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Examining the Relationship between Organizational Justice and Job Performance

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Abstract
The main purpose of this study is to examine the role of organizational justice on job performance of employees in a selected private manufacturing company in Malaysia. This study which empirically examined the direct effect of perceived distributive, procedural and interactional justice on job performance employed a quantitative research method and involved a total of 142 respondents. Prior to actual study, a pilot study was conducted in order to assess the reliability and appropriateness of the measurements used. The data gathered was analysed by using SPSS Version 23. The research finding showed a positive association between distributive, procedural and interactional justice on employees’ job performance. The findings also showed that distributive justice tend to be the strongest contributor of employees’ job performance compared to procedural justice and interactional justice. Theoretical discussion, practical implications, limitations of the study and suggestions for future research were also being discussed.

Keywords: Distributive Justice, Interactional Justice, Job Performance, Procedural Justice, Organizational Justice

Introduction
Justice is a core factor in establishing and maintaining a stable society. The increase of organizational performance is directly related to the increase in the employee’s individual performance (Kavanagh, Brown and Benson, 2007). Throughout the years, with the fast-paced
development of science and technology, there is an increasing number of awareness received to
the study organizational justice of organizational justice in order to anticipate the employees’
performance in today’s organization. Realizing the significant role of organizations brings to the
society; people are attracted to the establishment of justice as one of the indicators to the job
performance in such organizations. The effect of justice on fulfilment and performance inside the
organization has caused the researchers to plan a theory in identifying the how and the reason
of people's consideration regarding justice (Hafiz, Ishaq, and Shaheen, 2015).

The transition of business from industrial age to informational age has made organizations
increasingly dependent upon human capitals which perform better when they are being treated
fairly (Kaplan and Norton, 2004). This is true, especially in the 21st century, where human factors
are more emphasized (Zehir et. al, 2010). Previous study has shown both theoretical as well as
the empirical connection between organization justice and job performance (Ohana, 2014).
Additionally, according to Adams (1965), a person's job performance could change depending on
their perceptions of justice. Meta-analysis done by Colquitt (2001) also provides a summary of
the relationship between organizational justice and various organizational outcomes that include
performance. Although there are a numbers of researches on organizational justice and job
performance, the contribution on how the variables relates in different setting is still warranted.
In addition, this study also discusses the relationship of organizational justice variables on job
performance theoretically using Social Exchange Theory (SET) introduced by Blau (1964) and
Equity Theory by Adams (1965).

Literature Review
According to Sinh, Dorner and Gorman (2011), managers should make clear to their subordinates
about their responsibilities at work and the associated benefits in the organization in order to
motivate employees actively involved in the workplace thus improving the job as well as their
overall performance. Basically, job comprises of obligations, duties, and assignments that is
define and particular, and can be achieved, evaluated, measured and appraised. While,
performance can be characterized as the achievement of a given assignment performed by the
individual and measured by the standard to which work has been done (Campbell, 1990).
Inefficiency in job performance will cause a catastrophe to the organization as inefficiency is
related with low productivity and debilitation of organizational viability (Okoyo, 2013).

Borman and Motowildo (1993) have outlined two key components, of employee performance
specifically contextual performance and task performance. Contextual performance is individual
attempt that have no immediate association with essential assignment and procedures that
shape the organization, social, and mental condition. It can be seen from practices that go past
the expected set of responsibilities that empower the organization to accomplish their objectives
of two features: work commitment and interpersonal facilitation. Work commitment is appear
in self-restraint practices, for example, working harder and following the guidelines. On the other
hand, interpersonal facilitation behaviour includes praising others and helps a co-worker voluntarily.
Task performance. Task performance is characterized as the capacity of a worker to finish the assignment and duties given by the organization (Griffin, Neal and Parker, 2007). According to Katz (1964), employees must meet certain level of requirement of performance in term of quality and quantity. Workers who neglected to carry out their task as the standard requires, may not receive appropriate rewards or face risk losing their employment. Task performance is likely to fluctuate depending on the capability of an individual performance of the core task.

