

Organizational Fairness, Psychological Capital and Job Performance: An Empirical Study Based on Science and Technology SMEs

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Abstract

The purpose of this study is to investigate the effect of organizational fairness and psychological capital on employee performance in SMEs. The study adopted a quantitative research methodology and used partial least squares structural equation modeling (PLS-SEM) to analyze the relationship between the variables. The data were obtained from 494 employees of small and medium-sized enterprises (SMEs) in Sichuan Province, China. The results of the study showed that all four factors of organizational fairness - distributive fairness, procedural fairness, interpersonal fairness, and informational fairness - positively affect employees' job performance. In addition, psychological capital also had a positive effect on employee job performance. These findings emphasize the importance of creating a fair organizational environment and enhancing employees' psychological capital to improve employee job performance in SMEs. Future studies could consider extending more regions. This study provides a valuable reference for SMEs to improve employee job performance, adding nuances to Psychological Capital Theory, fairness Theory and SOR Theory.

Keywords: SMEs, Organizational fairness, Job Performance, Psychological Capital.

Background of the Study

Small and medium-sized enterprises (SMEs) play a vital role in global economies, being key drivers of economic growth, innovation, and job creation (Haddad et al., 2020). This is true not only in China but globally (Karmaker et al., 2023). As the core driving force behind business operations, employee efficiency directly impacts the overall performance and long-term development of enterprises (Aslam et al., 2023).

Human resource management enhances organizational fairness to retain key talents, helping enterprises gain a competitive edge in talent retention (Madurani & Pasaribu, 2022). Improving employee job satisfaction can enhance job performance and improve the dynamic relationships in the unique environment of SMEs (MANAF et al., 2022). However, when employees perceive unfair treatment, this psychological imbalance can suppress their motivation and innovation, negatively affecting work efficiency and quality (Mirković, 2020). Previous studies have extensively explored the interrelationships between satisfaction, leadership styles, work environments, turnover intentions, and actual work outcomes (Liu & Wong, 2023; Zhang & Zhang, 2023). Nevertheless, in exploring the psychological factors that influence enterprise performance, there has been relatively little attention given to how psychological capital affects employee job performance. Employees' perception of employers' fair behavior is a core element of organizational fairness (Ahmed & Faeq, 2020a). While business leaders often focus on operational performance, in reality, the effectiveness of employees is crucial for business success. Only when employees perform well can companies thrive and operate sustainably in the long term (Faeq & Ismael, 2022a).

Therefore, in order to ensure that enterprises achieve sustainable and efficient operation in the fierce market competition and promote their long-term stable development, it is necessary for enterprises to pay attention to and strengthen employees' perception of organizational fairness, promote the development of employees' psychological capital, and enhance their trust and loyalty to the enterprise, so as to effectively improve employees' job performance. Based on this perspective, this study adopts a partial least squares structural equation modeling (PLS-SEM) research methodology with frontline employees of SMEs in science and technology in Sichuan, aiming to validate the key roles of organizational fairness and psychological capital in the process of improving employees' performance in this region and its relationship with employees' job performance.

Literature Review

In the current highly competitive work environment, how to continuously motivate employees to demonstrate high levels of job performance has become a core challenge for organizational human resource management (Patnaik et al., 2023). Therefore, managers need to pay particular attention to and commit to implementing fair resource allocation strategies, reasonable salary structure designs, transparent and equitable promotion opportunities, and effective employee training mechanisms. These measures have been proven to significantly enhance employee performance, as evidenced in the research by Jameel and (Ahmad, 2020). Liu & Wong (2023) further clarify that job performance is a dynamic multidimensional variable closely related to organizational goals, which can be measured through specific behavioral performance. Among these, task performance directly reflects the actual effectiveness of employees in completing core work tasks.

Despite the confirmation from past research that organizational fairness has a significant impact on employee job performance, the findings in this field have not yet formed a consistent viewpoint. Indeed, in different research frameworks, methodologies, and data analysis processes, there are multiple variations and unresolved heterogeneities in the specific mechanisms and effects of the relationship between organizational fairness and job performance (Pattnaik & Tripathy, 2023). Therefore, this study explored the mechanism of the four factors of organizational fairness on employee job performance.

In recent years, the field of organizational psychology has placed significant emphasis on the concept of psychological capital, viewing it as a core component of an organization's emerging competitive advantage. Nguyen & Ngo (2020) emphasize that psychological capital is a critical dimension of individual personality traits that significantly shapes work attitudes, promotes positive organizational citizenship behaviors, and influences job performance. Miao et al.(2021) further highlight that effective utilization of psychological capital is a powerful tool for enhancing overall employee performance. Karimi et al (2023), also confirm that employee job performance is closely tied to the achievement of organizational strategic goals, with performance reflecting a series of behaviors that directly serve those goals.

Schlaegel et al (2022),similarly underscore the importance of psychological capital to organizational outcomes, suggesting that managers must recognize the critical role of psychological capital levels in employee work effectiveness and take appropriate measures to enhance the psychological capital reserves of employees. (Choi et al., 2020) supplement this by highlighting the impact of psychological capital on informal learning engagement, noting that employees with high psychological capital are more likely to actively participate in informal learning processes, which indirectly but significantly improves their job performance. Therefore, cultivating and enhancing employee psychological capital has become an essential part of contemporary management practices..This study introduces psychological capital as a variable to investigate its impact mechanism on employee job performance.

