceptions of managers' use of power in regard to employees in Bangladesh and South Korea that is, in cultures other than Western. Their results show that it is also important in Bangladeshi and South Korean culture, for managers' use of power to have a relationship with employees' perceptions. Therefore, managers' effective use of power in

regard to employees is essential for employees' organisational commitment and job satisfaction.

Findings by Mossholder, Bennett, Kemery, and Wesolowski (1998) support the findings of earlier researchers. However, they argue that there is another factor also influencing employees' organisational outcomes. Their study shows that procedural justice plays an important role in employees' organisational commitment and job satisfaction.

To study the relationship between managers' use of power and procedural justice with employees' organisational commitment and job satisfaction, researchers have also taken into account demographic variables (such as gender, age, education level, rank, social status and ethnicity) to investigate whether these variables have an impact on the above relationships.

To investigate managers' use of power and employees' organisational commitment and job satisfaction, Rahim (1989) took into account the demographic variables (age and education level) of the respondents. Study results postulated that employees' age and education level have significant impact on the relationship between supervisors' behavioural attributes and organisational outcomes. Researchers Rahim and Afza in 1993 conducted a study which included age, education level, and work experience of the respondents as extraneous variables. Results show that age, education level, work experience have a relationships with managers' use of power and employees' job satisfaction, organisational commitment, compliance, and propensity to leave a job. Both the studies revealed that age and education level are related to employees' organisational outcomes.

Hrebiniak and Allutto (1973), Shoemaker, Snizek, and Bryant (1977), and Stevens, Beyey, and Trice (1978) found that gender and marital status have a relationship with commitment and career pattern. These two variables, however, can also affect the

organisational commitment of employees. In exchange terms, married or separated individuals, especially women, see higher costs attached to leaving an organisation than single individuals. Age is another variable that affects employees' commitment level. With age, attraction to leave an organisation diminishes, thus reducing mobility. Moreover, length of service is an investment for an employee. The longer the length of service in a company, the more attractive it is to an employee, leading to an increase in commitment.

Zhao, Thurman, & He (1999) noted that employees' job satisfaction is not only based on the work environment but is also related to the employees' demographic variables. Their study included employees' education level, ethnicity, gender, rank, and year of service to study job satisfaction. Study results suggest that employees' education level has a positive relationship with employees' job performance and job satisfaction. The study results also point out that the employees with master degrees tended to demonstrate the lowest levels of positive attitudes toward their jobs. This study suggests that employees with and without a college degree have a different level of job satisfaction. Regarding ethnicity and gender, findings show that employees who are both white and male to be more satisfied with their jobs compared to both minority and female counterparts. Zhao et al. also noted that female employees are the least satisfied with their jobs. The study suggests that employees' rank and year of service are associated with job satisfaction.

Konovsky (2000) argues that the perceptions of procedural justice have strong effects on employees' attitudes regarding organisational outcomes. Measures of organisational outcomes 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). Procedural

justice perceptions also influence supervisor-subordinate relationships, frequently resulting in changes in employees' behaviour. One such behaviour influenced by procedural justice is employees' work attitudes. Numerous studies have demonstrated that procedural justice predicts employees' work attitudes (Ball, Trevino, & Sims, 1994; Konovsky & Organ, 1996; Konovsky & Pugh, 1994; Moorman, 1991; Niehoff & Moorman, 1993).

Erdogan, Kraimer, and Liden (2001) argued that employees' work attitudes are related to procedural justice perceptions. Erdogan et al. who conducted a study in a commercial bank in Turkey also supports this distinction. The study examined a set of employees' characteristics (employees' level in the organisation, education level, and gender) as antecedents of procedural justice.

Research results indicate that knowledge (education level and training) of employees is a determinant of procedural justice perception. Two studies have shown that the perceived system knowledge of the managers or employees' belief of how well managers understand the system is related to justice perceptions (Levy & Williams, 1998; Naumann & Bennett, 2000; William & Levy, 2000). In addition, Tang and Sarsfield-Baldwin (1996) found that employees' education level is an important determinant of managers' understanding of the system.

Studies carried out in Singapore and South Korea on the demographic profile also found that there is a stable relationship with procedural justice and organisational outcomes in Asian countries (Khatri, Fern, & Budhwar, 2001; Wai & Robinson, 1998). Their research included age, tenure, level of education, level of income and job category of managers and employees.

From the literature review, it was revealed that managers' use of power and procedural justice have a significant relationship with employees' organisational commitment and job satisfaction level. To investigate the above relationships researchers

demonstrated that demographic variables (such as gender, age, and level of education) would have an association with the studied variables (Erdogan, Kraimer, & Liden, 2001; Rahim, 1989; Rahim & Afza, 1993; Khatri, Fern, & Budhwar, 2001; Stevens, Beyey, & Trice, 1978; Wai & Robinson, 1998; Zhao, Thurman, & He, 1999).

There are three nationalised commercial banks in Bangladesh. The researcher is interested into finding the relationship between managers' use of power and procedural justice, with employees' organisational commitment and job satisfaction level in the three banks. Therefore, types of bank will be one of the studied variables for this research. In this study, it is hypothesised that managers' use of power, procedural justice, organisational commitment, and job satisfaction will be associated with types of bank, gender, age, and education level in NCBs (Agrani Bank, Janata Bank, and Sonali Bank) in Bangladesh.

Findings in the literature review (discussed in Chapters 3) reveal that there is a significant relationship between managers' use of power and procedural justice and employees' organisational commitment and job satisfaction. In the case of NCBs in Bangladesh, there are no published findings on the relationships of managers' use of power and procedural justice, with employees' organisational commitment and job satisfaction.

Based on the preceding literature review, the conceptual framework (Figure 4.1) depicts the measured variables and their relationships in the present study.

Proposed Conceptual Framework

To give direction to the investigation, the researcher developed a conceptual framework based on insights gain from the literature review. While a number of theories and issues pertinent to the study were discussed in the previous chapter, the following concepts were chosen as the basis for analysis of the research problem. These were managers' use of power, procedural justice, employees' organisational commitment, and

job satisfaction. According to Ticehurst and Veal (2000), "a conceptual framework indicates how the researcher views the concepts involved in a study - especially the relationships between concepts" (p. 32). Greater clarity in understanding the concepts addressed in this study indicated the relationships between the studied variables (Cooper & Schindler, 1998; Kumar, 1997).

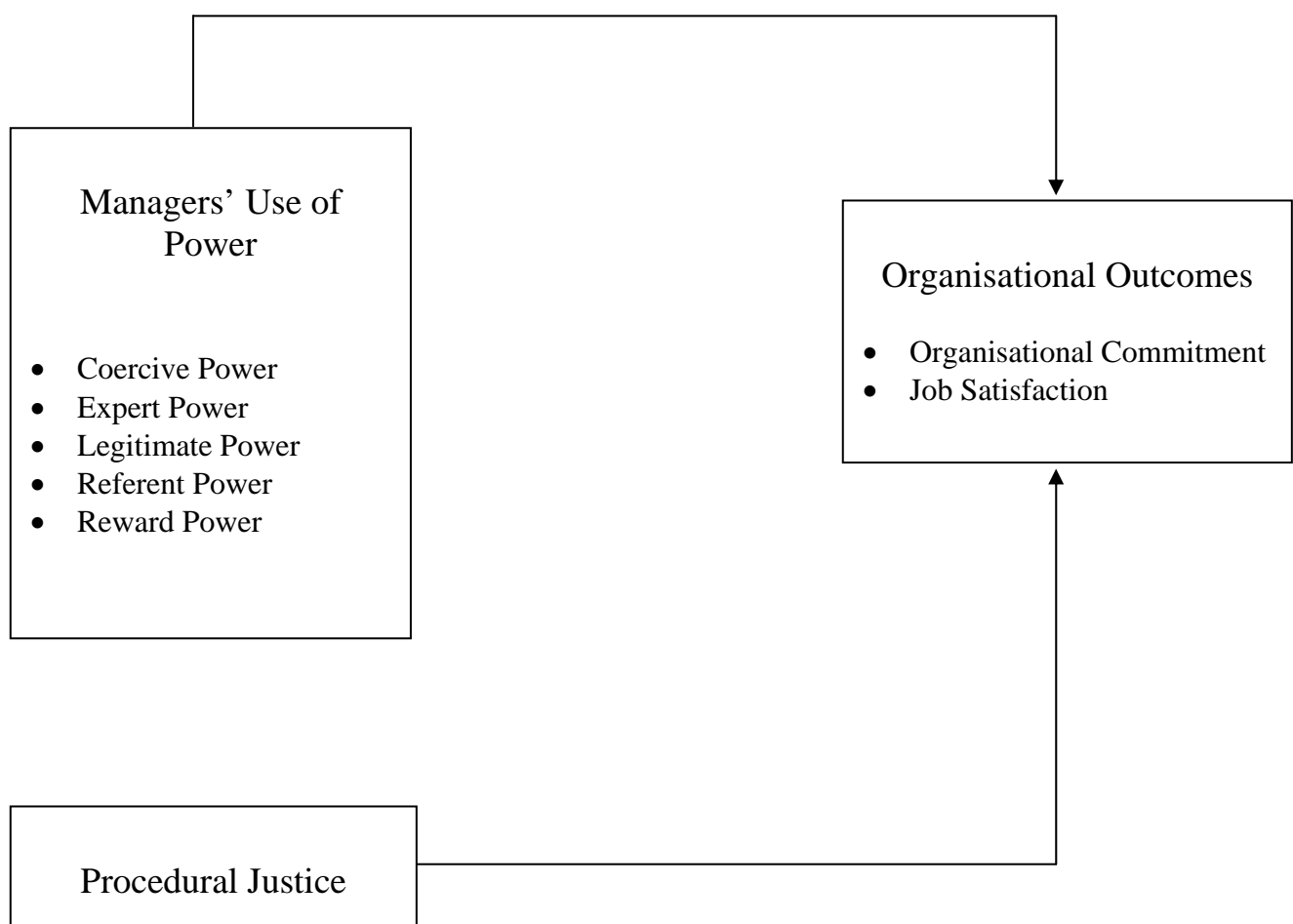


Figure 4.1 Conceptual Framework of Research Variables and their Relationships

Key Components of the Framework

The framework shown in Figure 4.1 has three major components. Component one consists of managers' use of power, component two is procedural justice, and the last component is organisational outcomes, that is, organisational commitment and job satisfaction.

Component 1: Managers' Use of Power

The power framework developed by French and Raven (1959) was adopted in this study. French and Raven defined power as the ability of one party to influence the attitudes and/or behaviour of another. The types of power (which French and Raven named as bases of power) are described as follows:

Coercive power is based on subordinates' perceptions that a superior has the ability to punish them if they fail to conform to his or her influence attempt. This power base is characterised by behaviours that are directed at forcing compliance from subordinates through threat, conformation, and punitive behaviours that are outside of normal role expectations (Hinkin & Schriesheim, 1990, 1994). Supervisors who have demonstrated the capacity to behave in these ways will likely be perceived by subordinates as acting with personal bias, dishonesty, and arbitrariness; all of which are the antithesis of employees' organisational outcomes (Rahim, 1989).

Reward power is based on the perception of subordinates that a superior can reward them for desired behaviour. In an organisation, reward power is typically viewed as supervisors' demonstrated capacity to provide subordinates with outcomes such as pay raise, benefits, and promotions. From the literature review it was revealed that subordinates who associate supervisors' reward power with favourable circumstances or

outcomes are more likely to feel that the supervisors are procedurally fair. This would result in improvement of the subordinates' organisational outcomes (Raven, 1993).

Legitimate power is based on the belief of subordinates that a superior has the right to prescribe and control their behaviour. Hinkin and Schriesheim (1990) found that this power base also correlated with supervisors' use of rational explanation as an influence tactic. Niehoff and Moorman (1993) determined that leaders' formal monitoring of subordinates through observation or meetings was associated with subordinates' organisational outcomes.

Expert power is based on subordinates' belief that a superior has job experience and special knowledge or expertise in a given area. Expert power is apt to be accomplished through reasoning and empowerment activities (Rahim, 1989). Hinkis and Schriesheim (1990) found that supervisors' informal discussions with subordinates could lead to information sharing and increased perceptions of procedural justice. This work-related information exchange may signify that subordinates are valued and may also give them more control in striving for organisational goals and any associated rewards.

Referent power is based on subordinates' desires to identify with a superior because of their admiration or personal liking of the superior. Supervisors with this power base are likely to appeal to subordinates' identification with them (Rahim, 1989). According to Tyler and Lind (1992) subordinates made to feel important and personally accepted are likely to experience increased procedural justice perceptions because this helps to confirm that they are valued in the work group. This would result in improvement of the employees' organisational outcomes.

Findings in the literature review indicate that managers' use of power will have a relationship with employees' organisational outcomes. This objective of this study is to find the extent and nature of this relationship in the three NCBs in Bangladesh.

Component 2: Procedural Justice

Organisational literature on procedural justice has demonstrated that procedural justice will have a significant impact on employees' organisational commitment and job satisfaction. One of the objectives of this study is to find a linkage between procedural justice and employees' organisational commitment and job satisfaction level in NCBs in Bangladesh.

Konovsky (2000) suggests that the search for "the best" procedural justice model may be misdirected, as there can be multiple causes of procedural justice judgments. In general, the self-interest model and the group value model have received empirical support.

According to Mossholder et al.(1998) though there are four models (self interest, group value, fairness heuristic, and justice judgement) that could be used to interpret how various actions by supervisors could affect employees' procedural justice perceptions, it is useful to consider employees' perceptions of managers' use of power in terms of the self-interest model and group value model. Mossholder et al. argued that the self-interest model and the group value model are useful tools in the organisational context to study managers' use of power on employees. This study will use the self-interest model (also known as the instrumental model) and the group value model (also known as non-instrumental model) to analyse the research focus.

Component 3: Organisational Commitment and Job Satisfaction

The concept employed in this study is affective commitment, as explored in the study of Mowday, Steers, and Porter (1979) through their measuring instrument, the Organisational Commitment Questionnaire (OCQ). Their affective commitment does not only imply loyalty towards the organisation; 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 context.

This study adopted the Hackman and Oldham (1980) model to investigate the various dimensions of the immediate job environment. One key feature of this approach is its ability to measure some of the most important dimensions that can be commonly identified in a workplace at the individual employee level. On the basis of extensive research conducted to refine their measures, Hackman and Oldham (1980) identified five "core" dimensions for evaluating the immediate work environment. They found that these core dimensions were correlated significantly with job satisfaction and employees motivation. Key among the underlying characteristics are the meaningfulness of the work (to what extent the individual perceives the work as significant and important), responsibility for the job (how far the individual feels personally accountable for the outcomes of the work), and the extent to which the employee has knowledge about the results of his or her efforts.

In this study, it is hypothesised that managers' use of power and procedural justice significantly determine employees' organisational commitment and job satisfaction level in NCBs (Agrani Bank, Janata Bank, and Sonali Bank) in Bangladesh. From the literature review the conceptual framework was developed. In addition to identification of the concepts from the literature, validated measures were chosen to make the concepts operational.

Following the development of the conceptual framework, specific research questions and hypotheses were established to address directly the research problem (Ticehurst & Veal, 2000). In the following section these questions and hypotheses are stated.

Research Questions and Hypotheses

Research Question One

Are there significant differences between managers' use of power, procedural justice, organisational commitment and job satisfaction level, by types of bank, gender, age, and education level in NCBs (Agrani Bank, Janata Bank, and Sonali Bank) in Bangladesh?

Hypothesis 1:

There are significant differences between managers' use of power, procedural justice, organisational commitment, and job satisfaction level, by types of bank, gender, age, and education level in NCBs (Agrani Bank, Janata Bank, and Sonali Bank) in Bangladesh.

Research Question Two

Is there a significant relationship between managers' use of power and procedural justice with employees' organisational commitment level in NCBs (Agrani Bank, Janata Bank, and Sonali Bank) in Bangladesh?

Hypothesis 2:

Managers' use of power and procedural justice significantly determine employees' organisational commitment level in NCBs (Agrani Bank, Janata Bank, and Sonali Bank) in Bangladesh.

Research Question Three

Is there a significant relationship between managers' use of power and procedural justice with employees' job satisfaction level in NCBs (Agrani Bank, Janata Bank, and Sonali Bank) in Bangladesh?

Hypothesis 3:

Managers' use of power and procedural justice significantly determine employees' job satisfaction level in NCBs (Agrani Bank, Janata Bank, and Sonali Bank) in Bangladesh.

Summary

This chapter discussed the key concepts used in this study and the conceptual framework generated for this research. From the literature discussed in the previous chapter, it was hypothesised that managers' use of power and procedural justice would be related to employees' organisational commitment and job satisfaction; and that there would be a relationship between demographic variables and the criterion variables of the study. The conceptual framework indicated the relationships between the concepts, determined the course of the study, and led to the development of three research questions as well as three hypotheses to be tested. The next chapter discusses the research methodology which includes the research design and research approach.

CHAPTER 5

RESEARCH METHODOLOGY

The previous chapter outlined the relevant research questions and the hypotheses to be tested. For this study, the researcher investigated the relationship between managers' use of power and procedural justice and employees' organisational commitment and job satisfaction in NCBs in Bangladesh. The researcher also investigated whether the types of bank, gender, age, and education level have any relationships with the studied variables. These variables were derived from the conceptual framework (figure 4.1) presented in Chapter 4 and developed on the basis of the literature review discussed in Chapter 3. Also through the application of the conceptual framework, the researcher identified the relationships among the studied variables.

Such issues have been addressed in previous studies (discussed in Chapters 3) in an effort to identify the relationships between managers' use of power and procedural justice and employees' organisational commitment and job satisfaction in different countries. This study is different from those previous studies for the following two reasons. First, there has been no published research to date on managers' use of power and employees' organisational outcomes in Bangladesh. Second, this study is based on a developing country (Bangladesh) where cultural and economic differences are greater than in developed countries.

The objective of this chapter is to describe the methods by which the stated research questions and hypotheses are tested through a questionnaire presented to the NCB employees, and by interviewing NCB managers and bank experts in Bangladesh.

Research Design

To obtain answers to the identified research questions and to test the hypotheses, a correlational research design was selected as appropriate for this study. The preceding graphical representation of the proposed framework (Figure 4.1, in Chapter 4) depicted the pattern and structure of relationships among the set of measured variables. It also helped to direct the researcher in his choice of a research design.

When a researcher investigates the effects of the measured variables and analyses the relationships among the variables, the design is known as correlational (Graziano & Raulin 1997; Zikmund, 2000). Leedy and Ormrod (2001) state that "a correlational study examines the extent to which differences in characteristics or variable are related to differences in once or more other characteristics or variables. A correlation exists if, when one variable increases, another variable either increases or decreases in a somewhat predictable fashion". Burns (1997) adds that while the relationship is mutual or reciprocating he does not include in his concept of correlation any idea at all of one variable being the cause and another variable being the effect. He notes that the researcher merely says that he has discovered that two things are connected. When writing about research design Sekaran (1984) points out that a distinguishing feature of a correlational study is that it is concerned with identifying the important correlates that explain the variance in the dependent variable. This writer adds a further point in stating that the study is conducted in the environment where events naturally occur without any artificial constraints being imposed in the setting.

In correlational analysis, the researcher has no control over the values of the variables under study. Instead, the researcher merely observes how the variables of interest

vary in the natural environment (Kachigan, 1986). Dooley (1990) notes that correlational analysis allows the researchers to determine how much of the variation in a criterion variable is associated with variation in a set of predictor variables. As the current study was carried out in the natural environment of the organisation, the researcher interfered minimally with the normal flow of events. With this in mind, the present quantitative research methodology uses a correlational study to discover or establish the existence of relationship, association or interdependence between the measured variables. The present study investigated the relationships between managers' use of power and procedural justice, and employees' organisational commitment and job satisfaction levels in NCBs in Bangladesh. The study also investigated whether there is a significant difference between studied variables by types of bank, gender, age, and education level. After the decision to use correlation as the most appropriate study design, the next step was choosing a means of collecting data for the study.

Triangulation Method

As favoured by several authors (Crano, 1981; Quinn, 2002; Wilson & Hautchinso, 1991) a combination of research methods, termed "triangulation", was used to gain broader and more complete understanding of the issues being investigated. Denzin (1978) explains that the logic of triangulation is based on the premise that:

No single method ever adequately solves the problem of rival causal factors...Because each method reveals different aspects of empirical reality, multiple methods of observations must be employed. This is termed triangulation. I now offer as a final methodological rule the principle that multiple methods should be used in every investigation. (p. 28)

He argues that triangulation is a plan of action that will raise investigators above the personal biases that stem from single methodologies. By combining methods, an investigator can observe and overcome the deficiencies that flow from using a single method in one study. Fielding and Fielding (1987), however, caution the researcher on using the triangulation method. They note that:

We should combine theories and methods carefully and purposefully with the intention of adding breadth to our analysis, but not for the purpose of pursuing "objective" truth. (Fielding & Fielding, 1987, p.33)

Newman (1994) notes using the triangulation method would improve the quality of measurement. As the diversity of indicators increases, confidence in measurement grows because getting identical measurements from highly diverse methods implies greater validity than if a single or similar methods had been used. John and Lee-Ross (1998) also express similar views. They argue that more than one research method should be used in the validation process to ensure that the variance reflects the trait and not the method. Bryman (1988) and Thyer (2001) believe that multiple research methods strongly support the claims of researchers for the need for validity of their research findings.

These observations suggest that both quantitative and qualitative research methodologies work as complementary to each other when conducting an investigation and answering research questions. Reichardt and Cook (1979) postulated that the researchers should not be restricted to either the quantitative or qualitative paradigms. Rather, investigators should be flexible by combining both methodologies answering the same research questions.

Most of the measures used in this study were adapted from previous studies (discussed in chapters 3), and none of them was designed particularly for developing countries. Therefore, to test the proposed hypotheses more completely, it was thought that a combination of both quantitative and qualitative research approaches would be most

appropriate for this study in order to support and verify the findings. It was decided to use questionnaires and semi-structured interviews. To gain a reflection of the population to be studied, a stratified random sample of bank branches was made; from this sample all employees were offered a questionnaire and bank managers were interviewed. All bank experts were also interviewed. Quantitative data were subject to statistical analysis while qualitative data were coded and categorised. (It should be noted, however, that this research was carried out at a time of severe changes in climatic conditions in Bangladesh. Although the researcher did not have to modify the original sequence of the research process, certain adjustments had to be made to the anticipated time line for the data collection stage of the design).

To gather information, NCB employees, bank managers, and bank experts were surveyed. For this study, the researcher surveyed 600 employees, 36 managers, and four bank experts. To collect data from the bank employees, a self-administered questionnaire was used. The data from the self-administered questionnaire was analysed using quantitative methodology.

In addition, information was gathered from the bank managers and bank experts using the interview technique. The data gathered from the interview method was analysed utilising qualitative methods. As mentioned earlier, when a study uses both the quantitative and qualitative methods, this method is described as "triangulation" (Crano, 1981; Denzin, 1978; Quinn, 2002; Wilson & Hautchinso, 1991).

In looking at the research project as whole, the researcher had confidence in the validity of the approach, that is, in its accuracy meaningfulness, and credibility. To increase the probability that the explanations for the results were the most likely one for the observations made, multiple sources of data were collected with the hope that they would all converge to support the hypotheses. Such internal validity encouraged the researcher to

believe that the conclusions drawn were warranted from the data collected. As the research was conducted in real life circumstance, this strategy enhanced the external validity of the project, that is, the extent to which the conclusions drawn could be generalised to other contexts (Leedy & Ormrod, 2001).

To increase the reliability of the instruments the researcher standardised their administration, that is, all questionnaires were of the same standard form, and distributed and collected by the researcher. All interviews followed the same interview schedule and were also carried out by the researcher.

