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How Procedural and Informational Justice Moderated by Organizational Collectivism Predict Employee Organizational Commitment

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ABSTRACT

This study tested the perceived procedural and informational justices in predicting commitment among employees at rural banking sector. The paper assumes that the direct link of perceived procedural and informational justices with organizational commitment is moderated by organizational collectivism. For this end, the study used a survey method and analyses using Partial Least Squares 3 (PLS- SEM) from 284 Indonesian rural bank employees in Indonesia. The results suggest the following. First, procedural, and informational justice are two predictors of employee commitment to organizations. Second, organizational collectivism significantly moderates the relationship between procedural justice and employee commitment, but failed to moderate the relationship between informational justice and employee commitment. This study is the first one to examine the moderating effect of organizational collectivism on the relationship between procedural and informational justice with employee commitment.

SARI PATI

Penelitian ini mengkaji pengaruh persepsi keadilan prosedural dan informasional terhadap komitmen organisasi pada karyawan di sektor perbankan pedesaan. Studi ini berasumsi bahwa kolektivisme organisasi berperan sebagai pemoderasi dalam hubungan tersebut. Data dikumpulkan melalui survei terhadap 284 karyawan bank perkreditan rakyat (BPR) di Indonesia dan dianalisis menggunakan Partial Least Squares Structural Equation Modeling (PLS-SEM). Hasil penelitian menunjukkan bahwa keadilan prosedural dan informasional secara signifikan memengaruhi komitmen karyawan terhadap organisasi. Selain itu, kolektivisme organisasi terbukti memoderasi hubungan antara keadilan prosedural dan komitmen, namun tidak memoderasi hubungan antara keadilan informasional dan komitmen. Penelitian ini merupakan salah satu studi pertama yang mengeksplorasi peran kolektivisme organisasi sebagai moderator dalam hubungan antara keadilan prosedural dan informasional dengan komitmen karyawan.

INTRODUCTION

Previous research combines distributive justice and procedural justice as the two-factor conceptualization of organizational fairness (Greenberg, 1990). Distributive justice is defined as the perceived fairness of the amounts of compensation employees receive from organizations while procedural justice concerns with employee perceptions of fairness of the means organizations use to determine those amounts (Folger and Konovsky, 1989). Employee perceptions of procedural justice is pivotal as employee's evaluations of the firm compensation systems (Sweeney & McFarlin, 1997). As procedural justice is related to employee evaluation of firm system of compensation, procedural justice was found to predict employee organizational commitment (Sweeney & McFarlin, 1997) and employee reactions to compensation decisions (Greenberg, 1987).

Informational justice refers to employee perceptions of the adequacy of the explanations of the compensation procedures related to their timeliness and specificity, and addressing specific employee's communication needs (Colquitt, 2001) and this justice perception predicts employee turnover intention (Kim, 2009). Both procedural and informational justice were found to predict employee emotional connection to organizations (Hassan and Hashim, 2011), organizational commitment (Naidu, Sharif, & Poespowidjojo, 2014) and employee engagement (Ghosh, Rai, & Sinha, 2014).Literature review that has been done author used in the chapter «Introduction» to explain the difference of the manuscript with other papers, that it is innovative, it are used in the chapter «Research Method» to describe the step of research and used in the chapter «Results and Discussion» to support the analysis of the results. If the manuscript was written really have high originality, which proposed a new method, the additional chapter after the «Introduction» chapter and before the « Method» chapter can be added to explain briefly the theory and/or the proposed method.

While much of the prior research has examined the independent effects of justice dimensions, relatively few studies have investigated the *interactive or moderating mechanisms* that explain how cultural or organizational values may shape these relationships (Cropanzano et al., 2015; Ambrose & Schminke, 2009). Furthermore, previous studies often focus on Western or individualistic contexts, leaving a gap in understanding how justice perceptions operate in collectivist and emerging economies such as Indonesia. This study addresses that gap by examining the moderating role of organizational collectivism in the relationship between justice perceptions and employee commitment—an area that, to our knowledge, remains underexplored in the literature, particularly in the rural banking sector.

This study deliberately focuses on procedural and informational justice rather than including distributive or interactional justice for both theoretical and contextual reasons. Theoretically, procedural and informational justice are process-oriented forms of fairness that emphasize decision-making transparency and communication adequacy (Colquitt, 2001), which are especially relevant in collectivist and hierarchical organizations where open communication and voice are often limited (Hofstede, 2011). Contextually, distributive justice tends to be standardized and externally regulated in the banking industry through formal wage and reward structures (OJK, 2024), making procedural and informational fairness the more dynamic and managerially controllable aspects influencing employee attitudes.