Hypothesis Development

Organizational Fairness and Job Performance

Greenberg(1987)first proposed the concept of organizational fairness, defined as an individual's subjective experience and cognition of fairness within their organizational environment. Organizational fairness encompasses four dimensions: distributive fairness, procedural fairness, interpersonal fairness, and informational fairness(Pandey & Rupp, 2024). As a multifaceted structure, organizational fairness plays a crucial role in shaping organizational behaviors that are vital for increasing productivity (Hu et al., 2024). Employees' perception of organizational impartiality is one of the key factors that significantly influence their job performance(Purnama et al., 2020). Organizational fairness is seen as one of the core traits supporting the success of an enterprise, and it exhibits a positive and clearly positive correlation with employee performance(Sembiring et al., 2020).Within an organization that operates on fairness, enhancing the sense of belonging and commitment to the organization, whether directly or indirectly, will strongly improve employee performance (ÇELİKT, 2022).

Based on the judgment of the input-output relationship, employees form their subjective feelings of fair or unfair treatment within the organization. When they believe that their work efforts are not matched and not proportional to their gains, they will experience a sense of organizational injustice (Fiaz et al., 2021). According to the fairness theory, the fair treatment felt by employees is crucial for understanding the impact on their job performance and organizing their civic behavior(Ahamed et al., 2023). When employees perceive fairness, this feeling translates into actual behavioral responses that are constructive to the organization(Roch et al., 2019). The results of Zeb et al (2021),demonstrate that different levels of organizational fairness have significant direct and indirect effects on job

performance. When employees feel that they are given fair, interactive, and procedural respect in the organization, it helps to improve their job satisfaction, which in turn affects their performance in task completion and adaptation to the work environment(Hayati & Caniogo, 2023).

From the perspective of employees, the core of the understanding of fairness lies in the fairness of resource allocation(Faraj et al., 2021). When people discuss the issue of fairness, they typically focus on how to allocate resources fairly and reasonably, which is confirmed in Furqani's(2019) research

Based on the above discussion, this study proposes the following hypotheses:

H1 : Distributive Fairness is Significantly and Positively Related to Job Performance

Procedural fairness means that individual employees are understood to be treated in strict accordance with the organization's established policies and procedures(Lambert et al., 2020). At the same time, the fairness of these procedures has a significant impact on employees' job performance(De Clercq & Pereira, 2020). Numerous studies have shown a positive correlation between evaluations of procedural fairness and job performance(Cenkci et al., 2021). Whenever resources or benefits are allocated, ensuring procedural fairness has a positive and important effect on employees' job performance (Ahmed & Faeq, 2020b). In a study of the relationship between organizational fairness and job performance, Anwar & Abdullah (2021), found that procedural fairness demonstrates higher accuracy in predicting employee success compared to distributive fairness.

Based on the above discussion, this study proposes the following hypotheses:

H2: Procedural Fairness is Significantly and Positively Related to Job Performance

Greenberg (1990),in his research subdivided interactional fairness into two aspects: interpersonal fairness and informational fairness. Interpersonal fairness primarily refers to the respect and dignity felt by individuals in the process of interacting with others, including interactions with supervisors, colleagues, and other people within the organization(Colquitt, 2001). Ensuring relational integrity in the work environment improves employee performance(Aboobaker & KA, 2023).When the atmosphere of interpersonal fairness and job satisfaction is low, it affects job performance (Potipiroon, 2022).

Based on the above discussion, this study proposes the following hypothesis:

H3: Interpersonal Fairness is Significantly and Positively Related to Job Performance

Informational fairness focuses on the manner in which organizations communicate relevant information to employees during the decision-making process, including explanations for specific decisions, providing clear and timely feedback, and ensuring that employees can understand the rationale behind the decision (Colquitt, 2001).While discussions of procedural and distributive fairness dominate the literature, the research by Faeq & Ismael (2022b) emphasizes the central role of informational fairness in organizational fairness.Schumacher et al.(2021)revealed a negative correlation between job insecurity and job performance, meaning that an increase in job insecurity leads to a decrease in job performance. Additionally, the study indicates that informational fairness, as an important aspect of organizational justice, can mitigate this negative impact.

Based on the above discussion, this study proposes the following hypothesis:

H4: Informational fairness is significantly and positively related to job performance

Psychological Capital and Job Performance

Psychological capital is an internal structural characteristic that shapes and drives individuals to develop a positive mindset and behavioral performance (Riemenschneider et al., 2023). Effective human resource management practices include an accurate assessment of employees' psychological capital, which helps companies gain insight into their employees' psychological characteristics and accordingly provide personalized training and development opportunities to maximize and leverage their psychological capital (Yu et al., 2019).

Psychological capital focuses on the internal aspects of an individual and is considered to be the internal core element that influences an individual to display positive self-perceptions and react positively to external things. It plays a key role in determining how individuals respond to life and work situations with a positive attitude (Yasmeen et al., 2022). According to Doci et al (2023), there is a positive correlation between the psychological capital of organizational members and their job satisfaction and performance. Xue & Woo (2022), revealed the important role of psychological capital in improving the performance of employees and promoting their career success. In order to effectively stimulate their innovative potential, managers should emphasize and develop their transformational leadership skills and psychological capital to facilitate them to demonstrate innovative performance at work (Patnaik et al., 2023).

The results of these studies suggest that employees' psychological state largely influences their specific behavioral performance at work.

Based on the above discussion, this study proposes the following hypothesis:

H5: Psychological Capital is Significantly and Positively Related to Job Performance

Based on the above perspectives and theoretical foundations, this study proposes a series of related hypotheses that together construct a research framework. The framework aims to explore in depth the intrinsic links and interaction mechanisms between the variables, so as to reveal how organizational fairness and psychological capital affect employees' job performance.

