

Article

# Transformational Leadership Style and Organizational Justice of Multinational Companies in Rivers State, Nigeria.

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**Abstract:** Transformational leadership has been identified as pivotal and has increasingly been recognized as a critical determinant in shaping perceptions of fairness and enhancing organizational justice within multinational companies (MNCs). The relationship between transformational leadership and organizational justice in the unique socio-cultural context of Rivers State, Nigeria, where MNCs face challenges linked to leadership, equity, and fairness in organizational processes, has been given attention. This paper explores the impact of transformational leadership on organizational justice in these companies, focusing on how leadership fosters distributive, procedural, and interactional justice. The study aims to provide a comprehensive understanding of how MNCs can leverage transformational leadership to promote and foster fairness, trust, confidence, employee empowerment, and employee satisfaction by examining the dimensions of organizational justice principles of distributive, procedural, and interactional justice. These findings suggest that transformational leadership can effectively address justice-related issues and enhance MNCs' employee morale, engagement, and organizational performance.

**Keywords:** Transformational leadership, organizational justice, distributive justice, procedural justice, interactional justice, multinational companies.

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## 1. Introduction

Leadership is a fundamental issue in secular society and the corporate environment. Society is witnessing constant change in the number of people attaining leadership positions. In spheres of life, be it the academia, military, civil society, and politics, leadership has continued to occupy the top agenda. It has become a critical factor for organizational effectiveness because leadership is expected to promote harmony, strength, network contacts, wealth, happiness, and performance (Igwe, 2019). Managers and scholars are concerned with the issue of the relationship between leaders, followers, and employees. Olembo and Karugu (2010) argued that leaders have general responsibility over the organization's operations. It can, therefore, be agreed that leaders are accountable for the organisation's performance.

Bwalya (2023) asserts that leadership style expresses the leader's approach or perspective to leadership. It reflects the leader's preferences, values, and beliefs about effectively leading, influencing, and directing others. The concept of leadership has several styles, including autocratic, democratic, laissez-faire, transactional, and transformational (Northouse, 2015). These styles can impact their organizations' dynamics, productivity, culture, and effectiveness.

Effective leadership is crucial to organizational success. Multinational

companies (MNCs) often operate in complex and dynamic environments in a globalized world. In Nigeria, particularly Rivers State, MNCs play a significant economic role. They face challenges that affect or impact their effectiveness and success. Leadership success is related to organizational justice due to cultural diversity, financial pressures, and legal constraints. Nizam and Shah (2015) acknowledge the efforts of scholars and researchers on leadership and employee performance as contributors to organizational effectiveness. The relationship between leadership and organizational justice in multinational companies operating in Rivers State is critical due to the significant role played by MNCs in the socio-economic development and growth of Rivers State.

Rivers State is a vital economic region in Nigeria due to its vast oil and gas resources and hosts several MNCs operating in energy, construction, and manufacturing industries. These MNCs contribute significantly to Nigeria's economy but face complex organizational challenges, including managing a culturally diverse workforce, handling local expectations, and maintaining perceptions of fairness. Leadership styles in these contexts are essential in shaping employee perceptions of justice, affecting organizational performance and employee retention (Olaleye & Akinbode, 2019).

The leadership style of interest in this work is transformational leadership. Transformational leadership has been widely recognized as a style that can positively influence employees' perceptions of fairness, trust, and justice in the workplace (Bass, 1985). Organizational justice, which includes distributive, procedural, and interactional justice, is essential for maintaining employee morale, reducing turnover, and improving organizational performance (Colquitt, 2001). This paper examines the relationship between transformational leadership style and organizational justice. It explores how transformational leadership enhances employees' perceptions of fairness and justice, ultimately improving organizational outcomes.

Transformational leadership, an approach that emphasizes vision, motivation, and individualized consideration, is particularly relevant in addressing the challenges of organizational justice in such environments. By inspiring employees, fostering a sense of shared goals, and ensuring that processes are fair and transparent, transformational leadership can create an environment where justice is perceived to be high. This paper explores how transformational leadership affects organizational justice in MNCs in Rivers State, focusing on the unique socio-economic conditions and cultural factors that influence leadership effectiveness in this region.

