

IMPACT OF MANAGER'S BEHAVIORAL INTEGRITY ON EMPLOYEE PERCEPTION OF FAIRNESS

Abstract

In the recent past, there has been financial and economic downturn which was partly attributable to the ethical and legal lapses by top managers of publicly traded companies. The damage inflicted by Satyam Computers in 1990s, followed by Sahara India Pariwar case in 2012 and continued instances of Nirav Modi frauds, Shivinder Mohan Singh (formerly with Fortis Healthcare, Religare and Ranbaxy Laboratories) Scam, and more recently Kingfisher airlines scam in 2017, the crisis became evident. The damages wrecked on investors, employees and tax payers make it apparent that “bad ethics” could lead to disastrous effect on the outcomes and strengthen the argument that “good ethics” is also “good business”.

Organizational commitment, conviction in supervisors, and organizational citizenship behaviors are highly anticipated behaviors among workforces by any organization. A substantial aspect that energizes these behaviors is the perception of fairness within the company. This is to a great extent, is a reflection of how an employee feels valued at work which correlates with the approach of the management towards its employees. Hence, it is imperative to understand how staffs appraise fairness in organization based on Manager's Behavioral Integrity.

The term 'Behavioral Integrity' (BI), is defined as the similarity among what one says and what one does. This implies that manager would do correct things to our perception but doing the correct things may be less significant to our perception than purely doing what you say you will do. Trust is a sophisticated concept understood as an extensive variety of cognitions, emotions, attitudes and actions. An examination of trust and credibility highlights the value of BI. Manager's BI influence trust and reliability on employee's Organizational Citizenship Behavior (OCB).

The objective of the study is to understand the

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Impact of Manager's Behavioral Integrity on Employee Perception of Fairness. In order to get an insight on how industry perceives this, we administered a survey of 120 employees working with different corporates from senior-level, middle-level and entry-level management. Questionnaires were mailed and the results were analyzed using the factor analysis method. Studies reveal a positive relationship between the Manager's Behavioral Integrity and Employees' perception of Fairness. The topic is widely discussed in Corporate and Academic Circles.

Keywords: Behavioral Integrity' (BI), Organizational Citizenship Behavior (OCB), Organization Justice (OJ)

I. INTRODUCTION

In the recent past, there has been financial and economic downturn which was partly attributable to the moral and law related gaps by the C-suite executives of Multinationals. The impairment imposed by Satyam Computers in 1990s, followed by Sahara India Pariwar case in 2012 and continued instances of Nirav Modi frauds, Shivinder Mohan Singh (formerly with Fortis Healthcare, Religare and Ranbaxy Laboratories) Scam, and more recently Kingfisher airlines scam in 2017, the crisis became evident. The damages wrecked on all the stakeholders make it ostensible that “bad ethics” could lead to disastrous effect on the outcomes and strengthen the argument that “virtuous behavior” is also “respectable business”.

Organizational commitment, conviction in supervisors, and organizational citizenship behaviors are highly anticipated behaviors among workforces by any organization. A substantial aspect that energizes these behaviors is the perception of fairness within the company. This is to a great extent, is a reflection of how an employee feels valued at work which correlates with the approach of the management towards its employees. Hence, it is imperative to understand how staffs appraise fairness in organization based on Manager's Behavioral Integrity.

The word ‘Behavioral Integrity’ (BI), is distincted as the resemblance amongst the alignment of the words and deeds of an individual. Trust is a sophisticated concept understood as a widespread diversity of affectiveness, emotiveness and cognition. An examination of the value of Manager's BI highlights the influence, trust and reliability on employee's Organizational Commitment.

The objective of the study is to comprehend the Impact of Manager's Behavioral Integrity on Employee Perception of Fairness. we ran a survey of 151 personnel working with diverse corporates from top, middle and start-level management. Questionnaires were mailed to them; the data was collated and the results were analyzed by means of the factor analysis method. Studies reveal a positive relationship between the Manager's Behavioral Integrity and Employees' perception of Fairness. The topic is widely discussed in Corporate and Academic Circles.