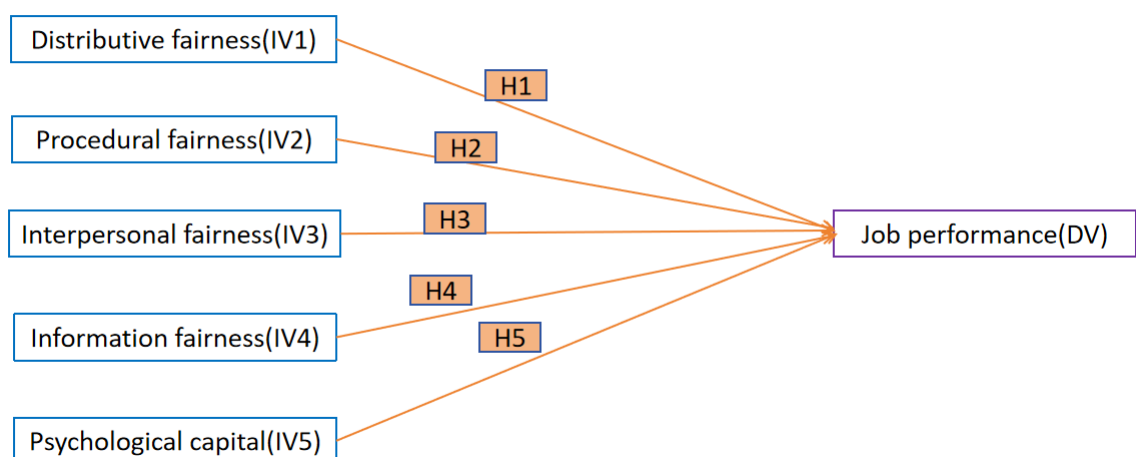


Figure 1: Research Framework

Methodology

This study adopted the scientific principles of positivism, adhered to an objective and rigorous research attitude, and used the research paradigm of quantitative analysis (Alharahsheh & Pius, 2020). This study adopted a cross-sectional design methodology with the aim of exploring the relationship between organizational fairness and psychological capital and employee job performance in science and technology SMEs in Sichuan Province, China (Akram et al., 2020).

In this study, the four factors of organizational fairness (distributive fairness, procedural fairness, interpersonal fairness, and informational fairness) and psychological capital were set as independent variables, and employee job performance was set as the dependent variable. The samples were selected from the frontline employee groups of science and technology SMEs in Sichuan Province. Data collection was carried out through WeChat forwarding links and the Questionnaire Star platform in the form of a standardized and structured online questionnaire. The research questionnaire contained a series of closed-ended questions and the indicators were measured using a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree) (Berndt, 2020).

Data Analysis with SmartPLS

SmartPLS 4 is a software tool dedicated to data analysis characterized by the use of Partial Least Squares Structural Equation Modeling (PLS-SEM) techniques. SmartPLS 4 shows strong robustness in the face of complex models and is particularly suitable for conducting exploratory studies (Hair Jr et al., 2021). In this study, firstly, Cronbach's Alpha, an internal consistency reliability index, Construct Reliability (CR) and Average Variance Extracted (AVE) were computed to test the reliability of the scales.

Second, the constructed structural models were evaluated exhaustively, with special attention to statistically significant path coefficients, coefficients of determination (R-squared), and effect sizes. In order to ensure the accuracy and significant bias of the results of this study, and in particular to avoid the effects of generalized methodological variability (Schuberth et al., 2020), the Variance Inflation Factor (VIF) was calculated for all variables in the structural model. A VIF value between 1 and 3 indicates that the multicollinearity problem is generally mild; a VIF value greater than 10 indicates that the multicollinearity problem is more severe and needs to be corrected (Bayman & Dexter, 2021).

This quantitative empirical study using Smart-PLS provides insights to explore the relationship between organizational fairness and psychological capital and employee job performance in science and technology SMEs in Sichuan Province, China. These findings not only provide valuable reference information for relevant policy makers and managers, but also lay a solid foundation for subsequent in-depth research in this area.

Data Analysis*Demographic Profile of Respondent*

As shown in the data presented in Table 1, the respondent groups collected in this study showed diverse and striking distribution characteristics in different demographic attributes, which provided rich and valuable background information for the in-depth understanding of the study results.

Table 1

Demographic Profile

Demographic Category	option	Frequency	(%) ²
Age Group	20-29	140	26.8
	30-39	183	35.1
	40-49	176	33.7
	50 or older	23	4.4
Gender	male	276	52.9
	female	246	47.1
Level of Education	High school and below	46	8.8
	Junior college education	169	32.4
	Bachelor's Degree	203	38.9
	Master's Degree	82	15.7
	Doctorate Degree	22	4.2
Marital Status	Single	156	29.9
	married	306	58.6
	Divorce	47	9
	widowed	13	2.5

This study looked at the basic demographic characteristics of the participants, including age group, gender, education level, and marital status. This information is essential for understanding the diversity and representativeness of the study sample and helps to assess the generalizability and generalizability of the findings. The data showed that the age distribution of the participants was relatively balanced, mainly concentrated in the age groups of 30-39 (35.1%) and 40-49 (33.7%), suggesting that the sample was likely to be dominated by the middle-aged group. There was also a higher proportion of participants in the 20-29 age group (26.8%), while the proportion of participants aged 50 or above was lower (4.4%).