Research Approach

On June 30, 2000, the researcher went to Bangladesh, after obtaining ethics clearance for the research from Human Research Ethics Committee at Australian Catholic University (Appendix 2). To investigate the research questions, the researcher gathered information from bank employees, bank managers, and bank experts. All participation was voluntary. If the participants wished to withdraw, they were free to do so at any time without providing any reason. All the participants were given a letter from the researcher (Appendix 3) and from the researcher's supervisor (Appendix 4) explaining the context of the research focus. The participants signed a consent form (Appendix 5) and kept a copy as their record. A signed copy was returned to the researcher.

Sampling Method

A systematic sampling method was utilised to collect data from a total of 186 branches of the three NCBs in Dhaka city. The systematic sampling was accomplished by

choosing elements from a randomly arranged sampling frame according to ordered criteria (Dane, 1990). This process of selecting the sample from the total population saved time as well as financial and human resources (Kumar, 1997). The researcher interviewed the branch managers of the selected branches for the study. In the following section, the sampling strategy for this study will be discussed.

The sampling frame that was used for this study is Bangladesh Government's Bank Statistics List 1999, published by Bangladesh Bank, under the Ministry of Finance, Bangladesh. The list provides all names of banks and lists of their branches. It also mentions types of services provided, deposits distributed, capital turnover, and credit disbursement by the listed banks.

This list is considered the appropriate source to use for this study. It covers all banks and their branches in Bangladesh. It is also the most frequently updated bank statistics available for public use. Furthermore, it is published by one of the most reliable sources, the Bangladesh Bank.

The study was conducted only in Dhaka city because of time and financial constraint. Based on the study's focus, only the retail branches of the three NCBs were selected. A systematic sampling method was used in this study. Malhotra, Hall, Shaw, and Crisp (1996) categorize the systematic sampling method as a probability sampling technique. They point out that a sample in a systematic sampling method is chosen by selecting a random starting point and then picking every K^{th} element in succession from the sampling frame. It is more or less similar to simple random sampling, in that each element in the population has a known and equal chance of being selected. The only difference is that the only permissible sample of size n can be drawn with a known and equal probability of selection, while the remaining sample of size n has a zero probability of being selected (Malhotra et al., 1996).

In this study, every 5th branch was selected, from the 5th branch on the list. For example, the sample includes the 5th branch, the 10th branch, the 15th branch, and so forth. A total of 36 branches were selected from 186 branches of the three NCBs from Dhaka city.

Research Instruments

It was found that there was lack of secondary data (e.g. articles, journals, magazine, and records on human resource management) in the case of NCBs in Bangladesh. As a result, the researcher required primary data to investigate the research problem. To collect data from the primary sources, the researcher used questionnaire and interview methods.

To gain information from the bank employees the researcher used the questionnaire method. The questionnaire was a useful method to collect data from employees for the following reasons. First, the current study was about manager and employee relationships, and employees might feel reluctant to discuss these issues with an interviewer. In such a situation, a questionnaire is the better choice as it ensures anonymity (Zikmund, 2000). Second, NCB employees are scattered over a wide geographical area of the Dhaka Division and the researcher surveyed 600 employees. To interview such a large sample of employees would have been both time consuming and expensive. This was another reason why the researcher chose the questionnaire method to collect data from the bank employees.

The researcher also collected data from all the managers of 36 branches, and four bank experts from the Bangladesh Institute of Bank Management (BIBM). Kumar, Stern, and Anderson (1993) noted that researchers who conduct quantitative, large-scale research of inter-organisational relationships often face a lack of archival data. Reports from bank

managers and experts in the field provided an effective alternative. The use of the interview technique in this research involved the collection of data from the managers of the studied branches, and also selected individuals within the Bangladeshi banking sector who had specific knowledge about the nationalised commercial banking system. The researcher selected the interview method not only for in-depth information but to verify the information obtained from responses gained from the employees' questionnaires.

Data Collection

Pilot Test of Questionnaire.

The first step in the data collection was distribution of the pilot test of the questionnaire. The questionnaire was pre-tested with 26 NCB employees who were attending training in Bangladesh Institute of Bank Management (BIBM). These employees work in different NCB branches in Bangladesh. Burns and Bush (1998) suggested that a pre-test of 5-10 representative respondents is usually sufficient to identify problems with a questionnaire. The pre-test group was not included in this study as the participants were not employees of the studied branches.

The participants were asked to evaluate the questionnaire for clarity, bias, ambiguous questions, and relevance to the organisational setting of NCBs. The participants were also asked to comment on the instrument with regard to wording and timing. The pre-test study indicated that participants had problems with the questionnaire being in English. Another comment was that the time needed for answering the questionnaire was too long. In response to such comments, the format of the questionnaire was later redesigned. The questionnaire was translated into Bangla (the language of

Bangladesh) and two questions were deleted because they were not related to the culture of the NCBs.

Choosing a person to translate a questionnaire is an important process. In this study, two criteria were used as bases for careful selection of a translator. First, a person must have a good understanding of both languages. More importantly, a person must be capable of writing high-standard official Bangla, especially that which is suitable for questionnaires. Second, a person's credentials must show that he or she has extensive experience in developing questionnaires in Bangla. In this study, the questionnaire was translated into Bangla by a Bengali native who is fluent in English. In addition, this person has had more than 10 years experience in conducting both organisational and academic research in Bangladesh.

Later a back translation into English by a different person with similar qualifications was conducted to ensure that the essence of the questionnaire was not lost, distorted or diluted through translation. This back translation was compared with the original (English) version. Most parts of the translation version were accurate. Some translated questions led to distortion, which needed to be corrected.

Survey Instruments

Questionnaire.

A structured questionnaire was used in this research to collect data from the employees. The questionnaire was divided into four sections. The first section focused on employees' perception of managers' use of power, the second section on procedural justice,

the third section on employees' commitment, and the last section on employees' job satisfaction.

A copy of the survey questionnaire is included in Appendix 6. Questions 1 – 20 asked how managers' used power in regard to employees. The Managers' Use of Power (MUP) questionnaire is administered to measure employees' perceptions of managers' use of power. This MUP questionnaire serves as a basis to ascertain managers' use of power in regard to their employees. This study used French and Raven's (1959) power framework to investigate employees' perceptions of managers' use of power, which was measured using the scale developed by Hinkin and Schriesheim (1989). A higher score indicates that a supervisor has a larger power base. Hinkin and Schriesheim have provided evidence of reliability of the scale (ranging from .60 to .85).

Questions 21 – 30 asked employees about the extent to which they felt fairly treated by their managers' use of power (i.e. procedural justice). Procedural justice was measured with 10 items taken from Folger and Konovsky's (1989) measure which contains procedural fairness facets gleaned from the procedural justice literature (e.g. Greenberg 1987; Lind & Tyler 1988). These items have previously been used by Konovsky and Pugh (1994) and Mossholder, Bennett, Kemery, and Wesolowski (1998). A 5-point response scale was used to assess procedural justice. A higher score indicated greater perceived procedural justice. Folger and Konovsky's (1989) provided evidence of reliability (ranging from .75 to .90) for the scale.

Question 31 – 38 measured employees' affective commitment level in the organisation. Mowday, Steers, and Porter (1979) developed this nine-item short form of organisational commitment scale. Each item is cast on a 5-point Likert scale. A higher score indicated greater organisational commitment. Mowday et al. summarised a series of

studies that present evidence of the satisfactory reliability (ranging from .53 to .75) of the scale.

Questions 39 – 50 involved a set of questions concerning the level of employees' job satisfaction in the organisation. Job satisfaction was measured with twelve items from the questionnaire developed by Hackman and Oldham (1980). Two items were deleted from the original scale. The deleted items were not relevant in the context of NCBs in Bangladesh. Items are cast on a 5-point Likert scale. A higher score indicated greater satisfaction with work. A number of studies have reported that this instrument has higher reliability (ranging from .60 to .75) (Rahim & Buntzman, 1989; Mossholder, Bennett, Kemery, & Wesolowski, 1998).

The questionnaire also included questions on the demographic profile of bank employees. The questions involved on age, gender, level of education, current level in the bank, and whether the employee had attended a training program.

Interview Schedule.

The researcher also used semi-structured interviews as an instrument to collect data from the bank managers and the bank experts (Appendices 7 and 8). To collect data, the researcher carried out each interview in a face-to-face situation. This approach to data collection is extremely useful in situations where either in-depth information is needed or little is known in the area (Kumar, 1997). Cooper and Schindler (1998) noted that if the researcher has a large sample size, a self-administered questionnaire would be most effective in regard to time and cost. If the researcher has a small sample size, an in-depth interview would be most effective. The greatest value lies in in-depth interviews because of the detailed information that can be secured from the respondents. The in-depth

interview far exceeds the information secured by self-administered studies. Cooper and Schindler also state that interviewers can ask additional questions, and gather supplemental information through observation. For this study, the researcher gathered information from the branch managers and bank experts. Both managers and experts are comprised of a small group, hence, the researcher has utilised the semi-structured interview method. The main benefit was derived from the ability of the interview technique to enable discussions of complex topics and thus provide rich and more complete data (Smith, Thorpe, & Lowe, 2002).

All the interviews were fully transcribed. The tape recorder was not utilised because the respondents were reluctant to use it. An interview lasted, on average, 1-2 hours. The data were then sorted and classified according to the major headings of the questionnaire, although not all answers easily fitted within that classification scheme.

Full transcripts of an interview with both the bank managers and bank experts were coded according to the interview schedule questions. In management, the traditional method of dealing with natural language as data is through the use of content analysis (Cooper & Schindler, 1998), a research method used to make objective and systematic inferences about theoretical relevant messages (Dane, 1990). The major problem associated with content analysis is that the use of sorting categories and the frequency counting of particular categories of expressions can hardly be considered to uncover the basic structures of argument. The use of content analysis would presuppose the existence of a commonly accepted set of meanings, both within and across the organisations (Harris & Watkins, 1998).

The semi-structured interviews were fully transcribed and then analysed in the systematic and iterative manner widely recommended in qualitative research literature (Turner, 1981). Analysis of transcripts was conducted by methods of inductive reasoning

(Lincoln & Guba, 1986) and comparative methods (Martin & Turner, 1986). Rather than report exhaustive details, this study presents representative illustrations to demonstrate the consistency or inconsistency of views from the managers and the bank experts.

Data Collection Procedures

After obtaining required permission from the bank authorities, the researcher distributed questionnaires to the employees, that is, from the second person in charge (next to the manager) to the teller in each branch. The researcher distributed questionnaires to those employees who were present at the day of the survey and who were willing to participate in the survey. For the 36 branches, a total of 600 questionnaires were distributed. From the three NCBs, 345 completed questionnaires were returned. The sample size from previous similar types of research ranges from 100 to 500. The majority of the extant studies have a sample size of 100 plus (e.g., Mossholder et al., 1998; Rahim & Buntzman, 1989; Rahim, 1989).

Questionnaires were distributed to the participants by the researcher. This approach was used for several reasons. First, this method is commonly used in the banking sector in Bangladesh (Islam, 1997; Saha, 1996). Second, nationalised commercial banks in Bangladesh are not equipped with computer and fax machines. Only the head offices and the branches that handle foreign exchange operations are equipped with fax, computer, and Internet services. However, the focus of this study is retail banking only. As a result, the researcher was unable to use fax or Internet survey. Third, due to the poor mailing distribution system of the Bangladeshi post offices, a mail survey was not adopted for this research for fear that the questionnaires might be lost. Time constraint was another factor; transportation problems made travel within Bangladesh uncertain and difficult.

The researcher made an appointment to meet with managers and bank experts before approaching them face to face. All 36 managers were given a letter from the head office, and also a letter from the researcher to explain the nature of the study. The head offices of the three banks also sent a letter to inform the bank managers that permission had been granted for the researcher to approach employees to participate in this survey. The bank managers could choose not to be interviewed or to withdraw at anytime during the interviews. The content of the semi-structured interview (Appendix 7) consisted of questions designed to gain information about the way managers saw themselves using power in relation to their employees.

The researcher telephoned the bank experts to request an appointment for an interview. All the bank experts worked at the Bangladesh Institute of Bank Management (BIBM) and were selected on the basis of their expertise in the banking sector in Bangladesh. These four experts agreed to participate in a semi-structured interview (Appendix 8) based on questions relating manager and employee relationships in the NCBs.

Data Analysis Procedures

To analyse the quantitative data, the researcher explored the internal structure and measurement qualities of the proposed hypothetical constructs for managers' use of power, procedural justice, organisational commitment, and job satisfaction. To achieve this the data multivariate analysis of variance and stepwise regression analysis were used. Multivariate analysis was also used to find the significant differences between study variables by types of bank, gender, age, and education level. Stepwise regression analysis was carried out to test the strength of associations between the study variables.

The qualitative results from the managers and the bank experts were used by the researcher to test the validity of certain assumptions and claims by the employees. The findings from the interviews were categorised according to the selected constructs, that is managers' use of power, procedural justice, organisational commitment, and job satisfaction.

The multiple sources of data had been collected with the hope that they would converge to support the particular hypotheses. Findings from both the quantitative and the qualitative methods were tested against the research hypotheses, and final conclusions were drawn for the study.

Summary

In this chapter, the research methodology, including overall research design, data collection process, and survey instrument have been discussed in detail. Data triangulation methods were used to analyse the information from the participants, to answer the research questions, and test the hypotheses. A questionnaire was used to gather information from the bank employees. Employees' anonymity was maintained in an effort to address possible bias. In addition, the questionnaire was pre-tested for this study. Face-to-face interviews were utilised to collect data from bank managers and bank experts. Data were analysed using multivariate data analysis (MANOVA) and stepwise regression methods. In the next chapter, preliminary data analysis of the quantitative data is reported.

CHAPTER 6

FINDINGS FROM QUESTIONNAIRES

In the previous chapter, the research methodology for the study was discussed. This chapter presents the procedures used to test the reliability of the measures referred to in Chapter 5. Additionally, it reports the demographic profile of bank employees and general descriptive statistics of all multi-item scales. Finally, relationships between the variables are described.

This chapter is divided into five major sections. The first section discusses how the missing data will be taken into consideration and the second section looks into the demographic profile of the bank employees. The third section describes the descriptive statistics while the fourth section establishes the reliability of multi-item scales used in this study. The last section of this chapter then reports on correlation analyses and summarises the descriptive statistics of all multi-item scales and the reliability coefficients.

Missing Data

Missing data is a very common problem in empirical research (Mallinckrodt, Clark, & David, 2001; Raaijmakers, 1999). The problem is especially prevalent in survey research because it usually involves a large number of responses and a large number of respondents. The precise way in which these missing values are treated should be based on two factors. First, the extent to which missing data treatments are available and accessible must be considered. This depends on what specific procedures have been developed and which procedures are accessible to the individual researcher with his or her data, using

existing computer software procedures or relatively simple operations within these. Second, the effectiveness of specific procedures within the practical context of the research must be considered (Mallinckrodt, Clark, & David, 2001).

Much of the research into the effectiveness of missing data treatment relates to situations in which certain single-element variables or entire scale scores are missing. In survey research using Likert-type scale scores, however, the principal cause of missing scale scores is the lack of data on one or more of the items that make up the scale. Some have taken the view that it is more natural and more accurate to address the absence of these item scores by substituting item means for missing item scores rather than to estimate the missing scores using other variables. However, competing views of how to treat missing data have not been definitively resolved (King, Honaker, Joseph, & Scheve, 2001; Mallinckrodt, Clark, & David, 2001).

In survey research using Likert-type scales, missing data are a general occurrence. Furthermore, because each scale is made up of several items, there is also a real possibility that several items per scale will be missing. Finally, certain response categories within this type of research often have to be rated as "missing"; these include any "don't know" categories (Raymond, 1986) and also, in some cases, the midpoint "neutral" responses (Raaijmakers, 1999).

Little and Rubin (1987) classify the missing data into three basic categories. They define missing completely at random (MCAR) as the process in which the probability of missing is independent of both observed measurements and unobserved measurements. Under MCAR the observed responses form a random sub-sample of the sampled responses. When data are MCAR there is no impact on bias and therefore most standard approaches of analysis are valid. A loss of statistical power, however, can still occur (Myers, 2000). The MCAR assumption can be assessed by comparing the distribution of

observed variables between missing values and non-missing values (Little & Schenker, 1995). If no significant differences are found with respect to the variables, then there is no apparent evidence that the data of the study are representative only of completers (Myers, 2000).

The second classification, which is more restrictive than MCAR, is missing at random (MAR). Under MAR, the probability of missing value depends on the observed data, but not on the unobserved data. When the response is MAR, the observed responses are a random sub-sample of the sampled values within a subclass defined by the observed data. In this case, the missing data can be considered ignorable (Laird, 1988; Rubin, 1976). Laird (1988) points out that ignorable missingness is plausible in longitudinal studies. Murray and Findlay (1988) state that an observation is MAR if the fact that it is missing is not in itself informative. Lavori, Dawson, and Shera (1995) point out that the MAR assumption is inherently untestable. Therefore, one can never truly achieve complete certainty that conditioning on observed variable achieves ignorable missing. If the missing value is neither MCAR nor MAR then it is nonignorable (NI). That is probability of an observation being missing depends not only on the values of the observed variables but also on values of those unobserved (Myers, 2000).

To decide whether a remedy for missing data can be applied, the researcher must first ascertain the degree of randomness present in the missing data (Hair, Anderson, Tatham, & Black, 1998). To assess the missing data randomness, the researcher needs to study all the variables used for the study. For example, the researcher needs to put the data from a single variable (say *Y*) into two groups – observations with missing data for *Y* and those with valid value of *Y*. Statistical tests (in particular independent t-test) are then performed to determine whether significant differences exist between two groups on other variables of interest. If there is no statistical difference between groups with and without

valid data, then it could be concluded that the missing values are randomly missing with no underlying process that lends bias to the observed data (Tabachnick & Fidell, 2001).

When data are found to be MCAR, there are a number of remedies to calculate the missing data. These remedies include using only observations with complete data (Little & Rubin, 1987) or replacing missing data with one of the several imputation methods, in particular, mean substitution (Rovine & Delaney, 1990), regression imputation (Brown, 1983), or multiple imputation (Heitjan & Little, 1991) and listwise deletion method (Little, 1992).

All of the various imputation methods have a significant potential influence on the statistical analysis. According to Dempster & Rubin (1983):

The idea of imputation is both seductive and dangerous. It is seductive because it can lull the user into the pleasurable state of believing that the data are complete after all, and it is dangerous because it lumps together situations where the problem is sufficiently minor that it can be legitimately handled in this way and situations where standard estimators applied to real and imputed data have substantial biases. (as cited in Hair et al., 1998, p.52)

In particular, imputation methods for the replacement of missing values can significantly distort the variance of the distributions of the variables and/or the correlations among the variables under study. If a large number of missing values are to be replaced by an imputation method, the resulting data become more characteristic of the sample and less generalisable (King, Honaker, Joseph, & Scheve, 2001).

The distributions of missing values for the variables to be used in the multivariate analysis model are shown in Table 6.1. As depicted in this table, the extent of missing data ranges from 0.00% to 0.28% for coercive power, legitimate power, and referent power. In the case of procedural justice, organisational commitment and job satisfaction, missing data ranges from 0.00% to 2.02%. For reward and expert power, there were no missing data for the 345 participants.

Table 6.1

Distribution of Missing Value for Managers' Use of Power (Reward Power, Coercive Power, Legitimate Power, Expert Power, Reference Power), Procedural Justice, Organisational Commitment, and Job Satisfaction

Subscales	Number of cases with missing data	Percentage of Missing data
Managers' Use of Power		
Reward Power	0	0.00
Coercive Power	1	0.28
Legitimate Power	1	0.28
Expert Power	0	0.00
Referent Power	1	0.28
Procedural Justice	7	2.02
Organisation commitment	7	2.02
Job Satisfaction	7	2.02

Note: Total number of NCB employees (n=345).

Table 6.1 shows the results of the missing data for the study variables. Total numbers of cases are 345 and of these 345, 24 cases have missing values (6.9%). In this study, it should be noted that out of eight variables that are used in this study, two variables (reward and expert power) have no missing values. In the case of coercive, legitimate and referent power only one case in each variable had a missing value. For the other studied variables, procedural justice, organisational commitment, and job satisfaction, each variable has seven cases with missing values. Bearing in mind these limitations and taking into account that there was only a small number of cases with missing values, it was concluded that the most satisfactory approach in handling missing values for this study was to use the "listwise deletion" method.

In case of listwise deletion, a serious problem with missing items on Likert-type scales is the risk that these missing values will not occur in a random fashion. A number of conceivable circumstances could facilitate the occurrence of systematic or nonrandom

missing item scores. For example, certain subgroups of the population could be more inclined to give no response to specific questions (Anderson, Basilevsky, & Hum, 1983). It is also possible that more attitudinally extreme items could generate a disproportionately large number of missing responses. Finally, it is possible that precisely those respondents with more extreme attitudes or opinions in a certain area will also be more likely to respond evasively to items within that area (Little & Su, 1989; Raymond, 1986; Roth, Campion, & Jones, 1996). However, King, Honaker, Joseph, and Scheve (2001) pointed out that listwise deletion does not always have such harmful effects; sometimes the fraction of missing observations is small or the assumptions hold sufficiently well so that the bias is not large.

According to Davey, Shanahan, and Schafer (2001), listwise deletion is by far the most commonly used method for dealing with missing data. This approach to treating missing data is easy to implement, but can yield seriously misleading estimates when more cases have missing values. Use of listwise deletion in a study where more cases with missing values will result in deletion of more cases. This will not provide accurate results. However, in the present context, use of listwise deletion will not result in loss of many cases (only 24 cases have missing values).

For this reason and the limitations associated with imputation methods and the small number of cases with missing values, 24 cases were deleted from further analysis. The 24 cases deleted represented (6.9%) of the total sample (345). Raw data for all the measured variables used in the study are available from the writer on request. The next section, following the missing data treatment for the study, describes the demographic profile of NCB employees for 321 cases.

Demographic Profile of NCB Employees

The demographic profile represents a value for an individual employee of a particular NCB (hereafter referred to as “Employee Level Data”, e.g., an individual employee’s age). Data were aggregated to produce, for example, the mean value for a variable of employees within each of the banks and so provide new aggregate variables that would then belong to the ‘Bank Level Data’ category (e.g., mean age of employees within each bank).

In this section of this chapter, Employee Level Data are reported. The results of key individual demographic data are given including gender, age, education level, length of service, attendance at bank training and frequency (of gender and education level).

Employee Level Data

Table 6.2 shows the response rate for the survey of the three NCBs. Several points need to be made with regard to its interpretation. First, the questionnaires were distributed on the same day to all employees working in a branch from the second in command (assistant manager) to the junior teller. Distributed questionnaires did not equate to the total number of employees of the three banks but merely the employees that were present at the time of distribution. Second, not all the bank employees participated in this study. A full description of selection of NCB’s branches was provided in Chapter 5.

In Agrani Bank, 192 questionnaires were distributed in the 12 branches, and 103 completed questionnaires were returned. The response rate was 53.6% (this is the usable response rate) (Table 6.2).