Numerous theories on leadership highlighting the standing of ethical aspects of the leader's behaviors such as behavioral integrity, servant leadership, ethical leadership etc. Relationship among employees burn out, employee engagement, absenteeism, turnover likelihood, job satisfaction, work life balance, life satisfaction affects the Employee Value Proposition (EVP) and the desirability of the employer as a preferred workplace by employees. Trust would be considered as a process of understanding and responsiveness of leadership behaviors.

The Manager's and Employees' positive organizational behavior is important for the enterprise as that stimulates employee-employer trust building and efficiencies.

II. LITERATURE REVIEW

The manager plays an important role in building work-life balance which brings trust among employees. The manager understands capability of employees and to extend support helps the employees to achieve work-life balance. The manager's unresponsive actions could lead to stress among employees resulting in negative productivity and impact on work life balance leading to company's negative performance.

Manager-Employee trust relationship could be built on sharing information and knowledge of work processes and values. Such positive organizational behavior could bring in mutual trust. It needs manager's support and pro-active interaction with the employees.

Managers needs to be cooperative and understand employee's family responsibilities. Next organizational policies and situational factors which brings in work-life culture that requires managerial support and helps build manager-employee trust relationship.

1. Management conduct that build employee-employer reliance: The Organizational accomplishment is positively the unbiased trust. The employees would not be able to perform should they believe that they could not trust their manager. The trust factor may bring down the organization social costs.

The Trust factor may lead to optional effort by the employees. Trust in leadership could lead to employee attitude towards work, social behavior and job performance.

The leadership could be a characteristic social process and the goodwill earned through social interactions could lead to social capital development. Trust could be built by the leader through building social relationship, concern towards employee and respect for employee.

Leaders may observe and bring in the change in employee's work attitude and values to perform better to meet the organizational expectations. The transformational leadership displays vision, provides a behavioural role model, supports the employees, forms groups & group goals, and sets high expectation level and knowledge sharing. This would result in organizational social behavior and may instill trust in employees.

2. Objectives

- To explore the alignment of Manager's words and Promise Keeping to Employees.
- To inspect whether workers are respected in their organization by the Management.
- To examine whether values are practised in the Organization.

III. RESEARCH METHODOLOGY

This section covers research design and apparatuses for analysis.

1. Research design: A cross-sectional survey design was used in this study. Primary source of data was collected using the structured questionnaire. The technique used to collect questionnaire was Random sampling. The data collection was conducted from 151

respondents comprising of 122 male and 29 female respondents respectively. The survey covered all levels of management (top, middle and entry) with respect to Information Technology, Health care, Retail and Banking sectors. Tools used for analyze the data are correlation analysis, descriptive statistics and t test.

The data were analyzed using descriptive statistics and inference statistics. In order to check whether the questionnaire provides an accurate and stable representation of the construct, Cronbach Alpha was used for reliability testing. It turns out to be 0.944 for 15 items.

2. Data analysis: The mean and standard deviation for all the variables are shown in the table below. The mean scores lies between 2.48 and 2.91 whereas the standard deviation lies between 1.07 and 1.48 respectively.

	Mean	Std. Deviation
Employees knowledge of mission statement	2.91	1.174
Participative value setting	2.68	1.074
Belief in core values	2.83	1.180
Employee engagement	2.79	1.174
TRUST TOP MANAGEMENT	2.90	1.226
Top management is perceived as ethical	2.79	1.245
DEED ALIGNMENT	2.67	1.088
PROMISES- MGNT- EMP	2.74	1.152
Employee ownership and organizational Commitment	2.62	1.112
Management do not adopt unethical business practices	2.48	1.483
Organizational support to employees	2.77	1.307
Mechanics to check the Transparency	2.66	1.321
Employee-organization fitment	2.78	1.296
HR Practices	2.87	1.300
Open communication	2.79	1.279

- **Objective One:** To explore whether there is an alignment of words and Promise keeping to Employees, the researcher used the correlation analysis and tested its significance at 1% level. The result shows a positive relationship between the manager's deliver on promise keeping to employees (0.746). In order to assess the null hypothesis that there is no association between word deed alignment (behavioral integrity) and promise keeping, the researcher used the t test. As the p value (0.000) is less than the level of significance at 1%, there is no sample evidence to accept the null hypothesis. That is, the result indicates that there is a relationship between word deed alignment and the promise keeping to the employees.