In terms of gender distribution, there were slightly more male sex participants than female, with 52.9% male and 49.1% female. This near-balanced gender ratio helped to minimize the influence of gender factors on the study results. In terms of education level, the highest percentage of participants had a bachelor's degree (38.9%), followed by high school and below (8.8%) and specialized education (32.4%). This indicates that the majority of participants in the sample had a high educational background, but there was also a certain percentage of those with lower education. In addition, the relatively low percentage of participants with master's (15.7%) and doctoral (4.2%) degrees reflects the relative scarcity of people with higher levels of education in the sample.

Marital status showed the highest percentage of married participants (58.6%), followed by single (29.9%), and a lower percentage of divorced and widowed participants (9.0% and 2.5%, respectively). This is in line with the general distribution of marital status of adults in the general society. The relatively balanced age and gender distribution of the sample contributes to the representativeness of the findings. The detailed demographic characteristics of the study participants provide a basis for subsequent data analysis and discussion.

Measurement Model Evaluation

In evaluating the measurement model, this study strictly followed a standardized procedure for evaluating recognized psychometric properties(Hair Jr et al., 2021). In essence, this process involved a detailed examination of the Internal Consistency, Convergent Validity, Discriminant Validity of the models, as well as the incorporation of existing research findings from the academic community in order to distill deeper understandings and insights(Hair Jr et al., 2021).

Internal Consistency

Internal consistency was measured by Cronbach's Alpha and Composite Reliability, CR.Cronbach's Alpha measures the consistency between the items in the scale. A Cronbach's Alpha value of 0.7 or higher is generally considered to indicate good internal consistency, and Composite Reliability, CR, is similar to Cronbach's Alpha but takes into account the weighting of each item; CR values should usually be greater than 0.7 as well (Hair Jr et al., 2021).

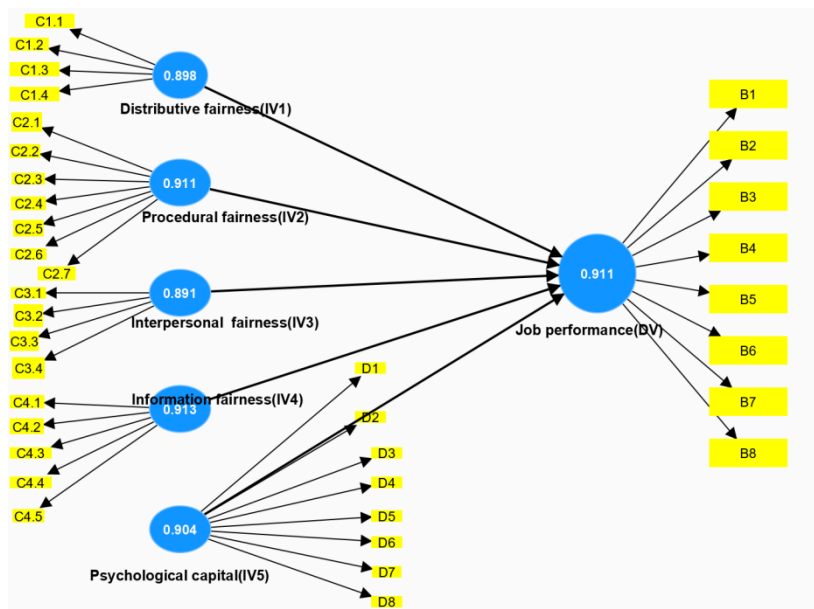


Figure 2: Cronbach's Alpha

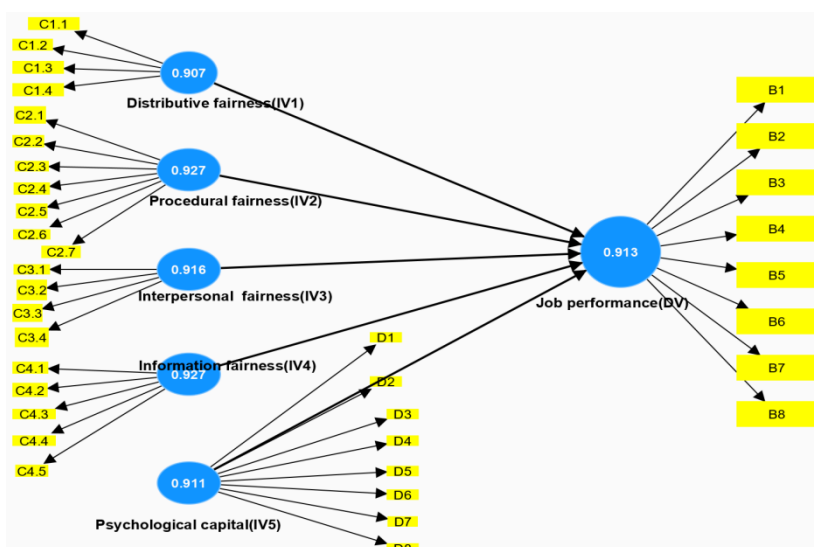


Figure 3: Composite Reliability

As shown by the data in Figures 2 and 3, both Cronbach's Alpha and Composite Reliability values are greater than 0.7, indicating that the scale has good internal consistency, i.e., the individual question items in the scale are able to consistently measure the same construct, which enhances the reliability of the scale. Such results are important to ensure the validity and reliability of the study(Fornell & Bookstein, 1982).

Convergent Validity

Convergent validity is assessed through the Average Variance Extracted (AVE) and Outer Loadings. An AVE value greater than 0.5 indicates good convergent validity, meaning that the items effectively measure their corresponding constructs(Hair Jr et al., 2021).Outer Loadings represent the correlations between each item and its associated construct, typically requiring a value greater than 0.7 to ensure adequate convergent validity(Hair Jr et al., 2021).

