

Relationship Between Distributive, Procedural Justice and Organizational Commitment: An Empirical Analysis on Public Sector of Pakistan

Kanwal Raza, Nosheen Adnan Rana, Mehwish Qadir, Adnan Masood Rana

Army Public College of Management Sciences, Rawalpindi, Pakistan

Abstract: This study examines the relationship of distributive justice and procedural justice and organizational commitment in public sector of Pakistan. Research shows that whenever there will be fair use of distributive and procedural justice then employees will be more committed to their organization. The use of fair procedures in rewarding and promoting employees in an organization makes the employee more motivated. Exchange relationship is developed between employee and organization. It is a cross-sectional study. The adapted questionnaire of Nieoff and Moorman (1993) was distributed in public sector organizations. Out of 350 only 300 were returned and filled properly. The employees experience was between 2 to 40 years and the percentage of female participants was 35 percent and of male was 65 percent. In order to test the relationship between distributive justice, procedural justice and organizational commitment bivariate correlation and linear regression is used. The Cronbach α value of DJ is (0.82), PJ (0.85), IC (0.66), AC (0.78) and EC (0.73). The linear regression results indicates that both distributive and procedural justice have positive and significant relationship with three constructs of organizational commitment that is identification, affiliation and exchange commitment. The more is the organizational commitment the more will be organizational productivity.

Key words: Distributive justice • Procedural justice • Organizational commitment • Identification commitment • Affiliation commitment and exchange commitment

INTRODUCTION

Organizational justice is an important concept in human resource management and organizational behavior [1]. It is the factor that determines the behaviors and attitudes of employees at the work place and also employee commitment towards its organizations [2]. Justice is defined by Greenberg (1990) as fairness given to people on the basis of implied and overt nature of organizational roles and duties. Researches had been done on organizational justice by researchers for 30 years. Organizational justice tends to influence number of behaviors and attitudes such as organizational commitment, management satisfaction, pay satisfaction, leadership evaluation and job performance and employee theft [3, 4]. The reaction of people towards a particular organization is influenced by the fairness and equality that they give to their employees. OJ has three dimensions namely distributive, procedural and

interactional justice. Distributive justice is the professed fairness of outcomes that an individual gets from his organization and it is based on equity theory by Adams (1965). Procedural justice refers to the fairness of procedures that are used to establish the outcomes and interactional justice is defined as the equality in the interpersonal communication relating to organizational procedures [5-8].

Organizational commitment plays an important role in the survival of organization [9] and the reason is that individuals or employees having high level of organizational commitment are more productive and satisfied in nature and thus have the greater loyalty. Different authors have defined the organizational commitment in their literature. Organizational commitment is defined by Meyer and Allen (1996) as a behavior that occurs as a result of individual's relationship with its organization and makes individuals to decide whether they want to become a permanent member of the

organization or not. Many studies have been done on organizational commitment in recent years [10]. Organizational commitment represents the employees' attitude towards organization rather than the intentions to leave organization [11].

Objectives: The main objective of the study is:

- To analyze the relationship between distributive justice, procedural justice and organizational commitment in the public sector of Pakistan.

Problem Statement: The present study seeks to address that how significantly is distributive and procedural justice relates to identification, affiliation and exchange commitment.

Significance of the Study: In the current period, organizations are focusing on committed employees with high job satisfaction and low turnover rates in their organization. Researchers do not find any theoretical model related to organizational justice and organizational commitment in context of Pakistan. This study focuses on impact of distributive justice and procedural justice on the organizational commitment of public sector employees of Pakistan.

Literature Review

Organizational Justice: The concept of organizational justice is given by Adams (1965) in his equity theory. According to equity theory, "an employee compares his/her outcome/input ratio with referent others and pay satisfaction is dependent on the comparison of the person's ratio with a comparison other". In social exchange theory the "outcomes" stands for rewards, money, increased status, authority, or enjoyable work/duties where as "inputs" stands for age, seniority, social status, education, effort, ability or skill, etc.