This study aims to investigate the role of perceived procedural and informational justice on employee organizational commitment moderated by organizational collectivism at rural banking sector in Indonesia. Recognizing the importance of cultural context in predicting the employee level outcomes (Johns, 2001), this research further explores the moderating role of organizational collectivism in shaping the relationship between justice perceptions and employee commitment. By addressing the dynamics of fairness perceptions

in a collectivist, non-Western environment—where employee access to organizational procedures and decision-making is often limited—this study highlights the critical role of transparent processes and effective communication in fostering stronger organizational attachment.

Compared with prior research, this paper contributes new insights by integrating the justice framework with cultural collectivism to explain employee commitment in a regulated, community-based banking setting. It not only tests a novel moderation model but also contextualizes organizational fairness within Indonesia's socio-cultural and institutional environment, extending the applicability of organizational justice theories beyond Western-centric perspectives.

This study makes a number of contributions: (1) it explores the effect of two perceived informational and procedural justice on employee commitment; (2) it attempts to find that the relationship between perceived informational and procedural justice on employee commitment can be understood as being moderated by collectivism in organizations; and (3) it provides direction for organizations by understanding that organizational commitment may be developed in organizations through inviting employees to have voice on the procedures important for employees' future career and through delivering the information in a well-defined manner.

Organizational Justice

The concept of organizational justice was derived from equity theory introduced by John Stacey Adams, a workplace and behavioural psychologist. Adams' Equity Theory recognizes that subtle and variable factors have an impact on employee's evaluation and perception of their relationship with their work and their supervisor (Adams, 1965). The equity theory suggested that people compare the ratios of their own perceived work outcomes to their own perceived work inputs with the corresponding ratios of their counterparts (McShane and Von Glinow, 2020). This theory was further elaborated and generate a construct of organizational justice in organizations concerned with how employees feel about management and decision makers on how they treat them at work (Robbins & Judge 2018).

Employee Commitment

Employee organizational commitment is mostly defined in the literature as a measure of an employee's psychological attachment to their organization (Lambert, 2003, Mensah et al., 2016). It is the psychological attachment of employees to their organization in the course of discharging their responsibility (Cropanzano et al., 2002). According to Akintayo (2010), if employees are well satisfied and develop high degree of satisfaction with their jobs, then they are more likely to be committed to the organization than those who are not satisfied with their jobs due to the same factors. Allen and Meyer (1990) suggested that organizational commitment consist of three components: affective, continuance and normative. Affective commitment is one's attachment to and positive feelings for, the organization. Attachment based on the perceived costs of parting the organization is known as continuance commitment, while normative commitment is defined as feelings of obligation to remain. These three components tap the employees' wants, needs, and believes.

Employee commitment helps to improve organization performance and elevate organizational overall competitiveness and objectives so long as the management of the organization involves employees in decision making process with positive contribution. Qaisar, Rehman and Suffyan (2012) confirmed that the three dimensions of employee commitment are more likely to influence the performance and job satisfaction of employees. Andrew (2017) stated that in today's competitive business environment, it is even more pertinent for organizations to maintain a highly committed workforce because committed employees are able to pull together in one direction to improve their performance at both individual and team levels. Thus, committed employees are capable of

improving the fortunes of the organization through their enhanced work behavior.

Procedural Justice and organizational commitment

Procedural justice refers to how fairness of the procedures used in the distribution of resources were followed (McShane and Von Glinow, 2020). It deals with fair processes for making decisions. It also concerns about the methods, mechanisms, and processes used in distributing the limited resources in an organization. Employees do not only show concern about the fairness of the outcomes they get, but also the justice of the procedures that produce those outcomes. Others viewed procedural justice as the perception of equity with respect to whether rules and regulations were followed in the process of rewarding or punishing employees (Choudhry, Philip, and Kumar, 2011). Colquitt and Chertkoff (2002) stressed that procedural justice implies that organizations follow equal processes such as avoiding unfair distribution of wages, sharing information to employees and providing employees opportunities to participate in decision making. Griffin and Moorhead (2014) contended that procedural justice is employee perceptions of fairness of the process used to ascertain various rewards. Jones and George (2016) viewed procedural justice as workers' perception of the fairness of the procedures used in determining how rewards are distributed within the organization.

Researchers have investigated organizational justice and other workplace variables using different types of methodologies and geographic scopes. For example, Ghulam, Ikramullah, Khurram, Muhammad and Nadeem (2011) examined the impact that distributive and procedural justice has on employees' commitment in Pakistan. It was found that both procedural and distributive justice have positive and significant effect on employees' commitment. Another study conducted by Nazim and Shahid (2012) showed that distributive justice and procedural justice had a significant relationship with employee commitment and turnover intentions. This infers that the fairness in distribution of resources and consistency in the procedures in decision making process would contribute to high level of employee commitment to the organizations. Hence this study proposes the first hypothesis:

H1: Procedural justice predicts employee organizational commitment.

