Organizational Justice and Employee Productivity in Commercial Banks in Port-Harcourt City Local Government Area

Aka-Wolugbom, Azunwene Levi and B. C. Onuoha Ph.D

Abstract: This research work investigated the impact of organisational justice on the employee productivity in commercial banks operating in Port Harcourt Local Government Area, Rivers State, Nigeria. A cross-sectional survey design was adopted, and data gathering was done with questionnaires adapted from an extensive survey of literature. The sample size of the study is 180 employees, 12 from each bank among the banks randomly selected for the study. Data analysis was carried out by descriptive statistics. The theoretical constructs that frame the discussions in this work are based on equity theory (Adams, 1965) and relative deprivation theory delineated by Smith and Pettigrew (2015). Findings are that an organisational atmosphere of perceived inequity pervades the commercial banks in Port Harcourt, however, employee work practices are seemingly positive. A practical implication of this on the performance of these banks could be felt on a long term trajectory. Managers therefore ought to understand what defines the productivity of their employees, how it could be measured, enhanced and what ways it could be diminished. Further research should be on the impact of cultural dimensions on employee productivity in light of organisational justice.

Key words: Employee Productivity, Organisational Justice, Port Harcourt

INTRODUCTION

Commercial banks in Nigeria have been plagued with challenges, which have been worsened in the recent times by the fall in the price of oil, though the price of oil has just risen to about $80 per barrel, the highest value since 2014 (Oilprice.com, 2018). The challenges facing banks in Nigeria range from weak capital base, non-transparent corporate governance structure and practices, dependence on funds from the government ministries, departments and agencies, a very slow economic growth poor ethical and professional practices, to the recent treasury single account (TSA) implementation (Kontein, 2017; CNBC Africa, 2015). While there has been a great commendation by industry players on the implementation of TSA; for instance, Medium (2017) and Nairametric (2015) highlights that the TSA implementation allows the government prompt and complete information on available funds amongst other benefits; the fact remains that it engenders a problem to commercial banks as the government bodies no longer deposit huge amount of funds to these banks as was the normal practice. This translates to issues of poor capital base and hence, less financial services to their customers.

Besides the highlighted problems faced by the commercial banks in Nigeria, there are internal issues, which border on management-staff relations, or organizational justice, that seem to exacerbate the current challenges as these issues impact on the overall profitability of the banks. For instance, Ahmed (2016) highlights the issues of rampant staff retrenchment without recourse to labour policies and/or practices, which include, among other factors, equality of parties and mutual respect; Olaniyi, Osemene and Omotehinse (2013) highlights the issues of bank workers’ welfare after the consolidation exercise in Nigeria, which include demotion,
retrenchment, salary reduction, redeployment, etcetera. Further, Dalhatu (n.d.) focused on the people issues bordering on staff turnover, motivation, capacity building, recruitment and selection among others; Inyang, Enuoh and Ekpenyong (2014) focused on the issues of low staff morale; casualization of staff was particularly focused by Okafor (2009).

With these highlighted challenges, most of which are a result of the bank consolidation reform of the year 2005 (Ahmed, 2016; Olaniyi et al., 2013; Inyang et al., 2014), it becomes very clear that some wrong organizational practices have been normalized, however with far reaching negative implications on the employees and the banking industry in Nigeria in general. The skewedness, in ethnic lines, in the recruitment and selection process of many companies in Nigeria is a big challenge, and this has been highlighted by some authors as the root cause of corruption and economic woes of the nation (example, Onuoha, 2009). Perhaps, this is more pronounced in the banking sector, may be a perceived thought because many customers have free access to the banking halls (the nature of the banking business permits this kind of access) as compared to other businesses where customers have access to few company representatives. For instance, in some banks larger percentage of the staff are of a particular ethnic origin, while in another bank a large part of the staff are of another ethnic origin. Most times communication among staff is openly in the language of the dominating ethnic group. While the use of local languages, in this case, is allowed within a work environment, it stands to reason that to foster a culture of seamless team corporation and achievement, a unified and agreed code of communication should prevail in the workplace.