Table 6.2

Response Rate for the Survey of the Three NCBs

Bank	Distributed	Returned Response	Percentage (%)	Completed Response	Percentage (%)
Agrani Bank	192	110	57.3	103	53.6
Janata Bank	221	129	52.2	120	54.2
Sonali Bank	187	106	52.4	98	52.4
NCB Total	600	345	57.5	321	53.5

Table 6.3 shows that in the case of Agrani Bank, the sample consisted of 26 female employees (25.2%) and 77 male employees (74.8%). Table 6.4 displays the age profile of Agrani Bank employees. The mean age was 39.24 years. The minimum age of an employee was 24 and maximum age was 51 years. Table 6.4 also lists female and male employees' age profile separately for Agrani Bank. The mean age of female employees was 39.54. The minimum age of a female employee was 26 and maximum age was 51 years. While the male employees mean age for the bank was 39.14. The minimum age of a male employee was 24 and maximum was 51. Table 6.5 highlights the education level of Agrani Bank employees. The highest level of education completed by the employees was a Masters degree (35%); 29.1% of the sample-completed a Degree, 30.1% of the employees completed HSC (Higher Secondary School Certificate); and 5.8% employees were SSC (Secondary School Certificate) graduates. Table 6.5 also sums up Agrani Bank educational level of female and male employees. Table 6.5 shows that the highest level of education completed by a female employee was a Masters degree (11%); and that 10% of the female employees were Degree graduates, while only 5% of the female employees were HSC graduates and there were no female employees with a SSC degree working in Agrani Bank. In the case of male employees, 25% were Masters' degree holders; the rest

of the male employees were HSC (26%), Degree (20%), and SSC (6%) graduates. Table 6.6 presents the length of service profile of Agrani Bank employees. The average length of time with the bank was 14.66 years ($\text{sd} = 6.98$). Table 6.6 also lists the female and male employees' length of service of Agrani Bank. The average length of time of a female employee with the bank was 15.19 years ($\text{sd} = 7.68$), whereas the average length of time of a male employee with the bank was 14.48 years ($\text{sd} = 6.77$). From Table 6.7, it can be seen that in Agrani Bank, 56.3% of the employees received bank training (female 14% and male 44%) and 43.7% were without training (female 12% and male 33%) while working in the bank.

Table 6.3

Gender Distribution of the Employees of NCBs

Bank	Gender	Frequency	Percentage
Agrani	Female	26	25.2
	Male	77	74.8
	Total	103	100.0
Janata	Female	30	25.0
	Male	90	75.0
	Total	120	100.0
Sonali	Female	22	22.4
	Male	76	77.6
	Total	98	100.0
NCB Total	Female	78	24.3
	Male	243	75.7
	Total	321	100.0

In Janata Bank, 221 questionnaires were distributed in the 12 branches, and 120 completed questionnaires were returned. Response rate was 54.2% (Table 6.2). Table 6.3 shows that in the case of Janata Bank, the sample consisted of 30 female employees (25%)

and 90 male employees (75%). Table 6.4 presents the age profile for the bank employees. Janata Bank employees have a mean age of 40.42 years. The minimum age was 24 and maximum was 56. Table 6.4 also lists female and male employees' age profiles separately for Janata Bank. The mean age of female employees was 40.50. The minimum age of a female employee was 28 and the maximum age was 51, while the male employees' mean age with the bank was 40.39 years. The minimum age of a male employee was 24 and the maximum age was 56 years. Table 6.5 displays the educational profile for the Janata Bank employees. The highest level of education completed by the employees was Masters (34.2%). Next level of education completed was Degree (33.2%); while 25.8% of the employees completed HSC and 5.8% employees were SSC graduates. Table 6.5 also sums up Janata Bank educational level of female and male employees.

Table 6.4

NCB Employees Age Profile

<u>Bank</u>	<u>N</u>	<u>M</u>	<u>Range</u>	<u>Minimum</u>	<u>Maximum</u>
Agrani Bank					
Female	27	39.54	25	26	51
Male	77	39.14	27	24	51
Total	103	39.24	27	24	51
Janata Bank					
Female	30	40.50	23	28	51
Male	90	40.39	32	24	56
Total	120	40.42	32	24	56
Sonali Bank					
Female	22	39.95	24	26	50
Male	76	41.54	29	27	56
Total	98	41.18	30	26	56
NCB Total	321	40.27	32	24	56

Table 6.5 shows that the highest level of education completed by a female employee was a Masters degree (12%); 10% of the female employees were Degree

graduated. While 7% were HSC graduates, only 1% of the female employees with SSC degree were working in Janata Bank. In the case of male employees at Janata Bank, 29% were recipients of a Master degree; the rest of the male employees were Degree (31%), HSC (24%), and SSC (6%) graduates.

Table 6.6 shows that the average length of time with the bank was 15.33 years ($sd = 8.20$). This table also lists length of service of female and male employees with Janata Bank. The average length of time of a female employee with the bank was 15.37 years ($sd = 8.85$), whereas the average length of time of a male employee with the bank was 15.32 years ($sd = 8.02$). Table 6.7 displays the profile of those who attended bank training. In Janata Bank, 56.7% of the employees received bank training (female 15% and male 53%) and 43.3% were without training while working at the bank (female 15% and male 37%).

In Sonali Bank, 187 questionnaires were distributed in the 12 branches, and 98 completed questionnaires were returned. The response rate was 52.4% (Table 6.2). Table 6.3 shows that in case of Sonali Bank, the sample consisted of 22 female employees (22.4%) and 76 male employees (77.6%). Table 6.4 shows the age profile for Sonali Bank. The bank employees' have a mean age of 41.18 years. The minimum age of an employee was 26 and the maximum age was 56.

Table 6.4 also lists female and male employees' age profiles separately for Sonali Bank. The mean age of female employees was 39.95 while the minimum age of a female employee was 26 and maximum was 50. For the male employees mean age for this bank was 41.54 with the minimum age of a male employee 27 and the maximum 56.

Table 6.5

NCB Employees' Level of Education

Bank		Frequency	Percentage
Agrani Bank			
Female			
	SSC	0	0.0
	HSC	5	19.2
	Degree	10	38.4
	Masters	11	42.4
	Total	26	100.0
Male			
	SSC	6	7.8
	HSC	26	33.7
	Degree	20	26.0
	Masters	25	32.5
	Total	77	100.0
Agrani Bank Total			
	SSC	6	5.8
	HSC	31	30.1
	Degree	30	29.1
	Masters	36	35.0
	Total	103	100.0
Janata Bank			
Female			
	SSC	1	3.3
	HSC	7	23.3
	Degree	10	33.3
	Masters	12	40.1
	Total	30	100.0
Male			
	SSC	6	6.6
	HSC	24	26.7
	Degree	31	34.6
	Masters	29	32.1
	Total	90	100.0
Janata Bank Total			
	SSC	7	5.8
	HSC	31	25.8
	Degree	41	34.2
	Masters	41	34.2
	Total	120	100.0

Table 6.5 (Continued)

NCB Employees' Level of Education

Bank		Frequency	Percentage
Sonali Bank			
Female			
	SSC	1	4.5
	HSC	3	13.5
	Degree	9	41.0
	Masters	9	41.0
	Total	22	100.0
Male			
	SSC	4	5.4
	HSC	21	27.6
	Degree	27	35.4
	Masters	24	31.6
	Total	76	100.0
Sonali Bank Total			
	SSC	5	5.1
	HSC	24	24.5
	Degree	36	36.7
	Masters	33	33.7
	Total	98	100.0
NCB Total			
	SSC	18	5.6
	HSC	86	26.7
	Degree	107	33.3
	Masters	110	34.4
	Total	321	100.0

Table 6.5 highlights the education level scenario for the bank employees. The highest level of education completed by Sonali Bank employees was a Degree (36.7%); 33.7% of the sample had completed Masters, 24.5% of the employees had completed HSC; and 5.1% employees were SSC graduates. Table 6.5 also sums up Agrani Bank education level of female and male employees. From this table, it can be noted that the highest level of education completed by a female employee was both Masters (9%) and degree (9%). While only 3% of the female employee in Sonali Bank were HSC graduates, 1% was with a SSC degree. In the case of male employees, 24% were Masters degree holders; the rest

of the male employees were Degree (27%), HSC (21%), and SSC (4%) graduates working in Sonali Bank.

Table 6.6 shows that the employees' average length of time with the Sonali bank was 15.94 years ($\underline{sd} = 6.85$). Table 6.6 also lists the female and male employees' length of service with Sonali Bank. The average length of time for a female employee with the bank was 13.41 years ($\underline{sd} = 6.81$), whereas the average length of time of a male employee with the bank was 16.66 years ($\underline{sd} = 6.74$). In Sonali Bank, 58.2% of the employees working in the bank received bank training (female 13% and male 44%) and 41.8% were without training (female 9% and male 32%)(Table 6.7).

Table 6.6

NCB Employees' Length of Service

Bank	<u>N</u>	<u>M</u>	<u>SD</u>	<u>Range</u>	<u>Minimum</u>	<u>Maximum</u>
Agrani Bank						
Female	26	15.19	7.68	27	1	28
Male	77	14.48	6.77	25	2	27
Agrani Bank Total	103	14.66	6.98	27	1	28
Janata Bank						
Female	30	15.37	8.85	29	1	30
Male	90	15.32	8.02	29	1	30
Janata Bank Total	120	15.33	8.20	29	1	30
Sonali Bank Total						
Female	22	13.41	6.81	23	1	24
Male	77	16.66	6.74	32	2	34
Sonali Bank Total	98	15.93	6.85	33	1	34
NCB Total	321	15.30	7.42	33	1	34

Table 6.7

Employees' attendance at NCB Bank Training

Bank	Frequency	Percentage
Agrani Bank		
Female		
No	12	46.2
Yes	14	53.8
Total	26	100.0
Male		
No	33	42.8
Yes	44	57.2
Total	77	100.0
Agrani Bank Employee Total		
No	45	43.7
Yes	58	56.3
Total	103	100.0
Janata Bank		
Female		
No	15	50.0
Yes	15	50.0
Total	30	100.0
Male		
No	37	41.1
Yes	53	58.9
Total	90	100.0
Janata Bank Employee Total		
No	52	43.3
Yes	68	56.7
Total	120	100.0
Sonali Bank		
Female		
No	9	41.0
Yes	13	59.0
Total	22	100.0
Male		
No	32	42.1
Yes	44	57.9
Total	76	100.0
Sonali Bank Employee Total		
No	41	41.8
Yes	57	58.2
Total	98	100.0
NCB Employee Total		
No	138	43.0
Yes	183	57.0
Total	321	100.0

In total 600 questionnaires were distributed in the three NCBs and 321 of those were completed. The response rate was 53.5% (Table 6.2). The total sample consisted of 78 female (24.3%) and 243 male (75.7%) for three NCBs (Table 6.3). From Table 6.4, it can be seen that the average age of a bank employee was 40.27; the minimum age was 24 and the maximum was 56 years. From Table 6.5, it could be depicted that 34.2% of the bank employees were holder of a Master's degree. 33.3% were Degree graduates, 26.7% were HSC graduates, and 5.6% were SSC graduates. In total 57% of the sample has attended bank training, while 43% were working in banks without any training (Table 6.7).

In the next section, the reliability of research instruments was determined. Then the descriptive statistics for the studied variables were explored. In the last section, the correlation analysis of the studied variables was presented.

Reliability of the Instruments

Parameswaran, Greenberg, & Bellenger (as cited in Ngansathil, 2001, p.121) stated that there are two basic requirements of measurement. First, measurement must be an operationally definable process. Second, the outcome of the measurement process must be repeatable (reliability).

Gregory (1996) defined "reliability" as the extent to which measurements of the particular test are repeatable. In other words, the measuring procedure should yield consistent results on repeat tests. The more consistent the results given by repeated measurements, the higher the reliability of the measurement procedure (Carmines & Zeller, 1979).

Nunnally (1970) suggested that there are at least four methods of estimating the reliability coefficient: test-retest method, alternative form, subdivided-test method (referred

to as the split-half method), and methods concerning internal consistency. In the test-retest method, the same set of measures is administered at two different times to the same respondent. The scores obtained from the two different times are then correlated. In alternative forms, two equivalent forms of scale are constructed and then administered to two different respondents. For the third method, the subdivided-test or the split-half method, the scale is divided into two sets of items and given to the same respondents. The reliability coefficient is estimated by correlating the scores of the two halves.

However, there are methods for estimating reliability that do not require splitting or repeating of items. Instead, these techniques require only a single test administration and provide a reliable estimation of the coefficient reliability. As a group, these methods are referred to as measures of internal consistency (Carmines & Zeller, 1979). In the methods concerning internal consistency, the reliability is calculated by averaging correlations between items (Nunnally, 1978).

The assumption of internal consistency is that a good scale is comprised of items that are homogeneous. Hence, methods concerning internal consistency measure inter-item correlation. A scale is considered to have high internal consistency when its items are highly inter-correlated for this suggests that the items are all measuring the same thing (DeVelis, 1991). The most highly recommended measure of internal consistency is provided by coefficient alpha (α) or Cronbach's alpha (1951) as it provides a good reliability estimate in most situations. The value of α ranges from 0 to 1. The nearer the value of α to 1, the better the reliability. If the value is low, either there are too few items or there is very little commonality among the items (Churchill, 1979).

Table 6.8

Number of Items, and Reliability Coefficient of Managers' Use of Power (Reward Power, Coercive Power, Legitimate Power, Expert Power, Referent Power), Procedural Justice, Organisational Commitment, and Job Satisfaction

Scale	Number of Items	<u>Agrani Bank</u>	<u>Janata Bank</u>	<u>Sonali Bank</u>	<u>NCB</u>
		<u>Alpha</u>	<u>Alpha</u>	<u>Alpha</u>	<u>Alpha</u>
Reward Power	4	.55	.50	.51	.53
Coercive Power	4	.89	.79	.84	.84
Legitimate Power	4	.74	.60	.64	.64
Expert Power	4	.80	.88	.86	.85
Referent Power	4	.71	.63	.78	.71
Procedural Justice	10	.69	.69	.75	.71
Organisational Commitment	8	.85	.83	.89	.86
Job Satisfaction	12	.67	.70	.70	.69

Note: n = 103 (Agrani Bank). n = 120 (Janata Bank). n = 98 (Sonali Bank). n = 321 (NCB).

For the early stages of any research, Nunnally (1978) suggested that the reliability of .50-.60 is sufficient, although a coefficient of 0.7 or above is desirable (Hair et al., 1998).

In this study, the coefficient alphas for the different constructs were computed using the reliability procedure in SPSS (version 10.0). The reliabilities of most constructs in this study fall within the acceptable range (.60 - .85). The exception is reward power ($\alpha = .55$ for Agrani Bank, $\alpha = .50$ for Janata Bank, $\alpha = .51$ for Sonali Bank, and $\alpha = .53$ for NCB), which has a slightly lower reliability coefficient. Table 6.8 lists alphas for all scales for three NCBs (Agrani Bank, Janata Bank and Sonali Bank), and also sums up the aggregate alpha for the three banks (referred to as NCB in Table 6.8).

Descriptive Statistics of the Study Variables

The means and standard deviations of all the constructs in the current study are displayed in Table 6.9. Mean scores have been computed by equally weighting the mean scores of all items. For example, the mean score of managers' use of power in regard to employees' score is computed by equally weighting the mean scores of reward power, coercive power, legitimate power, expert power, and referent power. Table 6.9 displays the mean and standard deviations for three banks separately. In addition, the aggregate mean and standard deviations of the three banks are summed up and referred as NCB in Table 6.9.

On a five-point scale, the mean score for reward power for Agrani bank, Janata Bank and Sonali Bank are 2.00 (sd = .70), 2.50 (sd = .66) and 2.00 (sd = .64) respectively are summed up in Table 6.9. From Table 6.9, it can be seen that the mean score of reward power for the three NCB is 2.21 (sd = .70). The mean scores of coercive power are 2.54 (sd = 1.00) for Agrani Bank, 2.70 (sd = .92) for Janata Bank and 2.54 (sd = .97) for Sonali Bank. The mean for coercive power for three NCB is 2.64 (sd = .98). The mean scores for legitimate power are 3.12 (sd = .94) for Agrani Bank, 3.33 (sd = .75) for Janata Bank and 3.18 (sd = .80) for Sonali Bank. The NCB mean for the coercive power is 3.21 (sd = .84). For expert power, the mean scores are 2.83 (sd = 1.00) for Agrani Bank, 2.80 (sd = 1.00) for Janata Bank, 2.62 (sd = 1.00) for Sonali Bank and 2.80 (sd = 1.00) for NCB. Mean scores for referent power are 2.74 (sd = .88) for Agrani Bank, 2.51 (sd = .84) for Janata Bank, 2.63 (sd = 1.00) for Sonali Bank and 2.64 (sd = .91) for NCB.

Table 6.9

Descriptive Statistics for the Managers' Use of Power (Reward Power, Coercive Power, Legitimate Power, Expert Power, Referent Power), Organisational Commitment, and Job Satisfaction

Scales	Number of Items	<u>Agrani Bank</u>		<u>Janata Bank</u>		<u>Sonali Bank</u>		<u>NCB</u>	
		<u>M</u>	<u>SD</u>	<u>M</u>	<u>SD</u>	<u>M</u>	<u>SD</u>	<u>M</u>	<u>SD</u>
Reward Power	4	2.00	0.70	2.50	0.66	2.00	0.64	2.21	0.70
Coercive Power	4	2.54	1.00	2.70	0.92	2.54	0.97	2.64	0.98
Legitimate Power	4	3.12	0.94	3.33	0.75	3.18	0.80	3.21	0.84
Expert Power	4	2.83	1.00	2.80	1.00	2.62	1.00	2.80	1.00
Referent Power	4	2.74	0.88	2.51	0.84	2.63	1.00	2.64	0.91
Procedural Justice	10	2.71	0.63	2.45	0.67	2.91	0.73	2.60	0.68
Organisational Commitment	8	2.91	0.97	2.58	0.92	2.84	1.00	2.82	0.98
Job Satisfaction	12	2.83	0.56	2.72	0.57	2.71	0.59	2.72	0.58

Note: n = 103 (Agrani Bank); n = 120 (Janata Bank); n = 98 (Sonali Bank); n = 321

(NCB).

The standard deviation range from .56 to 1.00 for Agrani Bank, .57 to 1.00 for Janata Bank, .59 to 1.00 for Sonali Bank and .58 to 1.00 for NCB respectively. The mean scores of managers' use of power in regard to employees range from 2.00 to 3.33 indicating that employees' perceptions about managers' use of power is low. Only legitimate power has a mean score above 3.0 for all the three NCBs.

The mean scores for procedural justice are 2.71 (sd = .63) for Agrani Bank, 2.45 (sd = .67) for Janata Bank, 2.91 (sd = .73) for Sonali Bank and 2.60 (sd = .68) for NCB respectively. These mean scores of procedural justice for the three banks (including the

aggregate score of three banks) suggest that employees' perception of procedural justice is low.

The mean scores of organisational commitment for Agrani Bank (2.91; $sd = .97$), Janata Bank (2.58; $sd = .92$), Sonali Bank (2.84; $sd = 1.00$) and NCB (2.82; $sd = .98$) are low, implying that employees of the three NCBs (including the aggregate score of three banks) in Bangladesh have a low level of organisational commitment.

The mean scores of job satisfaction for Agrani Bank (2.83; $sd = .56$), Janata Bank (2.72; $sd = .57$), and Sonali Bank (2.71; $sd = .59$) indicate that employees also have a low level of job satisfaction. The aggregate mean of job satisfaction for the three banks also is low (2.72; $sd = .58$).

Correlation Analysis

A correlation analysis was conducted on all variables in this study for two purposes. The first was to check the presence of multicollinearity, which is indicated when the inter-correlation between explanatory variables exceeds 0.8 (Berry & Feldmann, 1985). Secondly, correlation analysis was performed to explore the relationships between variables.

In interpreting the strength of relationships between variables, the guidelines suggested by Rowntree (1981) were followed. His classification of the correlation coefficient (r) is as follows:

0.0 to 0.2	Very weak, negligible
0.2 to 0.4	Weak, low
0.4 to 0.7	Moderate
0.7 to 0.9	Strong, high, marked
0.9 to 1.0	Very strong, very high

The bivariate correlation procedure was subject to a two tailed test of statistical significance at two different levels highly significant ($p < .001$) and significant ($p < .01$) or ($p < .05$). The results of the correlation analysis for the three banks are shown in Table 6.10. The aggregate correlation of three banks is also summed up in Table 6.10 and referred to as NCB.

Agrani Bank

Correlations matrices among study variables for Agrani Bank are listed in Table 6.10. Examining the managers' use of power and procedural justice, with organisational commitment and job satisfaction suggest that power and procedural justice are correlated with other studied variables. The variable, which significantly correlated with reward power, was job satisfaction ($r = .30, p < .001$). No statistically significant associations were found between coercive power and organisational commitment and job satisfaction. The correlation between coercive power and organisational commitment and job satisfaction were found to be negative.

As depicted in Table 6.10, no significant correlations were found between legitimate power and organisational commitment and job satisfaction. Expert power was significantly correlated to organisational commitment ($r = .46, p < .001$) and job satisfaction ($r = .39, p < .001$). A significant correlation was also found between referent power and organisational commitment ($r = .37, p < .001$), and job satisfaction ($r = .47, p < .001$). In the case of procedural justice, both organisational commitment and job satisfaction were significantly correlated ($r = .56, p < .001$; $r = .44, p < .001$).

Table 6.10

Correlation Matrix for Managers' Use of Power (Reward Power, Coercive Power, Legitimate Power, Expert Power, Referent Power) and Procedural Justice, with Organisational Commitment, Job Satisfaction

Variable	Rew	Coe	Leg	Exp	Ref	Pro Jus	Org Com	Job Sat
<u>Agrani Bank (n = 103)</u>								
Reward	----	.26**	.15	.41***	.47***	.29**	.18	.30***
Coercive		----	.40***	.19*	.09	.11	-.05	-.18
Legitimate			---	.43***	.29**	.36***	.17	.10
Expert				---	.66***	.64***	.46***	.39***
Referent					----	.61***	.37***	.47***
Pro Justice						---	.56***	.44***
Org Com							---	.54***
Job Sat								---
<u>Janata Bank (n = 120)</u>								
Reward	----	.27**	.29**	.15	.05	.08	.04	.11
Coercive		----	.24*	.14	.09	.10	.05	.03
Legitimate			----	.40***	.38***	.40***	.46***	.37***
Expert				-----	.43***	.52***	.52***	.44***
Referent					----	.52***	.53***	.42***
Pro Justice						---	.64***	.55***
Org Com							----	.69***
Job Sat								----
<u>Sonali Bank (n = 98)</u>								
Reward	---	.16	.20*	.26**	.12	.08	.11	.14
Coercive		----	.36***	.17	.76	.10	.15	.12
Legitimate			---	.40***	.54***	.42***	.39***	.36***
Expert				---	.60***	.58***	.58***	.47***
Referent					----	.62***	.67***	.57***
Pro Justice						----	.64***	.57***
Org Com							---	.52***
Job Sat								---
<u>NCB (n = 321)</u>								
Reward	---	.26**	.28**	.25**	.18**	.09	.06	.15**
Coercive		---	.34***	.17**	.11	.06	.03	-.02
Legitimate			---	.41***	.39***	.37***	.32***	.26**
Expert				---	.56***	.57***	.52***	.44***
Referent					---	.58***	.53***	.48***
Pro Justice						----	.64***	.53***
Org Com							---	.59***
Job Sat								---

Note: * $p < .05$. ** $p < .01$. *** $p < .0001$.

Janata Bank

When exploring the relationships for the Janata Bank as depicted in Table 6.10, it could be seen that reward power has no statistically significant relationships with organisational commitment and job satisfaction. Again, similar relationships were found between coercive power, and organisational commitment and job satisfaction.

An examination of the relationships between legitimate power and organisational commitment ($r = .46, p < .001$) and job satisfaction ($r = .37, p < .001$) in Table 6.10, indicates that the relations among the variables were statistically significant and positively related. The correlation results for expert power and organisational commitment ($r = .52, p < .001$), and job satisfaction ($r = .44, p < .001$) were significantly related. Similar results were found for referent power and organisational commitment ($r = .53, p < .001$) and job satisfaction ($r = .42, p < .001$). Procedural justice has a significant and positive correlation between organisational commitment ($r = .64, p < .001$) and job satisfaction ($r = .55, p < .001$).