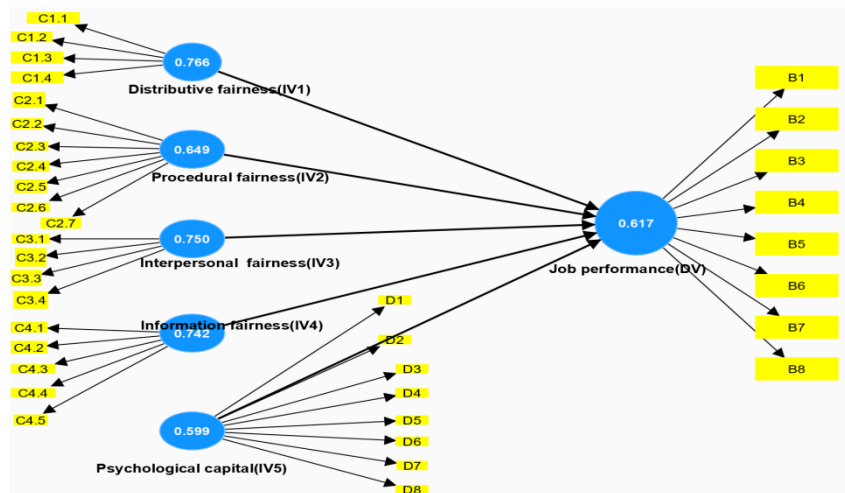


Figure 4: Average Variance Extracted

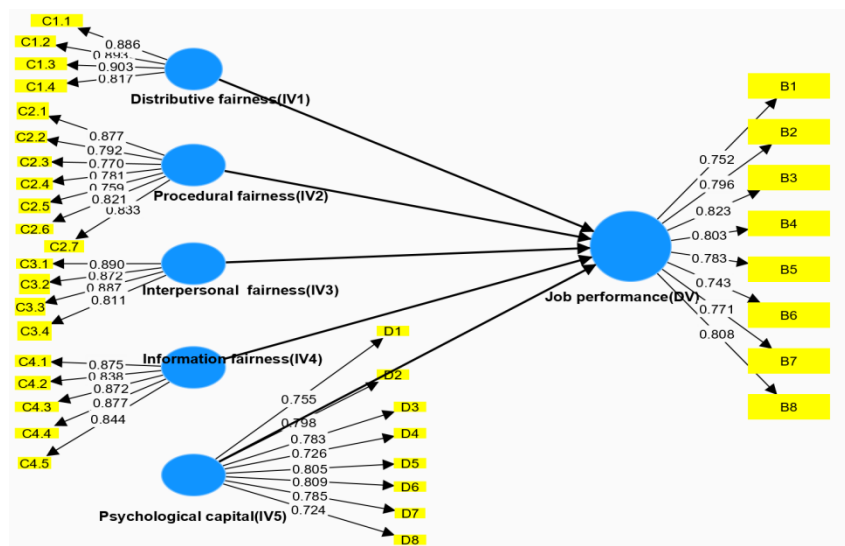


Figure 5: Outer Loadings

Figure 4 shows that all Average Variance Extracted (AVE) values are greater than 0.5, and Figure 5 shows that all Outer Loadings are greater than 0.7. These results indicate good convergent validity, meaning that the items in the scale effectively measure their intended constructs, and the relationship between each item and its associated construct is sufficiently

strong. This is crucial for ensuring the validity and reliability of the research (Hair Jr et al., 2021).

Discriminant Validity

Discriminant validity is assessed through several methods. First, the Fornell-Larcker criterion requires that the square root of the Average Variance Extracted (AVE) for each construct be greater than the correlations between that construct and all other constructs (Fornell & Bookstein, 1982). Second, Cross-loadings, where the loadings of items on other constructs should be lower than on their own construct, are examined to further validate discriminant validity (Hair Jr et al., 2021). Finally, the Heterotrait-Monotrait Ratio (HTMT), which is the ratio of the correlations between different constructs to the correlations within the same construct, should be less than 0.85 (Hair Jr et al., 2021). These methods collectively ensure that the constructs in the scale are clearly distinct from each other, thereby enhancing the validity and reliability of the research (Hair Jr et al., 2021).

Table 2 is based on the Fornell-Larcker criterion, used to assess discriminant validity. The table lists six different constructs (Distributive fairness, Information fairness, Interpersonal fairness, Job performance, Procedural fairness, Psychological capital), along with their inter-construct correlations.

According to the Fornell-Larcker criterion, the square root of the AVE for each construct should be greater than the correlations between that construct and all other constructs. In Table 2, it can be seen that the square roots of the AVE for each construct meet this condition. For example, the square root of the AVE for Distributive fairness is 0.938, while its highest correlation with another construct is 0.875, thus satisfying the Fornell-Larcker criterion.

Additionally, the inter-construct correlations in the table are relatively small, indicating a certain degree of independence among the constructs, which further supports discriminant validity. For instance, the correlation between Information fairness and Interpersonal fairness is 0.185, suggesting a low correlation between these two constructs.

The data in Table 2 provide evidence of good discriminant validity, as the square roots of the AVE for each construct are greater than the correlations with other constructs, and the inter-construct correlations are relatively low.