Informational Justice and organizational commitment

Informational justice is the act of communicating relevant details on the measures used in appraising and the rational of the distribution of rewards to the employee in the organization (Greenberg, 1993). The perceived informational justice is believed to have a strong effect on the employee emotional connection to the organization (Hassan and Hashim, 2011). This justice perception also affects organizational outcome behaviors such as organizational commitment and employee's performance influenced by the environment of the organization. Organization environment such as the superiors' character plays an important role (Masterson, Bryne & Mao, 2005) and there is no argument on the distinct importance of this construct on the justice perception of the employee towards performance appraisal. Another study (Naidu, Sharif, and Poespowidjojo 2011) shows a strong relationship between informational justice and organizational commitment of the academic workforce. Hence, this study proposes the next hypothesis:

H2: Informational justice predicts the employee organizational commitment.

Organizational Collectivism

Organizational collectivism emphasizes several aspects of loyalty to the group, emotional dependence on groups and organizations, less personal privacy, the belief that group decisions are superior to individual decisions, interdependence, understanding of personal identity as knowing one's place within the group and concern about the needs and interests of others (McShane and Von Glinow,

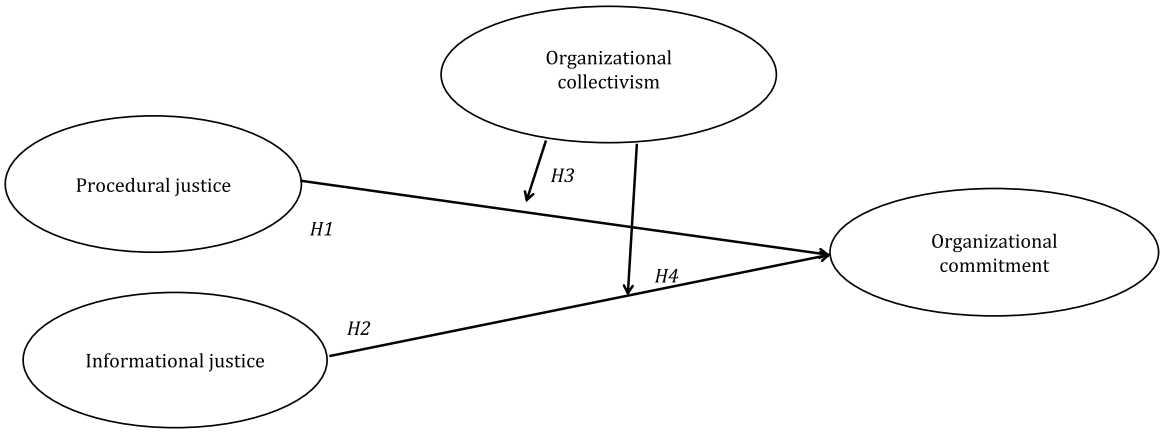

Figure 1. Research Model

2020). The concept of collectivism describes how people think of themselves as parts of different collectives (e.g., families, circles of friends, various organizations, entire society) and to what extent their social behavior is a consequence of norms, duties, and obligations imposed by these collectives (Triandis, 1995). Parkes et al. (2001) found that collectivistic orientations of organization members had a serious impact on organizational culture, and collectivists are believed to be more committed to their organizations. Organization success can be accomplished through the support and the collectivist attitudes that organizational members have toward different social realities (Parkes et al., 2001). Hence, collectivism in organization can be believed to be an important factor in enhancing employee organizational commitment. This study proposes the next hypotheses:

H3: Organizational collectivism moderates the relationship between procedural justice and employee organizational commitment.

H4 Organizational collectivism moderates the relationship between informational justice and employee organizational commitment.

METHODS

Data collection and sample

Data were collected through surveying 350 employees in 10 rural banks in Indonesia. Items were in Bahasa (Indonesian language) but were originally developed in English. The items were translated using a conventional translation and back-translation method (Brislin, 1970). The rural banks surveyed employed 10 to 99 employees. Access to rural banks was obtained through personal contacts. We contacted a nominated staff in each rural bank to manage the questionnaire collection. After receiving permissions from the CEO from each rural bank, the researcher visited the rural bank and asked the nominated staff member to distribute surveys to all staff. All respondents were guaranteed confidentiality of their responses.

A consent page was attached to each survey that explained the survey objectives and assured respondents the confidentiality of their responses and the voluntary nature of their participation in this study. Respondents were given the choice of either returning the completed questionnaire to the nominated employee in each participating rural bank or sending the questionnaire in stamped self-addressed and postage envelopes provided to the researcher through the post office.