Sonali Bank

As depicted in Table 6.10 for Sonali Bank, both reward and coercive power were found statistically not significantly related to organisational commitment, and job satisfaction. Legitimate power was found to be significantly and positively correlated with organisational commitment ($r = .39, p < .001$), and job satisfaction ($r = .36, p < .001$). Similar results were found for expert power and organisational commitment ($r = .58, p < .001$) and job satisfaction ($r = .47, p < .001$). The relationships between referent power and organisational commitment ($r = .67, p < .001$) and job satisfaction ($r = .57, p < .001$) were

also found to be statistically significant and positive. In addition, the correlations between procedural justice and organisational commitment ($r = .64, p < .001$) and job satisfaction ($r = .57, p < .001$) were significant and positively related.

NCBs

Table 6.10 shows that both reward and coercive power were statistically not significantly related to organisational commitment and job satisfaction in the case of the NCBs, whereas legitimate power was found to be significantly and positively correlated with organisational commitment ($r = .32, p < .001$) and job satisfaction ($r = .26, p < .01$). Similar results were found for expert power and organisational commitment ($r = .52, p < .001$) and job satisfaction ($r = .44, p < .001$). The relationships between referent power and organisational commitment ($r = .53, p < .001$) and job satisfaction ($r = .48, p < .001$) were also found to be statistically significant and positive. In addition, the correlations between procedural justice, and organisational commitment ($r = .62, p < .001$) and job satisfaction ($r = .53, p < .001$) were significant and positively related.

Summary

This chapter examined the reliability and descriptive statistics of the constructs used in this study. In addition, it points out the treatment of the missing data for this study, and lists the banks employees' demographic profile.

The reliability of the scales falls within the acceptable range (.60 - .85). The exception is reward power ($\alpha = .55, \alpha = .50, \alpha = .51, \alpha = .53$) for Agrani bank, Janata bank,

Sonali bank, and NCBs that have slightly lower reliability coefficients. However, the majority of scales have a reliability of .06 to .85.

This chapter also explored the data by using descriptive statistics. Correlation analysis was performed to assess the relationship between variables. In following chapter, the MANOVA and stepwise regression will be utilised to test the hypotheses for this study.

CHAPTER 7

ANALYSIS OF QUANTITATIVE DATA

The objective of this chapter is to report the results of this study relating to managers' use of power, procedural justice, organisational commitment, and job satisfaction based on types of bank, gender, age, and level of education in NCBs in Bangladesh. This chapter is divided into three sections: the first section begins with explaining the statistical techniques that were used in this study; the second section reports on the differences between managers' use of power, procedural justice, organisational commitment, and job satisfaction based on types of bank, gender, age, and level of education. The last section examines which of the independent variables most significantly determine employees' commitment and job satisfaction level using a stepwise regression procedure.

Sections two and three begin with a restatement of the relevant hypotheses, followed by statistical analysis, and results. Multivariate analysis of variance (MANOVA) and stepwise regression are the primary analytical methods employed in hypothesis testing in this study. All the assumptions of MANOVA and regression analysis are discussed in the next section.

Multivariate Analysis of Variance (MANOVA)

MANOVA is the multivariate extension of the univariate techniques for assessing the differences between group means. As statistical inference procedures, both the univariate techniques (t test and ANOVA) and MANOVA are used to assess the statistical

significance of differences between groups (Hair, Anderson, Tatham, & Black, 1998). Stevens (1996) noted that use of fragmented univariate tests leads to a greatly inflated overall type I error rate, i.e., the probability of at least one false rejection. The univariate tests ignore important information, i.e., the correlation among the variables. On the other hand, the multivariate test incorporates the correlations (via the covariance matrix) into the test statistics. Although the groups may not be significantly different on any of the variables individually, jointly the set of variables may reliably differentiate the groups. That is, small differences on several of the variables may combine to produce a reliable overall difference. Thus, the multivariate test will be more powerful.

Bernstein (1988) argued that the groups should be compared on total test score first to see if there is a difference. If so, then compare the groups further on subset scores to locate the sources responses for the global difference. Bernstein also pointed out that many investigators using MANOVA would lump all the dependent variables into a single analysis. If several of the variables have been included without strong rationale (empirical or theoretical), then small negligible differences on these variables may obscure a real difference(s) on some of the other variables. For this study, dependent variables used in a single analysis are based on a strong empirical and theoretical rationale (discussed in Chapter 3).

MANOVA presents the researcher with several criteria with which to assess multivariate differences across groups. The four most popular are: Roy's gcr, Wilks' lambda, Hotelling's trace, and Pillai's criterion. Hair, Anderson, Tatham, and Black (1998) noted that Pillai's criterion and Hotelling's trace are both similar to Wilks' lambda because they consider all the characteristic roots and can be approximated by an F statistic. The measure to use is the one most immune to violations of the assumptions underlying MANOVA but yet maintains the greatest power. Hair et al. pointed out that there is

agreement that either Pillai's criterion or Wilks' lambda best meets these needs, although evidence suggests Pillai's criterion is more robust and should be used if sample size decreases, unequal cell sizes appear, or homogeneity of covariances is violated. For the current study, since the cell size was unequal, therefore, the researcher has utilised the Pillai's criterion to test the significance between independent and dependent variables.

The multivariate generalisation of homogeneity of variance for individual dependent variables (DVs) is homogeneity of the variance-covariance matrices. The assumption is that variance-covariance matrices within each cell of the design are sampled from the same population variance-covariance matrix and can reasonably be pooled to create a single estimate of error. If the within-cell error matrices are heterogeneous, the pooled matrix is misleading as an estimate of error variance (Hair, Anderson, Tatham, & Black, 1998; Tabachnick & Fidell, 2001).

Tabachnick and Fidell (2001) point out that if sample sizes are equal, robustness of significance tests is expected; they also advised disregarding the outcome of Box's M test. However, if sample sizes are unequal and Box's M test is significant at $p < .001$, then the robustness is not guaranteed. The more numerous the DVs and the greater the discrepancy in cell sample sizes, the greater the potential distortion of alpha levels. Bernstein (1988) suggests that if the homogeneity of variance is not significant at an alpha level of .001, then the researcher needs to look into univariate tests for homogeneity of variance for each of the dependent variables. For dependent variable(s) which also has significant univariate F-test, the researcher needs to interpret the finding of that dependent variable(s) at a more conservative alpha-level.

The significance test for MANOVA is based on multivariate normal distribution. Multivariate normality implies that sampling distributions of means of the various DVs in each cell and all linear combinations of them are normally distributed. Hair, Anderson,

Tatham, and Black (1998) state that even though this assumption underlies most multivariate techniques, there are no direct tests for multivariate normality. Therefore, most researchers test for univariate normality of each variable. Although univariate normality does not guarantee multivariate normality, if all variables meet this requirement, any departures from multivariate normality usually is inconsequential. Violation of this assumption has little impact with large sample sizes (Tabachnick & Fidell, 2001). Mardia (1971) suggests that a sample size that produces a 20 degree of freedom from error in the univariate case should ensure robustness of the test, as long as sample sizes are equal and two-tailed tests are used. Even with unequal N and only a few DVs, a sample size of about 20 in the smallest cell should ensure robustness.

Although the MANOVA allows the researcher accept or reject the hypotheses based on significant level, it does not pinpoint where the significance lies if there are more than two groups. Bernstein (1988) argued that multiple t – tests are not appropriate for testing the significance of differences between the means of paired groups because the probability of a Type I error increases with the number of inter-group comparisons made. To find the significant group difference a post hoc test is used. Most commonly used post hoc procedures are: Scheffe method, Tukey's honestly significant difference approach, Duncan's multiple-range test, and the Newman-Kuels test. Each method identifies which comparisons among groups (e.g., group 1 versus group 2 and 3) have significant differences. These methods provide the researcher with tests for each combination of groups, thus simplifying the interpretative process. Hair, Anderson, Tatham, and Black (1998) pointed out that among the five post hoc multiple comparisons, the Scheffe method is the most conservative with respect to Type I error. Therefore, for this study the researcher has utilised the Scheffe method to test the statistical significance between groups.

MANOVA was used because the first research question called for a simultaneous assessment of the differences across groups (bank, gender, age, and education).

MANOVA has an advantage over a series of univariate ANOVAs in this case: it can provide a more powerful test of significance for a large sample, reduce error rates relative to those occurring in a series of univariate ANOVAs, and allow the assessment of multivariate effects of factor on the set of dependent variables (Diekhoff, 1992; Kwan, 1999; Stevens, 1996). Further, to determine which specific groups within a factor differed significantly, post hoc comparisons across groups were made using the Scheffe procedure. Statistical assumptions are required to make the task of estimating and testing the for model viability. The assumptions are listed below.

Statistical Assumptions

1. The dependent variables are multivariately normally distributed for each group, with the different groups being defined by the levels of the factor.
2. The group variances and covariances among the dependent variables are not the same across all levels of the factor.
3. The participants are randomly sampled, and the score on a variable for any one participant is independent from the scores on this variable for all other participants.

Stepwise Regression Analysis

To test hypotheses two and three involves finding which independent variable(s) individually and collectively provide a meaningful contribution towards the explanation of

the dependent variable. The researcher is also interested to find out whether the conceptually newer measured procedural justice is adding anything beyond what the older, more proven variables (managers' use of power) contribute in relation to some independent variables. Stevens (1996) noted that if an investigator wishes to determine whether some conceptually newer measures add anything to the dependent variable compared to older and more proven independent variables, it is appropriate to use stepwise regression. Hanushek and Jackson (1977) suggested that stepwise regression is a useful procedure in determining most significantly related variables in explaining the behaviour in question and this procedure allows the data "to tell the best model." Thus, the stepwise regression analysis not only gives an indication of how comprehensive the effect of the independent variable is, but also details which aspects of a grossly defined variable have been differentially affected.

The researcher was investigating managers' use of power and its relationship with employees' organisational outcomes. In addition, the researcher was using a new measure of procedural justice in the investigation to find out to what extent procedural justice affects employees' outcomes. Considering the research focus and comments of the above stated authors, the researcher has utilised stepwise regression analysis for this study.

Cohen and Cohen (1975) cautioned that, when an investigator has a large pool of potential independent variables and very little theory to guide selection among them, he may be benefited by using stepwise regression. The authors noted that in the use of stepwise regression analysis probably the most serious problem arises when a relatively large number of independent variables are used. Since the significant test of an independent variable's contribution to R^2 proceeds in ignorance of the large number of other such tests being performed at the same time for the other competing independent variables, there can be a very serious capitalisation on chance. However, the authors

suggested that if the researcher has selected both independent and dependent variables based on grounded theory, and the original independent variables (before stepwise selection) is not too large, in that case stepwise regression will work as an useful tool in testing hypotheses. Weisberg (1985), and Draper and Smith (1976) recommended that the stepwise regression is the best of the variable selection procedures. However, they also caution that stepwise regression requires a sensible judgment in selection of variables and in the critical examination of the model through examination of residuals. They also noted that it is easy to rely too heavily on the automatic selection performed by the computer. The authors argued that the investigator's prior consideration and knowledge of the theoretical background of the tested variables is needed to select a final predictive model.

For this study, from an extensive reading of related literature, the researcher's selected variables are based on strong grounded theories. The researcher also did not utilise large numbers of independent variables in this study. The effort to screen out redundant variables during the model building process, and to provide a model in which all variables, individually and collectively, provide a meaningful contribution toward the explanation of the response variable (dependent variable) can be accomplished by using a stepwise regression analysis option (Mendenhall, Reinmuth, & Beaver, 1989).

Stepwise regression employs a systematic screening procedure designed to target redundant predictor variables before they are entered into the model (Stevens, 1996; Tabachnick & Fidell, 2001). In this analysis, independent variables are individually admitted to the model according to their marginal ability to explain the response variable. At the first step of analysis, a simple linear model is formed by regressing DV against the IV (X_1) with which it is most highly correlated. The computer then examines the explanatory ability of each remaining independent variable in the presence of X_1 , and adding the variable that possesses the greatest marginal explanatory ability forms a new

model. At the second step in the stepwise procedure, an analysis is provided for the two variable model, where X_1 is the IV variable chosen in the first step, and X_2 is the variable found to possess the greatest marginal explanatory ability in the presence of X_1 . This process will continue as before by examining the marginal explanatory ability of each of the remaining IVs. In addition, to select a new variable to enter into the model, at the third step and all succeeding steps the researcher must re-examine all variables previously entered. If the F value or T value associated with any IV within the model is found to be insignificant, the associated variable is removed from the analysis. Thus, the stepwise regression procedure is both a selection and an elimination algorithm. This selection and elimination screening procedure is continued until the point where all the remaining variables not entered into the model are judged to be insignificant in their ability to contribute to the process under investigation (Hair et al. 1998; Stevens, 1996; Tabachnick & Fidell, 2001).

In assessing support or non-support for the research hypotheses, the following statistical inferences have been used. R square (R^2) or adjusted R square (R^2_{adj}) show how well the linear combination of IVs in the regression analysis predicts the percentage of total variance of DVs, whereas a change in R^2 is the difference between an R^2 for one set of predictors and an R^2 for a subset of these predictors. The value of the change in R^2 interprets the amount of variance which is accounted for by inclusion of the new sets of IVs (Lee, Lee, & Lee, 2000).

Regression coefficient (B) reflects the relative impact of the IVs on DVs. Hair et al. (1998) cautioned that beta coefficients should be used only as a guide to the relative importance of the independent variables included in the equation, and only over the range of values for which sample data actually exist. The beta (β) value indicates the effect of IVs on DV to the effect on DV of other IVs at each stage, because this value reduces the

regression coefficient to a comparable unit, the number of standard deviations (Tabachnick & Fidell, 2001).

Standard Error of the Beta (SEB) coefficient is the standard error of the estimate of beta (B). In case of SEB, a small standard error implies a more reliable prediction. The p values show the significance of each predictor at each step for stepwise regression.

Regression procedures are subject to a one-tailed test of statistical significance at three different levels: highly significant ($p < .001$); significant ($p < .01$) and ($p < .05$) (Hair et al., 1998; Lee, Lee, & Lee, 2000; Tabachnick & Fidell, 2001).

Statistical Assumptions

Outliers are cases with such extreme values on one variable or a combination of variables that they distort statistics (Barnett & Lewis, 1994). In this study, a box plot was firstly used to detect outliers (Afifi & Clark, 1998). Tabachnick and Fidell (2001) suggested that outliers could be detected by looking at Mahalanobis distance. Mahalanobis distance is the distance of a case from the centroid of the remaining cases where the centroid is the point created by the means of all the variables. The process used to identify outliers was the casewise subcommand in the regression procedure. The casewise subcommand also produces a plot of outliers that have a standardised residual greater than three (Norusis, 1988). Lewis- Beck (1980) suggested that cases that proved to have standardised residuals greater than three need to be eliminated from the analysis. In this case, critical chi-square at $\alpha = .001$ for 6 df is 22.46. Any case with a value larger than 22.46 in the Mahalanobis column of the output is a multivariate outlier among the independent variables. In this study, none of the cases has a value in excess of 22.46.

The underlying assumption of regression analysis is that each variable and all linear combinations of the variables are normally distributed. Normality is assessed by either statistical or graphical methods. The two components of normality are skewness and kurtosis. When a distribution is normal, the values of skewness and kurtosis should be close to zero. For graphical methods, normality can also be determined by examining the residual plots. If the assumption is met, the residuals should be normally and independently distributed (Hair, et al., 1998). In this study, the assumption of normality was diagnosed by looking at both residual plots and checking skewness and kurtosis. From the analysis, the residual plots appear to be normal and values of skewness and kurtosis were close to zero. Therefore, the assumption of normality was not violated (Afifi & Clark, 1998).

Linearity is important for regression analysis because one of the underlying assumptions of this technique is that the relationship between independent and dependent variables is linear. Furthermore, correlation (Pearson's r) can capture only the linear association between variables. Therefore, if there are substantial non-linear relationships, they will be ignored in the analysis, which in turn will underestimate the actual strength of the relationship (Hair et al., 1998).

In this study, linearity was examined by looking at residual plots. Standardised residuals were plotted against predicted values using SPSS plot. Most of the residuals were scattered zero points and had oval-shapes, which suggested that the assumption of linearity was met (Stevens, 1996; Tabachnick & Fidell, 2001).

The assumption of homoscedasticity is that the variance of the dependent variable is approximately the same at different levels of the explanatory variables (Tabachnick & Fidell, 2001). In other words, the error terms in a regression model have constant variance. Homoscedasticity is therefore, examined by visual inspection of the scatter plot of

regression residuals. Homoscedasticity is indicated when the width of the band of residuals is approximately the same at different levels of the dependent variable and scatter plots show a pattern of residents normally distributed around the mean (Berry & Feldman, 1985).

The assumption of homoscedasticity was examined by using an SPSS regression procedure. An examination of residual plots for each explanatory variable indicated that the assumption of homoscedasticity was supported.

Multicollinearity refers to the degree to which explanatory variables are highly correlated with one another. The regression procedure assumes that no explanatory variable has a perfect linear relationship with another explanatory variable (Tabachnick & Fidell, 2001). Intercorrelations of greater than 0.8 are considered to be evidence of high multicollinearity (Berry & Felmann, 1985).

The assumption of multicollinearity was first examined by looking at residual plots. The pattern in the residual plots appeared random. It was further examined by comparing the bivariate correlations (discussed in Chapter 6) between all explanatory variables in each equation. This analysis indicated that the correlations between all explanatory variables fell below 0.8 as recommended by Berry and Feldmann (1985). An examination of the results of these tests indicated that multicollinearity was not a problem in this study.

Assessment of the Research Hypotheses

Hypothesis 1:

There are significant differences between managers' use of power, procedural justice, organisational commitment, and job satisfaction level by types of bank, gender, age and education level in NCBs (Agrani Bank, Janata Bank, and Sonali Bank) in Bangladesh.

Study Results.

Results of MANOVA are summarised in Table 7.1 and 7.2. Table 7.1A and 7.1B show the multivariate and univariate test for managers' use of power on procedural justice, organisational commitment and job satisfaction level, by types of bank, gender, age, and education level in NCBs in Bangladesh. The Scheffe post hoc test is used to compare three different banks' means in studies. The result of the post hoc test is summarised in Table 7.2.

Table 7.1

One-Way Multivariate Analysis of Variance (MANOVA) Summary for Managers' Use of Power, Procedural Justice, Organisational Commitment and Job Satisfaction, by Types of Bank, Gender, Age, and Level of Education

A. Pillai's Trace and F test for the Main Effect (Types of Bank, Gender, Age, and Level of Education)				
Source	Pillai's Trace	Exact F	P	Effect Size (f)
Types of Bank	0.15	3.241	.000	0.15
Gender	0.01	0.714	.679	0.01
Age	0.06	1.246	.227	0.06
Level of Education	0.08	1.108	.327	0.08

B. Managers' Use of Power, Procedural Justice, Organisational Commitment and Job Satisfaction Scales Univariate F tests for the Main Effect (Types of Bank)				
Dependent Variables	MS _B	MS _w	F	P
Coercive Power	2.342	.946	2.475	.086
Expert Power	.123	1.133	.109	.897
Legitimate Power	.838	.698	1.200	.302
Referent Power	.903	.823	1.097	.335
Reward Power	7.276	.446	16.321	.000
Procedural Justice	1.796	.458	3.923	.021
Organisational Commitment	3.633	.940	3.864	.022
Job Satisfaction	.808	.329	2.457	.087

To determine whether managers' use of power, procedural justice, organisational commitment and job satisfaction variables differ across the types of bank, gender, age, and level of education, MANOVA was performed. In the case of types of bank, Multivariate analysis of homogeneity was not significant (Box's $M = 99.42$, $F(72, 267614) = 1.33$, $p > .001$). The Box's M test for homogeneity of variance – covariance matrices indicates that this assumption has not been violated at an alpha level of .001. Pillai's multivariate test for the main effect (type of bank) was significant (Pillai's Trace = .15, $F(16, 624) = 3.24$, $p < .05$). The effect size, $f = .15$ was large according to Cohen's conventions for research in the social sciences. Cohen (1977) characterises an effect size of .01 as small, an effect size of .06 as medium, and an effect size of .14 as large.

From Table 7.1A, managers' use of power, procedural justice, organisational commitment, and job satisfaction variables do not differ by gender, age, and level of education in NCBs in Bangladesh ($p > .05$).

To investigate which of the dependent variables differed by types of bank, a univariate F-test was performed. An examination of the univariate F-tests (Table 7.1B) for each dependent variable reveal that reward power, procedural justice and organisational commitment contribute to the significant multivariate effect. From the alpha level, it can be found that employees' perceptions of reward power ($F(2, 318) = 16.32$, $p < .05$), procedural justice ($F(2, 318) = 3.92$, $p < .05$), organisational commitment ($F(2, 318) = 3.86$, $p < .05$) vary significantly in three banks. The other variables (coercive power, expert power, legitimate power, referent power, and job satisfaction) do not vary significantly ($p > .05$) by type of bank.

To investigate which specific bank statistically differed significantly, post hoc multiple comparisons were performed using the Scheffe procedure. Statistically significant

variables are listed in Table 7.2. The mean and standard deviation of variables in each bank is also computed to show how they differed among the banks (Table 7.2).

Table 7.2

The Mean Differences of Managers' Use of Reward Power, Procedural Justice and Organisational Commitment Scales, and Scheffe Post-Hoc Comparisons for the Three NCBs

Scales	<u>Agrani Bank</u>		<u>Janata Bank (2)</u>		<u>Sonali Bank (3)</u>		Post hoc ^a
	<u>(1)</u>		<u>M</u>	<u>SD</u>	<u>M</u>	<u>SD</u>	
	<u>M</u>	<u>SD</u>					
Reward Power	2.07	.699	2.47	.657	1.99	.645	2 > 1, 3
Procedural Justice	2.67	.626	2.44	.673	2.64	.728	1 > 2
Organisational Commitment	2.90	.973	2.57	.922	2.86	1.02	1 > 2

Note: The number in the parentheses in column heads refer to the numbers used for indicating significant differences in the last column titled 'post hoc.'

^a Post-hoc comparisons were pair-wise and the significant level was set at $p < .05$.

From Table 7.1B it can be seen that reward power, procedural justice, and organisational commitment are statistically significantly different in three banks. From the Scheffe procedure (Table 7.2), it can be noted that in case of reward power, Agrani Bank and Janata Bank statistically differed significantly ($p < .05$). Janata Bank and Sonali Bank also differed statistically significantly ($p < .05$). However, there were no statistically significant differences between Agrani Bank and Sonali Bank. A study of the mean differences (Table 7.2) reveals that Janata Bank has a higher mean value (2.47) compared to both Agrani Bank (2.07) and Sonali Bank (1.99). The result suggests that employees' perceptions of managers' use of reward power in Janata Bank is higher compared to Agrani Bank and Sonali Bank. In the case of procedural justice, Agrani Bank and Janata Bank differed statistically significantly ($p < .05$). There were no statistical significant

differences between Agrani Bank and Sonali Bank; and also there were no statistically significant differences between Janata Bank and Sonali Bank. From Table 7.2 it can be seen that Agrani Bank (2.67) has a higher mean value than in Janata Bank (2.44). Based on data analysis, it can be concluded that employees' perceptions of procedural justice is higher in Agrani Bank compared to Janata Bank. Organisational commitment differed significantly between Agrani Bank and Janata Bank ($p < .05$). While there were no statistically significant differences between Agrani Bank and Sonali Bank; there were also no statistically significant differences found between Sonali Bank and Janata Bank. Agrani Bank has a higher mean value (2.90) for organisational commitment compared to Janata Bank (2.57) which shows that employees are more committed in Agrani Bank than in Janata Bank (Table 7.2).

In this study, the interaction effects between demographic variables and criterion variables were also investigated. The interaction effects (types of bank by gender, types of bank by age, types of bank by education level, age by gender, age by education level, and gender by education level) are not significant ($p > .05$). Only the main effects for types of bank by reward power, procedural justice, and organisational commitment were independently significant ($p < .05$).