Table 2

Fornell-Larcker

	Distributive fairness(IV1)	Information fairness(IV4)	Interpersonal fairness(IV3)	Job performance (DV)	Distributive fairness(IV1)	Information fairness(IV4)
Distributive fairness(IV1)	0.875					
Information fairness(IV4)	0.185	0.861				
Interpersonal fairness(IV3)	0.221	0.294	0.866			
Job performance(DV)	0.247	0.266	0.288	0.785		
Procedural fairness(IV2)	0.232	0.141	0.239	0.265	0.806	
Psychological capital(IV5)	0.174	0.243	0.272	0.296	0.254	0.774

Table 3 presents cross-loadings, which are used to evaluate the extent to which items belong more strongly to their respective constructs rather than others. Each cell represents the loading of an item on a specific construct, and the higher the value, the stronger the association between the item and the construct.

In general, the cross-loading values show that most items have higher loadings on their own constructs compared to other constructs, supporting the discriminant validity. For example, C1.1 has a high loading on procedural fairness (IV2) but lower loadings on other constructs, indicating that it measures procedural fairness better than other constructs. Similarly, C4.1 has a high loading on psychological capital (IV5) but lower loadings on other constructs, suggesting that it measures psychological capital more accurately.

However, there are some exceptions, such as B1, which has a slightly higher loading on job performance (DV) than distributive fairness (IV1). Despite this, the difference is not significant enough to undermine the overall discriminant validity of the scale. Overall, the cross-loadings support the notion that the items in the scale belong more strongly to their respective constructs than to others, further validating the discriminant validity of the scale.

Table 3
Cross-Loadings

	Distributive fairness(IV1)	Information fairness(IV4)	Interpersonal fairness(IV3)	Job perform ance (DV)	Procedural fairness(IV2)	Psychologica l capital(IV5)
B 1	0.171	0.137	0.182	0.752	0.209	0.204
B 2	0.208	0.249	0.211	0.796	0.183	0.263
B 3	0.180	0.152	0.181	0.823	0.188	0.281
B 4	0.166	0.218	0.251	0.803	0.224	0.232
B 5	0.196	0.229	0.211	0.783	0.268	0.207
B 6	0.194	0.224	0.321	0.743	0.201	0.247
B 7	0.226	0.224	0.176	0.771	0.150	0.214
B 8	0.206	0.220	0.253	0.808	0.233	0.208
C 1. 1	0.886	0.161	0.218	0.250	0.239	0.120
C 1. 2	0.893	0.140	0.158	0.196	0.124	0.108
C 1. 3	0.903	0.172	0.210	0.206	0.220	0.188
C 1. 4	0.817	0.174	0.181	0.204	0.218	0.199
C 2. 1	0.203	0.124	0.212	0.242	0.877	0.236
C 2. 2	0.168	0.166	0.235	0.203	0.792	0.216
C 2. 3	0.228	0.060	0.147	0.139	0.770	0.187
C 2. 4	0.225	0.090	0.243	0.147	0.781	0.155

C						
2.	0.192	0.062	0.103	0.195	0.759	0.224
5						
C						
2.	0.189	0.120	0.176	0.268	0.821	0.191
6						
C						
2.	0.140	0.144	0.228	0.240	0.833	0.213
7						
C						
3.	0.250	0.241	0.890	0.261	0.212	0.221
1						
C						
3.	0.201	0.233	0.872	0.297	0.203	0.256
2						
C						
3.	0.151	0.280	0.887	0.243	0.218	0.238
3						
C						
3.	0.148	0.283	0.811	0.166	0.194	0.226
4						
C						
4.	0.235	0.875	0.260	0.276	0.146	0.261
1						
C						
4.	0.063	0.838	0.219	0.181	0.055	0.200
2						
C						
4.	0.140	0.872	0.288	0.246	0.089	0.198
3						
C						
4.	0.121	0.877	0.198	0.212	0.120	0.173
4						
C						
4.	0.206	0.844	0.289	0.210	0.186	0.200
5						
D						
1	0.057	0.113	0.143	0.219	0.151	0.755
D						
2	0.089	0.156	0.179	0.185	0.159	0.798
D						
3	0.142	0.161	0.191	0.203	0.215	0.783
D						
4	0.157	0.209	0.126	0.188	0.224	0.726
D						
5	0.150	0.216	0.265	0.292	0.182	0.805

D 6	0.219	0.222	0.259	0.223	0.275	0.809
D 7	0.179	0.190	0.221	0.225	0.193	0.785
D 8	0.084	0.217	0.257	0.257	0.180	0.724

The count in Table 4 shows that the heterogeneous trait-trait ratio (HTMT) values between all constructs are significantly lower than the strict threshold of 0.85 (Benitez et al., 2020). The data show that the HTMT values between distributive fairness, procedural fairness, interpersonal fairness, informational fairness and psychological capital and job performance are 0.270,0.278,0.304,0.283 and 0.318 respectively. These values are significantly below the critical threshold, which is a strong evidence for the difference and independence between job performance and organizational fairness and psychological capital.

Table 4
Heterotrait-Monotrait Ratio (HTMT)

	Distributive fairness(IV 1)	Information fairness(IV 4)	Interperson al fairness(IV3)	Job perform ance (DV)	Procedura l fairness(IV 2)	Psychologi cal capital(IV5)
Distributive fairness(IV1)						
Information fairness(IV4)	0.196					
Interperson al fairness(IV3)	0.239	0.328				
Job performanc e(DV)	0.270	0.283	0.304			
Procedural fairness(IV2)	0.260	0.150	0.265	0.278		
Psychologic al capital(IV5)	0.195	0.260	0.294	0.318	0.278	

The discriminant validity of the measurement model was further validated by data from the Fornell-Lack criterion, cross-loading and Heterotrait-Monotrait Ratio (HTMT).