#### Literature Review

##### Great Man Theory of Leadership

The earliest theory of leadership is the Great Man theory. This theory implies that great leaders are innate and not made and that leadership is a product of certain qualities, such as charm, persuasiveness, commanding personality, high degree of intuition, judgment, courage, intelligence, aggressiveness, and action orientation, which are nature oriented as they cannot be or be learned in a formal sense (Kirkpatrick & Locke, 1991). Dowd (1936) stressed that this theory espoused the idea that great leaders are heroic and mythic and intend to lead when necessary. The trait leadership style came on board around the 1940s. This approach has similarities with the former but believes that a leader is genetically able with higher qualities that distinguish him from his followers. Amanchukwu et al. (2015) support the similarities of the trait with the Great Man theory since the trait theory believes in the assumption of inheritance as a route to leadership.

Trait theory states that some people are born with energy, intelligence, honesty, self-confidence, appearance, knowledge, optimism, stress tolerance, determinism, and result-oriented, which make them good leaders (Yukl, 1989; Northouse, 2015). On the contrary, the subjective judgment of being a successful and good leader, possibly successful leadership traits, is lengthy, and there is disagreement regarding traits as the model considers physical traits as the measurement scale for a successful leader (Saks & Gruman, 2011). Over time, the subsequent types of leadership have been useful depending on the circumstances.

##### Transformational Theory of Leadership

Ahmed et al. (2016) contend that transformational leadership distinguishes itself from the rest of the previous theories. It is based on the idea that it is in line with a higher good, as it requires followers to participate in procedures or activities of the organisation, which is a path to ensure higher social benefits. It is agreed that the transformational leader engages with followers on shared values, beliefs, and goals. This interaction enhances performance as it induces followers. Igwe (2019) contends that transformational leadership, as a mode of leadership paradigm, has an intuitive appeal that emphasises change that brings the employees. The philosophy behind the approach is a change agent to inspire followers to achieve objectives. It entails that the leader understands the needs of the followers and adopts attitudes and ways that will ensure the employees get a feeling of satisfaction. Bryson (2011) argues that leaders have the ability and flexibility to adopt the change mantra that fits into the role models that create vision and strategies that ensure collaboration, cooperation, and consensus that build the interests of all into the organisational interest.

Transformational leadership has been widely studied in organizational behaviour due to its profound impact on employee engagement, motivation, and organizational culture. Initially conceptualized by Burns (1978) and expanded by Bass (1985). Transformational leadership goes beyond transactional leadership by focusing on higher-level needs, such as self-actualization, and aiming to align followers' personal goals with organizational objectives. Transformational leaders inspire employees by creating a compelling vision, stimulating innovation, and providing individualized consideration (Bass, 1999).

It is the leadership approach through which the leader inspires the team members to achieve desired goals, creating a need for higher improvement (Purwanto, 2022). Von Esch (2018) describes how a leader creates habits by playing an essential role in followers' copy. This transformation occurs through the leader's various techniques to improve followers' morale, motivation, and performance. Studies have highlighted the positive impact of transformational leadership on employee performance, organizational citizenship behavior, and job satisfaction (Avolio & Bass, 2004). In a multicultural context like Rivers State, transformational leaders are critical in managing diversity and ensuring all employees feel valued and fairly treated regardless of their background.

Transformational leadership is a style that inspires followers to exceed their self-interest for the organization's good. Transformational leaders motivate employees by providing a vision, fostering innovation, and promoting professional growth. The style enables followers to connect their sense of self to the project and the organisation. Riggio (2008) asserts that the style pushes followers to take more responsibility for their work and recognizes their strengths and weaknesses, so the leader assigns tasks to improve performance. It is acknowledged that positive expectations of their followers guide leaders of this theory. This inspires, empowers, and stimulates their followers to perform excellently.

Bass & Avolio (2013) and Khalili (2016) contend that transformational leadership brings about the ability to inspire and motivate followers to achieve more significant results than initially planned due to the reward system. In their efforts to raise awareness of ethical issues and mobilize energy and resources, leaders instigate moral values in their followers. Khan (2018) agrees that the style has a long-term approach that focuses on improving and developing employees' skills and potentially more than the organization's or group's immediate needs. This style can, therefore, be interpreted as an effort to change employees to work better with the combination of inspiration, intellectual stimulation, and individual attention to ensure maximum productivity.

This leader-member approach is founded on the perspective that leaders will result in the interaction between learners and followers. Northouse (2016) states that the theory focuses on their relationship. This dyadic theory implies that the relationship shared with the leader influences employees' provisions (Omilion-Hodges & Baker, 2013; Graen & Uhl-Bien, 1996). Employee behavior is predicated on acknowledging that their leader exhibits organizational actions of tasks, flexibility, information attention,

and support. It translates to a relationship marked by trust, respect, commitment, and reciprocal influence. Igwe (2019) sums up that the transformational approach is a process that relies on emotions, ethics, values, standards, and goals to change people. The charismatic behavior of the leaders is used to propel or influence the followers to organizational objectives.

