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Exploring Employee Commitment through the Lens of Pay Fairness in Poland

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Abstract

Employee behavior in organizations is shaped by a variety of personal, environmental, and organizational factors. A key element that drives these behaviors is the perception of fairness in the workplace, particularly regarding how the organization's processes are managed. Fairness is a subjective but critical aspect that influences employee attitudes and significantly impacts their productivity. Existing research highlights the central role of fairness in fostering positive organizational outcomes. This paper focuses on how employees' perceptions of pay fairness—ranging from communication and understanding to overall satisfaction— influence their level of commitment and willingness to engage with the organization. Through a study of extramural college students in full-time employment, the findings demonstrate a strong, statistically significant relationship between perceived pay fairness and increased organizational commitment.

Keywords: Pay fairness, Organizational commitment, Pay understanding, Pay communication, Pay satisfaction

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Introduction

Employee commitment has long been a focal point for both academic research and corporate management, given its significant impact on organizational success. A strong connection between employee commitment and organizational performance has driven efforts to understand how to foster higher levels of engagement and productivity.

Commitment is influenced by a combination of personal factors (such as cognitive, emotional, and behavioral aspects) and organizational elements [1]. Among organizational factors, key drivers include the employee's perception of the job's significance, rewards, recognition, and—crucially—the perceived fairness within the organization [2].

Studies consistently show that how employees perceive fairness in the workplace has profound effects on their behavior and attitudes, which directly influence organizational outcomes. Fairness impacts commitment, productivity, trust in management, collaboration, job satisfaction, and overall loyalty to the organization [3, 4].

Fairness can be described as the extent to which employees feel that organizational processes and outcomes align with their expectations and perceptions [5]. Research identifies four distinct types of fairness within an organization [4]:

1. Distributive fairness, which involves comparing the employee's input to the rewards received and how these align with the outcomes for others;
2. Procedural fairness, which relates to the decision-making processes, particularly those affecting compensation;
3. Interpersonal fairness, which refers to how employees feel they are treated by their supervisors and colleagues;
4. Informational fairness pertains to the transparency and clarity of communication regarding decisions about resource distribution.



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At the heart of employees' sense of fairness lies the organization's reward system [6]. Employees who view the organization's internal processes as just and transparent are more likely to demonstrate loyalty and commitment to its goals [7].

Commitment and fair pay: research hypotheses

The perceptions of fairness related to compensation focus on both distributive and procedural fairness [8]. For many employees, particularly those new to the workforce, salary serves as the most tangible and immediate metric for evaluating an organization's value [9]. This measure becomes even more relevant in environments where pay policies are difficult to assess due to complex structures [10]. In countries like Poland, where salary disclosure is often restricted by law, procedural fairness becomes increasingly important. Transparency, ethical decision-making, and respect in pay-related processes can significantly enhance employees' perceptions of fairness and, consequently, their commitment to the organization.

Objective of the research and hypotheses

This study aimed to examine the connection between employee commitment and their perception of pay fairness. These perceptions are influenced by various organizational factors such as the availability of information, the transparency of company policies, and overall satisfaction with compensation. These aspects formed the foundation for the first hypothesis:

H1: There is a statistically significant relationship between employee commitment and the perception of pay fairness.

A comprehensive evaluation of fairness must consider elements like pay communication, transparency, and the rules governing compensation. According to many experts in the field, the communication of salary-related information—particularly around pay structures and policies—serves as a motivator for employees to improve their performance. This improvement not only enhances their benefits but also accelerates their career progression [11]. Effective communication about pay ultimately leads to greater job satisfaction and reduces the likelihood of employees leaving the organization [12]. Pay transparency refers to employees' access to salary-related information. When employees are allowed to share and compare salary details, it fosters a sense of fairness, as they can better assess their work input relative to the rewards they receive. Transparent systems that clearly define job valuation and corresponding benefits contribute to a more equitable environment [13]. Such practices also reduce discrepancies in pay based on gender, age, and ethnicity [14, 15].