Distributive justice means equality in the distribution of rewards in the organization and it focuses on outcomes and consequences (John Rawls). The outcomes can be tangible or intangible as told by Adams (1965) in Equity theory. The theory asserts that persons should get outputs (e.g. salary, reward) consistent with their inputs (e.g. efforts). Social exchange theory was used by Adam to measure equality. The ratio of input-output gives rise to equity theory which is a subjective process [12]. Along with the Adams equity rule, other rules have also

been identified by [13] i.e. equality and need [3]. There are two types of equity that exists among the employees of an organization doing the same job. First is the individual equity in which comparison take place between the employees doing the same job where as in external equity a comparison occurs with the people outside the company [2].

Procedural justice term refers to the process or formal decision making use to distribute rewards equally in the organization [14]. It was given by Thibaut and Walker in 1975 in reaction to dispute-resolution processes, they focused on disputant reactions to legal procedures and this research further on extends the procedural justice into organizational setting given by Leventhal (1980). The Leventhal theory has suggested six criteria that are necessary to have procedural justice through which fairness can be attained i.e. (1) procedures should be applied constantly across people and time, (2) free from any kind of discrimination, (3) accuracy of information for decision making (4) should have some mechanism to correct wrong decisions, (5) conform to personal or prevailing standards of ethics or morality and (6) take into account people who are affected by decisions, Jason A [3].

Organizational Commitment: The term Organizational commitment is treated as a multidimensional variable due to a variety of definitions and measures proposed by different authors and researchers in their studies [15]. Organizational commitment is defined by Porter (1974) via three concepts which are (1) the trust in and recognition of organizational goals and objectives; (2) employee eagerness to work for the betterment of his organization; and (3) explicit intentions of an employee to stay in the organization [16]. Meyer and Allen in 1990 has given three component model, this framework was used to measure organizational commitment [17]. The three components that are given by Meyer and Allen (1990) are affective commitment, continuance commitment and normative commitment. Affective commitment is defined as employees' attachment, identification and participation in the organization [18]. Continuance commitment is related to employees' judgment of whether the costs of leaving the organization are greater than the cost of staying [17, 15]. Normative commitment refers to employee's feeling of responsibility to remain with the organization [18].

Conceptual Framework:

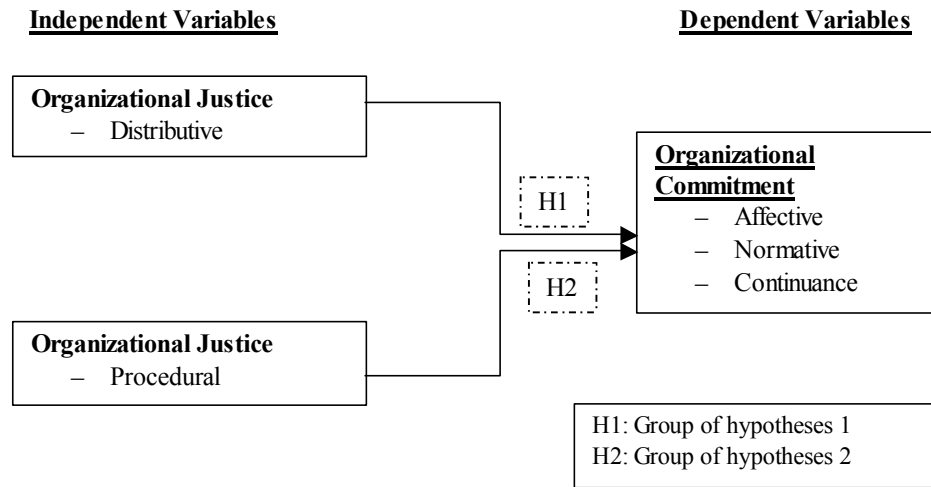


Fig: Showing relationship between independent variables with dependent variables.

Relationship of distributive justice and organizational commitment

Distributive justice is related to the fairness in the distribution of pays [19] and rewards that employees get from its organization [20]. Distributive justice influence job satisfaction directly and it played an important role in employees' work-related outcomes [12]. Previous studies done by Beugre in 1998 shows that procedural, distributive and interactional justice are significantly and positively related to affective commitment [21].

With above findings in mind, the following hypotheses are postulated:

Hypothesis 1 = Distributive justice has a positive relationship with Affective commitment.