Perhaps, the crux of the challenges employees of commercial banks in Nigeria face is the casualization of workforce. According to Okafor (2009), casualization of workforce could be termed modern day slavery and is anti to labour principles and a strategy to taking advantage of the poor economic conditions of the nation, where employees are denied of residual benefits as they are not granted permanent employment status. These employees ordinarily do the work permanent staff do, and even more, but with lesser pay and unsavory employment conditions. Further, with the harsh economic conditions of the country, such employees have no choice but to continue in the employment of the banks, as a way of making ends meet. Casualization of workforce, thus raises the issues of organizational justice with its attendant consequences on employee productivity.

With earlier researches on employee issues in Nigeria banking sector had focused labour-management relations (Inyang et al., 2014) employee welfare in the post-consolidation era (Olaniyi, et al., 2013); diversity of workforce and employee performance (Akpakip 2017); incentives and job satisfaction (Iwu & Ukphere, 2012); motivation and employee performance (Alalade, 2015); there appears to be a paucity of research on organizational justice and employee productivity. This paper therefore addresses the challenges of organizational justice in the Nigerian banking sector, particularly commercial banks operating within Port-Harcourt Local Government Area of Rivers State Nigeria, and its impacts on employee productivity. This study aims to answer the following questions:

- What is the level of perceived fairness vis-à-vis the three dimensions of organizational justice in the commercial banks operating in Port-Harcourt?
- How does perceived fairness vis-à-vis the three dimensions of organizational justice affect employee productivity in commercial banks operating in Port-Harcourt?
- How can organizational leadership handle the challenges of organizational justice?
By way of answering these questions the study presents a brilliant understanding of the level of casualization of workforce and its downsides and suggests practical implications for organizational leadership on enhancing employee productivity. Further, the study adds to the limited literature in the area of organizational justice in the banking industry in Nigeria.

LITERATURE REVIEW

Conceptual Framework for Organizational Justice and Employee Productivity

Theoretical context of organizational justice and employee productivity

The theoretical context of this study is anchored on equity theory (Adams, 1965) and relative deprivation theory (Stouffer, 1949; Merton, 1957) as they influence organizational justice and, hence, employee productivity.

Equity theory

Equity theory, as proposed by Adam (1965), focuses on a relationship built on exchange between an individual, an organisation and its other members. In this theory, Adams explains that employees have their watch on what input they make in an organisation and the outcomes they receive. They thus have a sense of equity or inequity by comparing their inputs and outcomes to other colleagues’ (Cropanzano, 1993). There are basically three variables identified in the equity theory. They are input, outcome and reference variable (Kaur, Aggarwal & Khaitan, 2014). Input variables are those things an employee lends to an organisation like energy, trust, skills, and trust for the organisation management, self-sacrifice, loyalty and time, among others. Outcome variables are evident in such things as conditions of employment, salary, recognition of
achievement and praise. The reference variable points to referent persons or groups in the form of colleagues, group of colleagues, in an organisational setting.

According to Adam (1965), employees are motivated when they perceive that their outcome-input ratio is at par with a referent colleague, particularly one whose inputs could be matched with theirs. Where there is perceived inequity, an employee will seek means to redress it (Carrell & Dittrich, 1978; Erkutlu, 2011; Kaur et al., 2014). Actions to redress or reduce perceived inequity could be in the form of resignation from employment, in an extreme case, reduction in the quality of job done, increase in absenteeism, lowered responsibility etcetera. One of the key proposition of equity theory is that distress sets in on employees or individuals when there is perceived inequity, and this distress tends to increase as the inequity perception increases. The distress for an employee whose outcome is less is manifested in anger and the distress for an employee whose outcome is more is manifested in a feeling of guilt (Foote & Harmon, 2006).

One of the consequences of perceived inequity in workplace, particularly when employees are under-rewarded, is anger and this is a disadvantageous inequity (Adams, 1965). Disadvantageous inequity is not good for an organisation because in trying to reduce or redress it employees reduce their input, which could be their productivity, quality of work, commitment to the organisation, and trust for management. In extreme cases, where inequity is perceived to persist, an employee could resign his appointment. In any case, the consequences are not good for an organisation. However, in a harsh economic situation as the one faced in Nigeria, the context of this study, an employee who feels or perceives inequity (example, an employee with a ‘casual’ employment status), may find it hard to consider the option of resignation. Such an employee may remain in the employment, however, with a lot less input, and hence, reduced productivity (Cropanzano & Kacmar, 1995; Erickson & Roloff, 2008).