Organizational Justice. Organizational justice is presently one of the main research subjects in the field of organizational behaviour and human resource (Cojuharencu and Patient, 2013). According to Greenberg (1987), organizational justice is the members’ view of being treated fairly. Organization justice is utilized as indicator of states of mind and conduct inside the working environment (Muller, 2011). Researchers of organizational behaviour (e.g, Cropanzano and Schminke, 2001; Colquitt, 2001; Colquitt, et.al, 2001, Sethi, Iqbal and Rauf, 2014) recognized three types of organizational justice that are distributive justice, procedural justice, interpersonal justice which are additionally isolated into interactional justice.

Distributive Justice. Distributive justice can be defined as how people perceived about the distribution of reward among employee in the organization, in which, it demonstrates reasonable dispersion of advantage pick up from different kinds of work that organizational members consider just and fair. Distributive justice was first developed as an equity theory by Adams (1965), which recommends that individuals decide fairness by assessing their apparent sources of information in respect to the result that they have gotten before contrasting the proportion with some reference to standard before deciding if it is fair to them. If the employee feels dissatisfied with their outcome, they will alter their performance to balance the input-output ratio (Cropanzano and Schminke, 2001). Based on past research, there is positive relationship between distributive justice and job performance (Adams, 1965; Williams, 1999).

Procedural Justice. Meanwhile, procedural justice is how individual perceive the decision that had been made according to the organization systems and from the treatment given by the organization in enforcing those decision (Moorman, 1991). Meaning that, it alludes to the perception of people on fairness of decision making process to repay their service rather than a genuine dispersion of wages. According to Cohen-Charash & Spector (2001), procedural justice can be characterized as the decency of operations, procedures and techniques that are utilized to achieve the final decision. It focuses on the methods and services that are followed when making organizational decisions (Colquit, Greenberg and Zapata, 2005). Procedural justice is focusing on the fairness of process involved in the distribution of the outcome (Thibaut and Walker, 1975; Lavental, Karuza and Fry, 1980). It alludes to decency on appropriation of wages, cooperation amid basic leadership and data dispersion inside an organization (Colquitt and Chertkoff, 2002). Based on the study conducted by Lind and Tyler (1998), there is a strong relationship between procedural justice and job performance.

Interactional Justice. Interactional justice is the nature of relational treatment individuals got when procedures are applied (Bies and Moag, 1986). Interactional justice can be partitioned into two components, which are informational justice and interpersonal justice (Greenberg, 1993a;
Greenberg, 1993b). Greenberg (1993a) describe informational justice as the nature of the communication and clarification given to employee during decision making process. It focuses on explaining to people so that they can understand how the decision was made. Interactional justice is the nature of inter-individual behaviour where an individual is responsible preliminary and after the decision process. Interactional justice concentrates on relational treatment received during decision process and in addition systems which incorporate different individual practices upon social affectability, for example, regard, trustworthiness, pride, courteousness shown by the originator of equity toward beneficiary of equity (Cropanzano, Prehar and Chen, 2002). The accuracy and timing of information given would have an impact on individual perception of fairness (Kernan and Hanges, 2002). The second dimension of interactional justice is interpersonal justice, which mirrors how much individuals are treated with nobility, amiability and regard by the authorities involved in the procedures implementation. Previous research had shown significant relationship between interactional justice and individual satisfactions, loyalty, job performance and commitment (Cropanzano, Bowen, and Gilliland, 2007; Suliman and Kathairi, 2013).

According to Greenberg (1990), Social Exchange Theory (SET) by Blau (1964) suggests that when employees received encouragement that is worth to their skills, knowledge and abilities, they will come to think that the outcomes such as benefits, pay, and terms of work are just and fair. In addition, employees are also expecting fair and consistent decision making by the organization. For example, the employees are treated the same regardless of what uniform they are wearing and their employment status. This eventually makes the employees perceive justice towards their organization (Leventhal, 1980).

Plus, Adams (1965) has explained about the perception of justice in his Equity Theory, in which, employees will perceive inequity if their given inputs are greater than the outputs. For example, if they show hard work and enthusiasm (input) towards the organization, they may expect for recognition, praises, better salary and rewards (output) at the accomplishment of their work. This may in turn increase their performance in the organization. Contrary, the employees may feel demotivated if their hard work has been under-graded and compensated thus making them to reduce their effort as well performance.