A total of 297 usable responses were obtained (response rate = 85%). The sample comprised 187 males (65.8%) and 97 females (34.2%), with missing gender information for 13 cases. In terms of employment status, 194 respondents (68.3%) were permanent workers and 90 (31.7%)

were on fixed-term contracts, with 13 cases not specifying their status. The respondents had an average work experience of 8.25 years (SD = 6.18), ranging from 0.1 to 32 years, indicating a diverse representation of both junior and senior employees within the participating rural banks. All respondents completed an informed consent page that described the study's objectives, confidentiality safeguards, and the voluntary nature of participation. This demographic profile provides adequate variation to ensure the robustness of subsequent analyses examining the effects of organizational justice perceptions on employees' organizational commitment across different experience levels.

Measurement

Procedural justice. Employees indicated their perceptions of distributive justice by responding to the seven-item scale developed by Colquitt (2001). An example item includes "To what extent have you been able to express your views and feelings during those procedures?" Each item was scored on a five-point scale from 1 (not at all) to 5 (to a large extent). Cronbach's alpha was 0.80.

Informational justice. Employees indicated their perceived fairness related to information by responding to the five-item scale developed by Colquitt (2001). An example item includes. "To what extent has he/she been candid in his/her communications with you?" Each item was scored on a five-point scale from 1 (not at all) to 5 (to a large extent). Cronbach's alpha was 0.80.

Organizational Commitment. Employees indicated their perception of organizational commitment by responding to the eight-item scale developed by (Mowday et al., 1979). The example of the item is "I am willing to put in a great deal of effort beyond that normally expected in order to help this organization be successful". Each item was scored on a seven-point scale from 1 (strongly disagree) to 7 (strongly agree). Cronbach's alpha was .72.

Organizational collectivism. Employees was invited to express their perception toward collectivism in the workplace contexts by responding to (Robert and Wasti, 2002)'s seven-item scale. The example of item includes "Decisions about changes in work methods are taken jointly by supervisors and employees". Each item was scored on a seven-point scale from 1 (strongly disagree) to 7 (strongly agree). Cronbach's alpha was .86.

Control variables. We included control variables for gender (1 = male, and 0 = female), job status (1 = permanent, 0 = contract), education, age and tenure. These control variables were included to account for potential demographic and employment-related influences on organizational commitment. Controlling for these factors helps isolate the unique effects of procedural and informational justice, as well as the moderating role of organizational collectivism. Following prior justice literature (e.g., Colquitt et al., 2013; Cohen-Charash & Spector, 2001), these demographic controls are commonly applied to minimize omitted variable bias and to enhance the robustness of the main structural relationships.

Table 1. Direct Effect Hypothesis Testing of Shared Consciousness Dimension

Category	Level / Statistic	n / Value	% / Range
Sample size	–	297	100%
Gender	Male	187	65.8%
	Female	97	34.2%
Employment status	Permanent	194	68.3%
	Contract	90	31.7%
	Other/Missing	13	4.4%
Work Experience (years)	Mean ± SD (Range)	8.25 ± 6.18	[0.1 – 32.0]

Source: data processed

RESULTS AND DISCUSSION

Descriptive Statistic

The descriptive statistics indicate that respondents generally reported moderately high levels across all constructs. Procedural justice (M = 3.92, SD = 0.64) and informational justice (M = 3.88, SD = 0.69) suggest that employees perceive fair and transparent organizational procedures and communications. Similarly, organizational collectivism (M = 4.11, SD = 0.57) reflects a strong sense of group cohesion and shared identity among employees. Organizational commitment (M = 4.27, SD = 0.63) recorded the highest mean, implying a high degree of emotional and normative attachment to their rural banks. These results collectively show a consistent pattern of positive perceptions toward justice, collectivism, and commitment within the sample.

Measurement Model

According to Hair et al., (2019), Convergent validity is the extent to which the construct converges to explain the variance of its items. The violation of the convergent validity adversely affects the findings. The convergent validity in the model was established by calculating the factor loadings, the average variance extracted (AVE) and composite reliability (CR) for all constructs. The recommended values for loadings are set at > 0.5, the AVE should be > 0.5 and the CR should be > 0.7. Table 2 shows the results of the convergent validity analysis. Only item loadings of 0.6 and above were considered, and thus eight items (D5, DV3, DV4, DV7, DV9, DV11, DV12, DV 15) were deleted. The removal of these items was primarily due to their weak standardized loadings (< 0.60), indicating insufficient contribution to the latent construct

Table 2. Descriptive Statistics (N = 297)

Variable	Number of Items	Mean	Standard Deviation (SD)	Minimum	Maximum
Procedural Justice	7	3.92	0.64	2.14	4.98
Informational Justice	5	3.88	0.69	2.01	5.00
Organizational Collectivism	7	4.11	0.57	2.45	5.00
Organizational Commitment	15	4.27	0.63	2.36	5.00