Hypothesis 1a = Distributive justice has a positive relationship with Continuance commitment.

Hypothesis 1b = Distributive justice has a positive relationship with Normative commitment.

Relationship of procedural justice and organizational commitment:

Many researchers have been done using meta-analytical approach which linked justice dimensions to certain outcomes like job satisfaction, organizational commitment and organizational-citizenship behaviors [14, 22]. A study was conducted by Bakshi, Kumar and Rani (2009) in India on two justice dimensions i.e. procedural and distributive justice and they have shown

in their research that both dimensions are very much correlated with the organizational commitment of Indian employees [23]. The procedural justice seems to be a stronger analyst of job satisfaction than the distributive justice and job satisfactions escort towards high level of organizational commitment [24].

With above findings in mind, the following hypotheses are postulated:

Hypothesis 2 = Procedural justice has a positive relationship with Affective commitment.

Hypothesis 2a = Procedural justice has a positive relationship with Continuance commitment.

Hypothesis 2b = Procedural justice has a positive relationship with Normative commitment.

Methodology: To ascertain the relationship between distributive, procedural and organizational commitment, the research method is divided into two parts. The first part covers literature review, where as the second part encompasses empirical study. The secondary data was gathered from the previous articles and journals where as the primary data was collected through the questionnaires in public sector of Pakistan.

Sample: Data is collected through survey method from employees of public sector of Pakistan having experience ranged from two and forty years. They were chosen because of their consent to participate in the survey.

The questionnaire was self administered and given out to the workers in lower, middle and upper managerial levels. A total number of 350 questionnaires were distributed and 300 returned within a month.

Instrument and Measure: The questionnaire used 7-point Likert-type scales (1= 'strongly disagree', 7= 'strongly agree') to measure the items of the following constructs. 7-point likert scale developed by Nieoff and Moorman (1993) was adapted to measure distributive justice. Cronbach's α for this scale was 0.82 which is very good value. 7-item scale developed by Nieoff and Moorman (1993) was adapted to measure procedural justice. Cronbach's α for this scale was 0.85 which is very good value. 7-point likert developed by Balfour and Wechsler in 1996 was adapted to measure organizational commitment. Nine items were used to measure three dimensions of organizational commitment i.e. affiliation, identification and exchange. The value of Cronbach's α for identification commitment is 0.72 where as calculated is 0.51, for affiliation commitment it is 0.81 where as calculated is 0.54 and for exchange commitment it is 0.83 where as calculated is 0.49.

Control Variables: In our analysis, we have controlled the size of organization and several demographic characteristics of the respondents, such as gender, education, job position and organizational tenure. Few literatures indicate that gender and organizational tenure do have impact on organizational justice and organizational commitment. For this study, gender was measured by a dummy variable, coded 0 if the respondent is a male and coded 1 if the respondent is a female.

DISCUSSION

Data analysis has been done by using SPSS software to validate the results. Among the respondents, male respondents are 64.3% and female respondents are 35.7%. Participants were of different age group, 21% were between 20-30 years old and 43.7% were 31-40 years old, 18.7% were 41-50 year old, 7.7% were 51-60 years old, 6.3% were 61-66 years old and lastly 2.7% were above 66 years old. The sample shows that 2.3% respondents have the education level of 10th grade, 1% has studied till 12th grade, 29% did graduation, 58.7% did masters and 9% did postgraduate. In total, 300 questionnaires were completed, resulting in response rate of 85%.

Table 4: Correlations and reliabilities for the main variables of interest in this study

	1	2	3	4	5
1 Distributive justice	(0.82)	-	-	-	-
2 Procedural justice	.663**	(0.85)	-	-	-
3 Identification commitment	.444**	.437**	(0.66)	-	-
4 Affiliation commitment	.476**	.437**	.557**	(0.78)	-
5 Exchange commitment	.576**	.555**	.355**	.517**	(0.73)

** Correlation is significant at the 0.01 level (2-tailed).

Table 5: Regression analysis for the organizational justice and organizational commitment

