Research on Organizational Fairness for Employees, Empirical Assessment at Vietnamese Non-Life Insurance Enterprises

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ABSTRACT: The goal of our research is to evaluate fairness in organizations. Find out the reality of fairness in non-life insurance businesses and how employees perceive this fairness. Propose our solutions to improve fairness in businesses. Using the general research method, we see that the issue of fairness in organizations has not received much research attention in Vietnam. Through evaluating documents, reports, and typical scientific articles in the world and Vietnam on fairness in organizations, we have built a theoretical basis for the article. In addition, the study also used a survey method for employees of non-life insurance enterprises in Vietnam. The survey results were compiled and analyzed to assess fairness factors in the business where they were working. Combining the theoretical basis built on the general research method and data obtained from the survey method, we have assessed the current situation of fairness in businesses and proposed solutions to improve the situation. High level of fairness. Building a culture of behavior in the organization such as direct dialogue, criticism, and listening, as well as building appropriate forms of language in communication. Develop detailed and clear rules, regulations, rewards, and penalties. This will help the treatment between superiors and subordinates be more regulated, more disciplined, and more transparent without abusing individualism. Create advancement opportunities for capable people. The above three options are our suggestions for the enterprise's human resources management department to improve fairness for employees.

KEYWORDS: Distributive justice; Fairness; Staff; Non-life insurance enterprises; Vietnam

1. INTRODUCTION

Since opening the market, Vietnam's economy has undergone strong changes. Our country's insurance market in general and the non-life insurance sector, in particular, are also increasingly expanding with the widespread participation of all economic sectors in the business of insurance services. Non-life insurance plays an important role in stabilizing Vietnam's economic system on many fronts and at the same time it provides security for individuals and families of participants, so it is supported by the state and organizations. Create preferential policies and reduce administrative procedures to help this market develop. In recent years, due to the increasing unemployment rate, non-life insurance businesses have begun to focus on human resource management policies with the goal of finding, discovering, selecting, developing and maintaining high-quality human resources for businesses. However, discovering and selecting resources is increasingly difficult due to a shortage of specialized personnel. Therefore, many businesses have chosen a new path, a new theory aimed at a resource ready for future development as well as ensuring current labor productivity, which is employee retention policies. It is possible to recruit highly specialized employees, but retaining them is even more difficult, so finding out the "thoughts and aspirations" of employees is considered a step in the management plan as well as building a good working environment. going along the same path as the development strategy of non-life insurance enterprises. Furthermore, it is an obvious fact that no company can achieve its goals without dedicated and long-term employees, and that is the resource that determines the success of an insurance business. The goal of this study is to evaluate fairness in organizations. How is the fairness situation in non-life insurance businesses assessed by employees and what are the solutions to improve fairness in businesses?

2. THEORETICAL BASIS

2.1. Fairness at work

The National Employee Rights Institute has stated its "belief that fair treatment of workers is sound public policy and good business practice and that free access to comprehensive, unbiased information on human rights of employees" is essential (NERI, 1994).

Research on Organizational Fairness for Employees, Empirical Assessment at Vietnamese Non-Life Insurance Enterprises

Handlon (2009) believes that fairness is a factor that affects employees' attachment to the organization. Author Dung (2015) evaluates Employees feel satisfaction when receiving training opportunities to develop personal capacity and the opportunity to be promoted in the organization. Equality in business is considered one of the issues affecting employees' decisions on whether they can work long-term with the company or not. They receive clear information and coordinate well in their work, which helps them to be more confident in completing their work. At the same time, when they receive Encouragement and support from superiors will make them strive harder for their work and want to contribute more to the organization. Equity theory is widely applied in the field of organizational management. Many studies have shown that employees care more about issues such as position and working position. The concept of fairness has been understood more broadly as everything in the workplace expressed through management decisions that are reasonable, equal, clear, and unbiased. One of the first studies on the issue of fairness in organizations was Adams (1963,1965). Organizational justice theory has created a useful framework for understanding individuals' attitudes toward work, work behaviors, and work practices, based on their attitudes toward work fairness in the working environment. Through the process of change, the theory of fairness has developed from one aspect of distributive justice to two aspects including distributive justice and procedural justice, and then to three aspects including distributive, procedural, and exchange justice, and finally the four dimensions of distribution, process, interpersonal exchange (fairness in treatment) and information. De Jong & Schalk (2010) stated that "Fairness is weakly related to work-related attitudes and behavioral intentions under two conditions: when perceived goal achievement is high and when employees depend on temporary work to achieve that goal." (p.175).

