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## **Exploring the Relationship of Organizational Justice with Employee Satisfaction and Employee's Commitment**

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### **Abstract**

This paper inspects the impact of the organizational justice on perceived employee's satisfaction and organizational commitment in the Pakistan banking sector. The two components of justice, distributive justice and procedural justice, were measured separately. Self-administered survey questionnaires were used by simple random sampling. A total of 350 questionnaires were circulated in 40 different branches of different banks and 249 usable ones were received to analyze the data correlation and regression tests were used to analyze the data. The results showed that procedural justice and distributive justice have a significant positive relationship with job satisfaction and organizational commitment. The results also indicated that both procedural and distributive justice are predictor for job satisfaction and commitment. The result can help the organization that by practicing justice accurately they can increase the satisfaction and commitment level of employees.

**Keywords:** Organizational Justice; Procedural Justice; Distributive Justice; Job Satisfaction; Organizational Commitment; Pakistan.

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## **1. Introduction**

There has been proof of expanding awareness to organizational justice and the effect on its consequences like employee's behavior (e.g., organizational performance, satisfaction and performance) from the past three decades. The concept of organizational justice refers to how an employee judges the behavior of the organization and the employee's resulting attitude and behavior. Fairness is often of central interest to organizations because the implications of perceptions of injustice can impact job attitudes and behaviors at work [1]. Justice in organizations can include issues related to perceptions of fair pay, equal opportunities for promotion, and personnel selection procedures.

In the West, there has been a comprehensive and broad research conducted but a little while back organizational justice and commitment in other cultures has focused by researchers. According to Leuang and Stephan [2] research on organizational justice should be across the western culture to be expand more globally, all-inclusive and comprehensive theories on organizations.

Cowherd and Levine, [3] pointed out that employees view fairness in places of employment because if they are treated fairly, they have an impact on their work and morale. Employee's perception of fairness with companies will be increase. If employees view a situation where they are treated unfairly or unethically, they cannot communicate and enact fair employment practices with the organization. Bhuian, Al-Shammari, and Jefri,[4] observed a profound relationship between job satisfaction and commitment.

According to Metle, [5] organizational justice and commitment in other countries, values of other countries, cultures, classes and genders might be different between personal characteristic (e.g., gender, education, experience) and work attitude. There is more need of insertion to describe some variables characteristics of organizational justice, commitment and job satisfaction.

The aim of this paper is to observe the direct impact of organizational justice, employee job satisfaction and personal characteristics on employee commitment in Pakistan banking sectors.

## **2. Literature Review**

In the previous studies, there has been researched on different topics relevant to justice, organizational commitment, job satisfaction, employee's behavior and work outcomes. This has been examined this study under four categories. The first examines the research on organizational justice. The second assesses on employee's satisfaction. The third examines on organizational commitment. And the last is the effect of gender on employee's behavior and work outcomes.

### ***2.1 Organizational Justice***

Organizational justice concerns employee's perceptions of fairness within a company. There are three types of organizational justice that companies must embrace in order to have effective and productive employee:

1. Distributive
2. Procedural
3. Interactional

Distributive justice is concerned with the employee's perceptions of fairness of the outcomes that they receive with the organization. Procedural justice deals with the employee's fairness of the process of how outcomes are decided. Interactional justice describes the fairness treatment or sensitivity towards employees.

The organizational justice has its fundamentals in various fields of research. The oldest roots of research are called the law field which process is fair and accurate with impartial and neutral procedures. It is also known as procedural justice. Procedural justice is concerned with implementing decisions according to unbiased and fair process. The procedures must be fairly and resolve disputes with respect and dignity. The procedural justice is called fundamental justice (as in Canada), due process (as in U.S) and is known as natural justice in other countries.

However, in organizational condition, Thibau and Walker, [6] reviewed on dispute resolution procedures that alteration the confirmation on procedural justice. Adams equity theory [7, 8] is more detail work on organizational justice.

This theory hypothesize that people make intuition of equity or inequity based on an judgment of their contribution to the organization (e.g., effort) and their work outcomes (e.g. recognition) in contrast to other people. However, Greenberg [9] introduced the concept of organizational justice that explains how employees assess the behavior of organizational fairness and the outcomes of an employee's attitude and behavior in response. One more field of organizational justice is from the political philosophy and ethics field that started by Rawls [10] in the context of social contract and economy that is called distributive justice. According to Bies and Mong [11] organizational procedures fairness is linked to procedural justice and the justice surpasses the fairness of work outcomes is associated to distributive justice. Interactional justice explains how decision makers cope with people and explain to their employees in an adequate manner.