Based on statistical results, hypothesis 1 is partly supported. Managers' use of power, procedural justice, organisational commitment, and job satisfaction by types of banks is supported and statistically significant. Managers' use of power, procedural justice, organisational commitment, and job satisfaction by gender, age, and education is not supported and not statistically significant.

Hypothesis 2:

Managers' use of power and procedural justice most significantly determine employees' organisational commitment level in NCBs (Agrani Bank, Janata Bank, and Sonali Bank) in Bangladesh.

Study Results.

The stepwise regression analysis is summarised in Table 7.3 and 7.4. Three stepwise regression analyses were performed for three NCBs (Agrani Bank, Janata Bank, and Sonali Bank). In the case of Agrani Bank, regression analysis shows that only procedural justice has a statistically significant relationship ($p < .001$) with employees' organisational commitment level (Table 7.3). Employees' perceptions of managers' use of power (coercive, reward, legitimate, expert, and referent power) failed to enter into the regression equation, which indicates that they were not statistically significantly associated with employees' organisational commitment level in Agrani Bank. Procedural justice alone accounts for 31% of the variance in the employees' organisation commitment level in the bank. These results provided partial support for hypothesis 2.

In case of Janata Bank, regression analysis indicates that procedural justice ($p < .001$), referent power ($p < .01$), legitimate power ($p < .05$), and expert power ($p < .05$) were statistically significantly related with employees' organisational commitment level (Table 7.3). Coercive power, and reward power failed to enter into the regression equation, which shows that they were not significantly associated with employees' organisational commitment level in Janata Bank. Procedural justice and three power bases together explained about 51% variance in employees' organisational commitment level. Individually, procedural justice, referent power, legitimate power and expert power

explained about 41%, 5%, 3%, and 2% of the variance, respectively. These results provided partial support for hypothesis 2.

Table 7.3

Stepwise Regression on Organisational Commitment

Variable	B	SE B	B	R ²	ΔR ²
<u>Agrani Bank</u>					
Step 1				.314	
Procedural Justice	.869	.128	.560 ***		
<u>Janata Bank</u>					
Step 1				.411	
Procedural Justice	.878	.097	.641 ***		
Step 2				.462	.052
Procedural Justice	.690	.108	.504 ***		
Referent Power	.291	.087	.265 ***		
Step 3				.493	.031
Procedural Justice	.613	.110	.448 ***		
Referent Power	.240	.087	.219 *		
Legitimate Power	.242	.091	.197 *		
Step 4				.513	.020
Procedural Justice	.531	.115	.387 ***		
Referent Power	.207	.087	.189 **		
Legitimate Power	.201	.092	.163 *		
Expert Power	.145	.069	.172 *		
<u>Sonali Bank</u>					
Step 1				.453	
Referent Power	.684	.077	.673 ***		
Step 2				.531	.078
Procedural Justice	.501	.126	.357 ***		
Referent Power	.457	.091	.450 ***		

*p < .05, **p < .01, ***p < .001.

Results from the third regression analysis indicate that in Sonali Bank, procedural justice ($p < .001$) and referent power ($p < .001$) were statistically significantly related with employees' organisational commitment level (Table 7.3). Coercive, reward, legitimate,

and expert power failed to enter into the regression equation, which shows that they were not significantly associated with commitment. These results provided partial support for hypothesis 2. Procedural justice and referent power together explained about 53% of variance in commitment level. Individually, procedural justice and referent power explained about 45% and 8% of the variance in employees' organisational commitment level, respectively.

In summary, based on statistical results, hypothesis 2 is partly supported. In the case of Agrani Bank, only procedural justice has a statistically significant relationship with employees' organisational commitment. Whereas coercive, reward, legitimate, expert, and referent power are not supported and not statistically significant. While in Janata Bank, procedural justice, referent, legitimate, and expert power have a statistically significant relationship with employees' organisational commitment. Whereas a relationship between coercive power and reward power with employees' organisational commitment are not supported and not statistically significant. In Sonali Bank, procedural justice and referent power have a statistically significant relationship with employees' organisational commitment. However, the relationships between coercive power, reward power, legitimate power, and expert power with employees' organisational commitment are not supported and not statistically significant.

Hypothesis 3:

Managers' use of power and procedural justice most significantly determine employees' job satisfaction level in NCBs (Agrani Bank, Janata Bank, and Sonali Bank) in Bangladesh.

Study Results.

Three stepwise regression analyses were performed for three NCBs (Agrani Bank, Janata Bank, and Sonali Bank). Table 7.4 depicts that in Agrani Bank procedural justice ($p < .001$), coercive power ($p < .001$), and reward power ($p < .01$) were found to be statistically significantly related with employees' job satisfaction level. Legitimate power, expert power, and referent power failed to enter into the regression equation, which indicates that they were not significantly associated with job satisfaction. This result provides partial support for hypothesis 3. These three predictor variables together explained 32% of the variance in job satisfaction. Procedural justice, coercive power, and reward power explained about 20%, 6%, and 6% of the variance in employees' job satisfaction, respectively.

Results from the second regression analysis indicate that in Janata Bank, procedural justice ($p < .001$) and expert power ($p < .05$) were related to employees' job satisfaction level. Coercive power, reward power, legitimate power, and referent power failed to enter into the regression equation, which shows that they were not significantly associated with job satisfaction. These results provided partial support for hypothesis 3. Procedural justice accounted for 31% variance in job satisfaction level, while expert power explained 3% of the variance in employees' job satisfaction level.

The regression analysis for Janata indicates that procedural justice ($p < .001$) and referent power ($p < .001$) were related to employees' job satisfaction level. Coercive power, expert power, and legitimate power failed to enter into the regression equation, which reveals that they were not significantly associated with job satisfaction. These results provided partial support for hypothesis 3. Referent power and procedural justice accounted for 40% of the variance in job satisfaction levels. Individually referent power

explained 33% and procedural justice 7% of the variance in employees' job satisfaction level.

Table 7.4

Stepwise Regression on Job Satisfaction

Variable	B	SE B	β	R ²	ΔR^2
<u>Agrani Bank</u>					
Step 1				.196	
Procedural Justice	.395	.080	.443***		
Step 2				.252	.055
Procedural Justice	.419	.078	.470***		
Coercive Power	-.128	.047	-.237***		
Step 3				.315	.063
Procedural Justice	.355	.078	.398***		
Coercive Power	-.162	.047	-.299***		
Reward Power	.216	.072	.270**		
<u>Janata Bank</u>					
Step 1				.306	
Procedural Justice	.471	.065	.553***		
Step 2				.336	.031
Procedural Justice	.380	.075	.446***		
Expert Power	.108	.046	.205*		
<u>Sonali Bank</u>					
Step 1				.326	
Referent Power	.333	.049	.571***		
Step 2				.400	.075
Procedural Justice	.206	.059	.352***		
Referent Power					

*p < .05, **p < .01, ***p < .001.

In Sonali Bank, referent power ($p < .001$) and procedural justice ($p < .001$) were related with employees' job satisfaction level. Other power bases failed to enter into the regression equation, which shows that they were not significantly associated with job

satisfaction. These results provided partial support for hypothesis 3. Referent power accounted for 33% variance in job satisfaction level. Procedural justice explained 8% of the variance in employees' job satisfaction level.

In summary, based on statistical results, hypothesis 3 is partly supported. In the case of Agrani Bank, only procedural justice, coercive power, and reward power have a statistically significant relationship with employees' job satisfaction level. Whereas the relationship between legitimate, expert, and referent power are not supported and not statistically significant. In Janata Bank, however, procedural justice and expert power have a statistically significant relationship with employees' job satisfaction. The relationships between coercive, reward, legitimate, and referent power with employees' job satisfaction are not supported and not statistically significant. In Sonali Bank, procedural justice and referent power have a statistically significant relationship with employees' job satisfaction. However, the relationships between coercive, reward, legitimate, and expert power with employees' job satisfaction level are not supported and not statistically significant.

Summary

This chapter has presented the results and tested hypotheses. A summary of key findings is presented. For the first hypothesis, managers' use of power, procedural justice, organisational commitment, and job satisfaction by types of bank is supported and statistically significant. Managers' use of power, procedural justice, organisational commitment, and job satisfaction by gender, age and education are not supported and not statistically significant.

The second hypothesis is partially supported. In the case of Agrani Bank, only procedural justice is supported and has a statistically significant relationship with

employees' organisational commitment. In Janata Bank, procedural justice, referent, legitimate, and expert power are supported and has a statistically significant relationship with employees' organisational commitment. In Sonali Bank, procedural justice and referent power is supported and has a statistically significant relationship with employees' organisational commitment.

The third hypothesis is also partially supported. In the case of Agrani Bank, only procedural justice, coercive, and reward power are supported and have a statistically significant relationship with employees' job satisfaction level. In Janata Bank, procedural justice and expert power are supported and have a statistically significant relationship with employees' job satisfaction. In Sonali Bank, procedural justice and referent power is supported and has a statistically significant relationship with employees' job satisfaction.

The report in this chapter covers only quantitative analyses of the study. The next chapter will discuss the analysis of qualitative data, and compare both the findings from quantitative and qualitative analysis perspectives.

CHAPTER 8

FINDINGS AND ANALYSIS OF DATA FROM INTERVIEWS

The previous chapters (7 & 8) reported on the quantitative data and their analysis. The aim of this chapter is to discuss findings from and their implications in the context of the research focus.

The present researcher kept in mind certain perspectives on qualitative research. Van Maanen (1983, p.9) argued that qualitative methods comprise “an array of interpretive techniques which seek to describe, decode, translate and otherwise come to terms with the meaning, not the frequency, of certain more or less naturally occurring phenomena in the social world”. Ticehurst and Veal (2000) further elaborated that the basic assumptions underlying qualitative research is that reality is socially and subjectively constructed rather than objectively determined. Researchers are seen to be part of the research process and they seek to uncover meanings and understanding of issues they are researching. They are not bound by a particular methodology, but rather use diverse tools and methods according to the problems being addressed (Denzin & Lincoln, 1994).

The view of the present researcher reflects that held by these earlier researchers, that is that qualitative research is based on the belief that the people personally involved in a particular situation are best placed to analyse and describe it in their own words. They should be allowed to speak without the intermediation of the researcher. Earlier researchers (Denzin & Lincoln, 1994; Ticehurst and Veal, 2000; Van Maanen, 1983) also proposed that qualitative methods provide a useful research approach in many business contexts. These methods are most widely used in business research involving corporate culture, power relationships and consumer decision-making.

Kerlinger (1964) a quantitative researcher, however, argues that there is no such thing as qualitative data. Everything is either 1 or 0. Against this view qualitative researcher, Berg (1989) argues that all the data are basically qualitative. The researcher only attaches either words or numbers to the raw data. Campbell (1974) also made a similar remark that all research ultimately has a qualitative grounding. Fierce battles have been fought on this topic. Quantitative studies have been linked with positivism and condemned as incommensurable with naturalistic, phenomenological studies (Smith, 1983; Smith & Heshusius, 1986). Qualitative researchers complained that they are losing out against the powerful, prestigious establishment that takes quantitative method for granted (Reinharz, 1993). However, the quantitative researcher is not beyond criticism. Quantitative researchers have been stereotyped as number crunchers or navelgazers (Miles & Huberman, 1994).

Gherardi and Turner (1987) thoughtfully note that researchers have to face the fact that numbers and words are both needed if the researchers are to understand the world. Gherardi and Turner suggest that the issue is one of knowing when it is useful to count and when it is difficult or inappropriate to count at all. Weinstein and Tamur (1978) argue that quantification is not the end of the research. If the researcher can apply the qualitative method to study the research, it is advisable to use the technique. It will add power and sensitivity to individual judgement when the researcher attempts to detect and describe patterning in a set of observations. Moreover, the researcher should not throw away anything helpful that would contribute to the study findings. In a deeper sense, as Salomon (1991) points out, the issue is not qualitative-quantitative at all, but whether the researcher is taking an analytic approach to understanding the studied variables or systematic approach to understanding the interaction of variables in a complex environment.

After reviewing arguments on both qualitative and quantitative methods, the researcher utilised the strengths of both methods for this study. He did this for the following reasons. First, qualitative methods can help during data collection by making access more complete; second, in data analysis, they can help by validating, interpreting, clarifying, and illustrating quantitative findings, as well as by strengthening and revising theory (Miles & Huberman, 1994).

To gain insight into the bank managers' exercise of power and its relationship with employees' organisational commitment and job satisfaction, the researcher interviewed a representative sample of bank managers; and then bank experts (from Bangladesh Institute of Bank Management) to elicit their opinions about exercise of power.

The presentation of the qualitative findings now follows. First there is a discussion of the field experience in Bangladesh. Second, findings from the demographic profile of NCB managers are presented. Third, data collection and analysis from bank managers and bank experts are reported.

Field Experience in Bangladesh

As Bangladesh was the field of research for the study, the researcher considered that a presentation and explanation of the actual locations would help the readers to more fully understand the research focus. The target population has a different socio-cultural background compared to other countries. As a result, perceptions of the target population about data collection may be different compared to other countries. By presenting details of the researcher's field experience, it is hoped to clarify why some findings are different compared to the findings of other countries.

The researcher went to Bangladesh on June 30, 2000, after obtaining ethics clearance from the Human Research Ethics Committee of Australian Catholic University (ACU) (Appendix 2). The first step in Bangladesh was to obtain authorisation to access the three NCBs. Initially the researcher approached the research bureau of the NCBs to provide authorisation for data collection but the bureau coordinators were reluctant to take this responsibility. The researcher was instead asked to contact the general managers in the head office of the respective NCBs. After reviewing the papers, the general managers commented that the researcher should obtain a letter from the managing director of the bank, and then the general managers would issue a letter of authorisation. The only concern the head offices raised was that the interviews could not be conducted on financial issues. Since the research focus was primarily on managerial issues, this concern was not a problem for the researcher.

For an appointment with the managing directors of the NCBs, the researcher had an average wait of two weeks for each bank. However, once the researcher obtained access to the managing directors, they were cooperative and provided the required letter (in Bangla and not included in the Appendices). In particular, the managing director of Janata Bank was very inquisitive about the details of the research project. Later the researcher found that Janata Bank's managing director was only 47 years old, and the youngest among the three NCBs' managing directors. Furthermore, the managing director of Janata Bank was highly educated, had his master degree from Dhaka University, and had completed his MBA from Pennsylvania State University.

After acquiring the letter from the managing directors, the general managers of the head offices of Janata and Sonali Bank provided the authorisation letter for data collection. For the Agrani Bank, the research bureau coordinator issued the letter for the researcher. A copy of the letter was given to the researcher to present to the bank managers, in addition,

the head offices of the three banks sent a copy directly to the managers of the selected branches. In the authorisation letters, the head offices requested the respective branch managers to cooperate with the researcher in providing the needed information. The head offices suggested to the researcher that the best time to interview the managers was after 3pm. The head office officials informed the researcher the reason for this recommendation is that generally the branch managers are stress-free after 3 pm. In NCBs, the transaction hours are from 9 to 3 pm, but office hours continue till 5 pm.

Following instructions from the head offices, the researcher approached the selected branches for data collection after 3 pm. Initially, the researcher aimed to complete two branches interviews each day, starting 9am continuing till 5 pm, but following the suggested time schedule (after 3 pm), the researcher was only able to cover a single branch each day.

Most of the branch managers were cooperative, and knew beforehand of the impending interview (letter from the head offices notified the branch managers). However, there were instances where managers asked the researcher to wait for hours. The managers were either in a meeting, otherwise busy, or not in their offices. In some cases, the researcher waited for hours, and had to return because the managers were not able to give the interview. In such cases, the researcher had to reschedule the interview dates. There were also branches where managers were not at all accommodating. Their point of view was that they had given interviews a number of times to researchers but so far no changes had taken place. According to one manager:

People come here for data collection for their own benefit or research. We become the subject, and if we express our views openly then we become the target. More to it, in my five years experience as a manager, I have given more than ten interviews but have never seen a single suggested change. What's the use of these interviews? Maybe interviewing me, you will obtain information and you will earn your PhD, but on my part, I would be the same old manager whose opinion(s)/suggestion(s) have never been considered by the head office. I am giving you two hours time

for this interview, and it is a waste of time on my part. I have to work two hours extra today.

These managers were generally in the 50 years age bracket, and had been working in the banks for a long time. In addition, it occurred to the researcher that the older managers were less accommodating to changes, and believed in traditional banking. In other words, they were more prone to working without computers, and believed in people in the workforce rather than automation. More to the point, older managers are accustomed to developing skills through work experience compared to acquiring skills through training and development.

There were managers in NCBs who were eager to give information and maintain the scheduled appointments. These groups of managers were in the 40 years old age bracket. Most of these young managers are master degree holders. When interviewing these young managers, the researcher sensed that they were looking for changes. In addition, they were more open to accept changes in the banks. One manager stated that:

I was promoted as a manager two years ago. As a manager my vision is to train my employees in the training institutes. I know which employee of mine needs what kind of training. As per employees' requirements, I request the head office to send the employees for the training. After completion of the training, employees' qualities have increased. The customers are getting prompt services, and employees are more prepared to handle customers' problems. This was only possible by providing the right training for the employees.

Among the three NCBs, Agrani Bank has a strong research unit. Each year Agrani Bank's research bureau provides internships for the local university students to work in the bank to obtain first hand experience. In addition, this practice also allows local university students to conduct research on the bank. The bank's library has copies of the students' research papers; also a few PhD theses have been completed on Agrani Bank. However, these papers and theses primarily focused on the financial issues of the bank.

The Agrani Bank research coordinator permitted the researcher to use their library and provided access to the research work on the bank.

The bank experts were also interviewed. The bank experts work are lecturers at the Bangladesh Institute of Bank Management (BIBM). All the experts were very cooperative and informative. The BIBM authority permitted the researcher to use their library as well. BIBM's library has an excellent collection of research work in the banking field of Bangladesh and other countries.

The researcher contacted the bank experts over the phone and requested an interview. All the bank experts immediately gave the dates for the interviews. The bank experts also suggested to the researcher ways of approaching the bank employees about data collection. In addition, the researcher was also provided with information about related research that has been carried out in Bangladesh.

During the data collection, the researcher faced two major external barriers in Bangladesh. First, the period of data collection was prior to the election period. Generally, prior to election "hartal" is a common phenomenon in Bangladesh. Hartal is a strike, but during hartal, vehicles are not allowed onto the streets. In addition, educational institutions, office, court, and businesses remain closed. The hartal was sometimes from half a day to an entire day. Second, during July and August 2000, Bangladesh was hit by a devastating flood. A number of selected branches were under water, while the roads to some of other branches were under water and inaccessible. Due to both of these, hartal and flood scenario, the researcher's data collection was severely affected. The researcher had to stay for an interval of three months over the scheduled timeline in Bangladesh. Hence, he had to make readjustments to the time schedule planned for data collection.

Demographic Profile of NCB Managers

In this section of the chapter, Manager Level Data are reported. The results of key individual demographic data are given including gender, age profile, education level, length of service, and frequency. These data are included at this point to investigate if there is a relationship between managers' demographic variables and the constructs used in this study.

The demographic profile represents a value for an individual manager of a particular NCB (hereafter referred to as “Manager Level Data”, e.g., an individual manager’s age). Data were aggregated to produce, for example, the mean value for a variable of managers within each of the banks and so provide new aggregate variables that would then belong to the ‘Bank Level Data’ category (e.g., mean age of managers within each bank).

Manager Level Data

Table 8.1 shows that in the case of Agrani Bank, the sample consisted of 1 female manager and 11 male managers. Table 8.2 displays the age profile of Agrani Bank managers. The mean age was 50 years (range = 10). The minimum age of a manager was 44 and maximum age was 54 years. Table 8.3 highlights the education level of Agrani Bank managers. The highest level of education completed by the managers was a Masters degree (42%); 50% of the sample-completed Degree, and 8% managers were HSC (Higher Secondary Certificate) graduates. Table 8.4 presents the length of service profile of Agrani Bank managers. The average length of time with the bank was 18 years (range = 13).

Table 8.1

Gender Distribution of the Managers of NCBs

Bank	Gender	Frequency	Percentage
Agrani	Female	1	8
	Male	11	92
	Total	12	100
Janata	Female	2	17
	Male	10	83
	Total	12	100
Sonali	Female	3	25
	Male	9	75
	Total	12	100

Table 8.2

Age Profile of the Managers of NCBs

<u>Bank</u>	<u>N</u>	<u>M</u>	<u>Range</u>	<u>Minimum</u>	<u>Maximum</u>
Agrani Bank	12	50	10	44	54
Janata Bank	12	43	12	40	52
Sonali Bank	12	48	13	42	55

Table 8.1 shows that in the case of Janata Bank, the sample consisted of 2 female managers and 10 male managers. Table 8.2 displays the age profile of Janata Bank managers. The mean age was 43 years (range = 12). The minimum age of a manager was 40 and maximum age was 52 years. Table 8.3 highlights the education level of Janata Bank managers. The highest level of education completed by the managers was a degree (58%); and 42% of the sample-completed masters degree. Table 8.4 presents the length of service

profile of Janata Bank managers. The average length of time with the bank was 18 years (range = 9).

Table 8.3

Level of Education of the Managers of NCBs

Bank	Frequency	Percentage
<u>Agrani Bank</u>		
HSC	1	8.0
Degree	6	50.0
Masters	5	42.0
Total	12	100.0
<u>Janata Bank</u>		
HSC	0	0.0
Degree	7	58.0
Masters	5	42.0
Total	12	100.0
<u>Sonali Bank</u>		
HSC	1	8.0
Degree	6	50.0
Masters	5	42.0
Total	12	100.0

Table 8.4

Length of Service of the Managers of NCBs

<u>Bank</u>	<u>N</u>	<u>M</u>	<u>Range</u>	<u>Minimum</u>	<u>Maximum</u>
Agrani	12	18	13	14	27
Janata	12	18	9	14	23
Sonali	12	20	16	16	32

Table 8.1 shows that in the case of Sonali Bank, the sample consisted of 3 female managers and 9 male managers. Table 8.2 displays the age profile of Sonali Bank managers. The mean age was 48 years (range = 13). The minimum age of a manager was

42 and maximum age was 55 years. Table 8.3 highlights the education level of Sonali Bank managers. The highest level of education completed by the managers was a degree (50%); 42% of the sample-completed masters, and 8% managers were HSC (Higher Secondary Certificate) graduates. Table 8.4 presents the length of service profile of Sonali Bank managers. The average length of time with the bank was 20 years (range = 16).

Data Analysis

The in-depth interview method was utilised as a component of the qualitative research strategy because of the ability of the interview techniques to obtain the richest data within the prescribed limits of the research (Cooper & Schindler, 1998). Interviews enabled the researcher to control the response environment and the order in which issues were discussed. However, the main benefit was derived from the ability of the interview technique to enable discussions of complex topics and thus provide rich and more complete data. Rather than just asking a question, recording a simple answer and moving on, the in-depth interviewer encourages the respondents to talk, ask supplementary questions, and asks respondents to explain their answers (Smith, Thorpe, & Lowe, 2002). The importance of the interview is summarised by Burgess (1982) as follows:

The interview is the opportunity for the researcher to probe deeply to uncover new clues, open up new dimensions of a problem and to secure vivid, accurate inclusive accounts that are based on personal experience. (p. 107)

Although interviewing is often claimed to be the best method of gathering information, its complexity can sometimes be underestimated (Smith et al., 2002). Smith et al. argue that interview method is time consuming to undertake interviews properly, and they are sometimes used when other methods might be more appropriate. To avoid such a

situation, Jones (1985) comments that the researchers' main reason for conducting interviews should be to understand how individuals (interviewees) construct the reality of their situation formed from the complex personal framework of beliefs and values, which they have developed over their lives in order to help explain and predict events in their world.