This theory calls for a fair balance between the employees work and how the organization reacts to them in terms of the distributive justice, procedural justice and interactional justice. Thus, based on the theoretical and empirical researches related to this study, the researchers proposed the following.

**Hypothesis 1:** Organizational justice is significantly related to job performance.

Sub Hypotheses:

**H1a:** There is a positive relationship between distributive justice and job performance.

**H1b:** There is a positive relationship between procedural justice and job performance.

**H1c:** There is a positive relationship between interactional justice and job performance.
The conceptual framework of this study is depicted in Figure 1.

Methodology

Sample and Data Collection. This study has employed a non-probability sampling, which is convenient sampling in choosing the respondents employed in a particular private manufacturing organization in Malaysia. Out of 200 questionnaires that have been distributed, only 142 questionnaires have been returned and completed. As a total, the response rate for this study is 72%. Prior to the actual study, a pilot study has been carried out towards 30 respondents in order to ensure the appropriateness of the questionnaire design. Overall, the respondents agreed that most of the items were clearly constructed and easy to understand.

Measures and Analytical Procedures. The questionnaire used in this study has been divided into five sections; A, B, C, D, and E consisting the measurement for demographic profile, distributive justice, procedural justice and interactional justice; and employee performance. All constructs of the study were using the scales adopted from existing scales that involve the application of five-point Likert Scale. This study has adopted questionnaire designed by Elding (1989) which consisted of 5 items while the measurement for organizational justice was adapted from Niehoff and Moorman (1993) that consisted of 5 items for distributive justice, 6 items for procedural justice and 5 items for interactional justice. All of the respective independent variables which are distributive, procedural, and interactional justice recorded Cronbach’s Alpha value of 0.835, 0.894, and 0.915 respectively. While the Cronbach’s Alpha value for items used to measure the dependent variable of job performance is 0.758.

The data were processed by using Statistical Package for Social Sciences (SPSS) Version 23 in order to gain the result. A descriptive analysis was conducted to describe the demographic of the respondent. Reliability test was conducted to examine for stability and consistency of the data. Pearson correlation test was conducted to recognize the direction and the strength of the correlation between independent and dependant variable. In order to answer the research hypotheses, multiple regression analysis was conducted to identify which dimensions of the independent variables that influence the dependent variable the most and to identify the probability of relationship between the independent and dependent variables.

Results

The descriptive statistical analysis shows majority of the respondents are female which represents 64.1% of total respondents while the other 35.9% are male. The results revealed that the highest percentage of respondents that participated in this survey is at the age category of 25-30 years old which is at 31.75%. While the lowest number of the respondent were aged 36
years old and above, which is at 28%. The highest number of respondent held the position of supervisor, assistant or clerk level, with a total of 45.1% while the lowest number of respondent held the manager or assistant manager position, which is only 2.1% from total respondents. Majority of the respondents have been working less than 5 years. Only 11.3% of the employees had working experience more than 10 years while 57% of them have been working less than 5 years.

Table 1 below shows the correlations value among the variables of the study and the value of the cronbach’s alpha. The Pearson product-moment correlation analysis shows that most of the variables are significantly correlated with one another.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Distributive Justice</th>
<th>Procedural Justice</th>
<th>Interactional Justice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Performance Pearson Correlation</td>
<td>.473** (0.83)</td>
<td>.470** (0.89)</td>
<td>.478** (0.91)</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>142</td>
<td>142</td>
<td>142</td>
</tr>
</tbody>
</table>

** Correlation is significant at the 0.01 level (2-tailed)
Bold figures in parentheses are Cronbach’s Alpha

The result of the multiple regression analysis is shown in Table 2. R-square value is 0.283 which indicates that 28.3% of the variance in dependent variable (job performance) can be explained by the independent variables used for this study (distributive justice, procedural justice and interactional justice). Meanwhile, the other 71.7% of variation can be explained by using other independent variables that are not studied in this research.