However, it is not enough for employees to simply have access to pay information; they must also understand it. Research suggests that employees' comprehension of the pay system—covering policies, structures, and decision-making—plays a vital role in their evaluation of fairness [16]. Without a thorough understanding of remuneration processes, employees cannot accurately assess the system.

Pay satisfaction is another crucial component. Although it has been a topic of interest for some time, early research often examined pay satisfaction in isolation, neglecting its connection to the broader organizational context [17-19]. It was only later that the link between pay satisfaction and organizational performance was established [20, 21]. Pay satisfaction can be broken down into three key areas: the pay level, pay raises, and the administration of the pay system. Young employees, with higher salary expectations, may have skewed perceptions of pay within an organization, and this can be clarified when considering their pay satisfaction alongside other organizational factors. This leads to the second hypothesis:

H2: There is a statistically significant relationship between employee commitment and the factors influencing the perception of pay fairness.

Moreover, research suggests that employees who perceive fair distribution of resources and transparent procedures show higher levels of emotional commitment to their organization [22]. Based on this, the third hypothesis is proposed:

H3: The strongest positive correlation exists between employee commitment and the perception of pay fairness.

A committed workforce has several benefits for an organization, such as reducing turnover and improving overall financial stability. If the previous hypotheses are supported, the following hypothesis can be inferred:

H4: There is a statistically significant negative relationship between the perception of fairness and the likelihood of employees resigning from their positions.

Materials and Methods

The data for this study were collected using a questionnaire designed to address various aspects related to the research objectives. The validity of the questionnaire was confirmed through confirmatory factor analysis, ensuring its reliability. The research sample consisted of extramural students who were employed across different sectors. A total of 82 individuals participated in the survey; after excluding incomplete or inaccurately filled-out responses, 80 valid questionnaires were analyzed. Among the participants, 54% were women, and the age distribution was fairly balanced, with 49% under 24 years old and 51% between 25 and 40 years old. Regarding educational qualifications, 69% had completed an undergraduate degree, 24% had a graduate degree, and 7% had completed secondary education.

Employee commitment was assessed using a 5-point Likert scale, which exhibited strong reliability with a Cronbach's alpha coefficient of 0.922. The scale comprised eight items, including statements about work efficiency (e.g., "I am willing to put

in extra effort beyond what is normally expected to help my employer succeed”) and employee engagement with the organization (e.g., “I am proud to tell others that I work for this organization”). These items aimed to measure both the effort employees are willing to invest in their work and their emotional attachment to the organization.

The sense of pay fairness was evaluated using an 8-item scale adapted from Shields *et al.* [16], which also employed a 5-point Likert scale. The reliability coefficient for this scale was 0.950. The items focused on employees’ perceptions of the fairness of their compensation about their work contributions (e.g., “My pay reflects the effort I put into my work”) and in comparison to others (e.g., “I am paid fairly compared to my colleagues”).

Furthermore, the study examined specific factors affecting the perception of pay fairness, such as pay communication, transparency, and understanding. Pay communication was measured by items relating to how well the organization discloses salary policies, procedures, and criteria for pay raises (e.g., “My employer communicates salary policies and procedures”). Pay transparency assesses how freely salary information is shared among employees (e.g., “I could face disciplinary action if my employer finds out I shared my salary with colleagues”). Pay understanding was measured by the employees’ awareness of the principles and procedures that govern their compensation (e.g., “I understand how my base salary is determined”). These measures were all found to have reliability coefficients exceeding 0.8.

To measure pay satisfaction, the pay satisfaction questionnaire (PSQ) developed by Heneman and Schwab [23, 24] was used. This 14-item tool examines employees’ satisfaction with various aspects of their compensation, including their base salary, pay raises, and overall pay structure. Sample items include “My most recent raise,” “My current salary,” and “How my raises are determined.” The responses were collected using a 5-point Likert scale (ranging from very dissatisfied to very satisfied), and the reliability coefficient for this scale was 0.906, confirming its robustness.