In this study, the researcher was interested to understand the constructs the interviewee used as a basis for his/her opinions and beliefs about a particular matter or situation. More to the point, the researcher was also interested to develop an understanding of these respondents' world so that the researcher might influence it, either independently, or collectively as in the case with action research. In order to achieve these insights the researcher utilised a semi-structured interview method. According to Smith et al. (2002), the semi-structured interview is an appropriate method when the researcher wants to obtain individuals' views, as well as assist individuals to explore their own beliefs.

All the interviews were fully transcribed. The tape recorder was not utilised because the respondents were reluctant to use it. An interview lasted on average 1-2 hours. The data was then sorted and classified according to the major headings of the questionnaire, although not all answers fitted neatly within that classification scheme.

Full transcripts of an interview with both the bank managers and bank experts were coded according to the interview schedule questions. In management, the traditional method of dealing with natural language as data is through the use of content analysis (Cooper & Schindler, 1998). According to Smith, Thorpe, and Lowe (2002) in content analysis, all the information is derived from the data. In content analysis, certain key phrases or words are counted, and then the frequencies are analysed. The selection of these phrases or words depends on the hypotheses the researcher wishes to test. Following this, all the interviews are examined for the presence of the themes which are

coded on sheets for analysis. The major problem associated with content analysis is that the use of sorting categories and the frequency counting of particular categories of expressions does not always uncover the basic structures of argument. The use of content analysis would presuppose the existence of a commonly accepted set of meanings, both within and across the organisations (Harris & Watkins, 1998).

The semi-structured interviews were fully transcribed and then analysed in the systematic and iterative manner widely recommended in qualitative research literature (Turner, 1981). Analysis of transcripts was conducted by methods of inductive reasoning (Lincoln & Guba, 1986) and comparative methods (Martin & Turner, 1986). Rather than report exhaustive details, this study presents representative illustrations to demonstrate the consistency or inconsistency of views between the managers and the bank experts.

Implications of the Qualitative Data

The analysis of the semi-structured interviews shed light on this investigation into managers' use of power and procedural justice, and their relationships with employees' organisational commitment and job satisfaction in NCBs in Bangladesh. The analysis of interviews led to the finding that managers' use of power and procedural justice factors appeared to restrict employees' organisational commitment and job satisfaction levels in NCBs.

Coercive power. Interviews with the NCB managers revealed that in a government bank, managers cannot terminate employees. Further, due to strong labour unions the managers are not able to take any strict actions against the employees. Discussion showed found that the managers generally apply two types of actions against employees'

misdeemeanours. For unintentional misdeemeanours, the managers correct the particular employee. On the other hand, for intentional misdeemeanours, the managers' file a formal complaint to the higher authority. However, if the unintentional misdeemeanours is taking place on a continuous basis, the managers note the misdeemeanours in employee performance files. It was also possible for managers to change the employees' work type or provide the employee(s) with less responsible or challenging assignments. More to the point, the managers noted that if the corrupt employees were not terminated or transferred from the branch, the daily operation was disturbed. However, one manager claimed that:

The corrupt employees with help of the labour union can slow down the process of their trial/investigation on their corruption, but eventually the head office does take necessary action.

A manager from the Sonali Bank also made a similar claim that the head office is very strict with corrupt employees. With managers' complaints, the head office takes obligatory action. The manager noted that:

When an employee is guilty of intentional misdeemeanour(s), I notify the head office. As per my written complaint to head office, the management takes the needed actions. As per my complaints to the head office, two of the corrupt employees were terminated from the bank.

Contrary to the claims of the two managers about the effectiveness of the action taken by the head office on employees' intentional misdeemeanour(s), the other 34 managers pointed out that managers have limited use of coercive power, and the head office often does not take action on their written complaints.

The interviews also revealed that not only were the branch level employees involved with the labour union, but the employees in the head offices were also actively involved. In this labour union, a number of groups exist. Elections are held every three years for different positions. In the election, if a single group wins the majority of positions, in particular the president and general secretary then that group tends to be the

unofficial controller of the management of the banks. If the corrupt employee is from the group which holds most of the positions in the labour union, the head office would possibly not take any action against that corrupt employee. If the corrupt employee does not belong to the union, in particular to the group that is holding the majority of the positions, the head office of that particular bank might take action.

According to the managers, within their limited capabilities of using coercive power in the NCB, they used coercive power base at its optimum level. The researcher also interviewed bank experts to find their opinion on managers' use of coercive power in regard to employees.

Similar to managers' views, the bank experts also acknowledged that in NCBs managers have limited coercive power. The bank experts stated that in the NCB the labour union was very strong. The maximum the managers are able to do is to make formal complaints to the head office regarding the employees' intentional misdemeanours, whereas in cases of unintentional misdemeanours managers warned the employees verbally. One bank expert commented that the most common way of reprimanding an employee would be to give him/her a difficult assignment, which required a good deal of travelling outside the office. In addition, the managers kept the employee on a low profile. More to the point, one bank expert noted that:

Managers do not provide the employees with any recommendation for promotion/bonus/increments. In addition, a warning letter is given to the less efficient employees. However, managers do practice favouritism in reprimanding employees. Managers tend to reprimand those employees who are not in managers' good books. This list in the good books is not always based on employees' performance.

The findings from both managers and bank experts revealed that in NCBs, managers have limited use of coercive power. The discussions with the bank experts suggested that

managers practiced preferential treatment in applying their coercive power to the employees.

Expert power. All the managers claimed that they provided job related advice and feedback to their employees. When the managers were asked how effectively they were providing job-related advice, managers noted that during the weekly meetings or on an individual basis, the managers discussed the problems the employees are facing in the bank. One manager stated that:

I ask my employees to make a time line for their yearly targets. On a monthly basis, I sit individually with employees to check their progress. I always emphasis to my employees that branch operation is a chain work. The employees must release files that are required to be completed by two or more individuals or departments, as early as possible from their respective desks.

The managers also noted that since all the employees' educational level and experience are not similar, some employees take more time to cope with the work than the others. The managers pointed out that gender does not play a significant role in understanding the work related problems.

Two managers mentioned that for any kind of problem/work related issues, they ask for employees' opinions first. If the employees' stated opinion is correct or acceptable, the managers ask the employees to proceed with the idea. Both the managers argued that this technique motivates the employees in regard to their work. If the ideas or suggestions of the employees are not acceptable, then the managers advise the employees on how to perform the task or deal with the situation. Other common findings were that in the circulation of handouts from the head office, all the points about job descriptions or target achievements were not stated clearly. During the weekly meetings, the managers explain all the details regarding the circulation of handouts.

The most common finding regarding feedback was during the weekly meetings whose managers' provided feedback to the employees according to the employees' needs.

One manager noted that:

I take accounts of customers' complaints regarding employees' service. Based on that I notify the employee about his/her problem in dealing with customers. In particular, the area where the employee could improve his/her performance is discussed thoroughly.

There are situations when employees are unwilling or are not sure how to serve certain customers. These customers are socially or politically influential and could be bank loan defaulters. To overcome this situation, the managers share their experience with the employees on how to deal with these influential customers. The managers asserted that sharing their own experience helps the employees to understand the circumstances better, and how to deal with such clients. One manager acknowledged that:

In case of problems regarding a particular task or customers, I share my experience with the employees. I believe that sharing experiences helps the employees to understand the situation better. In particular, the background history helps the employees not only to better understand the situation but also to deal with the circumstances.

In regard to managers' claim of efficient use of expert power, the bank experts differed from the managers' claims. One bank expert argued that the majority of the managers did not provide any advice or feedback to the employees. The managers themselves are not properly trained nor well educated. For certain jobs, managers are dependent on particular employees. Like the employees, managers also did not learn from attending training or they may have even purchased their diplomas with a bribe. These inefficient managers are mostly senior ones. The managers who have been more recently recruited or promoted are more efficient compared to those older or senior managers.

Another bank expert stated that managers do give advice to their employees. Some of the managers have limitations on giving job related advice. Managers in the

rural area or outside the city area are more likely to be less efficient compared to the managers working in city areas.

Findings from the bank experts suggest that the managers lack knowledge in their work related area. The managers' lack of expertise with their work emerged as a particular barrier to the supervision of the employees. However, all the managers interviewed were content with the way they were using their expert power and knew how to carry out the work, in which they were engaged.

Legitimate power. All the managers stressed that they could make their employees' feel that employees have commitments to meet. The managers mentioned that in the first meeting in the beginning of the financial year targets and workloads are distributed for each employee. On a monthly basis, the managers follow-up on these allotted targets. If the employee is falling short of the target, the managers inform the employee(s) and ask him/her to take necessary steps to meet the target. The managers also noted that younger employees are more prompt and efficient in meeting the target compared to older employees. However, most managers in general noted that most employees just perform their daily routine jobs. On the other hand, a few managers claimed that, on a regular basis, they follow up on the distributed targets. One manager pointed out that:

On a monthly basis I analyse whether the employees' are achieving the distributed targets. If employees are falling short of their respective targets, I inform the employee regarding his/her performance. Applying this technique, I can better meet the yearly target of my branch.

However, eleven managers noted that achieving targets is the business of the managers not the employees. The managers have to work on their own as individuals to achieve the targets.

A few managers stated that distribution of workload alone would not make the employees fulfil their allotted targets. This group of managers emphasised that establishment of trust and bonding with the employees is required; further, two-way communication with the employees is more essential. According to these managers, trust and communication would assist in achieving their respective branches' allotted targets.

Relating to this one manager noted that:

Whatever information I receive from the head office, I share with my employees. To me sharing information builds trust and confidence between managers and employees. As a manager, I need this bonding to achieve my branch target.

In contrast to the managers' claim of using their legitimate power, the bank experts infer that managers do not share their opinions or give advice to the employees. The bank experts also noted that if any manager shares opinions, that has to be counted as an exception in NCB culture. The managers are more interested in establishing an autocratic rule to run the operations of the branches. While the managers do arrange weekly meetings, these meetings are about distributing workload, not for sharing opinions or advice.

Findings suggest that the managers distribute the workload among the employees, but sharing opinions or giving advice to the employees is absent in the NCBs. The managers are more interested in performing routine tasks in their branches. Achieving particular targets, increasing bank deposits or recovering loans are very much restricted in managers' financial plan that is submitted to the head office. Moreover, the head office also distributes yearly targets for each branch, but like the employees, managers are also short of planning or taking action in achieving these targets.

Referent power. All the managers claimed that they make their employees feel valued and important to the organisation. The managers emphasise to their employees that NCB performance is very much related to the well being of the state. In that regard, the state's success is dependent on NCB's performance. For the NCB to perform well, the employees have to perform. Another group of managers mentioned that verbally or through written memos, they explain to the employees that the organisation's profit and success depends on their completion of assigned tasks. In addition, during the weekly meetings, the managers re-emphasise this issue.

A few managers noted that they should be the "role model" for the employees. Employees need someone in the organisation to look up to, and follow in their footsteps to achieve his/her career height in the organisation. This group of managers also suggested that employees must get acquainted with the fact that the managers cannot perform all the work alone or cannot exclusively enhance the branch performance, and group work and employees' contribution is essential. Moreover, the managers must reinforce this thought among the employees, that is, the employee of today would be the manager of tomorrow. Everyone in the organisation should work collectively toward achieving the organisation's stated goals. One manager commented that:

It is a chain work environment. The managers have their duties, so do the employees. If anyone in this chain lacks in performance, the chain will break down. The ultimate consequence would be that the organisation would fall short of its goals. If the bank has to survive, then we must perform.

After interviewing the bank experts, a crucial distinction was found between the managers' claims and the opinions of the experts on managers' referent power. According to the bank experts, this type of psychological motivation practice does not exist in NCBs. The managers in NCBs are more use to a 9-5-job attitude. The managers themselves lack motivation, thus the managers encouraging other employees would be a farfetched idea.

One bank expert commented that managers only encourage employees orally and this may not be on a regular basis. The managers, like employees, are more interested in carrying out the daily operations, but not interested in improving the current performance of the bank. When a new employee joins the workforce, the managers' first priority is to make sure the new recruit knows who is in charge and sets the rules for the new comer.

Another bank expert noted that both employees and managers know that their jobs are secured. Managers or employees salary is not related to job performance or the organisation's performance and at the end of the month, the government will pay both the managers and employees.

Findings from the managers suggest that in every way they try to explain to the employees why their performance is important for the organisation's success. The bank experts refuted the managers' claim and argued that the managers are more interested in setting their own rules to run their respective branch operations, and do not provide employees with any feedback.

Reward power. The majority of the managers acknowledged that in NCBs rewards are distributed through the annual confidential report (ACR). They noted that based on the ACRs, an employee's promotion and bonus is decided by the head office. One manager claimed that:

I write employees' ACR based on deposit accumulation and loan recovery. Based on my written report to the head office, an employee receives bonus and cash incentives. Last year based on my report, four employees received cash incentives for attracting deposits, and two employees received bonus for loan recovery.

Similar to this comment, another manager mentioned that with politically potent employees at times a manager cannot write proper ACR's for the employees. However, such cases are very rare. According to this manager:

I write ACRs based on employees performance. However, 5% of my written ACR is based on discussion with the employee for whom the ACR is being written. These 5% ACR belong to those employees who are actively involved in the bank's labour union. For the other 95% of ACR I can write based on actual performance of an employee.

There are number of managers who admit that an ACR is not written and based on performance only. The managers consider their individual preferences, employees' connection with the labour union, and employees' connection with the head office before writing the ACR.

Few of the managers made an interesting comment on reward distribution. These managers noted that if the employee is performing well, they behave more politely to them. This group of managers also pointed out that they encourage and motivate the well-performing employee more than other employees. According to the managers, this creates competition among the employees. At the end of the day, employees do not want to be treated poorly by the managers. Badly performing employees also want to be treated respectfully or properly by the managers.

All the managers mentioned that gender does not influence employees' performance. However, they commented that training and education do play a role in the employees' performance.

In interviews with the bank experts, it was revealed that managers write ACRs for each employee. This ACR is sent to the head office and based on managers' recommendations, an employee's promotion, and a bonus is decided. The bank experts noted that most managers provide their preferred employees with good ACRs. The

managers' personal likings, and employees' connection with the labour union or head office is also taken into consideration by the managers before writing the ACR. Most importantly, how well the employee is behaving with the manager is related to the ACR rating. One bank expert pointed out that:

When subjective judgment is used to write an ACR, it is bound to be biased. Few managers practice objective judgment to write the ACR.

The bank experts highlighted the fact that there are some rewards available for the bank employees. One expert noted that managers do provide prizes for all the employees. When the bank management arranges picnic for employees, prizes are handed-over to the well-performing employees. In addition, NCBs also nominates performer of the year; these employees (performers of the year) are eligible to take special loans from the bank at low interest rates. Picnic prizes are distributed based on performance; however, the performer of the year award may not always be judged on performance. There are cases where less efficient employees are nominated for the award. Managers' personal likings do play a role in getting this award.

Overall, the managers strictly control the reward distribution system in NCBs. In NCBs, the labour union is very strong and managers are not able to write appropriate ACRs for the employees. In particular, if the employees who are in the labour union were not provided with a good ACR, union activists would disrupt branch operations. As a result, managers have to practice double standards while writing ACRs. Both the managers and experts conclude that the rewards are not distributed based on employees' performance.

Procedural justice. The managers stated that explanations are given to the employees for each action/decision they take. This is carried out individually or discussed

openly in the weekly meetings. The managers also change jobs for the employees. This action is intended to help the employees feel that they are not performing the same job again and again. Two managers noted that most of the employees are not well educated. If the managers explain why they did something or the reasons behind doing it, employees may interpret this as showing that managers had done something wrong and were trying to justify the wrongdoing. As a result, explanations are not given. By contrast, one manager stated that:

Once the employees receive their ACR from the head office, I individually sit with the employee, and explain how I have marked him or her and why.

A few managers stress that they encourage their employees to criticise their management style or other work related issues. The managers admitted however that if the employees criticised their work they would be appalled. They reemphasised that the employee(s) would not be on their bad list because of their opinion. More to this point, one manager affirmed that:

I always encourage my employees to criticise my work. If the criticism is right, I take the advice. Based on the employees' advice, I make the necessary adjustments. When the employees see that the manager is taking their views and making those changes as they have suggested, employees feel more encouraged expressing their views. Subsequently, employees also tend to follow managers' advice as well.

There are number of managers who put forward the view that fair treatment is not only the managers' responsibility, but the higher management should play an imperative role as well. Without the commitment from higher management, the managers at branch level would not be able to implement fair treatment for the employees. Relating to this point, one manager remarked that:

In case of NCB, fair treatment is a farfetched word. The head office must follow fairness in their actions before branch managers can be fair.

All that is being argued here by most of the managers is that they treat their employees fairly. Only a few managers point out that the head office needs be fair in their actions first before the field level managers can be fair.

In contrast to the managers' claim on fair treatment to their employees, the bank experts point out that the managers do not treat the employees fairly. Managers do not give explanations or justifications for their actions, this is totally absent in NCBs' culture. The bank experts also stress that the managers in NCB work on the basis of their own desires. The managers' interest is in completing the branch's daily operations. There are behavioural issues that the managers could consider while using their power, but unfortunately, behavioural issues are not taken into consideration by the managers.

Findings suggest that the managers claim explanations are given for their decisions or actions. The bank experts totally disagree with managers' claims.

Organisational commitment. The managers noted that bank employees are committed to their work, and also willing to put in an extra effort for the organisation. For example, a number of managers noted that NCB employees try to acquire more deposits and also contact the loan defaulters to recover the loans. One manager claimed that with the help of his employees he resolved 45 pending cases on loan recovery. Moreover, the employees also put in extra hours to complete their tasks.

A group of managers draw attention in providing superior customer service by their employees. These managers argued that improved customer service in their branches increased the branch performance compared to the other branches of the same bank.

According to these managers their branches achieved higher performance compared to others because they were able to persuade their employees on the importance of superior customer service. In addition, employees' high commitment towards the bank helped them to achieve the desired goals. More to the point, a manager noted that:

We are here to serve the customer. When the customer enters into the bank, you should approach the customer to find out their particular needs, and try to provide fast and efficient service to the customer. I was able to convince my employees that the customer is our master. It was only possible because my employees were committed to their work.

Two managers stated that those employees who attended customer service training courses at the bank's training institute have higher commitment toward their jobs compared to other employees. According to these managers, after completing the training the employees were better in providing services to the customers and customers were also happy with the services. The managers argued that when these employees noticed that the customers are happy with their services and these customers come to the bank for their next transaction, they approach the same employee for service. This makes the employees feel confident and competent in their jobs. This high level of confidence and competency increases employees' commitment level towards the organisation.

The managers noted that female employees do not want to work after hours or overtime. The managers argued that most likely it is a cultural issue, as in Bangladeshi culture women give more importance to family life than to their jobs.

On the other hand, findings from the bank experts differ from the managers' claims regarding employees' commitment levels. One bank expert points out that the employees do not put in any extra effort to make the institution a successful one. The employees' attitudes are that it is a government bank and their jobs are secure. Another bank expert writes that:

In the bank bulletins or newspapers, from time to time, it may be published that the employees are working after hours or going to the defaulter houses to collect loans. On contrary, it is window dressing for the public.

One bank expert argued that employees coming to the bank on time and not taking a day off is not organisational commitment. Organisational commitment needs to be analysed based on whether the employees are willing to put in extra effort for the organisation. The current situations in NCBs demand this extra effort from the employees to improve the performance of the organisation. The bank expert further noted that both the managers and the employees are lacking in this type of commitment in NCBs.

Findings from the bank managers suggest that employees have certain levels of commitment for the organisation. More to the point, employees do put in extra effort for their organisation's success. However, in contrast to this view, the bank experts argued that employees' commitment is very much absent in the NCB.

Job satisfaction. The managers claimed that there is no discrimination based on gender or religion in the bank. They also noted that in a nationalised bank, it is very difficult to terminate an employee's employment. Hence, jobs are very much secure in the NCB.

The managers explain to the employees the importance of diplomas. In addition, the managers emphasise to the employees that without a diploma, employees' will not be promoted. The managers, based on employees' needs, request the head office to send employees to the training centre for training and development. However, a number of managers admitted that a diploma could be purchased through bribery. In addition, head office does not always recruit the suggested employees for the training institutes.

Contrary to the managers recommendations head office often selects the employees for training. Generally, the employees who are well connected with the head office will be chosen for the training, but this chosen employee may not be the most suitable person for the selected training. The managers are the ones who work with the employees in the branch level and know which employee is most suitable for what type of training.

The managers also noted that when promotion is not based on performance, then the work environment is affected. In this case, the teamwork is disrupted. A number of managers admitted that teamwork is affected in the work place due to the promotion policy of the head office.

All the 36 managers interviewed mentioned that interference at the branch level from head office was one of the prime reasons for low job satisfaction among the employees in NCBs. These managers noted that due to this interference the manager could not perform their work at their optimum level. For example, one manager pointed out that he had to employ a person at the request of the head office to work in the credit department and reassign the existing employee to another job. The employee nominated by the head office had very little expertise in dealing with credits and sanctioning loans. More over, the employee was new to the locality and unknown to the existing customers. The instruction from head office not only caused a decrease in the level of employee job satisfaction, but also affected branch performance in the credit section.

Another manager noted that the head office always issued a letter to the branch managers and asked for certain tasks to be completed by certain dates without considering other circumstances. For example, the manager stated that he received an instruction from the head office that in a week's time, a loan needed to be approved for a client. According to the manager, this one week is not at all sufficient time to study the feasibility of the loan and client's credit history. In such situations, the managers follow the head office

instructions and in response to the demand in one week loans were approved without adequate verification of the client's credit history or the purpose of the loan. Those employees who approved the loan feel low in motivation and in job satisfaction. The managers claimed that this sort of interference not only had an effect on the employees' job satisfaction but also on employees' performance in the organisation. Even when there was ample time to study credit feasibility, there were occasions when employees were reluctant to conduct a complete study of the credit feasibility. The managers argued that employees felt the futility of conducting a complete study while the next time in response to the head office request, the loan will be sanctioned without any investigations. This inconsistency caused very low job satisfaction among the employees of NCBs.

In contrast to the managers' claim of encouraging employees to take diploma tests or to attain bank training, one bank expert noted that the managers do not encourage their employees to take tests for diplomas nor to attend bank training. Moreover, the bank expert argued that the managers do not want employees to be more qualified than themselves. Most of the managers are working in the branches without any training.

Another bank expert states that:

Employees through bribes can acquire the diplomas. Training institutes are vacation places for the employees. Employees come to the training centre to get away from the bank, but not to get trained.

Regarding teamwork, the bank experts noted that professional jealousy exists among the employees and that teamwork does not exist in the organisation. The bank experts stress that the employees are more interested in bank politics, and the employees' union. Moreover, the employees know that in current NCB culture, bank politics and the employee union will give them a more secure place in the bank. There are different groups in the employee union as a result the employees in one group tend to be less cooperative

with employees from the other group. This grouping issue severely disrupts the bank's working environment.

The bank experts noted that NCB employees are satisfied with their jobs. One bank expert pointed out that there is no reason why an employee would not be satisfied with the job in NCBs. The NCB is an organisation where employees are able to work tension free. There is no pressure for achievement or performance. In private banks, employees' jobs depend on their performance. In contrast, in NCBs, employees do not know about the words "pressure," "achievement," "target," and "quota". Another bank expert made an interesting comment on employees' job satisfaction. The bank expert states that:

Those employees are satisfied with their jobs who are taking bribes.
These employees generally are actively involved with the labour union;
also are well connected with head office employees.

Findings suggest that employees' jobs in the organisation are very secure and moreover, the employees' performance is not related to their job security.