Source: data processed

Table 3. Result of Measurement Model

	Items	Loadings	AVE*	CR**
Informational Justice	D1	0.797	0.710	0.907
	D2	0.872		
	D3	0.854		
	D4	0.846		
Procedural Justice	B1	0.728	0.576	0.904
	B2	0.714		
	B3	0.790		
	B4	0.779		
	B5	0.820		
	B6	0.663		
	B7	0.805		

	Items	Loadings	AVE*	CR**
Organizational commitment	DV1	0.631	0.533	0.900
	DV 2	0.776		
	DV5	0.628		
	DV6	0.746		
	DV8	0.819		
	DV10	0.713		
	DV13	0.710		
	DV14	0.791		
Organizational Collectivism	OC1	0.723	0.538	0.874
	OC2	0.708		
	OC3	0.700		
	OC4	0.787		
	OC5	0.765		
	OC6	0.712		

*AVE = Average Varian Extracted, **CR= Composite Reliability

and potential cross-loading issues. This deletion process followed the standard iterative procedure in PLS-SEM to improve the measurement model's parsimony and ensure that each retained indicator meaningfully represented its respective construct (Hair et al., 2019; Henseler et al., 2015). After the removal, all remaining indicators exhibited acceptable loading values, and the constructs' composite reliability (CR) and average variance extracted (AVE) remained above the recommended thresholds, confirming that the deletion did not compromise but rather enhanced the overall reliability and validity of the measurement model. Table 1 shows that all loadings and discriminant validity of all constructs were supported. Also, the composite reliability of all constructs is greater than the recommended level of 0.708 (Hair et al., 2013), providing strong support for construct reliability.

Discriminant Validity

In order to analyze relationships between variables, discriminant validity assessment is a prerequisite (Henseler, Ringle & Sarstedt, 2015). For this study, Heterotrait-monotrait (HTMT) ratio of correlation was used to assess the discriminant validity which is considered superior compared to other methods (Henseler et al. 2015). HTMT is being suggested as it is capable to achieve higher specificity and sensitivity compared to the cross-loading criterion. HTMT values close to 1 indicates a lack of discriminant validity. Some authors suggest a threshold of 0.85 (Kline 2011), whereas others propose a value of 0.90 (Teo et al. 2008). If the value of the HTMT is higher than this threshold, there is a lack of discriminant validity. Hence, the result presented in Table 2 below showed that the discriminant validity has already fulfilled the threshold.

Hypothesis Test

Once the measurement model is examined, the testing of the structural model was employed. Partial Least Squares (PLS) analysis was used to generate a structural model and then to conduct the hypotheses testing. The path coefficients generated by PLS provide an indication of the relationships and can be used similar to the traditional regression coefficients (Gefen, Straub, & Boudreau, 2000). Path coefficients indicate the strengths of the relationships between the independent and dependent variables, and a significant path indicates that the relationships and hypotheses are empirically supported. Meanwhile R^2 value is a measure of the predictive power of a model for

Table 4. Discriminant Validity Assessment with Heterotrait-Monotrait Ratio

	Informational Justice	Organizational Collectivism	Organizational commitment	Procedural Justice
Informational Justice	1			
Organizational collectivism	0.195	1		
Organizational commitment	0.443	0.337	1	
Procedural Justice	0.619	0.246	0.484	1

the dependent variable, and the larger the R^2 value is, the larger the percentage of variance explained. T-value of the parameter indicates the strength of the relationship the parameter represents, and the higher T- value the stronger the relatioship is.

This study proceeded with the path analysis to test the four hypotheses generated. The results are presented in Fig.2, Fig.3 and Table 3. The R2 was 0.293, suggesting that 29.3 % of the variance in organizational commitment could be explained by procedural and informational justice. The result indicates that there is a positive relationship (β = 0.189, $p < 0.01$) between organizational justice and commitment and between procedural justice and organnizational commitment (β = 0.290, $p < 0.01$). Thus, Hipothesis 1 that informational justice predicts the employee organizational commitment and Hypothesis 2 that procedural justice predicts employee organizational commitment were suppported.