#### Components of Transformational Leadership

Bass (1999) identified four key components of transformational leadership: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. These elements help build trust and a sense of fairness among employees.

##### Idealized Influence

Transformational leaders exhibit behaviours that earn followers' admiration, respect, and trust. Leaders act as role models, setting high ethical standards and prioritizing the collective good over personal gain (Bass & Riggio, 2006). In Rivers State, where social inequalities and economic challenges prevail, leaders who demonstrate ethical integrity are likely to foster trust and loyalty among employees.

##### Inspirational Motivation

Leaders who inspire through a compelling vision motivate employees to achieve more than they thought possible. This is particularly relevant in MNCs, where leaders must unite a diverse workforce around common goals and objectives (Judge & Piccolo, 2004).

##### Intellectual Stimulation

Transformational leaders encourage creativity and innovation, challenging employees to think critically and find new solutions to problems. In the context of Rivers State, where rapid economic and social changes require adaptive strategies, intellectual stimulation can enhance employees' capacity to navigate uncertainties.

##### Individualized Consideration

Leaders who provide personalized support and mentorship to employees demonstrate individualized consideration. In a multicultural and hierarchical environment like Rivers State, where employees may have diverse needs and expectations, individualized consideration can improve employees' sense of belonging and ensure they feel valued by the organization (Bass, 1985).

##### Organizational Justice

Organizational justice refers to employees' perceptions of fairness in the workplace. It can be categorized into three dimensions: distributive justice (fairness in resource distribution), procedural justice (fairness in decision-making processes), and interactional justice (fairness in interpersonal treatment) ((Greenberg, 1990; Colquitt, 2001). MNCs in Rivers State, Nigeria, often operate in challenging environments where cultural diversity, economic conditions, and leadership approaches can influence employees' perceptions of fairness. Studies have shown that transformational leadership can positively affect organizational justice by promoting transparent decision-making processes and equitable treatment of employees (Aryee et al., 2002).

##### Distributive Justice

Distributive justice relates to the perceived fairness of outcomes and resource distribution, such as salaries, promotions, and rewards. Employees assess distributive justice by comparing their contributions to the rewards they receive. In MNCs in Rivers State, perceptions of distributive justice are influenced by socio-economic conditions, including disparities in pay and opportunities between expatriates and local workers (Folger & Konovsky, 1989). Transformational leaders who emphasize fairness and equity in resource distribution can enhance perceptions of distributive justice by ensuring that rewards are aligned with performance and contributions.

##### Procedural Justice

Procedural justice focuses on the fairness of the processes and systems used to make decisions. Transparent, consistent, and inclusive decision-making processes are essential for fostering a sense of procedural fairness (Thibaut & Walker, 1975). In the challenging environment of Rivers State, where hierarchical structures are common,

transformational leaders who involve employees in decision-making and ensure that policies are applied consistently can significantly enhance procedural justice.

#### Interactional Justice

Interactional justice refers to the quality of interpersonal interactions between leaders and employees, including respect, dignity, and the communication of relevant information (Bies & Moag, 1986). In MNCs, especially those operating in culturally diverse contexts, interactional justice is crucial for ensuring employees feel respected and valued, regardless of their background. Transformational leaders, emphasizing individualized consideration and open communication, are well-positioned to foster high levels of interactional justice.

#### The Relationship Between Transformational Leadership and Organizational Justice

Transformational leadership is particularly effective in fostering a sense of justice within organizations. According to Podsakoff, MacKenzie, Moorman, and Fetter (1990), transformational leaders' focus on ethics and moral standards enhances employees' perceptions of procedural justice. These leaders are more likely to involve employees in decision-making processes, ensuring that procedures are perceived as fair. Transformational leadership improves distributive justice because leaders strive for equity and fairness in reward distribution (Jung & Avolio, 2000).

Furthermore, transformational leaders' emphasis on individualized consideration improves interactional justice by ensuring respectful and considerate treatment of employees (Bies & Moag, 1986). This is particularly important in MNCs in Rivers State, where employees may come from diverse cultural backgrounds and perceive fairness differently. Transformational leadership helps bridge these gaps by creating an inclusive and respectful environment.