2.2. Background Theories related to equity

Frederick Herzberg's two-factor theory

In Herzberg's research on the factors that make workers interested in their jobs, the majority of respondents believed that these factors were related to the type of job. Herzberg called them "factors" complete. When considering issues that lead to boredom and indifference at work, workers often mention factors related to the work environment, which Herzberg calls internal factors. Retention factors are related to job dissatisfaction. Job dissatisfaction tends to be high when perceived retention factors are low, and vice versa. Satisfaction factors (also known as motivation factors) are closely related to employee job satisfaction. The higher the level of satisfaction with the type of job, the greater the satisfaction because it provides the opportunity to satisfy higher-order needs.
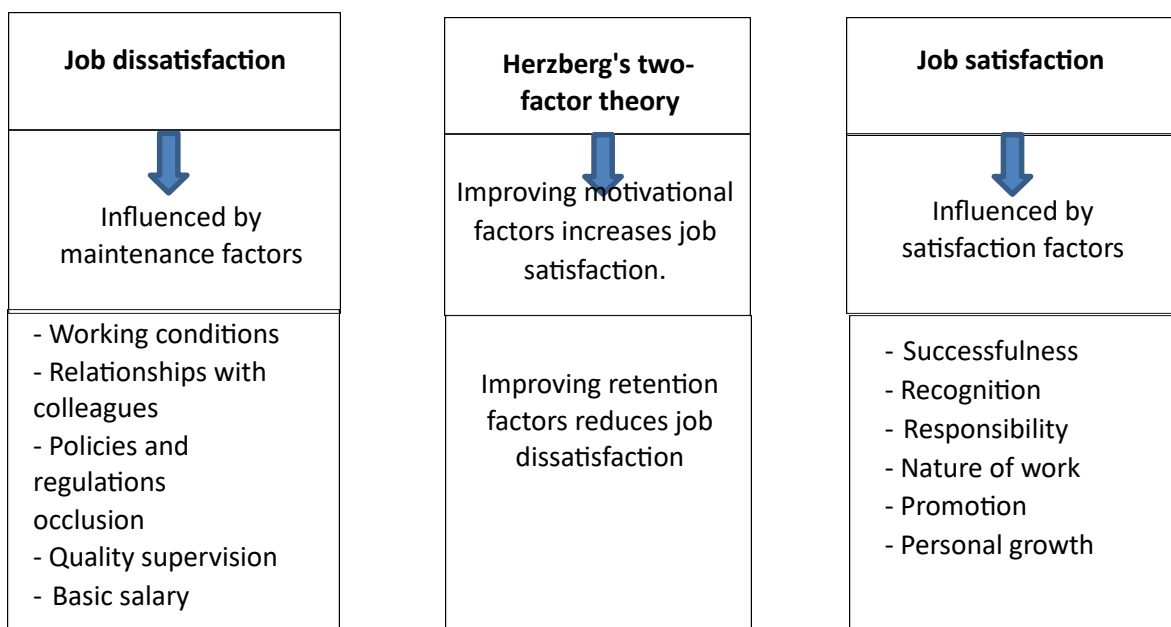

**Figure 1. Components of Herzberg's two-factor theory**
Source: Management textbook - Hanoi National Economics University Publishing House
Adams's theory of equity (1963)

This theory is based on the idea that perceived inequality promotes satisfaction, meaning that incentives are effective when people are treated unfairly. Minimize this inequality and create a greater sense of equality. According to Adams, people working in the