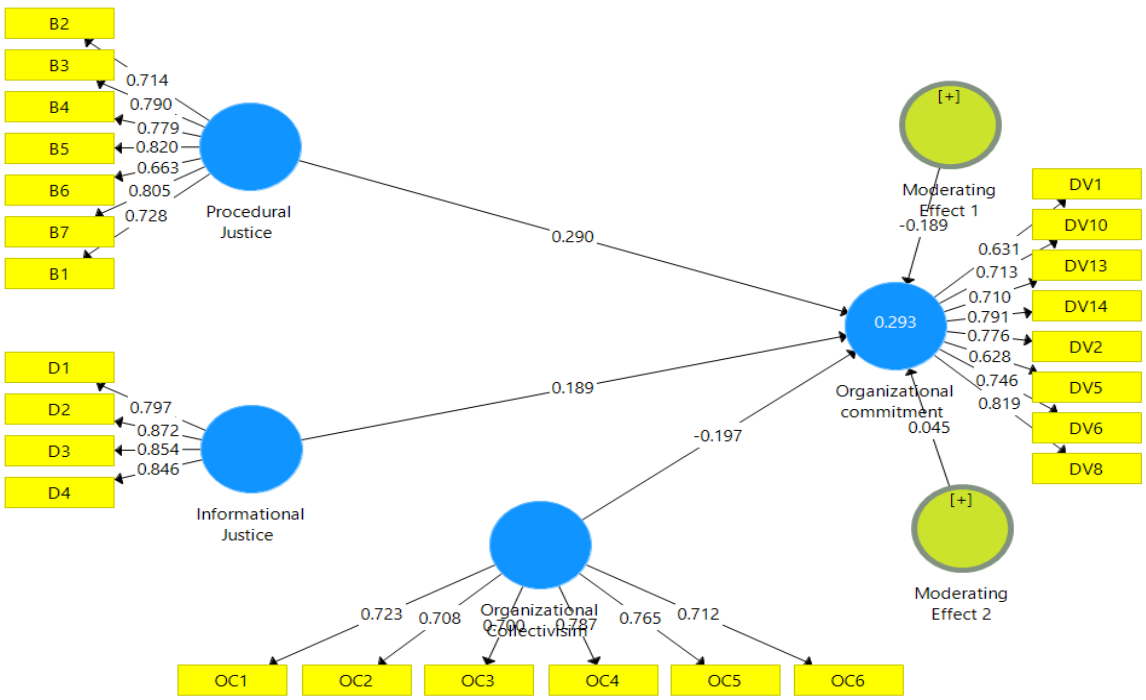

Figure 2. Research Model

Table 5. Hypothesis Result

Hypotheses	Beta	Standard Deviation	T Values	P Values	Result
Informational Justice → Organizational commitment	0.189	0.070	2.721	0.007	Supported
Procedural Justice → Organizational commitment	0.290	0.065	4.477	0.000	Supported
Informational Justice → OC? Collectivism → Organizational commitment	-0.189	0.048	3.916	0.000	Supported
Procedural Justice → OC → Organizational commitment	0.045	0.057	0.793	0.428	Not supported

OC=Organizational Collectivism; *significant p< 0.05

The third and fourth hypothesis (H3 and H4) were to test the moderating effect of organizational collectivism has on informational justice and procedural justice relationships with organizational commitment. To test this hypothesis, this study used the product-indicator approach as suggested by Henseler and Fassott (2010). The study created the interaction term between the informational justice, procedural justice and organizational commitment. Before doing this interaction, mean was centered between two variables to reduce multicollinearity. The interaction effect between procedural justice and organizational commitment was significant (β = -0.189, p< 0.1) meaning that Hipothesis 3 that organizational collectivism moderates the relationship between procedural justice and employee organizational commitment was supported. Meanwhile, the interaction effect between informational justice and organizational commitment was not significant (β = 0.045, p> 0.1) indicating that Hypothesis 4 that organizational collectivism moderates the relationship between informational justice predicts employee organizational commitment was not supported.

As suggested by Dawson (2014), the study plotted the interaction effect to examine how organizational collectivism moderates the relationship between procedural justice and organizational commitment. As shown in Figure 3, the positive relationship between procedural justice and organizational