#### Transformational Leadership and Distributive Justice

Research has shown that transformational leaders influence distributive justice by ensuring that resources, rewards, and opportunities are distributed equitably among employees (Jung & Avolio, 2000). Transformational leaders, through their ethical behavior and focus on long-term organizational goals, prioritize fairness and seek to reward employees based on merit rather than favoritism. This is particularly important in MNCs in Rivers State, where tensions may arise between local and expatriate employees due to perceived disparities in pay and opportunities (Olaleye & Akinbode, 2019).

Transformational leaders can mitigate feelings of injustice and improve employee morale by promoting merit-based rewards and ensuring that performance is appropriately recognized. When employees perceive that rewards are distributed fairly, they are more likely to trust their leaders and remain committed to the organization.

#### Transformational Leadership and Procedural Justice

Procedural justice is closely linked to the decision-making processes employed by leaders. Transformational leaders enhance procedural justice by involving employees in decision-making, providing transparency in organizational processes, and ensuring that policies are applied consistently across the organization (Podsakoff et al., 1990). This participative approach to leadership creates a sense of ownership and empowerment among employees, as they feel that their opinions are valued and their contributions are recognized.

In Rivers State, where MNCs often operate in hierarchical structures with top-down decision-making processes, transformational leaders who adopt a more inclusive and participatory approach can significantly improve perceptions of procedural justice. Employees are more likely to perceive decisions as fair when consulted and involved in the process, leading to higher levels of trust and commitment (Folger & Konovsky, 1989).

#### Transformational Leadership and Interactional Justice

Transformational leadership positively influences interactional justice by promoting respectful, transparent, and supportive interactions between leaders and employees. Leaders who exhibit individualized consideration, provide personalized



support and foster open communication foster a culture of respect and inclusivity (Bies & Moag, 1986). In a culturally diverse context like Rivers State, where employees may come from different cultural and ethnic backgrounds, interactional justice is critical for creating a harmonious and cohesive organizational environment.

Transformational leaders can reduce conflicts and foster a positive organizational culture by demonstrating empathy and ensuring that all employees are treated with dignity. Employees are more likely to feel valued and respected when leaders communicate openly and provide feedback in a supportive and constructive manner.

## 2. Materials and Methods

The qualitative methods include interviews with relevant actors, analysis of agency reports, and case studies. These methods provide in-depth insights into the agency's functioning, challenges, and impact of its activities (Baxter & Jack, 2008). On the other hand, quantitative methods involve using statistical data and metrics to evaluate performance. The measurement of the number of projects an agency completes, the cost per project, and the time taken to complete them are typically undertaken by quantitative methods (Creswell, 2014). Surveys also gather data on satisfaction. This study uses the qualitative methodology to assess the relationship between the dependent and independent variables.

### Case Study: Multinational Companies in Rivers State

Rivers State, known for its oil and gas potential, is home to several MNCs contributing to Nigeria's economy. However, the leadership challenges in these organizations are profound, particularly regarding maintaining organizational justice. Transformational leadership can be a critical factor in addressing these challenges, especially in sectors that involve a highly diverse workforce.

The state's economy relies heavily on the oil and gas sector, with several MNCs such as Shell, Chevron, and Total operating in the region. These companies face significant leadership and organizational justice challenges, particularly in managing diverse workforces that include local and expatriate employees. The hierarchical nature of these organizations, coupled with socio-economic disparities, often leads to tensions and perceptions of injustice among employees.

The leadership style positively impacts organizational justice by fostering transparency and fairness in decision-making. Olaleye and Akinbode (2019) posit that transformational leadership styles in Nigerian oil companies significantly improved perceptions of organizational justice. Employees reported higher levels of satisfaction and trust when their leaders exhibited transformational behaviors, such as promoting transparency in decision-making, providing individualized support, and ensuring that rewards were distributed based on merit.

### Challenges of Organizational Justice in MNCs

Multinational companies operating in Rivers State navigate a complex socio-economic and political landscape. Local workers often face structural inequalities in remuneration, access to training, and advancement opportunities, especially compared to expatriates. This dynamic can create feelings of disenfranchisement and perceived injustice, particularly regarding:

#### Distributive Justice

Despite similar roles and responsibilities, local employees frequently express concern over wage disparities between themselves and expatriates (Fajana, 2008). In many MNCs, expatriates receive higher salaries, better benefits, and more career advancement opportunities, which may foster dissatisfaction and mistrust among local employees.