Structural Model Evaluation

In assessing the structural model, this study strictly adhered to a standardized procedure to ensure the validity and reliability of the model(Hair Jr et al., 2021).This process primarily

involved the evaluation of path coefficients (indicating the strength of the direct relationship between independent and dependent variables), statistical significance (assessed through p-values and t-values), and the coefficient of determination (R^2 , reflecting the explanatory power of the model). Additionally, the variance inflation factor (VIF) was calculated to detect correlations among independent variables and ensure that there were no serious issues of multicollinearity. Through these comprehensive evaluations, the structural model's validity and reliability can be ensured, providing a solid theoretical foundation for subsequent research (Hair Jr et al., 2021).

Table 5

Path Coefficients and Statistical Significance

	path coefficient β	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Distributive fairness(IV1) -> Job performance(DV)	0.128	0.050	2.558	0.011
Information fairness(IV4) -> Job performance(DV)	0.142	0.053	2.691	0.007
Interpersonal fairness(IV3) -> Job performance(DV)	0.140	0.046	3.022	0.003
Procedural fairness(IV2) -> Job performance(DV)	0.140	0.048	2.925	0.003
Psychological capital(IV5) -> Job performance(DV)	0.166	0.046	3.637	0.000

The path coefficients in Table 5 indicate the strength and direction of the direct effect of each independent variable on job performance. From the data in the table, all path coefficients are positive, indicating that all types of fairness and increased psychological capital are associated with improved job performance. Psychological capital has the highest path coefficient (0.166) indicating that it has the strongest effect on job performance. All p-values are less than 0.05, which means that the relationship between the independent variables and job performance is statistically significant. T-statistic is used to assess the significance of the path coefficients. All T-values need to be greater than 1.96 to be statistically significant, and as can be seen from the data in Table 5, all T-values are greater than 1.96, so the path is statistically significant. Psychological capital has the highest t-statistic (3.637) which further supports the strong association between it and job performance.

Table 6

R-square

	R-square	R-square adjusted
Job Performance(DV)	0.396	0.388

R-squared (coefficient of determination) and adjusted R-squared (adjusted coefficient of determination) are measures of how well the regression model fits. The R-squared value of the dependent variable DV is 0.396, while the adjusted R-squared value is 0.388. This indicates that the model explains DV better, but the adjusted Coefficient of Determination is slightly lower after taking into account factors such as the sample size. The value of the R-squared

only reflects the degree of fit of the model, and is not a direct indication of causality or the size of the actual effect.

Hypothesis Testing Results and Discussion

As shown in Table 6, the results of the structural model have a positive and statistically significant correlation between organizational fairness and psychological capital and job performance, including distributive fairness, procedural fairness, interpersonal fairness, and informational fairness. Higher organizational fairness and psychological capital can improve employees' organizational behavior, which is ultimately reflected in their job performance.

Table 7
Structural Model

		path coefficient β	Standard deviation (STDEV)	T statistics (O/STDEV)	P values	Results
H1	Distributive fairness(IV1) -> Job performance(DV)	0.128	0.050	2.558	0.011	Supported
H2	Procedural fairness(IV2) -> Job performance(DV)	0.140	0.048	2.925	0.003	Supported
H3	Interpersonal fairness(IV3) -> Job performance(DV)	0.140	0.046	3.022	0.003	Supported
H4	Information fairness(IV4) -> Job performance(DV)	0.142	0.053	2.691	0.007	Supported
H5	Psychological capital(IV5) -> Job performance(DV)	0.166	0.046	3.637	0.000	Supported

From the data display in Table 7, it can be seen that: H1: Distributive Fairness (IV1) \rightarrow Job Performance (DV). The β -value of the path coefficient is 0.128, which indicates that allocation fairness has a positive impact on job performance, i.e., the fairer the distributive, the higher the job performance. The standard deviation (STDEV) is 0.050, which indicates that the standard error of the path coefficient is 0.050, which means that the estimate of the coefficient is somewhat stable. The t-statistic ($|O/STDEV|$) is 2.558, which is greater than 1.96, which indicates that the difference between the coefficient and the null is significant. The p-value is 0.011, which is less than the conventional threshold of 0.05, so the null hypothesis can be rejected, the that distributive fairness has a significant positive effect on job performance. The above results of data analysis support the hypothesis of H1.

H2: Procedural Fairness (IV2) \rightarrow Job Performance (DV) Path Coefficient β -value is 0.140, which indicates that information fairness also has a positive effect on job performance. The standard deviation (STDEV) is 0.048, which indicates that the standard error of the path coefficient is 0.048, suggesting that the estimate of the coefficient is somewhat stable. t-statistic ($|O/STDEV|$) is 2.925, which suggests that the coefficient is also significantly different from zero. p-value is 0.003, which is less than the conventional threshold of 0.05, and

therefore the null hypothesis can be rejected and it is argued that information fairness has a significant positive effect on job performance. The above results of data analysis support the hypothesis H2.

H3: Interpersonal fairness (IV3) → Job performance (DV) The path coefficient β is 0.140, which indicates that interpersonal fairness has a positive effect on job performance. The standard deviation (STDEV) is 0.046, which indicates that the standard error of the path coefficient is small at 0.046, suggesting that the estimate of the coefficient is somewhat stable. The t-statistic ($|O/STDEV|$) is 3.022, which is higher than that of the previous two variables, suggesting that the coefficient is more significantly different from zero. The p-value is 0.003, which is less than the conventional threshold of 0.05, and hence the reject the null hypothesis that interpersonal fairness has a significant positive effect on job performance. The above results of data analysis support the hypothesis H3.