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.532a</td>
<td>0.283</td>
<td>0.267</td>
<td>0.41434</td>
</tr>
</tbody>
</table>

Predictors: Distributive Justice, Procedural Justice, Interactional Justice

Table 3 below shows the result of overall regression model with p value=0.000. This shows that the coefficient of multiple determinations (R-Square) is notably different from zero. The significant level of p-value must be <0.05. Meanwhile, Table III shows the F value of 18.164 that is significant at the 0.000 level. This shows that the coefficient of multiple determinations (R-Square) is notably different from zero.
Table 3 : ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>9.355</td>
<td>3</td>
<td>3.118</td>
<td>18.164</td>
<td>0.000</td>
</tr>
<tr>
<td>Residual</td>
<td>23.691</td>
<td>138</td>
<td>0.172</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>33.046</td>
<td>141</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Job Performance
b. Predictors: Distributive Justice, Procedural Justice, Interactional Justice

Table 4: Correlation Coefficient for Multiple Regressions

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Distributive Justice</td>
<td>0.194</td>
<td>0.075</td>
<td>0.256</td>
</tr>
<tr>
<td></td>
<td>Procedural Justice</td>
<td>0.072</td>
<td>0.090</td>
<td>0.107</td>
</tr>
<tr>
<td></td>
<td>Interactional Justice</td>
<td>0.169</td>
<td>0.90</td>
<td>0.234</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Job Performance

Table 4 shows the significant effect of each independent variable towards the dependent variable. From the table, distributive justice has the strongest effect (p=0.011) and is a significant contributor to job performance (B=0.194, t=2.572, p<0.05). Meanwhile, interactional justice (p=0.061, t=1.888, p>0.05) and procedural justice (p=0.424, t=0.801, p>0.05) both show the non-significant relationship towards job performance, indicating that interactional justice and procedural justice are not a significant contributors of job performance in this study. Based on the above results, hypothesis 1 of the study is partially accepted. Sub hypothesis 1a is accepted while 1b and 1c are rejected.

Discussion and Conclusion

The result of the multiple regression analysis shows that distributive justice as the significant contributor to job performance. This finding is supported by Williams (1999) who also found that distributive justice has positive significant relationship towards job performance. Meanwhile, interactional justice and procedural justice did not significantly contribute to job performance. However, the result of this study is inconsistent with the findings of Hafiz, Ishaq and Shaheen (2015) and Nasurdin and Soon (2011) who found that procedural justice and interactional justice has positive significant relationship towards job performance. The reason of the non-significant relationship might be because of the smaller sample size as compared to the previous research in which the valid data for this study is only 142. Plus, as this study was only conducted in one particular organization, the employees might be reluctant to express their grievance to the outsiders as this will tarnish and give bad reputation to their organization as a whole.
Because distributive justice is a significant contributor towards employees’ job performance, the management can revise and improve their compensation policy so that any compensations and rewards can be fairly distributed to the employees. A better grade and salary scheme can also be considered by the management in order to improve the job performance of the employees in which, will eventually increase the productivity of the organization. For example, the management can include special contribution and accomplishment of the employees and performance appraisal reports into considerations in revising the grade and salary of the employees.

There are also some limitations in this study. The first limitation faced by the researcher in conducting this study is the small sample size that comprises of 142 employees of a particular private manufacturing organization in Malaysia. Thus, this might affect the generalizability of the research findings to other organizations. Hence, future researchers are advised to increase the sample size and include more organizations from other industries in Malaysia to increase the accuracy and generalizability of the research findings.

Secondly, this study only focused on investigating the relationships between three main independent variables of distributive justice, procedural justice and interactional justice towards the dependent variable of job performance. In which, the independent variables could explain only 28.3% of the variation in job performance. Future research should include more potential contributors as the independent variables so that more variations of job performance can be explained. Otherwise, future researchers can include potential mediator or/and moderator that might influence the research findings hence providing more explanation about the factors affecting job performance.

Overall, this study has provided an empirical evidence for linking employees’ perceived organizational justice to job performance, thus providing support for a key theoretical proposition of Equity Theory by Adams (1965). This study also found a great support for the direct effect of organizational justice variables towards job performance of employees. In which, suggests that employers who give their focus and attention in providing a conducive work environment that increase their employees’ perceived distributive justice will eventually increase the job performance of their respective employees. This finding reinforces the role of organizational justice consistent with theorizing in social exchange theory and equity theory.

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