While many researches have argued that it is difficult to determine fairness in a given outcome-input ratio (example, Turnow, 1971; Carrell & Dittrich, 1978), that argument may not hold in the case of an individual employee whose employment status is casual, doing the same job or even more complicated job when compared to another employee who has a better employment status and a better pay. Research has proved that when compensation and reward packages are attractive, an organisation improves it chances of attracting and retaining a more competent and qualified workforce, which ultimately increases competitive advantage over its competitors (Erkutlu, 2011; Sinclair et al., 2005; Erickson & Roloff, 2008; George & Bettenhausen, 1990; Wat & Shaffer, 2005). Further, research has found positive correlation between remuneration and organisational commitment and inequity and employee turnover (example, Kickul 2001; Scholl et al., 1987).

Relative deprivation theory
Relative deprivation theory, proposed by Stouffer in 1949 and enlarged by Merton in 1957 following an inconsistency observed in the means of its measurement (Smith & Pettigrew, 2015; Pettigrew, 2015), explains the perception in an individual that he is worse off vis-à-vis some standard expectations, and this is followed by a feeling of anger and dissatisfaction. This feeling of anger and dissatisfaction could show up in a work environment in the form of loss of trust for management, poor quality of work output, willingness to partake in protests and other times, resignation (Saleh, 2011). The theory builds on the equity theory comparison process and posits that employees compare their desired outcome with those of other colleagues on the same job.
and feel deprived when they perceive inequity (Pettigrew, 2015; Buttner & Lowe, 2017). The feeling of deprivation sets in when employees desire a particular outcome, have the feeling that they deserve this outcome based on certain measurable conditions, and when other colleagues have that outcome, and it looks feasible they too can obtain that outcome. In addition, the failure to obtain the desired outcome is not their making, but the result of policies of the organisation (Crosby, 1976). Bringing this line of thought to the casual bank worker who desires a better employment condition (such is the desire of most casual workers), yet remains in that poor condition of work, and also comparing himself to a colleague who does the same work, but has a permanent job status with better pay; he believes the organisation can offer him a permanent job status and equal pay; and him remaining in that condition of work is not his fault; that employee may have the feeling of relative deprivation.

Commercial banks in Nigeria operate in a relatively competitive environment. It stands to reason, therefore, that it is not logical for any organisational employer to create an atmosphere tensed with discrimination against a group of its employees for reasons of profit maximization, as in the case of casualization of workforce. Productivity is bound to be negatively impacted; in fact, this will add an undesirable cost to such an employer operating in a free market system, leading ultimately to reduced profitability (Bennington & Wein, 2000; Standing & Baume, 2000). A logical explanation to this could be that the very harsh economic conditions prevalent in the country, and manifested in a saturated labour market, lends a helping hand to this ugly situation of employees. However, the consequences may be a long- rather than a short-term felt one.

**Concept of Organizational justice**

Organisational justice is the perception of an individual employee or group of employees regarding the level of fairness that pervades his or their organisation (Campbell and Finch, 2004; Cloutier & Lamarche, 2015). It is a term used in explaining the role of fair play in a work environment. It deals with the means by which employees ascertain the fairness level meted to them as members of that organisation and the impact of such fairness level on organisational outcome variables such as firm performance, employee satisfaction, employee productivity (Neihoff & Moorman, 1993; Moorman 1991).

There are three dimensions of organisational justice: distributive justice, procedural justice and interactional justice (Campbell & Finch, 2004; Buttner & Lowe, 2017; Erkutlu, 2011; Cloutier & Lamarche, 2015). Distributive justice is concerned, primarily, with what outcomes are associated with strategic organisational decisions as it relates to an employee. It points to the distribution of resources and the perception of fairness in the receiving employee informed by a direct comparison with other employees (Horman, 1961; Folger & Cropanzano, 1998). Procedural justice is, primarily, concerned with how decisions are made. It refers to the fairness employed in the process or means of determining outcomes or reaching a decision which impacts employees’ outcome (Folger and Greenberg, 1985). Because employees are concerned about their outcomes and desire greater fairness in the continuity of such outcomes, they depend, with full trust, on procedural justice. This is fairly logical as, if the procedures used in reaching a decision on an outcome is fair enough, then it follows that the outcome will be fair. Thus, information about the decision making process is sought in a way to appraising the procedural justice and further assessing distributive justice (Cloutier & Lamarche, 2015). The third dimension of organisational justice, interactional justice, is thus concerned with information.
communication sensitivity of decision reached or the quality of interpersonal relationship in the workplace (Campbell & Finch, 2004).