Predictors	β	R^2	ΔR^2	F-value	t-value
DJ & IC	0.73***	0.197***	0.197***	73.22	8.56
DJ & AC	0.77***	0.23***	0.23***	87.350	9.35
DJ & EC	0.96***	0.33***	0.33***	147.87	12.16
PJ & IC	0.80***	0.22***	0.22***	83.20	9.12
PJ & AC	0.78***	0.19***	0.19***	70.35	8.39
PJ & EC	0.96***	0.31***	0.31***	132.68	11.52

Control variables are age, gender, education and organization

Note: N=300; *p < .05, **p < .01, ***p < .001

In order to check reliability, Cronbach alpha was calculated. Cronbach alpha measures the internal consistency of items to the concept and we have used cronbach's alpha to measure the reliability of items in this study. Its value ranges from 0 to 1 and the higher value indicates the greater reliability. The minimum level of reliability often used by researchers is 0.6 and so do we in this study.

The above table shows the results of reliability test for each variable. It is observed that all of the alpha values are more than 0.6. According to Table 4, the alpha value for distributive justice 0.82 which is the highest value and for procedural justice it is 0.85 which is more than distributive justice alpha value, thus shows that procedure justice has highest alpha value. In order to improve the reliability of identification (0.51), affiliation (0.54) and exchange commitment (0.49); I deleted some items i.e. RIC, RAC and REC. Again I calculated the reliability on SPSS 17 and it is now gives (0.66) for identification commitment, (0.78) for affiliation commitment and (0.73) for exchange commitment which is good value.

According to the above table, the regression analysis of the DJ with IC, AC and EC shows that the value of R^2 of IC, AC and EC is 0.197, 0.23 and 0.33, respectively. It shows that they have significant relationship between DJ and IC, AC and EC. In case of PJ, the value of R^2 of IC, AC and EC is 0.22, 0.19 and 0.31. Therefore, PJ also shows significant relationship with IC, AC and EC respectively. It reveals that whenever there will be distributive and procedural justice in an organization then there will be

high level of identification, affiliation and exchange commitment within the organization. Thus it will retain the employees for longer period.

The F-values of distributive justice with identification, affiliation and exchange commitment are 73.22, 87.35 and 147.87, respectively. The t-values DJ with IC, AC and EC are 8.56, 9.35 and 12.16, respectively. The value of p ($p < 0.001$) shows that there is a significant relationship between DJ, PJ and IC, AC and EC. Thus, rejecting the null hypotheses and accepting the alternate hypotheses of this study. The result shows that the employees working in public sector seems to have strong bond with its organization as there organization take care of them in good manner.

CONCLUSION

Employees are the most precious assets for any organization. Organizations need to keep them motivate, active, commitment and energetic for successful completion of tasks. This research offers a momentous input by empirically incorporating literature of Justice Perceptions (procedural and distributive) and organizational commitment (normative, continuance and affective commitment). Despite some limitations, the scope of current study proves that public organization in Pakistan are giving justice to their employees and subordinates which results into strong level of organizational commitment. Rewards that are being distributed to the employees have fair procedure, equality of resources prevail in public sector organizations. The main crux of current research is that justice perceptions are an important part of organizations but they remained unexplored in previous research. Another interesting finding of the study was that Justice Perceptions (procedural and distributive) are found to positively relate with organizational commitment. Moreover this study depicts that the fairness process used in the allocation of rewards also makes the employees more committed to its organization. Equal treatment given to employees by its organization will raise team work and loyalty. Eventually, organizational justice is a fundamental variable that plays a major role in organizational commitment and it should be improved day by day.