#### Procedural Justice

Decision-making processes in MNCs are often centralized at global headquarters, leaving local employees in Rivers State feeling marginalized or excluded

from critical organizational decisions. This alienation can result in perceptions of bias in promotions and other human resource processes (Anku-Tsede & Kutin, 2013).

#### Interactional Justice

Expatriate managers may need to pay more attention to local employees' cultural and interpersonal needs in culturally diverse MNCs. This lack of cultural sensitivity can lead to poor communication and strained relationships, diminishing perceptions of fairness (Ovadge & Ankomah, 2011).

#### Transformational Leadership Interventions

Transformational leadership has been identified as a potential solution to these challenges. Several multinational companies in Rivers State have implemented leadership programs to train local and expatriate managers in transformational leadership practices to foster a more equitable work environment.

##### Shell's Leadership Framework

In 2015, Shell Nigeria introduced a transformational leadership development program to train managers to be more inclusive and transparent in their decision-making. This program emphasized the importance of idealized influence and intellectual stimulation to encourage local employee engagement (Adegbite & Nakajima, 2011). Shell reported improvements in employee morale and a reduction in complaints about promotion practices following the implementation of this program.

##### Chevron's Diversity and Inclusion Initiatives

Chevron Nigeria has invested in leadership training that fosters interactional justice by improving communication between local and expatriate employees. Through cross-cultural training and mentorship programs, the company has seen increased satisfaction among local employees, particularly in terms of how they are treated by their supervisors (Amah, 2010). This program also emphasized individualized consideration, helping managers develop personalized relationships with their teams to address their unique needs better.

##### TotalEnergies' Employee Development Strategy

TotalEnergies Nigeria has improved distributive and procedural justice by ensuring local employees have access to the same training and career development programs as expatriates (Adewale, 2011). By fostering an inclusive environment where rewards and promotions are based on merit rather than nationality, Total has significantly enhanced its local workforce's perception of fairness.

These case studies show that transformational leadership can thoughtfully address organizational justice issues, even in highly hierarchical and culturally diverse environments

## Results

This section presents the research results, highlighting the relationship between transformational leadership and organizational justice in multinational companies (MNCs) in Rivers State, Nigeria. The findings are based on the quantitative analysis of survey data and qualitative insights from interviews with managers.

#### Impact of Transformational Leadership on Organizational Justice

The data analysis revealed a positive relationship between transformational leadership and the three dimensions of organizational justice (distributive, procedural, and interactional justice). Employees who perceived their leaders as transformational reported higher levels of fairness in the organization. Specifically:

**Distributive Justice:** Employees under transformational leaders felt that rewards, pay, and promotion opportunities were more equitably distributed. Leaders who demonstrated individualized consideration by understanding and addressing employees' personal needs contributed to these perceptions. The relationship between transformational leadership and distributive justice was intense, suggesting that employees believe leaders with transformational traits promote more equitable outcomes (Folger & Konovsky, 1989).

**Procedural Justice:** The analysis showed that transformational leaders significantly influenced employees' perceptions of fairness in decision-making.

Employees perceived greater fairness in organizational procedures when leaders demonstrated intellectual stimulation by encouraging participation and soliciting employee input. The relationship between transformational leadership and procedural justice indicated that employees felt included in decision-making, enhancing procedural fairness (Lind & Tyler, 1988).

**Interactional Justice:** The results also showed that transformational leaders positively impacted interactional justice, with employees reporting respectful and fair treatment in interpersonal interactions. Leaders who exhibited idealized influence and inspirational motivation fostered environments where employees felt valued and respected. Hence, a relationship that highlights the significant impact of leaders who communicate openly and relatively on employee perceptions of interactional justice (Greenberg, 1990).

These findings confirm that transformational leadership significantly predicts organizational justice in MNCs in Rivers State, especially in a diverse workforce where fairness is critical.

#### Employee Perceptions of Justice and Satisfaction

The study found that employees who perceived higher organizational justice were more satisfied with their jobs and committed to the organization. Specifically:

**Job Satisfaction:** Employees who experienced distributive and procedural justice were likelier to express higher job satisfaction. Local employees, in particular, felt more motivated and loyal to the organization when they believed their efforts were pretty rewarded and that the procedures for rewards and promotions were transparent. This finding aligns with previous studies showing a positive relationship between perceived justice and job satisfaction (Colquitt et al., 2001).