**Concept of employee productivity**
The expectation of an employer or organisation from its employees is to have them produce value, which exceeds the cost of keeping them in the employment. Employees are thus expected to add value to the bottom line of their organisation. Employee productivity is an evaluation of an employee’s efficiency. It is defined as the output of an individual employee relative to the inputs with respect to a given period in time (Hanaysha, 2016).

Managers therefore ought to understand what defines the productivity of their employees, how it could be measured, enhanced and what ways it could be diminished. Knowledge of the factors that affect employee productivity is key to ensuring long term performance of an organisation. Various advantages are evident from a condition of higher degree of employee productivity. For instance, an organisation could attain increased profitability from higher employee productivity, and a sustained competitive advantage arising from strategic cost leadership and high quality product delivery (Childs, 2009; Wright, 2004). Further, research shows that an organisation with employee-welfare-friendly policies as a way of boosting their productivity increases their chances of gaining industry leadership from a sustained competitive advantage (Erkutlu, 2011; George & Bettenhausen, 1990).

The following factors affect employee productivity: job security; Employee motivation; remuneration packages; training and career development opportunities; HR policies, among other factors. The understanding of these factors, by an organisational management, and how they impact the organisation’s bottom line is very important when dealing with strategic issues as selection and recruitment and employment condition and status of employees, amongst other managerial issues.

Banks are classified under the service industries. The products involved in this industry could be described as intangible, thus it presents a difficult task in measuring employee productivity. However, productivity in this sector can be measured by focusing on the number of task performed in a structured workday or the number of customers attended to within a given period of time. Further the quality of the work done as compared to the company standards or customer satisfaction level and whether targets are achieved and or deadlines are met, are other measures of productivity in the service sector.

**METHODOLOGY**
For the purpose of this study, a cross-sectional survey design was adopted. This research design is aimed at the determination of the prevalence of a particular issue in question with a given sample at a particular point in time. The researcher has chosen this design as a measure to have a snapshot of bank employees’ employment condition; as such candid information can truly be obtained from the employees themselves. Participants were contacted during their lunch breaks hours and after work hours and the survey instrument handed to them. These hours were chosen because of the very busy nature of bank operation during work hours and because of the sensitive nature of information required; such information could only be disclosed by participants in an environment that portends privacy. Again, hand delivery of survey instrument was chosen instead of mail delivery for easy access and completion. Further, the relative speed and cost of conducting this type of survey made it a preferred choice of research design (Lavrakas, 2008;
The 25 commercial banks as listed by the Central Bank of Nigeria make up the population of this study, whilst the accessible population is constituted by 15 commercial banks operating in Port-Harcourt City Local Government Area. This number, as it stands, captures a significant proportion of the full population. The banks were selected based on the accessibility and nearness to the researcher. Simple random sampling technique was adopted in this work as the size of the population is relatively small and concentrated within the chosen geographical enclave of this study, Port-Harcourt City in Rivers state. The sample size of the study is 180 employees, 12 from each bank among the banks randomly selected for the study.

The researcher used extant measurement devices with established validity and reliability to measure the constructs of organisational justice, while employee productivity was measured using a 4-item instrument developed by the researcher based on extensive survey of literature. Responses were on a five-point Likert scale (1 = strongly disagree to 5 = strongly agree). The validity of the instrument was established using factor analysis and the reliability by Cronbach’s alpha coefficient. Questionnaire, as a mode of data collection, is the most frequently used in this type of survey design and is adjudged by the researcher as best fitted for the study owing to, again, the nature of the banking business’ structured work day. Below are sample items on the measurement instrument and adaptation sources.

- Distributive justice: ‘my rewards from the organisation are fair quite fair’
- Procedural justice: ‘employees are given the opportunity to make input into strategic job decisions’
- Interactional Justice: ‘my manager clearly explains any decision made about my job’ (Niehoff & Moorman, 1993).
- Employee productivity: ‘my customers are always satisfied with my services’.

DISCUSSIONS
The result from the descriptive statistical analysis displayed on the tables below shows that female employees outnumber their male counterparts by over 10%. Age distribution among male and female employees shows that there are more female employees across all age ranges with a minimal difference at the age distribution range of 45 and above. Further, the number of staff in the contract or casual employment category is 79 as compared to 37 employees who are have a permanent employment status. Again, a large proportion of them being female; 48 female and 31 male.