Summary

The findings suggest that managers are very content with their current way of using power. On the other hand, the bank experts have strong reservations regarding the way the managers practise their power. More to the point, the bank experts noted that managers have a number of limitations on their use of power. The findings from the bank experts revealed that managers lack education, training, and ethics.

The findings discussed above have a number of implications for the NCBs' management and bank researchers. Both the managers and bank experts suggest that managers do not have coercive power over employees. Moreover, this study identified that the head office does not act against managers' complaints on intentional misdemeanours of

the employees. As a result, corrupt employees continue their dishonest activities in the branch. This places the managers in uncomfortable positions in the branch and has two significant effects on the managers. First, since the managers cannot take action against the corrupt employees, other employees tend to be less cooperative. Second, as the managers find they are losing control of their branch management, they also begin to lose motivation in their jobs. There have been cases where, in time, corrupt employees influence other employees and even the managers to join their dishonest practices.

Lack of action from the head office constitutes serious barriers to branch performance. Thus, this study points out that the negligence of the head office in not making decisions is another barrier to effective branch performance.

A number of practitioner implications can also be derived from managers' expert, legitimate, and referent power from the findings of this study. The research finds that managers lack education, training, and ethics. The managers tend to blame head office for recruiting lower quality employees who lack education and training, and claim that these factors work as a barrier to the branch performance. However, findings suggest that managers are severely lacking in their own education and training as well. The managers' own ignorance about the current banking system, contentment with the status quo, and not having a clear view of customer needs, wants and demands conspire to act as a "mindset" impeding branch operation. Another serious issue is the particular barrier to the employees' commitment and job satisfaction in NCB is the managers' unethical use of their power bases. Instead of taking consideration of employees' performance, managers make decisions based on their own preferences.

The findings from both the managers and bank experts suggest that rewards among the NCB employees are not distributed based on performance. This study identified three major categories in which managers base their reward distribution. They are as follows:

managers' personal preferences, employees' connection with the union, and employees' connection with the head office. Indeed, this research finds that the managers' over-concentration on the above issues rather than employees' performance in distributing rewards work as a barrier to employees' commitment and job satisfaction levels in NCBs.

The managers' claim of providing explanations of their decisions and actions to employees is refuted by the bank experts. Findings suggest that managers have a pronounced degree of ignorance about procedural justice. This ignorance is partially explained by the level of education and training attained by the managers. Since the vast majority of the managers interviewed had no formal education on behavioural cues or ethics, and furthermore had a low level of education and training, and no intention to train in the future, the low levels of understanding appear likely to continue.

Currently, most managers are in the 50 or above age brackets. When these managers were employees, their superiors did not provide any explanation for their actions. Now when these same people are managers, their attitudes are such that they would not give any explanations for their actions; they are managers and the employees' responsibility is to carry out the orders or instructions, not ask for explanations.

Findings of this study suggest that managers' use of power and procedural justice severely restricts employees' commitment levels in NCBs. However, employees' job security and freedom in the work place suggest that the employees are satisfied with their work. More to the point, NCBs' employees' level of expertise is very low and in addition, they have no intention of improving their performance, or to gain a competitive advantage in the industry. It is significant to note that the employees' current level of expertise would not permit them to work in the private sector, and consequently the employees have no choice but to continue with the NCBs.

The next and final chapter presents the conclusions, implications, recommendations, and directions for future practice and research.

CHAPTER 9

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

In this chapter a brief summary of the study is presented, conclusions are drawn and supported on the basis of the findings, and recommendations for further practice and research are proposed.

Summary of the Study

Purposes of the Study

The purposes of the study were to:

1. explore managers' use of power and procedural justice, and employees' organisational commitment, and job satisfaction in NCBs in Bangladesh in order to gain an understanding of the relationships between managers and employees, and
2. examine the relationships between managers' use of power, procedural justice, organisational commitment, and job satisfaction, and demographic variables of the studied employees in order to gain an understanding of the extent to which the demographic variables influenced the criterion variables.

Statement of the Problem

This study investigated the reasons why managers were failing to achieve the organisation's expected outcomes, the current study extends the researcher's previous study and the other earlier research studies, which related employees' perceptions of managers' use of power to employees' organisational commitment and job satisfaction. The present study investigated this relationship, but with the dimension of procedural justice as an added variable. The study also investigated whether significant differences existed between employees' perceptions of managers' use of power, procedural justice, organisational commitment, and job satisfaction, by types of bank, gender, age and education in NCBs in Bangladesh.

Research Questions

The following research questions were generated from the research problem.

1. Are there significant differences between managers' use of power, procedural justice, employees' organisational commitment, and job satisfaction, by types of bank, gender, age and education in NCBs (Agrani Bank, Janata Bank, and Sonali Bank) in Bangladesh?
2. Is there a significant relationship between managers' use of power and procedural justice, and employees' organisational commitment in NCBs (Agrani Bank, Janata Bank, and Sonali Bank) in Bangladesh?

3. Is there a significant relationship between managers' use of power and procedural justice, and employees' job satisfaction in NCBs (Agrani Bank, Janata Bank, and Sonali Bank) in Bangladesh?

Significance of the Study

1. In the extensive literature on power, procedural justice, organisational commitment and job satisfaction in the banking sector revealed relationships between these variables. Little has been written about these variables in the case of NCBs in Bangladesh. This study makes a contribution to this area by studying the link between these variables.
2. It is hoped that this study will contribute to on-going research about implementation of decisions by managers in NCBs in Bangladesh.
3. The results of this study should increase the small amount of research conducted to this point on employees' perceptions of managers' use of power in regard to employees in an organisational context in Asian countries, especially in Bangladesh.

Research Plan

Following the statement of the research problem, the researcher described the context of the study which emphasised the particular nature of the national commercial banks scenario in Bangladesh and established a frame of reference for the research problem. From a review of relevant literature, the researcher formulated a conceptual framework of constructs to help guide the research. Using a triangulation approach, data

were collected from employees by questionnaires, while bank managers and bank experts were interviewed. Statistical data were analysed using multivariate analysis and stepwise regression while qualitative data were transcribed and then analysed in a systematic and iterative manner. On the basis of findings from the data, conclusions about the relationships between the studied variables were drawn. In finalising the study, the researcher proposed recommendations which flowed from the conclusions of the research and identified the possible implications of the results.

Conclusions

This section lists three hypotheses and the findings from the two research methods used in the study. For each hypothesis, a following discussion leads to a statement of conclusions.

Hypothesis 1:

There are significant differences between managers' use of power, procedural justice, organisational commitment, and job satisfaction level, by types of bank, gender, age, and education level in NCBs (Agrani Bank, Janata Bank, and Sonali Bank) in Bangladesh.

Findings

Table 9.1

Summary of the Findings from Hypothesis 1

<i>Quantitative Findings</i>	<i>Qualitative Findings</i>
There are significant differences between managers' use of reward power, procedural justice, organisational commitment, by types of bank in NCBs (Agrani Bank, Janata Bank, and Sonali Bank) in Bangladesh	There are noticeable differences between managers' use of power (coercive, expert, legitimate, referent and reward), procedural justice, organisational commitment, and job satisfaction level, by types of bank, age, and education level in NCBs (Agrani Bank, Janata Bank, and Sonali Bank) in Bangladesh

Based on statistical results, Hypothesis 1 was partly supported. In respect of the qualitative findings, Hypothesis 1 was also partly supported.

Discussion

A number of researchers have noted that gender, age, and educational level have a significant relationship with managers' use of power, procedural justice, organisational commitment, and job satisfaction. Abdalla (1987), and Rahim and Magner (1996) mentioned that gender, age, and educational level influence managers' use of power. Hrebiniak and Allutto (1973), Shoemaker, Snizek, and Bryant (1977), and Stevens, Beyey, and Trice (1978) demonstrated that employees' age and educational level have a significant relationship with employees' commitment levels. Zhao, Thurman, and He (1999) explored employees' job satisfaction that was based not only on the work environment, but also considered employees' demographic variables. Their results suggested that employees' gender, age, and education level have a positive relationship with employees' job

satisfaction and job performance. To these three demographic variables, the researcher added "types of bank" to investigate a possible relationship with the criterion variables.

Based on statistical results, Hypothesis 1 was partly supported. Managers' use of reward power, procedural justice, and organisational commitment by types of bank was supported and statistically significant, whereas managers' use of power, procedural justice, organisational commitment, and job satisfaction, by gender, age and education level was not supported, and also not statistically significant.

By interviewing the managers and the bank experts, it was revealed that gender has no relationship with managers' use of power, procedural justice, organisational commitment, and job satisfaction level in NCBs. However, the managers mentioned that the female employees do not want to work overtime, and are not willing to take responsible positions or tasks in the bank. The managers argued that female employees lacked willingness to take a responsible position or task could be related to cultural issues. Generally, female employees put their family before their work. Both the managers and the bank experts noted that age and education level did influence managers' use of power, procedural justice, organisational commitment, and job satisfaction level in NCBs. Moreover, the managers' stressed that younger employees would most likely state their opinions when compared to the older employees who were less likely to give opinions. This contrasts with the statistical findings that suggested that age and education level had no relationship with managers' use of power, procedural justice, organisational commitment, and job satisfaction.

The qualitative results of managers' use of power, procedural justice, organisational commitment, and job satisfaction, and their relationships with the demographic variables of this study are consistent with the findings of Rahim and Magner (1996), Hrebiniak and

Allutto (1973), Shoemaker, Snizek, and Bryant (1977), Stevens, Beyey, and Trice (1978), and Zhao, Thurman, and He (1999).

The researcher considers that the most strongly supported conclusion emerging from this research is that employees' educational level and age have a moderate effect on the perception processes. These results give support to Shetty's (1978) contention that the employees' perceptions depends on the nature of the context as well as the attributes of the subordinates. In this research, gender was not related to criterion variables. As noted above, some of the relationships between the demographic variables and the criterion variables found in this research are different from those reported in previous research (discussed in Chapter 3) conducted in the work context of Western countries. The researcher suggests cultural and work environment factors may be behind these differences. Thus, the present findings suggest that though some of the predicted relationships are in agreement with previous research findings and support their external validity, a number of predicted relationships are in disagreement with these findings and, hence, indicate that they may be environmentally and culturally bound.

Hypothesis: 2

Managers' use of power and procedural justice significantly determine employees' organisational commitment level in NCBs (Agrani Bank, Janata Bank, and Sonali Bank) in Bangladesh.

Findings

Table 9.2

Summary of the Findings from Hypothesis 2

<i>Quantitative Findings</i>	<i>Qualitative Findings</i>
<u>Agrani Bank</u> : Procedural justice significantly determines employees' organisational commitment level.	Managers' use of power (expert, legitimate, referent and reward) and procedural justice strongly determine employees' organisational commitment level in NCBs
<u>Janata Bank</u> : Procedural justice, referent power, legitimate power, and expert power are significantly determine employees' organisational commitment level.	(Agrani Bank, Janata Bank, and Sonali Bank).
<u>Sonali Bank</u> : procedural justice and referent power are significantly determine employees' organisational commitment level.	

Based on quantitative findings Hypothesis 2 is partly supported. In the case of the qualitative findings, Hypothesis 2 is strongly supported.

Discussion

The quantitative results suggest that in the case of the Agrani Bank only procedural justice has a significant relationship with employees' organisational commitment. In the Janata Bank, procedural justice, referent power, legitimate power, and expert power are positively significantly related to employees' organisational commitment, whereas procedural justice and referent power are positively significantly related to employees' commitment level in the case of the Sonali Bank. These findings in the NCBs are

consistent with the findings of Mossholder, Bennett, Kemery, and Wesolowski (1998), and Rahim, Antonioni, and Psenicka's (2001). It was recognised for that for all three banks support was found for procedural justice influencing employees' commitment levels.

It should be noted, however, that the pattern of significance estimated by other researchers does not exactly parallel the case of NCBs. Hinkin and Schriesheim (1989), Mossholder et al. (1998) and Rahim et al. (2001) found that the coercive power is negatively significantly related to employees' commitment level. In the case of the three NCBs, no significant relationship was found between coercive power and employees' commitment level. Both Hinkin and Schriesheim (1989), and Rahim et al. (2001) in their respective studies noted that expert, legitimate, reward, and referent power had a positive relationship with employees' commitment level. However, Mossholder et al. (1998) in their study found no significant relationship between legitimate power and employees' commitment. In the case of the NCBs, in the Agrani Bank, none of the power bases was significantly related to employees' commitment levels. In contrast in the Janata Bank, referent, legitimate, and expert power were positively significantly related to employees' commitment levels. In case of the Sonali Bank, however, only referent power had an effect on employees' commitment levels.

Mossholder et al. (1998) argued that procedural justice will have a significant influence on employees' commitment level. Findings from the present study support the Mossholder et al. Findings; the current study's results postulated that procedural justice is positively and significantly related with employees' organisational commitment level in NCBs.

The managers in their interviews claimed that they used their power bases efficiently and also explained the reason behind their actions (i.e. procedural justice) to the employees. However, the findings from the employees revealed that their perceptions of

managers' use of power and procedural justice was low (Table 7.9) compared with claims by the managers. More to the point, the bank experts noted that significant numbers of NCB managers are not well qualified and trained. The managers are dependent on certain employees in their respective branches to carry out their duties, as a result, the managers will maintain good liaison with the expert employees to carry the branch operations. These employees may think that managers have referent power but in reality, the managers are seeking assistance in carrying out their managerial duties. All the four bank experts interviewed mentioned that the notion of procedural justice is absent in the NCBs. Hence, it is clear that NCB managers are not effectively using their power bases, and that employees' have very low perceptions of the practice of procedural justice in the organisation.

The managers in NCBs have five power bases and procedural justice processes available to them to influence the employees. Findings from the current study indicated that the managers must take demographic attributes of the employees into consideration before they choose a certain influence process(es). Among the important attributes which should be given special attention are employees' level of education and age as well as level of work experience. In general, older employees are more likely to have more job experience.

This study has contributed to the understanding of the linkage between managers' power bases and procedural justice, with employees' commitment level in NCBs. In particular, the study results contribute to a greater understanding of managers' power use and procedural justice, and the current level of employees' commitment in the NCBs.

Based on employees' perceptions, findings from this study demonstrated how effectively the managers are using their power bases in regard to the employees. The findings also show that managers' use of power and procedural justice are related to

employees' commitment levels. One issue emerging clearly from this study is that in using power the managers must treat the employees fairly.

Hypothesis 3:

Managers' use of power and procedural justice significantly determine employees' job satisfaction in NCBs (Agrani Bank, Janata Bank, and Sonali Bank) in Bangladesh.

Findings

Table 9.3

Summary of the Findings from Hypothesis 3

<i>Quantitative Findings</i>	<i>Qualitative Findings</i>
<u>Agrani Bank:</u> Procedural justice and reward power are significantly determining employees' job satisfaction.	Managers' use of power (expert, legitimate, referent and reward) and procedural justice strongly determine employees' job satisfaction in NCBs (Agrani Bank, Janata Bank, and Sonali Bank).
<u>Janata Bank:</u> Procedural justice and expert power are significantly determining employees' job satisfaction.	
<u>Sonali Bank:</u> Procedural justice and referent power are significantly determining employees' job satisfaction.	

Based on the quantitative findings, Hypothesis 3 is partly supported. In case of qualitative findings, Hypothesis 3 is strongly supported.

Discussion

The analysis of quantitative data of this study revealed that in the case of the Agrani Bank procedural justice, and reward power were positively significantly related to employees' job satisfaction. On the other hand, coercive power was found to be negatively significantly related to job satisfaction. In the Janata Bank, procedural justice and expert power have a positive significant relationship with employees' job satisfaction. In the case of the Sonali Bank, procedural justice and referent power have a positive significant relationship with employees' job satisfaction levels.

The current findings are similar to the results in studies of Carson, Carson, Roe, and Birkemeier (1999), Mossholder, Bennett, Kemery, and Wesolowski (1998), Rahim, Antonioni, and Psenicka (2001), and Rahim and Magner (1996). Research carried by Rahim et al. (1999), Rahim and Magner (1996), and Mossholder et al. (1998) found that coercive power is negatively related to employees' job satisfaction. In the present study, in the case of the Agrani Bank, a similar result was found for managers' coercive power. Results of the present study supports findings about procedural justice in the Mossholder et al.'s (1998) study.

In the interviews, managers claimed that they were using their power bases efficiently; they also explained the reasons for their actions and decisions to their employees. Findings from the employees, however, do not support the managers' claims (Table 7.9). From Table 7.9, it can be noted that the employees have a low perception of both managers' bases of power and procedural justice. Table 7.9 also reveals that employees are low in job satisfaction. The quantitative findings from the employees on their job satisfaction contrasts with the findings from the interviews conducted with the bank experts which reveal that NCB employees are more likely to be satisfied with their

jobs. The experts noted that NCB is a government organisation, and in a government bank, and employees' jobs are secure. More to the point, employees' jobs in the NCBs do not depend on job performance or achieving some quota or target as in private banks. One bank expert mentioned that those employees who accept bribes are likely to be more satisfied with their jobs compared to those who do not accept bribes.

According to the present data, the employees' acceptance of influence decreases as his/her level of education increases. Therefore, when the manager is attempting to influence his or her employees who have a higher degree (for example, a master's degree), this manager will find that the acceptance by this employee to influence attempts is generally low regardless of the process of influence the manager uses. The employees' acceptance of influence decreases (1) when employees' level of education increases, (2) employees' work experience increases, or (3) managers' levels of expertise are lower than the employees. This data suggest that the manager should adopt individualised treatment for employees.

This study contributed to the understanding of the linkage between managers' power bases and procedural justice, with employees' job satisfaction levels in NCBs. In particular, the study results contributed to the understanding of managers' power use and procedural justice, and the current level of employees' job satisfaction in the NCBs.

Implications of the Study

Managers' use of power and procedural justice, and their relationship with employees' organisational outcomes have received a great deal of attention from many researchers in the past decade because it is believed that employees' positive perceptions of managers' power use and procedural justice can enhance employees' organisational

commitment and job satisfaction (Rahim & Afza, 1993; Mossholder et al., 1998). In this study, it was hypothesised that managers' use of power and procedural justice have a significant relationship with employees' commitment and job satisfaction. It was also hypothesised that demographic variables would also have a significant relationship with criterion variables.

The results of this study imply that long-term competitive advantages and superior employees' performance can be achieved by being equipped to respond to employees' needs of efficient managers' use of power and fair treatment (i.e. procedural justice). The impact of managers' use of power and procedural justice on employees' commitment and job satisfaction in the NCBs sample is consistent with many studies (Rahim & Afza, 1993; Rahim, Antonioni, & Psenicka, 2001; Mossholder et al., 1998).

Using cross-sectional data, it is sometimes hard to compare the relationships between the studied variables. Rahim, Antonioni, and Psenicka (2001) argued that studies that are using cross-sectional data to investigate managers' use of power and its relationship with employees' outcomes may find weak relationships among the variables and could be related to cross-sectional study. The current research also used cross-sectional data, therefore, it is not surprising to notice some of the studied variables have weak relationships.

Using the quantitative methods no significant relationships were found between managers' use of power, procedural justice, organisational commitment, job satisfaction and the demographic variables. The qualitative findings, however, suggested that there was a relationship between demographic variables and the criterion variables. Furthermore, findings suggested that gender was not related to criterion variables but age and education level were related to criterion variables. It could be argued that age and education level are related to criterion variables in NCBs for the following two reasons.

First, employees with higher education levels tend to have higher expectations of the organisation, in particular from their superiors, their perceptions, then, would effect the criterion variables. Second, culturally the younger generation in Bangladesh is looking for change and explanations. The younger recruits in the NCBs tend to have similar expectations from the organisation. As a result, age would have a significant relationship with the criterion variables. By linking age and education level with the criterion variables, the assumption is that increases in education level and younger employees will have a significant effect on the criterion variables. Abdalla (1987) argued that the relationships between power, procedural justice, employees' outcomes and demographic variables needed to be treated with caution.

There was an indication in the interpretation of the study results that managers' legitimate and reward power bases were unrelated to employees' organisational commitment and job satisfaction. This suggested that in case of the NCBs, normal usage of positional power (i.e. legitimate and reward power) did not facilitate development of employees' positive attitudes towards organisational outcomes. This could be related to employees' perceptions that managers in NCBs hold lesser control over promotion and salary. The head office decides on these issues. Therefore, managers may be unable to use reward power directly to increase employees' commitment and job satisfaction. The negative relationship between managers' coercive power, and employees' commitment and job satisfaction, illustrates how the use of sanctions seriously interferes with manager/employee relationship relations and employees' organisational outcomes (Rahim & Afza, 1993; Mossholder et al., 1998). In the NCBs, the managers have limited coercive power; hence, this power base (coercive power) does not have much impact on employees' organisational outcomes. In contrast, managers' referent and expert powers are strongly related to employees' organisational commitment and job satisfaction. This implies that

managers may most effectively build employees' loyalty and support through development of personal power bases (i.e. referent and expert power).

Abdalla (1987), investigating managers' use of power and employees' organisational outcomes in Kuwaiti organisations, revealed that managers need to have higher levels of expertise to have influence over their employees. Similar results were also found in case of the NCBs. These findings suggested that employees felt comfortable and enthusiastic working under managers with high expertise. It could also be related to cultural issues. In Bangladeshi culture, higher level authority is expected to be more aged, educated, and experienced. The higher rank employees are expected to provide guidance for the lower rank employees. Following this guidance the lower rank employees will grow within the organisation. When the managers are not able to provide guidance, employees feel low in confidence and usually perform the jobs in their own individual way. This self-created style may not always match the working environment in the banks. The managers, however, are not likely to interfere with the employees' current working style, because the managers fear that interfering with employees will make more people know about their own low level of expertise.

The present study shows (both quantitative and qualitative findings) that procedural justice is more effective than managers' power bases in influencing criterion variables. Among the managers' power bases, referent power is most effective in influencing employees' commitment and job satisfaction levels in NCBs in Bangladesh (revealed in quantitative findings). Generally, managers with referent power make meaning for others and give them a sense of purpose. Managers are able to generate trust, openness, and respect by using these qualities in their interactions with others (French & Raven, 1959). Knapp (1990) argued that without these leadership qualities associated with referent power, other power bases might not be very effective in changing the behaviours of subordinates.

However, the bank experts cautioned that in NCBs, managers' friendly nature is more likely to be associated with their dependency on the employee(s). In considering this fact, the managers' friendly behaviour might be considered by some employees as referent power. At first glance, this might seem like referent power, but it is actually a technique applied by the managers in seeking help to run the branch operations. Due to this, managers become dependent on the employees. The bank experts emphasised that once the managers become dependent on the employees then the employees are the ones who become the controller instead of the managers. The experts infer that in some NCB branches this scenario is pertinent.

The managers feel that providing explanations for their decisions to the employees means that they are bowing down to their employees. The managers' general attitude is they are in charge of the branches and they should be in complete control. This complete control means not sharing anything (i.e. information or power) with the employees, also not giving explanation regarding their decisions. The managers adopted these attitudes from their predecessors and they are just maintaining the tradition. One major implication of this study is that culture is changing and so are the NCBs. The new recruits and young employees want explanations and are not satisfied by just taking orders. To motivate this new generation of employees, managers need to provide explanations for their decisions. The findings, however, suggest that in the NCBs the idea of procedural justice is still very much farfetched among the managers.

From the study results, it emerges that procedural justice is most significantly related to employees' organisational commitment and job satisfaction in all the three banks. This implies that employees' are more concerned with fair treatment (i.e. procedural justice) from the managers than the material outcomes. In the NCBs, the managers could be most influential by the use of referent and expert power bases. The

finding suggests that managers' dissemination of unique technical knowledge and professional experience is most effective for enhancing employees' work-related behaviours.