		PROMISES- MGNT- EMP
DEED ALIGNMET	Pearson Correlation	.746**
	Sig. (2-tailed)	.000
	N	151

- **Objective Two**

	Trust Top Management	Top Mana- Ethical	Employee Ownership And Organizational Commitment	Management do not adopt unethical business practices	Organizational support to employees	Mechanics to check the Transparency	HR Practices	Open communication
TRUST TOP MANAGEMENT	1							
TOP MANA- ETHICAL	.729** .000	1						
Employee ownership and organizational commitment	.344** .000	.367** .000	1					
Management do not adopt unethical business practices	.441** .000	.581** .000	.508** .000	1				
Organizational support to employees	.593** .000	.684** .000	.336** .000	.610** .000	1			
Mechanics to check the Transparency	.407** .000	.521** .000	.453** .000	.758** .000	.612** .000	1		
HR Practices	.686** .000	.712** .000	.288** .000	.462** .000	.555** .000	.397** .000	1	
Open communication	.599** .000	.647** .000	.375** .000	.512** .000	.685** .000	.494** .000	.541** .000	1

The researchers used the correlation analysis to investigate whether the employees are respected in their enterprise by the Administration and tested its significance at 1% level. The following results were obtained.

There is a high correlation between the employee compliance due to perception of fairness and mechanics to check the Transparency (0.758) followed by the ethical perception about top management (0.729) respectively. All the variables are significant at 0.01 level.

- **Objective Three:** The variables related to staffs knowledge of mission statement, belief in core values, participative value setting, employee engagement, employee-organization fitment etc was analyzed using correlation and tested at 1% level of significance using t test.

	Employees knowledge of mission statement	Participative value setting	Belief in core values	Employee engagement	Employee-organization fitment
Employees knowledge of mission statement	1				
Participative value setting	.552** .000	1			
Belief in core values	.667** .000	.494** .000	1		
Employee engagement	.581** .000	.417** .000	.731** .000	1	
Employee-organization fitment.	.438** .000	.581** .000	.456** .000	.453** .000	1

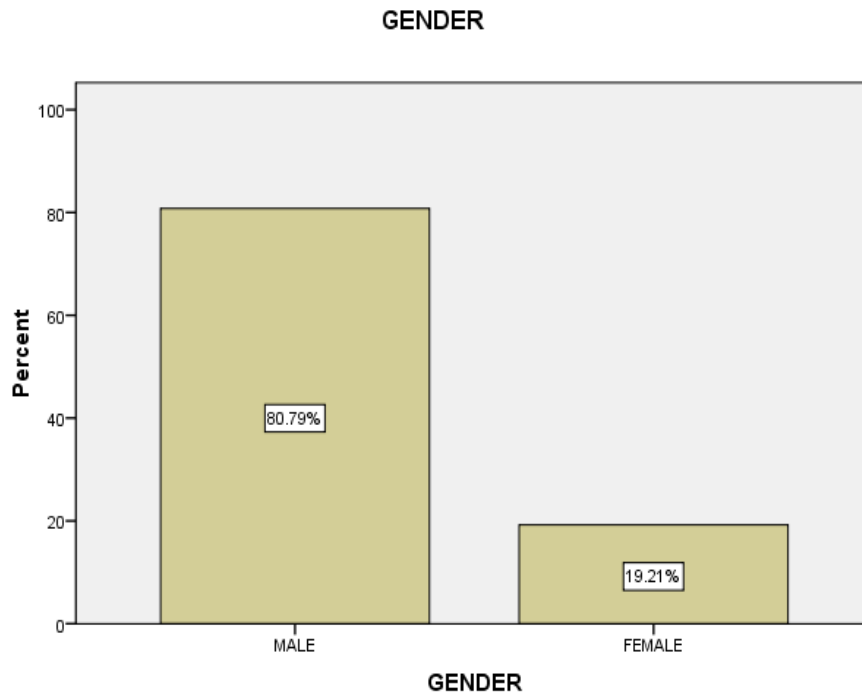
There is a high correlation between the Employee engagement (0.731), followed by the belief in core values (0.667) respectively. All the variables are significant at 1% level.