organization just want to receive salaries and wages commensurate with their work performance. Managers should focus on this factor to keep employees satisfied, as they often compare their salaries with those of others doing the same job. The following diagram illustrates the role of theories of justice and comparisons between individuals and others.
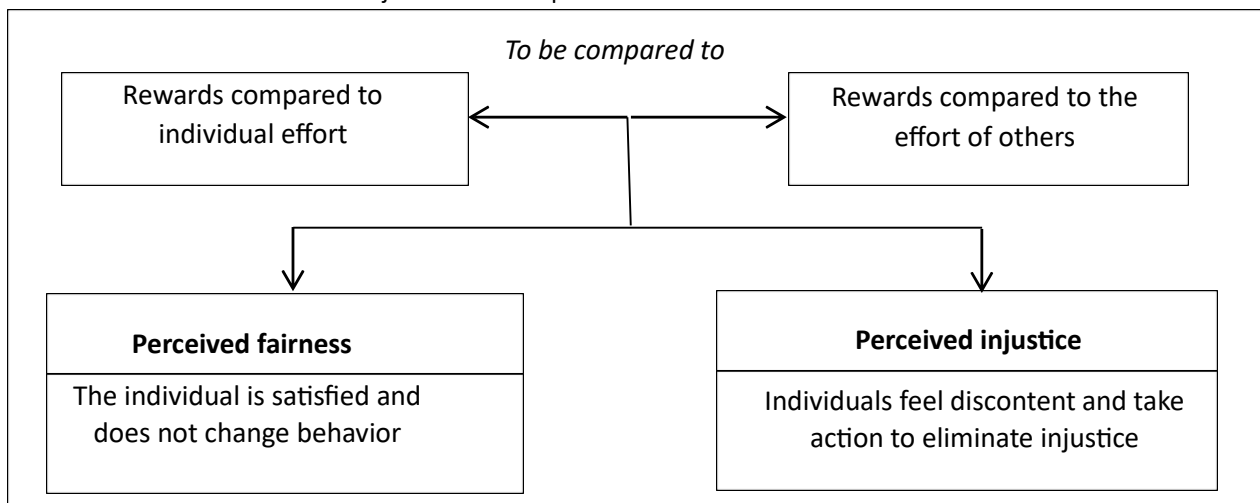
Figure 2. Equity theory and comparisons between individuals and others
Source: Management textbook - Hanoi National Economics University Publishing House

2.3. Study Overview

The authors Blader & Tyler (2003) stated that research on fairness in organizations has been conducted by many researchers, but there are few works that respond to systematic research on procedural justice from the perspective of staff. Put another way, there is little in the way of specific practices or actions or perceived clarity about what employees consider when making "judgments about procedural fairness". The author believes that the lack of definition for evaluation is a huge problem because it hinders employees' understanding when wanting to evaluate fairness. Lack of information about organizational justice also causes many unresolved conflicts (p.107).

The study of Greenberg & Tyler (1987) reviewed and researched the theory of procedural justice and its applicability in organizations. The author distinguishes between the concepts of distributive justice and procedural justice. He believes that the context in which concepts are born also needs to be carefully considered and evaluated. The author concluded that "discuss the dual benefits of studying procedural justice in organizations: improving understanding of the concept of justice and human behavior in organizations" (p.127).

De Jong & Schalk's (2010) study assessed "how motivation to have a temporary job influences the impact of experiential equity on work-related attitudes". The authors examined three work motivations: "autonomous or voluntary motivation, steppingstone motivation, and controlled or involuntary motivation" to the relationship between experienced "fairness" and " result". Research results have shown that temporary employees receive low equity because they are predicted to have lower performance than long-term workers. Employees who have worked temporarily and want to move to work permanently with the unit will have better attitudes and behaviors towards work and think less about fairness. On the contrary, the author states that "People who are forced to work a temporary job will react more strongly to fairness and have a higher intention to quit" (p.175).

The study by Schminke et al. (2002) explored the influence between "organizational structure" and perceptions of "fairness". The authors hypothesized that the three dimensions of organizational structure: Centralization; Formalization; Scale and vertical complexity will influence "perceptions of distributive, procedural, and interactional fairness." They argue that it is possible to predict the impact of organizational structure on the fairness perception of employees weaker than senior personnel and managers based on social theory. The results of the study showed that "Organizational structure—especially centralization and formalization—has a major impact on perceptions of distributive, procedural, and interactional justice. The organizational level is negatively related to both distributive and procedural justice" (p.881).

From the research overview, we see studies on fairness in organizations by a number of foreign researchers. In Vietnam, the issue of fairness in organizations has not been paid attention. Because of this, there is very little research on the issue of fairness in organizations. Conducting research on this content is essential for businesses to recognize and adjust fairness regulations in their businesses.

Research on Organizational Fairness for Employees, Empirical Assessment at Vietnamese Non-Life Insurance Enterprises

3. METHODS

Overview research to evaluate typical documents, reports, and scientific articles in the world and Vietnam on fairness in organizations. However, due to differences in context, scope, and research methods as well as more comprehensive assessments of the impact of organizational justice in different economies, cultures and societies, the theoretical basis Theory is just a necessary part for us to use as a basis for evaluating fairness in the organization. In addition, the study also used a survey method for employees of non-life insurance enterprises in Vietnam. The survey results were compiled and analyzed to assess fairness factors in the business where they were working. Combining the theoretical basis built on the general research method and data obtained from the survey method, we have assessed the current situation of fairness in businesses and proposed solutions to improve the situation high level of fairness.