Results and Discussion

The statistical analysis was carried out using IBM SPSS software to address the research questions and evaluate the proposed hypotheses. Initially, the distribution of the quantitative variables was tested. Descriptive statistics were calculated, and the Shapiro-Wilk test for normality was applied. The results revealed that most variables did not follow a normal distribution. However, since the skewness values were < 1 , it was concluded that the distributions were sufficiently asymmetric to justify using parametric tests. The results of these analyses are summarized in **Table 1**.

Table 1. Descriptive statistics and normality test

Variable	Mean	Median	SD	Skewness	Kurtosis	Min.	Max.	S-W	P-value
Pay communications	2.96	2.86	0.98	0.26	-0.77	1.29	5.00	0.97	0.047
Pay transparency	2.98	3.00	0.96	0.02	-0.29	1.00	5.00	0.98	0.127
Pay understanding	3.45	3.50	0.92	-0.28	-0.25	1.33	5.00	0.97	0.033
Pay fairness	2.86	2.75	1.04	0.37	-0.57	1.00	5.00	0.97	0.044
Organizational commitment	2.79	2.60	1.09	0.38	-0.80	1.00	5.00	0.96	0.008
Intent to quit	3.63	4.00	1.23	-0.63	-0.60	1.00	5.00	0.90	<0.001
Pay satisfaction	2.77	2.86	0.73	0.25	-0.29	1.43	4.71	0.98	0.284

Note: M = Mean; Mdn = Median; SD = Standard deviation; Sk. = Skewness; Kurt. = Kurtosis; Min. and Max. = Minimum and Maximum; S-W = Shapiro-Wilk test; P = P-value

The subsequent step was to analyze the relationships between the variables represented in the research model. This was done by calculating the correlation coefficients, as shown in **Table 2**.

Table 2. Correlation matrix

Variable	1	2	3	4	5	6	7
1. Pay communications	-						
2. Pay transparency	0.59**	-					
3. Pay understanding	0.67**	0.55**	-				
4. Pay fairness	0.48**	0.39**	0.66**	-			
5. Organizational commitment	0.46**	0.37**	0.65**	0.98**	-		
6. Intent to quit	-0.45**	-0.34**	-0.41**	-0.39**	-0.40**	-	
7. Pay satisfaction	0.43**	0.26*	0.51**	0.76**	0.74**	-0.53**	-

* $P < .01$, ** $P < .05$

The correlation analysis confirmed that all the coefficients were statistically significant. The results were consistent with the hypotheses, revealing that aspects influencing the perception of pay fairness are closely related to the level of organizational commitment. The analysis also showed that the perception of pay fairness had the most significant impact on employee commitment, with a correlation of $r = 0.98$, $P < 0.05$. These results, presented in **Table 2**, validate the proposed hypotheses. Furthermore, the hypothesized negative relationship between pay fairness and the intent to quit was also confirmed. There were no significant differences between male and female responses.

Conclusion

This research aimed to explore the relationship between organizational pay fairness and employee commitment, with a particular focus on the impact of perceived pay fairness. The findings suggest that perceptions of fairness play a crucial role in shaping employee attitudes and behavior. When employees perceive a satisfactory level of fairness, it fosters greater commitment to the organization and enhances their motivation for pro-organizational activities, which can, in turn, accelerate organizational growth. From a managerial perspective, it is essential for employees to not only have a positive view of their compensation and career growth opportunities but also to be well-informed about the relevant processes and policies. Particularly, understanding organizational procedures is key to shaping their perceptions of fairness [25].

The research specifically targeted younger employees, notably Millennials, who tend to be more committed to their organizations compared to older employees [26]. However, they are also more likely to change jobs. The study revealed that employees who view pay policies favorably and experience higher job satisfaction are less inclined to leave their organization [27]. This highlights the practical value of the findings. It was also noted that while respondents differed in their perceptions of pay fairness, most emphasized the importance of understanding policies and procedures, as well as having access to information.

While the research aligns with existing knowledge in the field, it also calls for more in-depth studies on organizational fairness. Since organizational fairness is subjective, and based on individual perceptions, it would be valuable to further explore employee relations and the organizational climate. A comparative analysis that examines cultural differences and varying levels of development across countries would also offer interesting insights.

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