IV. DEMOGRAPHIC VARIABLES

Dispersal of Gender-Based Components

1. Components

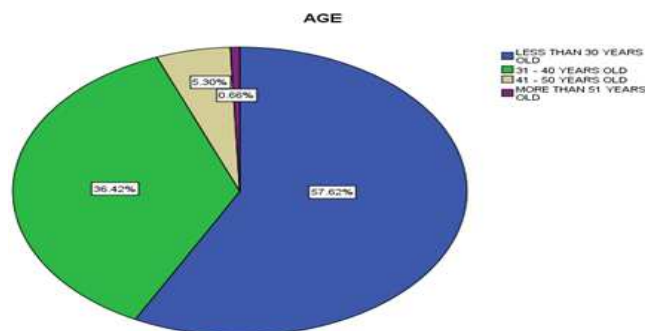
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	122	80.8	80.8	80.8
	Female	29	19.2	19.2	100.0
	Total	151	100.0	100.0	



Age wise Distribution of the Respondents

2. Length of Life

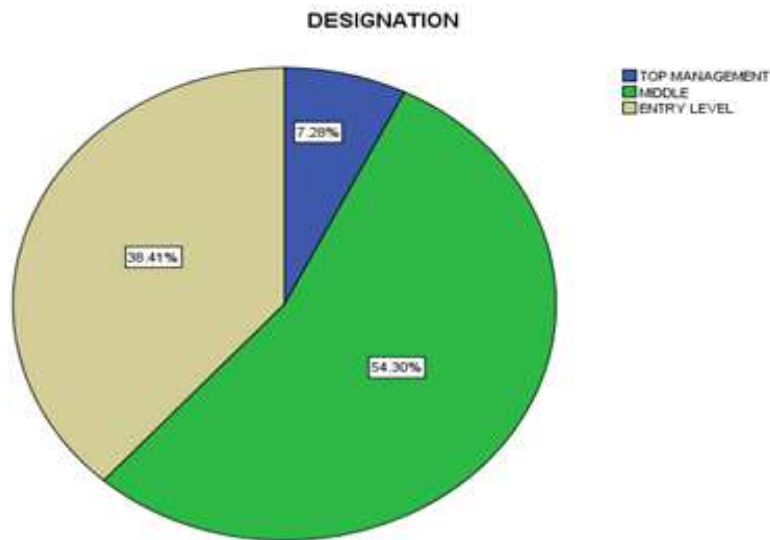
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less Than 30 Years	87	57.6	57.6	57.6
	31 - 40 YEARS	55	36.4	36.4	94.0
	41 - 50 YEARS	8	5.3	5.3	99.3
	More Than 51 Years	1	.7	.7	100.0
	Total	151	100.0	100.0	



Distribution of Respondents Based on Designation

3. Designation

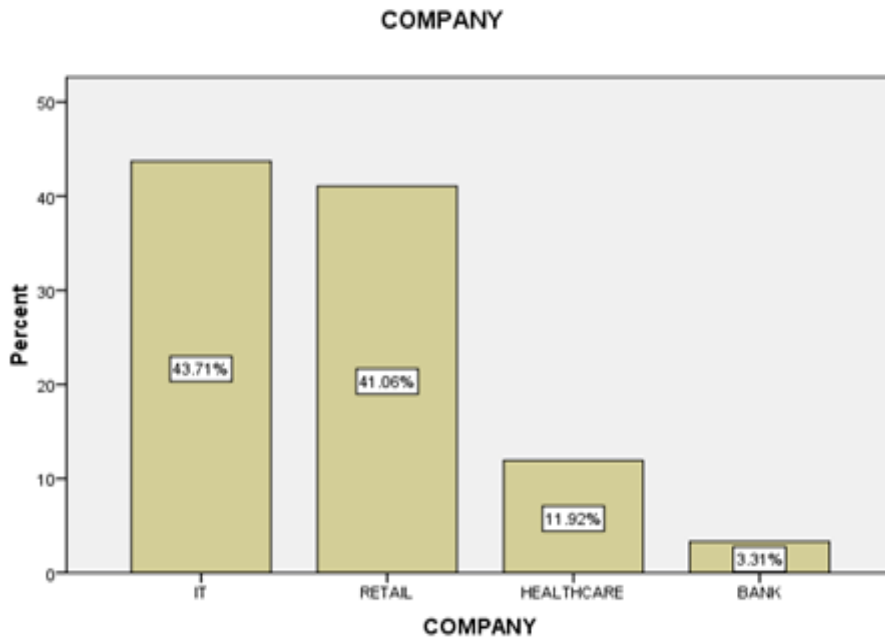
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Top Management	11	7.3	7.3	7.3
Middle	82	54.3	54.3	61.6
Entry Level	58	38.4	38.4	100.0
Total	151	100.0	100.0	