H4: Information Fairness (IV4) → Job Performance (DV) The path coefficient β is 0.142, which indicates that procedural fairness has a positive effect on job performance. The standard deviation (STDEV) is 0.053 which indicates that the standard error of the path coefficient is 0.053 which means that the estimate of the coefficient is somewhat stable. The t-statistic ($|O/STDEV|$) is 2.691 which indicates that the difference between the coefficient and zero is equally significant. The p-value is 0.007 which is less than the conventional threshold of 0.05, therefore, the null hypothesis is rejected and procedural fairness is considered to have a significant positive effect on job performance has a significant positive effect. The above results of data analysis support the hypothesis H4.

H5: Psychological Capital (IV5) → Job Performance (DV) The path coefficient β is 0.166, which indicates that psychological capital has the strongest positive effect on job performance and is the highest among all variables. The standard deviation (STDEV) is 0.046, which indicates that the standard error of the path coefficient is the same as that of interpersonal fairness. The t-statistic ($|O/STDEV|$) is 3.637, which is the highest value of the t-statistic, indicating that the coefficient is extremely significant from zero. The p-value of 0.000 is much less than the conventional threshold of 0.05, which implies a strong rejection of the null hypothesis, which suggests that psychological capital has a very significant positive effect on job performance has a highly significant positive effect. The above results of data analysis support the hypothesis of H5.

From the data analysis in Table 6, it is concluded that all the fairness factors (allocation, information, interpersonal and procedural) as well as psychological capital have a significant positive effect on job performance. Among them, psychological capital has the most significant effect.

Limitations and Recommendation

Although this study provides valuable insights for understanding the relationship between organizational fairness, psychological capital and job performance, it is important to recognize several limitations that may affect the findings. A number of recommendations are made based on the different limitations.

Geographic scope and sample characteristics limitations: this study focuses on technology-based SMEs in Sichuan Province, China. While this sample provides depth and representativeness, its geographic scope limitations restrict the applicability of the findings to other regions and other industries. Future studies should consider expanding the sample to include more geographic regions and a wider range of industry types to improve the external validity of the findings.

Limitations of variable complexity: The current study mainly examined the direct relationship between the independent variables (organizational fairness and psychological capital) and the dependent variable (job performance) without addressing the possible mediating and moderating variables. In future research, the inclusion of mediating and moderating variables such as organizational culture, leadership style or individual differences, and welfare satisfaction could be considered to provide a more nuanced understanding, and psychological capital could also be considered as a mediator variable to be examined in order to reveal the mechanisms behind these relationships.

Limitations of the methodology: this study used Partial Least Squares Structural Equation Modeling (PLS-SEM) as a methodological tool, which is suitable for predictive and exploratory analyses, but may have limitations in measuring model evaluation and model fitting. To ensure model robustness and validation of relationships, future research could complement the use of other advanced techniques such as covariance-based structural equation modeling (CB-SEM) to ensure good model fit and a more rigorous validation process. These limitations suggest directions for future research and room for improvement. To enhance the validity and applicability of the findings, researchers and practitioners should consider expanding the scope of the study to include more variables and use complementary methodological tools. By doing so, they can deepen our understanding of the complex interplay between organizational equity, psychological capital, and job performance in different contexts.

Conclusion and Implications

This study empirically investigated the impact of four factors of organizational fairness (distributive fairness, procedural fairness, interpersonal fairness, and informational fairness) as well as psychological capital on job performance. The results indicate:

Distributive Fairness (H1): Distributive fairness has a significant positive effect on job performance, with a path coefficient of 0.128, standard deviation of 0.050, T-statistic of 2.558, and a p-value of 0.011, supporting Hypothesis H1.

Procedural Fairness (H2): Procedural fairness has a significant positive effect on job performance, with a path coefficient of 0.140, standard deviation of 0.048, T-statistic of 2.925, and a p-value of 0.003, supporting Hypothesis H2.

Interpersonal Fairness (H3): Interpersonal fairness has a significant positive effect on job performance, with a path coefficient of 0.140, standard deviation of 0.046, T-statistic of 3.022, and a p-value of 0.003, supporting Hypothesis H3.

Informational Fairness (H4): Informational fairness has a significant positive effect on job performance, with a path coefficient of 0.142, standard deviation of 0.053, T-statistic of 2.691, and a p-value of 0.007, supporting Hypothesis H4.

Psychological Capital (H5): Psychological capital has the strongest positive effect on job performance, with a path coefficient of 0.166, standard deviation of 0.046, T-statistic of 3.637, and a p-value of 0.000, supporting Hypothesis H5.

In summary, the study confirms that all four dimensions of organizational fairness and psychological capital have a significant positive impact on job performance. Among these, psychological capital has the most significant impact.

This study effectively reveals the mechanisms by which distributive fairness, procedural fairness, interpersonal fairness, informational fairness and psychological capital affect job performance through empirical analysis. This study provides a valuable empirical basis for understanding the functions of organizational fairness and psychological capital and their limitations, enriches and completes the existing body of theories, including, but not limited to, equity and psychological capital theories, and adds a new understanding of the functioning of these theories in specific contexts.

These findings have important practical implications for organizational managers. By improving organizational fairness and enhancing employees' psychological capital, managers can effectively enhance job performance and, in turn, improve the overall effectiveness of the organization. In today's rapidly changing work environment, strengthening organizational fairness and fostering psychological capital are key elements in enhancing organizational competitiveness.

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