Level of perceived fairness based on distributive justice
The responses of participants indicate a low level of perceived fairness in the workplace. The responses were very strong, in the negative, with the measurement instrument focusing on level of payment and overall reward system. For instance, the item ‘I think that my level of pay is fair’ returned about 78.5% of ‘strongly disagree’ and ‘disagree’ put together. This greater percentage falls among the contract personnel, about 79 employees. 17 employees, who are in the permanent employment category responded positively to this item with only 8 returning a ‘neutral’ response. This result indicates a clear perception of inequity being felt by bank employees with contract or casual employment status. Similar result is displayed for the item ‘overall, the rewards I receive here are quite fair’, with over 95 employees responding with ‘strongly
disagree’ and ‘disagree’ put together. Perhaps, the perceived inequity is clearly revealed with responses returned from the item on work load, which stated ‘I consider my workload to be quite fair’. The responses returned revealed almost an even distribution between the contract employees and the permanent employees. Recalling from equity theorem, individuals or employees have their watch on what input they make in an organization and the outcomes they receive. They thus perceive equity or inequity by comparing input and outcomes to other colleagues. With respect to distributive justice, the result reveals a perception of inequity.

*I think that my level of pay is fair* *Category of employment cross tabulation*

<table>
<thead>
<tr>
<th>Category of employment</th>
<th>Permanen t</th>
<th>Contract</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>I think that my level of pay is fair</td>
<td>Strongly disagree</td>
<td>1</td>
<td>34</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
<td>11</td>
<td>45</td>
</tr>
<tr>
<td></td>
<td>Neutral</td>
<td>8</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>17</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>37</td>
<td>79</td>
<td>116</td>
</tr>
</tbody>
</table>

**Level of perceive fairness vis-à-vis procedural justice**

Results returned from the instrument scale on procedural justice reflects an organisational culture which does not allow the opinions of employees in the decision making process, which concerns their rewards and/or outcomes. For instance, the item ‘my managers make sure that all employee concerns are heard before job decisions are made’ returned a very strong negative response from participant, and this cuts across the two categories of employees. Similar results are revealed for other items under the procedural justice scale. According to research (example: Campbell & Finch, 2004; Cloutier & Lamarche, 2015; Horman, 1961), procedural justice is of more concern to employees because the procedure used in the determination of their outcome is more influential than the outcome itself. Employees are not allowed to challenge or appeal job decisions made by management even when this impact them directly. This pattern is revealed in post consolidation retrenchments and deployments, where bank employees were let off their employment or redeployed without recourse to established labour best practices (example: Inyang et al., 2014; Ahmed, 2016; Olaniyi et al., 2013).
My managers make sure that all employees concerns are heard before job decisions are made * Category of employment cross tabulation

<table>
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<tr>
<th>Category of employment</th>
<th>Permanently</th>
<th>Contract</th>
<th>Total</th>
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<tr>
<td>Strongly disagree</td>
<td>19</td>
<td>38</td>
<td>57</td>
</tr>
<tr>
<td>Disagree</td>
<td>13</td>
<td>34</td>
<td>47</td>
</tr>
<tr>
<td>Neutral</td>
<td>5</td>
<td>7</td>
<td>12</td>
</tr>
<tr>
<td>Total</td>
<td>37</td>
<td>79</td>
<td>116</td>
</tr>
</tbody>
</table>

Level of perceived fairness vis-à-vis interactional justice
There is no perceived fairness on interactional justice as revealed from participants’ responses. The item ‘when decisions are made about my job the manager treats me with respect and dignity’ returned a strong disagreement responses from participants. Perhaps, this could be explained clearly from the degree of labour market saturation in the geographic are of study (see, Asabor, 2012; National Bureau of Statistics, 2017). With the increase in unemployment population from 13.6 million to 16 million in the second quarter of 2017, the response of participants reflecting the insensitivity of organizational management to personal needs cannot be out of place. However, this is even made clearer from the item ‘my manager explains very clearly any decision made about my job’, which returned positive responses from participants and cuts across all categories of employees. Thus, with respect to interactional justice, which concerns perceived fairness with which information on decision reached are communicated to employees, the perception of fairness is on the negative.