Distribution of Respondents Based on Company

4. Company

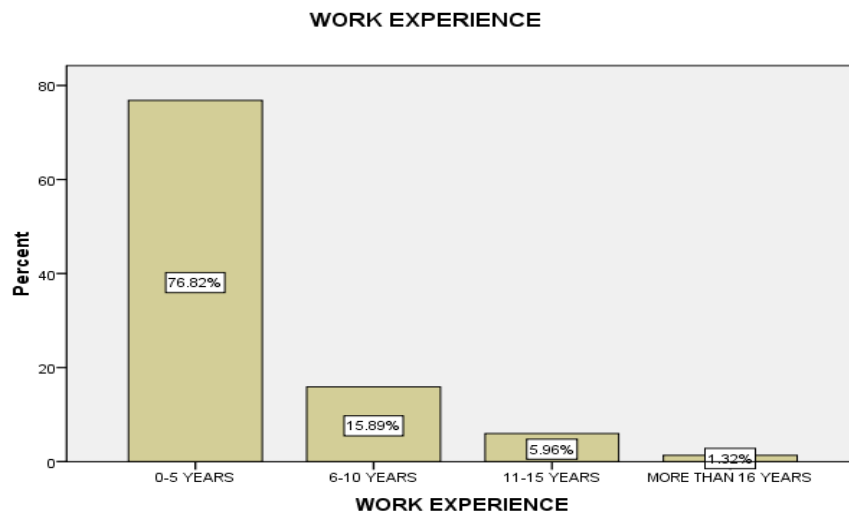
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid IT	66	43.7	43.7	43.7
Retail	62	41.1	41.1	84.8
Healthcare	18	11.9	11.9	96.7
Bank	5	3.3	3.3	100.0
Total	151	100.0	100.0	



Distribution of Respondents Based On Job Tenure.

5. Job Tenure

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0-5	116	76.8	76.8	76.8
	6-10	24	15.9	15.9	92.7
	11-15	9	6.0	6.0	98.7
	MORE THAN 16	2	1.3	1.3	100.0
	Total	151	100.0	100.0	



V. CONCLUSION

The first objective of the research is to check the alignment of Manager's words and Promise keeping to Employees. The correlation analysis tested its significance at 1% level shows a positive relationship between the manager's words on promise keeping to employees. This means that there is a cordial climate of employees and managers and the managers keep their promises.

The second objective of the research is to examine whether employees are treated with respect in their organization by the Management. It had the following variables.

1. Trust top management
2. Top management is perceived as ethical.
3. Employee ownership and organizational commitment
4. Management do not adopt unethical business practices
5. Organizational support to employees
6. Mechanics to check the Transparency
7. HR Practices
8. Open communication

The high correlation between the employee compliance due to perception of fairness and Mechanics to check the Transparency seconded by ethical perception about top management denotes that the employees perceive their organizations as fair when the variables such as trust in top management, top management is perceived as ethical, employee ownership and organizational commitment, management do not adopt unethical business means, organizational support to employees, mechanics to check the Transparency, fair HR Practices and Open communication is practiced. Employees display organizational citizenship behavior when they are treated fairly in the organization.

The final objective is to examine whether values are practiced in the organization. The variables related to employee's knowledge of mission statement, belief in core values, participative value setting, employee engagement, employee-organization fitment etc was analyzed using correlation and tested at 1% level of significance using t test. The high correlation between the Employee engagement seconded by the belief in core values shows that employees like to stay in organizations where the core values are practiced.

The Majority of participants fall under the age of 30 with middle management positions from IT Sector with 0-5 years of work experience.

Manager's behavioral integrity would enhance employee's organizational identification. Managers need to align their words and actions to form leader-employee interactions which will enhance the employer branding and employee value proposition of the enterprise. The current research shows that the manager's behavioral integrity has a significant influence on employees perceived organizational practices.

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