Another significant implication of this study is that managers can encourage the employees to enhance their organisational outcomes by fairly using their reward and legitimate power. In NCBs, managers have limited reward power. Therefore, the challenge for the NCB management is to enhance the reward power of their managers. Managers can increase their legitimate power if they follow policies and procedures consistently and provide instructions, guidance, and advice unambiguously. From the literature review it is revealed that coercive power has a negative relationship with employees' organisational outcomes, but in the case of the NCBs, managers have limited coercive power. In general, managers should be discouraged from using coercive power except under special circumstances. The head office needs to spell out clearly the guidelines for coercive power. The managers need to be trained to use their position power (i.e. legitimate, coercive, and reward power) bases effectively so that their employees can improve their organisational outcomes.

The study results suggest that personal power bases (i.e. expert and referent power) have a significant relationship with employees' organisational outcomes. The challenge for the NCB management is to enhance managers' personal power base.

In summarising the results of the effects of social power and procedural justice on employees' organisational outcomes, procedural justice has a significant effect on employees' organisational commitment and job satisfaction in NCBs. While legitimate power exerts little influence on employees' outcomes; reward power does not significantly affect employees' commitment and job satisfaction either. It is also noted that coercive power is unrelated to employees' organisational outcomes. With regard to the personal

power bases, referent power most strongly significantly influences commitment and job satisfaction; and expert power positively influences all the outcomes.

Discussion

This thesis sought to achieve two principal research objectives. The first objective was to find out whether there any significant differences exist between managers' use of power, procedural justice, organisational commitment, and job satisfaction, by types of bank, gender, age, and education levels in NCBs in Bangladesh. The second objective was to find out the relationships between managers' use of power and procedural justice, with employees' organisational commitment, and job satisfaction levels in NCBs in Bangladesh.

Recently, organisational researchers in the West demonstrated that managers' use of power and procedural justice, have an impact on employees' organisational commitment, and job satisfaction levels (Mossholder, Bennett, Kemery, & Wesolowski, 1998; Rahim, Antonioni, & Psenicka's, 2001). This research makes contributions to the body of knowledge in at least three areas. The first concerns the specific context of this study. To the author's knowledge, this is the first piece of empirical research to study managers' use of power and procedural justice, and their relationships with employees' organisational commitment, and job satisfaction levels in NCBs in Bangladesh. The findings from this study confirm that managers' use of power and procedural justice have an impact on employees' organisational commitment, and job satisfaction levels in NCBs. The study also demonstrated which of the managers' power bases was related to employees' commitment and job satisfaction levels in NCBs. Furthermore, it indicated that among the NCB employees' perceptions of procedural justice was very low. The constructs of managers' use of power and procedural justice have previously been proven

to work positively in the organisations in many Western countries. This present research supported such findings in Western countries and showed that constructs of managers' use of power and procedural justice could be applied as effectively in a culturally different country like Bangladesh. Based on current study results, it can be inferred that for employees' higher organisational commitment and job satisfaction in NCBs, employees' perceptions of managers' use of power and procedural justice play an important role.

The second contribution involved forging a link between types of bank, gender, age, and education levels with managers' use of power, procedural justice, organisational commitment, and job satisfaction. From the literature review, it was revealed that gender, age, and education levels have an influence on managers' use of power, procedural justice, organisational commitment, and job satisfaction. On the other hand, findings from this study suggested that gender has no relationship with managers' use of power, procedural justice, organisational commitment, and job satisfaction. From the qualitative findings it was found that age and education level do influence managers' use of power, procedural justice, organisational commitment, and job satisfaction levels in NCBs in Bangladesh.

In addition to the above contributions, the present study indicated ways in which managers in NCBs should behave and use the power bases. The findings of this study have some implications for the processes of selection and appointment of managers in NCBs. Managers of educated groups must have a considerably higher level of expertise than their employees in order to be influential. These managers may need to combine the various bases of power with fair treatment (i.e. procedural justice) in order to have less risky influence attempts (Abdalla, 1987).

The findings showed that the managers did not have the authority (i.e. position power) either to recruit or terminate their employees' appointments, but did have almost full authority to assign work to their employees. Their authority to reward by

recommending their employees for promotion and training, and their authority to sanction measures for taking disciplinary action, appraising adversely, or taking extra work from their employees was modest. This was primarily because they were able to use the authority only to a small extent. This limited authority did not seem to render the managers totally powerless, although it did correspond with managers' low level of power. The perception of the employees was revealed as the crucial factor.

If the employees were perceived by the managers as committed and satisfied the latter felt more powerful (i.e. using power efficiently). On the other hand, if the employees' were not committed or had no/low job satisfaction then the managers felt they were not using the power efficiently. The findings cannot establish any causal relationship. In the light of the previous research, one may conjecture that managers' use of power and procedural justice are related to employees' organisational commitment and job satisfaction.

This research provides support for the importance of effective use of managers' power and procedural justice, and their relationship with employees' organisational commitment and job satisfaction. The findings revealed that procedural justice is likely to have a greater impact on employees' organisational outcomes. However, the overall findings are consistent with other research from different parts of the world that show the importance of effective power usage and procedural justice in organisations. Managers' effective use of power and procedural justice have been proven to help firms in other countries to enhance their business performance. In the same way, it may also help NCBs to enhance their organisational performance.

In the case of the NCB managers the study result show which power bases they are not using effectively, and also employees' perceptions of procedural justice in the organisation. Knowing the facts, managers can rectify their shortcomings and use power

bases more effectively; hence, improving employees' perceptions of procedural justice. Findings also revealed that, before applying their power bases, managers needed to consider employees' demographic variables.

The research also revealed that employees need to see effective use of power and procedural justice from the managers, but also there needs to be reinforcement from the top management regarding the power bases. Continuous encouragement and reminders from the top management is required to create a vision for managers, which helps to promote effective use of power and procedural justice. This will create a sense of belonging to the organisation for the employees and should enhance organisational outcomes.

Top management can facilitate managers' effective use of power and procedural justice processes further by rewarding managers on the basis of their efforts in improving their use of power. The reward system would help to motivate managers to serve the organisation better. In addition, the study findings also suggested that empowering managers might appear to foster their power usage performance. In the competitive business world, a firm needs to respond to its customers and employees faster than its competitors. Organisations that allow greater autonomy for their managers and front line staff are better able to respond to customers' demands and competitors moves. Empowering managers encourages them to take initiatives and enables them to respond to market changes more quickly.

Recommendations

For Practice

The results of the present study provide some insight into how the management of NCB can enhance their employees' commitment and job satisfaction levels. To improve managers' use of power, procedural justice, and their relationships with employees' commitment and job satisfaction in NCBs in Bangladesh, there have to be changes at the individual and organisational levels.

First at the individual level, improving managers' expert power would involve basic education and specific job-related training. Managers should also be encouraged to enhance their skills through continuous self-learning. They might also need appropriate job experience to build on this power base. From the quantitative findings, it was revealed that a referent power base was more effective than other power bases in influencing criterion variables. Managers who are deficient in this power base may need to be provided with human relations training. This may enable them to learn to be empathetic to the employees' needs and feelings, be able to treat them fairly and ethically, and present their interests to the higher authority when there is a need to do so. Mossholder et al. (1998) suggested that managers need emotional competence training which should focus on the competencies needed most for excellence in a given job or role which should significantly enhance a manager's base of referent power. Rahim, Antonioni, and Psenicka (2001) noted that as managers increase their expert and referent power bases, they would be more efficient in using their legitimate power base.

Second at the organisational level, top management should provide appropriate reinforcement for managers in learning and improving their referent and expert power bases. Recent literature shows that learning organisations are providing ample opportunities to managers for continuous learning to improve managers' expert power base. Education and training may be of limited value when it comes to improving referent power base. It may be more appropriate for the management of NCBs to adopt a policy of recruiting managers with vision and charisma who are likely to bring an adequate referent power base.

NCBs' management may find it useful to establish both formal and informal training procedures that encourage managers in developing power bases that positively affect employees' procedural justice perceptions. In this regard, Keys and Case (1990) suggest that skills-based power reflecting qualities associated with referent and expert power base may be crucial in sustaining influence.

Current appointed or promoted managers of NCBs are more efficient than the former managers. The management should strictly maintain this policy that only efficient employees would be appointed as managers.

For Future Research

Finally, this study raises a number of questions which should be emphasised in future research. First, the relationships discussed in this study were correlational, not causal. Experimental studies are needed to investigate causal links between the bases of managers' power and employees' organisational outcomes. Second, attempts should be made to incorporate additional endogenous variables, such as motivation, conflict-management, and performance of employees. Field experiments could be particularly

useful in evaluating the effects of enhancing the personal power bases of managers on individual and organisational outcomes. There is also need for scenario-based studies and laboratory studies that control some of the extraneous variables to explore and better understand the effects of managers' power as reported in the present study. Third, attempts could be made to obtain measures of exogenous and endogenous variables through longitudinal studies.

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APPENDICES

APPENDIX 1

Map of Bangladesh

Map of Bangladesh



APPENDIX 2

Ethics Approval from the Human Research Ethics Committee



AUSTRALIAN CATHOLIC UNIVERSITY
Office of Research
University Human Research Ethics Committee
Ethics Clearance for a Research Project - Approval Form

Principal Investigator/s (if staff): 1) Dr Valda Ward	Campus: Patrick
Co Investigator 2)	
Researcher(s) (if student/s) 1) Nadim Jahangir	Campus: Patrick

Ethics clearance has been provisionally approved for the following project: An investigation into the relationship between procedural justice and work variables in nationalized commercial banks in Bangladesh.
for the period: 23-5-2000 to 29-8-2002 (subject to annual renewal).

University Human Research Ethics Committee Register Number: V2000-43

subject to the following conditions as stipulated in the National Health and Medical Research Council (NHMRC) Statement on Human Experimentation and Supplementary Notes 1992:

- (i) that principal investigators provide reports annually on the form supplied by the Institutional Ethics Committee, on matters including:
 - security of records;
 - compliance with approved consent procedures and documentation;
 - compliance with special conditions, and
- (ii) as a condition of approval of the research protocol, require that investigators report immediately anything which might affect ethical acceptance of the protocol, including:
 - adverse effects on participants;
 - proposed changes in the protocol, and/or
 - unforeseen events that might affect continued ethical acceptability of the project.

and subject to clarification of the following to the University Human Research Ethics Committee:

1. Information Letters to Participants
 - Name of committee needs correction to University Human Research Ethics Committee.
 - "15 minutes" (add "s").
 - "work variables" not "woek variables".
 - Correct letterhead used to St Patricks
 - A separate letter for those being interviewed is required.
2. Consent Form
 - A consent form must be produced and signed by interviewers
 - The consent form should also indicate that one copy is to be given to the researcher and one copy is to be retained by the participant.
3. Informed written consent
 - A copy of the letter of permission from the NCB is required as evidence of permission TF.
 - Raw data must be stored at ACU

A Final Report Form will need to be completed and submitted to the URPEC within one month of completion of the project.
OR

An Annual Progress Report Form will need to be completed and submitted to the URPEC within one month of the anniversary date of approval.

Approved by: *Nadim Jahangir* 1/8/2002

Please sign, date and return this form (with any additional information, or supporting documents to show completion of any amendments requested) to the Administrative Officer (Research) to whom you submitted your application. This is essential before final approval by the University Human Research Ethics Committee is confirmed.

Signed: [Signature]
Administrative Officer (Research)

Date: 26/5/2000

(To be completed by the Principal Investigator, or Student and Supervisor, as appropriate.)

The date when I/we expect to commence contact with human participants or access their records is: Aug 15 '00

I/We hereby declare that I/We am/are aware of the conditions governing research involving human participants as set out in the University Human Research Ethics Committee's *Guidelines and Instructions for Researchers/Students* and agree to the conditions stated above.

Signed: [Signature] Date: 1/6/00
(Principal Investigator (if staff) or Supervisor, as appropriate)

Signed: [Signature] Date: 1/6/00
(Researcher (if student))

OR/E30/974

APPENDIX 3

Letter to the Participants from the Researcher

Letter to the Participants from the Researcher



Australian Catholic University

August 2000

To the Participant
_____ Bank
Dhaka, Bangladesh

TITLE OF PROJECT: AN INVESTIGATION INTO THE RELATIONSHIP BETWEEN MANAGERS' USE OF POWER AND EMPLOYEES' ORGANISATIONAL COMMITMENT AND JOB SATISFACTION IN NATIONALISED COMMERCIAL BANKS IN BANGLADESH

NAME OF RESEARCHER: NADIM JAHANGIR

Dear Participant:

As part of a Ph.D. study at Australian Catholic University, the researcher, Nadim Jahangir, is undertaking this research to find ways in which team management may be improved in the Nationalized Commercial Banks in Bangladesh (Attached you will find an official letter from the bank authority to confirm permission for me to carry out this study). To investigate the current management situation the researcher will use questionnaires to collect information from employees.

The data are being collected and processed by me. Completion and submission to me of the questionnaire will be taken as giving informed consent. I guarantee that individual data provided on the questionnaire will remain strictly confidential. Only aggregate data that would preserve the confidentiality of the individual will be made available to the bank authority.

It is expected that it will take about 15 minutes for you to complete the questionnaire.

It is hoped that the results of the study will encourage better team management in your bank and you will gain improved job satisfaction and feel more committed to your work. If this model is successful in your bank then employees in other industries may also benefit.

If you wish to withdraw from the study you are free to do so at any time without giving any reason.

St Patrick's Campus 11 5 Victoria Parade, Fitzroy VIC - Locked Bag 4115, Fitzroy MDC, VIC 3065, Australia

Telephone: (61 3) 9953 3000 Facsimile: (61 3) 9953 3005

BALLARAT - BRISBANE - CANBERRA - MELBOURNE - SYDNEY

www.acu.edu.au

Australian Catholic University Limited ACN 050 192 660

If you have any queries regarding the research procedure, please contact me at the following: phone number in Bangladesh 9884949; or my chief supervisor in Australia, Dr. Valda Ward (phone: 61 03 9953 3166).

This study has been approved by the University Human Research Ethics Committee at Australian Catholic University. If you have any complaints about the way you have been treated during the study, or a query that I have not been able to satisfy, you may write care of the research office of the university.

Chair, University Human Research Ethics Committee
C/O Office of Research
Australian Catholic University
St. Patrick's Campus
115 Victoria Parade, Fitzroy VIC 3065
Australia

Tel: (61 3) 9953 3151
Fax: (61 3) 9953 3351

Any complaints made will be treated in confidence, investigated fully and the participant informed of the outcome.

Your cooperation is greatly appreciated.

Yours sincerely,



Nadim Jahangir
Ph.D. student
School of Business
Faculty of Arts and Science
Australian Catholic University
Melbourne, Australia

APPENDIX 4

Letter from the Supervisor

Letter from the Supervisor**Australian Catholic University**

31 May 2000

TO WHOM IT MAY CONCERN

Mr. Nadim Jahangir is a Ph D student in the School of Business in Australian Catholic University, Melbourne. His area of research is the banking sector in Bangladesh. The title of his study is "An Investigation into the Relationship between Managers' Use of Power and Employees' Organisational Commitment and Job Satisfaction in Nationalised Commercial Banks in Bangladesh." For his research purposes he needs to collect data from these institutions.

He would be grateful to carry out research by questionnaires and interviews in your institution. In giving him your permission to do this your support and co-operation to complete his studies would also be appreciated.

If you have any enquiries, please contact me, Mr. Jahangir's principal supervisor, at the address given below.

Sincerely

Dr Valda M Ward
Acting Head - School of Business

St Patrick's Campus 115 Victoria Parade, Fitzroy VIC - Locked Bag 4115, Fitzroy MDC, VIC 3065, Australia
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Australian Catholic University Limited ACN 050 192 660

APPENDIX 5

Consent Form



AUSTRALIAN CATHOLIC UNIVERSITY

CONSENT FORM

TITLE OF THE RESEARCH: AN INVESTIGATION INTO THE RELATIONSHIP BETWEEN PROCEDURAL JUSTICE AND WORK VARIABLES IN NATIONALIZED COMMERCIAL BANKS IN BANGLADESH

NAME OF RESEARCHER: NADIM JAHANGIR

I..... (the participant) have read (or, where appropriate, have had read to me) and understood the information provided in the Letter to the Participants and any questions I have asked have been answered to my satisfaction. I agree to participate in this activity, realizing that I can withdraw at anytime.

I agree that research data collected for the study may be published or provided to other researchers in a form that does not identify me in any way.

NAME OF PARTICIPANT.....
(block letters)

SIGNATURE..... **DATE**.....

NAME OF RESEARCHER.....
(block letters)

SIGNATURE..... **DATE**.....

Two copies of the consent form are required: one copy for the participant to sign and keep for their records and copy to sign to be returned to the researcher.

St Patrick's Campus 115 Victoria Parade, Fitzroy VIC • Locked Bag 4115, Fitzroy MDC, VIC 3085, Australia
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APPENDIX 6

The Questionnaire for the Bank Employees

The Questionnaire

Which division are you in?

- Dhaka ☐
- Chittagong ☐
- Khulna ☐
- Rajshahi ☐
- Sylhet ☐

What is your age? _____ Years

What is your sex?

- Female ☐
- Male ☐

What was the highest level of education you completed? (Tick one)

- SSC ☐
- HSC ☐
- Bachelors ☐
- Masters ☐
- Others (please specify) _____

What is your current level in the bank? _____

How long you have been working for the bank? _____ Years

Have you attended any bank management-training program by the bank?

- Yes ☐
- No ☐

(If the answer is Yes, please specify) _____

Below is a list statement, which may be used in describing behavior that, your manager direct toward you. First carefully read each descriptive statement, thinking in terms of your manager. Then decide to what extent you agree that your manager could do this to you. Mark the number, which most closely represent how you feel.

	1	2	3	4	5
	Strongly Disagree	Disagree	Uncertain	Strongly Agree	Agree
1 My supervisor can increase my pay level				1	2 3 4 5
2 My supervisor can influence my getting a pay rise				1	2 3 4 5
3 My supervisor can provide me with special benefits				1	2 3 4 5
4 My supervisor can influence my getting a promotion				1	2 3 4 5
5 My supervisor can give me undesirable job assignments				1	2 3 4 5
6 My supervisor can make my work difficult for me				1	2 3 4 5
7 My supervisor can make things unpleasant here				1	2 3 4 5
8 My supervisor can make being at work distasteful				1	2 3 4 5
9 My supervisor can make me feel that I have commitments to meet				1	2 3 4 5
10 My supervisor can make me feel like I should satisfy my job requirements				1	2 3 4 5
11 My supervisor can give me the feeling that I have responsibilities to fulfill				1	2 3 4 5
12 My supervisor can make me recognize that I have tasks to accomplish				1	2 3 4 5
13 My supervisor can give me good technical suggestions				1	2 3 4 5
14 My supervisor can share with me his/her considerable experience and training				1	2 3 4 5
15 My supervisor can provide me with sound job-related advice				1	2 3 4 5
16 My supervisor can provide me with needed technical knowledge				1	2 3 4 5
17 My supervisor can make me fell valued				1	2 3 4 5
18 My supervisor can make me feel like he/she approves of me				1	2 3 4 5
19 My supervisor can make me feel personally accepted				1	2 3 4 5
20 My supervisor can make me feel important				1	2 3 4 5
21 My supervisor gave me an opportunity to express my side				1	2 3 4 5
22 My supervisor used consistent standards in evaluating my performance				1	2 3 4 5

23	My supervisor gave me feedback that helped me learn how well I was doing	1	2	3	4	5
24	My supervisor was completely candid and frank with me	1	2	3	4	5
25	My supervisor showed a real interest in trying to be fair	1	2	3	4	5
26	My supervisor made clear what was expected of me	1	2	3	4	5
27	My supervisor finds out why I got the size of raise I did	1	2	3	4	5
28	My supervisor behaves in a way I thought was not appropriate	1	2	3	4	5
29	My supervisor was influence by things that should not been considered	1	2	3	4	5
30	My supervisor was honest and ethical in dealing with me	1	2	3	4	5
31	I am willing to put in a great deal of effort beyond that normally expected in order to help this organization be successful	1	2	3	4	5
32	I talk up this organization to my friends as a great organization to work for	1	2	3	4	5
33	I would take any type of job assignment in order to keep working for this organization	1	2	3	4	5
34	I find that my values and organization's values are very similar	1	2	3	4	5
35	This organization really inspires the very best in me in the way of job performance	1	2	3	4	5
36	I am extremely glad that I chose this organization to work for over others I was considering at the time I joined	1	2	3	4	5
37	I really care about the fate of this organization	1	2	3	4	5
38	For me this is the best of all possible organizations for which to work	1	2	3	4	5

The statements below indicate how satisfied you are with each aspect of your job. First carefully read each descriptive statement, thinking in terms of your job. Please circle the number, which most closely responds to your thinking about your job.

	1	2	3	4	5
	Extremely Dissatisfied	Dissatisfied	Neutral	Satisfied	Extremely Satisfied
39 The amount of job security I have				1	2 3 4 5
40 The amount of pay and fringe benefits I receive				1	2 3 4 5
41 The amount of personal growth and development I get in doing my job				1	2 3 4 5
42 The degree of respect and fair treatment I receive from my boss				1	2 3 4 5
43 The feeling of worthwhile accomplishment I get from doing my job				1	2 3 4 5
44 The amount of support and guidance I receive from my supervisor				1	2 3 4 5
45 The degree to which I am fairly paid for what I contribute to this organization				1	2 3 4 5
46 The amount of independent thought and action I can exercise in my job				1	2 3 4 5
47 How secure things look for me in the future in this organization				1	2 3 4 5
48 The chance to help other people while at work				1	2 3 4 5
49 The amount of challenge in my job				1	2 3 4 5
50 The overall quality of the supervision I receive in my work				1	2 3 4 5

APPENDIX 7

Interview Schedule for the Bank Managers

Interview Schedule for Bank Managers

1. How do you make your employees feel valued and important to the organization?
2. What kind of job related advice do you provide to the employees?
3. How do you reprimand your employees?
4. How do you reward your employees?
5. How do you encourage your employees to feel committed and responsible towards the organization?
6. How do you encourage your employees to express their points of view?
7. What process do you use in evaluating the employees performance?
8. How do you provide feedback to the employees regarding their performance?
9. How do you share your opinions with the employees?
10. What do you do to treat your employees fairly?
11. How do you make clear what is expected from the employees?
12. What do you do to find out the employees' pay rise procedure?
13. What extra effort do the employees make to help the organization become successful?
14. What kind of job security do you provide to your employees?
15. What pay and fringe benefits does the organization provide to the employees?
16. How do you encourage your employees to grow and develop in the organization?
17. What kind of helping attitude does your employees have towards each other?

APPENDIX 8

Interview Schedule for the Bank Experts of Bangladesh Institute of Bank Management

Interview Schedule for the Bank Experts of Bangladesh Institute of Bank Management

1. How do the managers encourage employees feel valued and important to the organization?
2. What kind of job related advice do the managers provide to the employees?
3. How do the managers reprimand the employees?
4. How do the managers reward the employees?
5. How do the managers encourage the employees to feel committed and responsible towards the organization?
6. What the managers do to make the employees' express their points of view?
7. What procedures do the managers practice in evaluating employees' performance?
8. How do the managers provide feedback to the employees regarding their performance?
9. How the managers share their opinions with the employees?
10. How do the managers treat the employees fairly?
11. How do the managers make clear what is expected from the employees?
12. What do the managers do to find out the employees pay rise procedure that was followed to give the raise?
13. What ethical standards do the managers maintain while dealing with the employees?
14. What extra effort do the employees put in order to help make the organization a successful one?
15. What sort of job security does the organization provide to the employees?
16. What kind of pay and fringe benefits do the employees receive?
17. How does the manager encourage the employees to grow and develop in the organization?
18. What kind of helping attitude do the employees have towards each other?
19. To what extent do you think the employees are committed to their work?
20. To what extent do you think the employees are satisfied with their job in the organization?