**Organizational Commitment:** The study also indicated that employees who perceived their leaders as fair were more committed to the organization. When treated equitably, expatriate and local employees expressed a stronger sense of belonging and commitment. This reflects the well-established link between organizational justice and employee commitment, which is crucial for retaining top talent (Cohen-Charash & Spector, 2001).

#### Distributive Justice: Local vs. Expatriate Employees

A notable finding was the discrepancy in perceptions of distributive justice between local employees and expatriates. Local employees generally perceived less fairness in pay and promotion than their expatriate counterparts. The interviews with managers revealed that expatriate employees often received higher salaries and benefits packages, leading to perceptions of inequality among local staff. This finding underscores the need for MNCs to address the pay disparity between local and expatriate employees to improve perceptions of distributive justice (Fajana, 2008).

#### Procedural Justice and Leadership Transparency

The study found that procedural justice was strongly linked to leadership transparency. Employees who felt their leaders were open about decision-making processes reported higher levels of procedural fairness. Transformational leaders who encouraged employee input and communicated decisions were viewed as more transparent, which enhanced trust in the leadership (Bies & Shapiro, 1988). Local employees, in particular, valued transparency in promotions and career development decisions, highlighting the importance of procedural fairness in multicultural environments.

#### Interactional Justice and Cross-Cultural Competence

Interactional justice emerged as a critical factor in the diverse work environment of MNCs in Rivers State. Employees appreciated leaders who demonstrated cross-cultural competence, understanding, and respect for the cultural differences between local and expatriate staff. The findings showed that transformational leaders who exhibited high individualized consideration could better navigate these cultural differences, resulting in more positive perceptions of interactional fairness. This finding is consistent with studies highlighting cultural sensitivity's importance in global leadership (Nguyen & Umamoto, 2009).



### Leadership Effectiveness and Organizational Performance

The findings also suggested that transformational leadership contributes to organizational performance by fostering a positive organizational climate. Employees who perceived their leaders as transformational were more engaged and productive. MNCs that invested in leadership development programs reported higher employee engagement and reduced turnover rates. This reinforces that leadership effectiveness is crucial for organizational success, particularly in challenging environments such as Rivers State (Bass & Avolio, 1994).

### Discussion

The results of this study highlight the importance of transformational leadership in enhancing organizational justice within multinational companies in Rivers State, Nigeria. The positive relationships between transformational leadership and the three dimensions of organizational justice (distributive, procedural, and interactional justice) suggest that leaders who practice transformational leadership can effectively address fairness issues in culturally diverse settings.

#### Implications for MNCs.

Multinational companies operating in regions like Rivers State must prioritize training to foster transformational leadership skills. By investing in leadership development that focuses on transparency, inclusivity, and cultural sensitivity, MNCs can improve employee satisfaction and organizational performance.

#### Addressing Distributive Justice

One of the critical challenges identified in this study is the perception of pay disparities between local and expatriate employees. MNCs should review their compensation structures to ensure more significant equity and transparency, likely improving perceptions of distributive justice and employee commitment.

#### Fostering Procedural and Interactional Justice

Leaders who are transparent in their decision-making processes and who respect and understand cultural differences are more likely to be viewed as fair by their employees. MNCs should implement policies encouraging participatory decision-making and provide leaders with the necessary tools to enhance cross-cultural competence.

The findings of this study provide a solid basis for multinational companies in Rivers State to enhance their leadership strategies and promote organizational justice, thereby improving employee outcomes and organizational success.

This study has demonstrated the significant role that transformational leadership plays in promoting organizational justice in MNCs. By fostering distributive, procedural, and interactional fairness, transformational leaders can create a more inclusive and equitable work environment, enhancing job satisfaction, organizational commitment, and overall performance.

#### Implications for Practice

The findings of this study have several practical implications for multinational companies (MNCs) operating in Rivers State, Nigeria, especially in terms of leadership development and promoting organizational justice. These insights can help companies enhance employee satisfaction, improve fairness perceptions, and boost organizational performance.

#### Leadership Training and Development

The study highlights the critical role that transformational leadership plays in promoting organizational justice. MNCs should invest in comprehensive leadership development programs that focus on:

#### Fostering transformational leadership skills

Training programs should emphasize critical components of transformational leadership, such as idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. These traits are essential for creating a work environment that employees perceive as fair and inclusive.

#### Emphasizing cultural competence

Given the multicultural nature of the workforce in MNCs, particularly in Rivers State, leaders must be trained in cross-cultural communication and conflict resolution. Understanding local and expatriate employees' diverse backgrounds and needs will allow leaders to address interactional justice effectively.