REFERENCES

1. Cloutier, J. and L.Vilhuber, 2008. Procedural justice criteria in salary determination. *Journal of Managerial Psychology*, pp: 712-713.
2. Chang, E., 2002. Distributive justice an Organizational commitment revisited. Moderation by layoff in the case of Korean employees. *Human Resource Management*, 261-263.
3. Colquitt, J.C. and M.P. Wesson, 2001. Justice at the millennium. A meta-analytic review of 25 years of organizational justice research. *Journal of Applied Psychology*, 86: 426-444.
4. Richard, C.O., E.C. Taylor, T. Barnett and M.F. Nesbi, 2002. Procedural voice and distributive justice their influence on mentoring career help and other outcomes. *Journal of Business Research*, pp: 724-726.
5. McDowall, A. and C. Fletcher, 2004. Employee development and organizational justice perspective. *Personal review*, pp: 11-10.
6. Irurhe, N.K., S.B. Raji, O.A. Olowoyeye, A.O. Adeyomoye, R.A. Arogundade, K.O. Soyebi, A.Z. Ibitoye, L.C. Abonyi and F.J. Eniyandunni, 2012. Knowledge and Awareness of Breast Cancer among Female Secondary School Students in Nigeria, *Academic Journal of Cancer Research*, 5(1): 01-05.
7. Kabita Lahkar and Rita Mahanta, 2012. Status of Thyroid Hormone During 3-Methylcholanthrene Induced Carcinogenesis with Thyroid Stress, *Academic Journal of Cancer Research*, 5(1): 06-10.
8. Achenef, M.B. and A.K. Arifah, 2012. Cytotoxic Effects of Conjugated Linoleic Acids on Human Breast Cancer Cells (MCF7) *Academic Journal of Cancer Research*, 5(1): 11-16.
9. Farndale, E., V. Hope-Hailey and C. Kelliher, 2011. High commitment performance management the roles of justice and trust. *Personnel Review*, pp: 5-23.
10. Hammer, T. and A.A., 2005. The impact of unions on job satisfaction, organizational commitment and turnover *journal of labor*.
11. Jaramillo, F., J.P. Mulki and G.W. Marshall, 2005. A meta-analysis of the relationship between organizational commitment and salesperson job performance, 25 years of research, *Journal of Business Research*, pp: 705-714.
12. Lambert, E.G., N.L. Hogan, S. Jiang, O.O. Elechi, B. Benjamin, A. Morris, *et al.*, 2010. The relationship among distributive and procedural justice and correctional life satisfaction, burnout and turnover intent. An exploratory study. *Journal of Criminal Justice*, pp: 7-8.
13. Leventhal, G., 1976. The distribution of rewards and resources in groups and organizations. In M.P. Zanna, *advances in experimental social psychology*. Elsevier Academic Press, pp: 93-131.

14. Maria-Elena Olkkonen, J.L., 2006. Relationships between organizational justice, identification with organization and work unit and group-related outcomes. *Organizational Behavior and Human Decision Processes*, pp: 201-204.
15. Jain, A.K., S.I. Giga and C.L. Cooper, 2009. Employee wellbeing, control and organizational commitment. *leadership and Organization Development Journal*, pp: 256-257.
16. Foote, D.A., S.J. Seipel, N.B. Johnson and M.K. Duffy, 2005. Employee commitment and organizational policies. *Management Decisions*, pp: 203-204.
17. Brown, B.B., 2003. Employees' Organizational Commitment and Their Perception of Supervisors' Relations-Oriented and Task-Oriented Leadership Behaviors, pp: 27-30.
18. Kuvaas, B., 2003. Employee ownership and affective organizational commitment, employees' perceptions of fairness and their preference for company shares over cash. *Management*, pp: 194-195.
19. Lam, S.S., J. Schaubroeck and S. Aryee, 2002. Relationship between organizational justice and employee work outcomes a cross-national study. *Journal of Organizational Behavior*, pp: 1-2.
20. Yavuz, M., 2010. The effects of teachers' perception of organizational justice and culture on organizational commitment. *African Journal of Business Management*, pp: 695-696.
21. Kok Wei Khong, K.L., 2009. Organizational Commitment. The Study of Organizational Justice and Leader Member Exchange (LMX) Among Auditors in Malaysia, pp: 162-170.
22. Murtaza, G., I. Shad, K. Shahzad, M.K. Shah and A.N. Khan, 2011. Impact of Distributive and Procedural Justice on Employees Commitment. A Case of Public Sector Organization of Pakistan. *European Journal of Economics, Finance and Administrative Sciences*, pp: 73-80.
23. Bakshi, A.K., 2009. Organizational justice perceptions as predictor of job satisfaction and organization commitment. *International Journal Business Management*, pp: 145-154.
24. Masterson, S.L., 2000. Integrating justice and social exchange. The differing effects of fair procedures and treatment on work relationships. *Academy of Management Journal*, 43(4): 738-748.