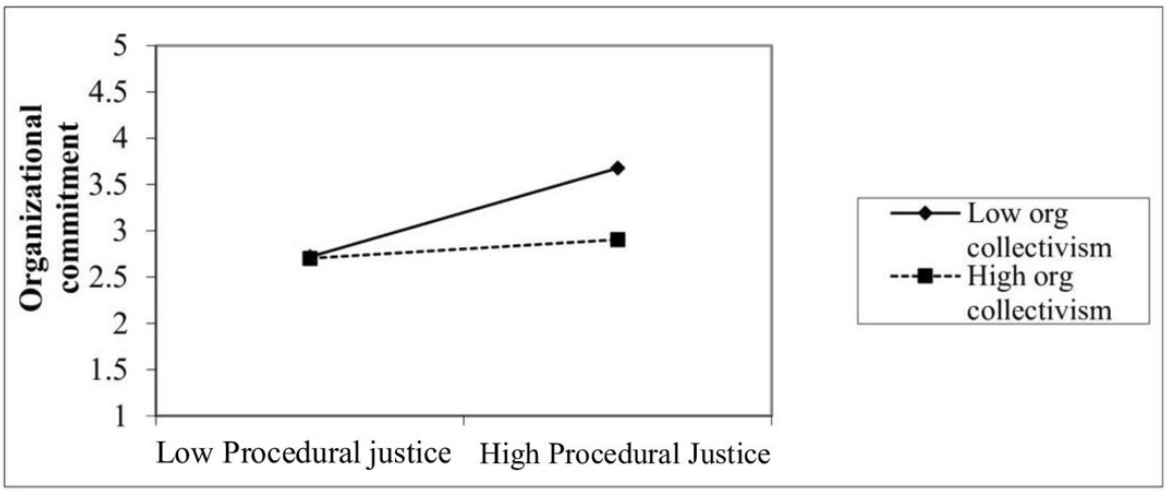

Figure 3: Interaction Plot – Moderating Effect of Organizational Collectivism on the Procedural Justice-Organizational Commitment Relationship

commitment was stronger when organizational collectivism was low and became weaker when organizational collectivism was high. This indicates that in less collectivist environments, fair procedures play a greater role in shaping employees' organizational commitment, whereas in highly collectivist settings, employees' attachment to the organization remains relatively stable regardless of procedural fairness.

Discussion :

Theoretical Implications

The findings indicate that the employees' perceived procedural justice, i.e. employees' views that procedures carried out by organizations in producing decisions or outcomes that affect employees has an influence on employee commitment to organizations. The perception that organizations have followed an equivalent process by avoiding unfair wage distribution, sharing information with employees and providing opportunities for employees to participate in decision making (Colquitt and Chertkoff 2002), can create a sense of obligation of employees to remain in the organization (normative commitment), emotional attachment to the company (affective commitment) and intention to remain in the company (continuance commitment). Likewise, the findings indicate that the employees' perceived informational justice, i.e. employees' view that the information delivery process carried out by the company by communicating detailed and relevant information about the measures used in evaluating employees and rationally in the distribution of rewards to employees in the organization (Greenberg, 1993) has a role in creating employees' commitment to the organization.

Further results found that organizational collectivism moderates the relationship between informational justice and organizational commitment. It means that the stronger the perception of employees that management and supervisors care about them and treat employees like family, the stronger the relationship between employee perceptions of informational justice and their commitment to the organization. Employees' perception that their supervisors are open in communication, explain procedures related to employee decisions thoroughly and with reasonable explanations, communicate detailed procedures at the right time and adjust the communication to the special needs of employees may strengthen employee organizational commitment when accompanied by treating employees like a family.

However, organizational collectivism did not succeed in moderating the relationship between procedural justice and organizational commitment. That is, family-like treatment from management to employees did not succeed in strengthening the relationship between employees' perceptions of fairness procedures and their organizational commitment. One of the underlying reasons is because perhaps in the banking sector the procedural aspects tend to be standardized and formalized as part of compliance and regulatory obligations. In Indonesian rural banks (Bank Perkreditan Rakyat or BPR), operational procedures are tightly governed by financial authorities such as the OJK (Financial Services Authority) and Bank Indonesia, leaving little discretion for managerial flexibility in procedural decision-making. Therefore, even when managers demonstrate a strong sense of collectivism or familial concern, employees may perceive procedural fairness as an impersonal and institutionalized element rather than a relational one.

In addition, the collectivist nature of Indonesian culture may already be deeply embedded at the societal level (Hofstede, 2011; House et al., 2004), which could reduce the incremental moderating effect of organizational collectivism on procedural justice. When collectivism is already a prevailing social norm, additional emphasis on family-like treatment in organizations may no longer differentiate employees' experiences. In other words, employees might interpret procedural justice as a given organizational requirement rather than as a function of interpersonal care or collective harmony.

By contrast, organizational collectivism became significant in the informational justice pathway because this domain allows for relational and communicative expressions of collectivist values—such as openness, empathy, and mutual understanding. Unlike procedural fairness, which is institutionalized through rules, informational justice unfolds in everyday interactions. Thus, collectivist orientations can amplify its effect by reinforcing shared meaning, trust, and emotional attachment, especially in contexts where interpersonal harmony is culturally salient. This theoretical distinction clarifies why collectivism strengthens one pathway but not the other.

Another plausible explanation relates to the nature of informational justice, which involves transparency, explanation, and communication quality (Greenberg, 1993). In collectivist work environments such as Indonesian rural banks, communication is often hierarchical and indirect (Hadiyanto & Rachmawati, 2022). Employees may avoid questioning or seeking clarification from superiors, which could dampen the perceived value of managerial openness and weaken the moderating role of collectivism. Moreover, informational justice in BPRs may already be constrained by formal reporting standards and limited communication channels. Consequently, the combination of formalized structures and high power distance (Hofstede, 2011) may hinder the capacity of collectivist values to amplify the effect of informational justice on organizational commitment.