#### Encouraging transparency

Leaders should be trained to promote open communication and transparency in decision-making, improving employees' perceptions of procedural fairness. Regular updates, feedback mechanisms, and inclusive decision-making processes can foster a sense of trust and fairness among employees.

#### Promoting Organizational Fairness through Policy Reforms

MNCs should review their organizational policies and procedures to enhance perceptions of fairness, especially in the following areas:

##### Compensation and Rewards

The study revealed significant disparities in the perception of distributive justice between local and expatriate employees. MNCs should establish fair compensation structures that all employees perceive as equitable. This might involve reassessing pay and benefits, especially for local employees, to reduce perceived inequalities. Transparent salary frameworks and clear criteria for promotions and rewards can foster greater trust in the organization's fairness.

##### Promotion and Career Development

MNCs should implement clear and objective criteria for promotions and career advancements to ensure procedural justice. Employees are more likely to feel satisfied and committed to the organization if they believe that growth opportunities are distributed fairly and based on merit.

##### Enhancing Cross-Cultural Communication

Effective communication is critical to promoting interactional justice within MNCs. Leaders and managers must be trained to understand and navigate cultural differences to ensure that all employees feel respected and valued. This can be achieved by:

Establishing cross-cultural training programs should improve leaders' ability to communicate effectively across cultures and address potential cultural biases or misunderstandings.

Fostering a culture of respect: Leaders should actively create a work environment where mutual respect and understanding are prioritized. Focusing on individualized consideration for all employees, regardless of their cultural background, will improve interpersonal relationships and perceptions of fairness.

##### Improving Procedural Transparency

The study found that procedural justice is closely linked to leadership transparency. MNCs should, therefore, strive to ensure that:

##### Decision-making processes are transparent and inclusive

Leaders should provide employees with detailed information about decisions, especially in promotions, job assignments, and rewards. Engaging employees in these processes can create a sense of ownership and fairness.

##### Establishing feedback loops

Regular feedback mechanisms should be in place to allow employees to voice concerns and provide input into decision-making processes. This improves transparency and fosters a culture of participation and inclusivity.

##### Encouraging Ethical Leadership

The findings underscore the importance of ethical leadership in promoting organizational justice. Transformational leaders who exhibit ethical behaviour and moral integrity are likelier to inspire employee trust and loyalty. MNCs can:

##### Promote ethical leadership practices.

MNCs should develop ethical leadership frameworks and ensure leaders are held accountable for upholding fairness and justice in all organizational practices.

##### Incorporate ethics into leadership assessments.

Regular evaluations of leaders should include metrics related to their ethical behaviour, commitment to fairness, and ability to promote justice in the workplace.

The implications of this study suggest that MNCs operating in Rivers State need to prioritize transformational leadership and organizational justice to enhance employee satisfaction and organizational performance. By investing in leadership development, promoting fairness through policy reforms, and fostering ethical leadership practices, MNCs can create a more equitable, inclusive, and productive work environment for their employees.

#### Conclusion

##### Summary of Findings

This section summarizes the key findings from the study on transformational leadership and organizational justice in multinational companies (MNCs) in Rivers State, Nigeria.

##### Positive Relationship between Transformational Leadership and Organizational Justice.

The study found a strong positive relationship between transformational leadership and organizational justice. Employees who viewed their leaders as transformational reported higher levels of distributive, procedural, and interactional justice.

##### Distributive Justice

Employees under transformational leaders perceived that rewards, salaries, and promotions were distributed fairly. Leaders who demonstrated individualized consideration enhanced these perceptions.

##### Procedural Justice

Employees felt that decision-making processes were fairer when leaders exhibited intellectual stimulation and involved them in organizational decisions.

##### Interactional Justice

Transformational leaders who communicated respectfully and openly fostered perceptions of interactional fairness.

##### Higher Job Satisfaction and Commitment Linked to Organizational Justice

The study showed that employees who perceived higher organizational justice also experienced greater job satisfaction and organizational commitment. This was especially evident in employees who felt there was fairness in both outcomes (distributive justice) and processes (procedural justice).

##### Perceptions of Distributive Justice Vary between Local and Expatriate Employees.

A key finding was the discrepancy in perceptions of distributive justice between local and expatriate employees. Local employees reported feeling less fairly compensated than expatriates, suggesting that pay disparity was a significant issue. This perception of inequality impacted their overall sense of fairness in the workplace.