My manager explains very clearly any decision made about my job. * Category of employment Cross -tabulation

<table>
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<tr>
<th>Category of employment</th>
<th>Total</th>
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Impact of organisational justice dimensions on employee productivity

The responses from participants to the employee productivity scale reveal that employees are at the top of their game in achieving daily set targets, carry out their services to the customers in a way that leaves the customers happy and satisfied; supervisors are happy with the quality work delivered; and targets are delivered on time ahead of deadlines. These responses are contrary to research findings on organisational justice and employment productivity. For instance, Werther, Ruch and McClure (1986) posit that individual productivity is the base or the single unit of an organisation’s productivity, which ultimately translates to the productivity of each world’s economies. They further, state that individual productivity could be marred by inconsistent internal organisational practices.

*I always achieve my daily set targets* *Category of employment cross tabulation*

<table>
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<tr>
<th>Category of employment</th>
<th>Permanent</th>
<th>Contract</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>I always achieve my daily set targets</td>
<td>Strongly disagree</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Neutral</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>17</td>
<td>62</td>
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Furthermore, equity theory and relative deprivation theory are clear on the challenges of perceived fairness and its consequences on individual and organisation. Accordingly, these theories posit that when employees perceive that their outcome-input ratio is at par with a referent colleague, they feel motivated and thus effectively and efficiently carry out their job. On the contrary, a perceived inequity will trigger a feeling of anger, which translates ultimately to reduction in quality of work done, increase in absenteeism and, in the extreme cases, participation in organized protests and resignation of appointment. This will further lead to lowered profitability on the part of organisation on long-term trajectory. Again, as highlighted in this study, factors which contribute to employee productivity are job security, employee motivation, good remuneration packages, and career development opportunities. The result reflected from the responses of participants shows these factors are far from being present in the commercial banks operating environment. The reason for positive employee work practices, as seen in the responses returned from the employee productivity scale, could thus be inferred from other factors of national economic conditions and issues of prevailing culture.

Perhaps, the very harsh economic climate in the country, lends a strong hand to the explanation of employee productive work practices in an organisation with perceived inequity as displayed from survey result. Most employees in such organisations with perceived inequity may find it a difficult decision to resign their appointment because, finding a new job may prove an illusion, at least for a period of time. Further, from the experience level of respondents, most of them below 6 years in the employment, it stands to reason that most of these employees may be on a capacity building exercise, boosting their ‘employability index’. Another explanation could be from Hofstede’s power distance perspective. In countries with a wider power distance culture, it is common for employees to accept decisions made by their managers, who make these decisions autocratically and with paternalism (Hofstede, Hofstede, & Minkov, 2010; Mead & Andrews, 2011). These employees manage their work based on what their managers want, or by intuiting what their managers want.

**LIMITATIONS AND RECOMMENDATIONS**

A major limitation on this study is the small number of response received from participants and hence, the method employed in analysis. Further researches in this study should be broader in terms of the sample size in order that findings can be generalized. Again, a study on the impact of cultural dimensions on employee productivity in light of organisational justice is advocated here to increase understanding and the reason behind seemingly positive employee practices in an environment with perceived inequity and its long term effect on the organisation.

**CONCLUSIONS**

One of the consequences of perceived inequity in workplace, particularly when employees are under-rewarded, is anger and this is a disadvantageous inequity. Disadvantageous inequity is not good for an organisation because in trying to reduce or redress it employees reduce their input,
which could be their productivity, quality of work, commitment to the organisation, and trust for management. In extreme cases, where inequity is perceived to persist, an employee could resign his appointment. In any case, the consequences are not good for an organisation. However, in a harsh economic situation as the one faced in Nigeria, the context of this study, an employee who feels or perceives inequity (example, an employee with a ‘casual’ employment status), may find it hard to consider the option of resignation. Such an employee may remain in the employment, however, with a lot less input, and hence, reduced productivity.

Managers therefore ought to understand what defines the productivity of their employees, how it could be measured, enhanced and what ways it could be diminished. Knowledge of the factors that affect employee productivity is key to ensuring long term performance of an organisation. Various advantages are evident from a condition of higher degree of employee productivity. For instance, an organisation could attain increased profitability from higher employee productivity, and a sustained competitive advantage arising from strategic cost leadership and high quality product delivery. Further, research shows that an organisation with employee-welfare-friendly policies as a way of boosting their productivity increases their chances of gaining industry leadership from a sustained competitive advantage.

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