4. RESULTS

4.1. Evaluation of fairness in the organization

With 300 research samples were selected by random sampling method, ensuring representativeness of the whole. After eliminating invalid questionnaires, 240 guaranteed survey questionnaires were included in the analysis. The results presented on the fairness factor are shown in Table 1. The content of three questions about fairness including "The company's working processes are applied consistently and without bias, in compliance with Ethical standards" denoted as Fairness 1. "My income at the company reflects my work efforts and contributions to the company" is the second survey question and is denoted as Fairness 2. "Company leaders treat me politely, respectfully, and frankly" is the third question, denoted Fairness 3. "Company leaders often promptly inform employees of detailed information" is the last question in the survey, denoted Fairness 4.

Table 1. Results of the Fairness Scale survey

Criteria		Fairness 1	Fairness 2	Fairness 3	Fairness 4
Valid	Totally disagree	18	13	15	8
	Disagree	31	33	30	39
	Normal	30	42	34	28
	Agree	54	114	57	84
	Totally agree	107	38	104	81
	Total	240	240	240	240

Source: Processing of investigation results by the research team

According to the results from data collected and analyzed using SPSS 22.0 software, we see that with four observed variables in the Fairness component. Of the 240 valid questionnaires selected for analysis data, 54 employees participating in the survey answered Strongly Disagree, 133 employees responded choosing to disagree, accounting for 55.4%, 134 times the employees were asked to stand in a neutral position, accounting for 55.8%, accounting for a high percentage of 128.8% of the employees asked, agreeing with 309 times and completely agreeing with 330 times. The rate of employees giving this answer is 137.5%. So the majority of employees surveyed believe that the company's working processes are applied consistently and unbiased, comply with ethical standards, and the company's employee income reflects their efforts working and contributing to the company, the company's leaders treat me politely, respectfully, and frankly, and finally, the company's leaders often inform employees about detailed information promptly. Thus, with the analysis of the Fairness survey survey data, we see that fairness in businesses is rated quite highly. This result, according to observations from survey data and sideline information collection, shows that employees believe that the business is making extraordinary efforts to improve its image and enhance fairness for employees. This is also consistent with the current conditions and circumstances of businesses that are striving to complete the goals set out in the upcoming action goals. However, besides that, there are still a few opinions that do not agree with the statements in the survey, such as company leaders not notifying detailed information to employees in a timely manner.

4.2. Proposing solutions to improve fairness at non-life insurance enterprises

Update information promptly and clearly. Building a culture of behavior in the organization such as direct dialogue, criticism, and listening, as well as building appropriate forms of language in communication. Establish a management model in the style of

Research on Organizational Fairness for Employees, Empirical Assessment at Vietnamese Non-Life Insurance Enterprises

"collective feedback, management decides", this is an effective teamwork model where workers will feel that they are respected by their superiors, thereby They can have very creative suggestions that increase excitement in work. Build a habit of transparent information so that everyone understands the problem without misunderstandings in working relationships as well as misleading information.

Build a fair reward and punishment regime. Non-life insurance businesses must develop detailed and clear rules, regulations, rewards and penalties. This will help the treatment between superiors and subordinates be more regulated, more disciplined, and more transparent without abusing individualism.

Create advancement opportunities for capable people. Employee recruitment policy orients and encourages good and capable employees, team leaders, and head of recruitment and scale development, in order to increase income and compensate when employees leave the profession. for many different reasons. The monitoring stage is also focused and promoted regularly by non-life insurance enterprises. The monitoring system is implemented from headquarters to branches and to each employee. The direction is deployed quickly, directly to the branches with the full exploitation of information technology, to help managers and staff at the branches and employees receive the fastest direction, most complete.

5. CONCLUSION

According to the Vietnam Insurance Association, the average annual growth rate of the non-life insurance market continues to increase. The financial performance of insurance companies has increased significantly thanks to equity capital and professional reserves, significantly increasing the solvency and retention capacity of each company and generating investment capital. Reinvest in the economy. Investment activities of insurance companies are becoming increasingly important. This is truly an important capital mobilization channel to help socio-economic development. The investment capital structure has changed from short-term investment (mainly deposits at financial institutions) to purchasing Government bonds, direct investment in infrastructure, production and business development, life service, etc. However, with the increase of licensed insurance companies, the non-life insurance industry is more open. Competition is increasingly fierce and human resources in particular are often affected by their ability to attract new businesses. This challenging natural environment requires property and casualty insurance companies to expand their network through traditional distribution channels with employees nationwide to expand their distribution network and facilitate conditions to expand strategic market scope. The solutions to improve fairness in businesses proposed in this study are solutions to support employee retention.

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