##### Leadership Transparency Enhances Procedural Justice.

Leaders who were transparent in decision-making and communicated openly about processes, especially promotions and career progression, enhanced employee perceptions of procedural justice. Employees valued the inclusion of their input and felt more trust in leaders who were open about organizational decisions.

##### Cross-Cultural Competence Improves Interactional Justice.

Transformational leaders who demonstrated cross-cultural competence by understanding and respecting cultural differences among employees were better able to foster interactional justice. This was crucial in a multicultural environment where local and expatriate employees work together.

##### Transformational Leadership Contributes to Organizational Performance.

The study found that transformational leadership positively impacted organizational performance. Employees who perceived higher levels of fairness were more engaged, productive, and committed to the organization. MNCs that emphasized leadership development reported better employee outcomes, such as increased retention and job satisfaction.

## Recommendations

### Implications for Multinational Companies in Rivers State

Based on the challenges outlined in the case study and the interventions already in place, the following vital recommendations are preferred for MNCs operating in Rivers State:

#### Developing Cross-Cultural Competency in Leadership

Given the cultural diversity inherent in multinational operations, leaders must develop cross-cultural competencies to foster interactional justice. Cross-cultural leadership training helps managers understand the different perspectives of local and expatriate employees, improving communication and reducing misunderstandings (Nguyen & Umemoto, 2009). Training programs should focus on:

They are emphasising empathy and cultural sensitivity. Leaders must recognize local employees' unique challenges and respond compassionately.

They are encouraging open dialogue. Leaders should create platforms for employees to voice concerns and opinions, fostering a culture of transparency.

#### Promoting Merit-Based Systems for Distributive Justice.

The sense of distributive injustice among local employees in Rivers State, driven mainly by wage and promotion disparities, can be mitigated by ensuring that rewards and recognition are based on merit. To enhance perceptions of fairness, MNCs should:

Develop clear performance metrics.

Transparent promotion criteria, salary increases, and rewards should be established and communicated to employees. Research shows that when employees understand the rationale behind reward distribution, their perceptions of distributive justice improve (Greenberg, 1990).

Ensure equal access to resources.

Local employees should be provided with the same career development and training opportunities as expatriates, creating a more level playing field and promoting equity in career advancement (Folger & Konovsky, 1989).

#### Building Trust through Procedural Transparency.

Procedural justice plays a critical role in shaping employee perceptions of fairness. MNCs should take proactive steps to ensure that their decision-making processes are transparent and involve input from local employees. Transformational leaders can:

Create participatory decision-making processes.

Leaders who involve local employees in decisions that affect their work increase feelings of procedural fairness. Employees who perceive themselves as having a voice in decision-making are likelier to feel that the process is (Lind & Tyler, 1988).

Communicate decisions effectively.

Leaders should ensure that decisions, particularly those related to promotions and rewards, are communicated clearly and with respect for local cultural norms.

#### Encouraging Leadership Accountability and Ethical Standards.

Transformational leadership is inherently ethical, focusing on the collective good over individual gain (Bass, 1999). In environments where corruption or favoritism might occur, transformational leaders must actively demonstrate ethical behaviour by ensuring fairness and accountability in their decision-making. Research indicates that moral leadership is strongly linked to improved perceptions of organizational justice, as it fosters employee trust and respect (Brown et al., 2005).

## Conclusion

This study has highlighted the importance of transformational leadership in fostering organizational justice within multinational companies in Rivers State, Nigeria. The unique socio-economic and cultural challenges faced by MNCs operating in this region necessitate leadership styles that promote fairness, inclusion, and transparency. Transformational leaders can address long-standing grievances about pay disparities, promotion inequalities, and interpersonal treatment by emphasizing distributive, procedural, and interactional justice.

As Shell, Chevron, and Total's case studies demonstrate, transformational leadership can play a pivotal role in enhancing employee engagement and trust, thereby improving organizational performance. MNCs that invest in leadership development programs focused on transformational leadership will be better equipped to navigate the complexities of operating in Rivers State while promoting a fair and just work environment.

In summary, this study's findings underscore the importance of transformational leadership in promoting organizational justice within MNCs in Rivers State. Leaders who exhibit transformational traits such as individualized consideration, intellectual stimulation, and transparency can significantly enhance employee perceptions of fairness, improving job satisfaction, organizational commitment, and overall performance. Addressing pay disparities and fostering cross-cultural competence is critical for MNCs to further focus on promoting justice in their diverse workforces.

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