Furthermore, this finding suggests a ceiling effect: in highly collectivist organizational cultures, employees' loyalty and sense of belonging are already strong due to shared group identity, leaving limited room for informational justice to further increase commitment. Conversely, in less collectivist environments, fair and transparent communication plays a more pivotal role in enhancing employees' organizational attachment.

Limitations And Recommendations for Future Researchers

There are some limitations to these findings and some future recommendations. The study was conducted in only ten rural banks and hence, further studies in other types of organizations are recommended in order that the results can be more widely generalizable. Furthermore, this study uses cross-sectional data and is susceptible to common method variance. Survey data for this study were also collected from a single source, employees at one time with a single distribution of survey. This includes a major limitation of the study, and thus strong conclusions about causality is difficult to be made. Future research may conduct multi-source, multi-level and time lagged survey using a longitudinal strategy to overcome the potential common method variance.

In addition, as this study relied primarily on perceptual self-report measures, there is a potential risk of common method bias (Podsakoff et al., 2003). Future studies are encouraged to minimize this limitation by combining perceptual data with objective indicators or managerial assessments. Moreover, the cross-sectional design constrains the ability to infer temporal causality among justice perceptions, collectivism, and commitment. Thus, longitudinal or experimental approaches could provide stronger evidence regarding the directionality of these relationships.

This study has demonstrated through survey to employees of rural banks that organizational collectivism significantly increases the relationship of procedural justice with employee commitment. Indeed, there is surprising result that indicates the importance of organizational collectivism in workplace settings in increasing the relationship strength between perceived procedural justice and employee commitment. It does seem that fairness of the procedures used in the distribution of resources and fair processes in making decisions in the distribution may increase employee commitment

to organizations when combined with the behaviors of management personnel in meeting the needs and interests of employees as integrated in the organizational collectivism. This study does suggest that organizational collectivism warrants further examination.

MANAGERIAL IMPLICATION

The findings of this study offer important insights for managers, particularly in the rural banking sector. Managers should ensure that organizational procedures related to decision-making and resource distribution are implemented fairly and transparently, as perceptions of procedural justice significantly enhance employee organizational commitment. Furthermore, special attention should be given to informational justice by communicating procedures, evaluation criteria, and reward distribution decisions clearly, rationally, and in a timely manner. The study also highlights the critical role of fostering organizational collectivism—where managers and supervisors treat employees like family, show genuine concern for their needs, and maintain open communication—in strengthening the relationship between informational justice and employee commitment. However, managers should recognize that fostering a collectivist culture alone may not necessarily enhance the impact of procedural justice on commitment, particularly in industries like banking where standardized formal procedures are already well established. Therefore, efforts to enhance employee commitment should balance strict adherence to fair formal procedures with cultivating a supportive, family-like organizational environment.

In practical terms, rural bank leaders could, for example, conduct regular "morning briefings" or informal group meetings to explain operational changes and performance goals, allowing two-way communication and feedback. They might also implement peer-support or mentorship systems that reflect family-like care, helping employees navigate procedural decisions within a regulated framework. Additionally, transparent communication about promotion criteria or audit results can reinforce employees' sense of fairness while strengthening their emotional connection to the organization.

CONCLUSION

The aim of this study was to discuss the role of perceived procedural and informational justice on employee organizational commitment. Both relationships were tested with organizational collectivism as a moderator. This study was conducted by inviting rural bank employees as the respondents and four hypotheses were proposed and tested using PLS-SEM. and four hypotheses were proposed and tested using PLS-SEM. The results revealed that both procedural and informational justice positively and significantly influenced employee organizational commitment, confirming that fairness in process and communication are key drivers of employees' emotional attachment to their organizations. However, only informational justice was strengthened by organizational collectivism, indicating that a family-like culture amplifies the impact of transparent communication and managerial openness, whereas the relationship between procedural justice and commitment remained unaffected by collectivism due to its standardized and regulatory nature in the banking sector.

These findings suggest that organizational collectivism enhances commitment primarily through relational and communicative mechanisms rather than through procedural conformity. In practice, employees respond more strongly to fairness conveyed through empathy, explanation, and care than to formal rule adherence. This underscores the importance for managers in collectivist contexts to integrate fairness with genuine interpersonal connection and trust-building practices. Overall, the study contributes to theory by clarifying that collectivism operates as a cultural amplifier of informational justice but not of procedural justice, offering a nuanced understanding of fairness mechanisms in highly regulated, collectivist work settings such as Indonesian rural banks.

Acknowledgement
This research is useful for the management of green start-up organizations and the government as input in formulating policies that are in line with company needs and government targets, such as disseminating or educating environmental values through government and company collaboration. In addition, for other profit and non-profit institutions, they can add partnership or collaboration methods to develop a supportive and sustainable business ecosystem by collaborating with brand communities

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