On procedural justice, a review of published literature, Konovsky [12] described that there is a visible acuteness between distributive and procedural justice. Konovsky [12] ascertained four theories that indicate procedural justice after reviewed both the consequences and antecedents of procedural justice. She conferred more topics related to the distributive and procedural justice relationships and its possible higher-order effects.

The issue of procedural justice was reviewed in the context of behavioral effects of nonfinancial performance measures by Lau and Moser[13]. The study connoted that employees behavior would be supported and fair when they apprehend the performance evaluation measures to be unbiased. In the study, 149 managers were used from the United Kingdom to evaluate the observed fairness and justice of performance tools that were linked with employee's performance.

According to Elamin and Alomian [14], in Saudi Arabia there is a great impact of perceived organizational justice on job satisfaction and self-rated performance. The data was collected through a questionnaire and the sample was of 793 employees that were working in different organizations like health care, banks,

manufacturing, education, communication and transportation. The data was collected through correlation and regression techniques. The results showed that the organizational justice perceptions had influenced for Saudi as well as non-Saudi employees. A significant influence was found on self-perceived performance by three organizational justice measures.

Among Saudi employees, Elamin [15] studied the influence of perceived organizational justice on two work related attitudes (job satisfaction and commitment). Self-administered questionnaire was used and distributed among 600 Saudi employees that contains twenty four organizations in the Eastern province of that country. For collecting data, correlation and hierarchical regression techniques were used.

The results showed that organizational justice influenced on job satisfaction and commitment. However, organizational justice declared that differential impacts of distributive justice is more capable predictor of job satisfaction rather than procedural justice. In addition, procedural justice and organizational commitment has significant positive correlation. When the influence of interactional justice and distributive justice had been influenced over there was an influence of procedural justice on organizational commitment. For enhancing outcomes, the author went over to the managers to intensify perceptions of justice in the organizations.

## **2.2 Employee Satisfaction**

Robie, Ryan, Schmieder, Parra and Smith [16] examined two studies on job satisfaction. The first study used meta-analysis techniques .There were 35 published papers on the relationship between job satisfaction and job level. The result showed that increased job level was in relation with increased job satisfaction. There were also examined moderators variable in this study (e.g. culture). In the second study the the relationship between five measure of job satisfaction (pay, supervision, work, coworkers and promotion) and four measures of job level (prestige, ratings, complexity, and special vocational preparation) were used. Five hundred and thirty employees were selected from four hospitals for sampling. The findings showed the significant relationship between job satisfaction and job level measures.

Ibrahim, Al Sejini, and Al Qassimi [17] reviewed job satisfaction and self-rated performance relationship on government employees in the United Arab Emirates. They found the influence of some moderating variables (e.g. tenure, age, gender, marital status, nationality and position) on job performance and satisfaction relationships. The collection of data was analyzed from 382 employees that were working at non-government organizations. There were used the tools of reliability, factor analysis, correlation, and regression analysis. The finding showed no relationship between job performance and self-rated performance. The results indicated the self-rated performance, nationality, and position were influenced on job satisfaction (e.g. benefits, work environment and pay). However, gender, age, and marital status were found no influence on overall job satisfaction.

Zeffane, Ibrahim, and Al Mehairi [18] reported that job satisfaction had an influence on employee attendance and conduct. Secondary data tools were used for job performance and satisfaction. That was conducted in a utility firm in United Arab Emirates. The 20-item Minnesota Satisfaction Questionnaire was used for

performance measure.

Move over Masterson et al [19] also resulted distributive justice, procedural justice and interactional justice were positively associated with job satisfaction.

### **2.3 Employee's Commitment**

Allen and Meyer [20] reported that there are three components of commitment: affective commitment, normative commitment, and continuance commitment. An affective commitment describes an employee's emotional and sensitive bond to his company. Similarly, normative commitment describes to employee's perception feeling of obligation with an organization. Likewise, Continuance commitment refers to gains verses losses in an organizations.

Ko, Price, and Mueller [21] tested Allen and Meyer's [20] organizational commitment components. They used two organization's samples in South Korea. They collected first sample of 278 employees from a research institute and second sample of 589 employees from an airline company. Self-administered questionnaire was used for analysis with covariance structure analysis techniques. The reliability was approved with coefficient for the Affective Commitment Scale and the Normative Commitment Scale. However, the reliability of the Continuance Commitment Scale was low. The Construct validity of NCS and CCS were ambiguous whereas the ACS was reliable and supported.

Jehanzeb, Rasheed, and Rasheed [22] examined the impact of training on turnover intentions and organizational commitment in the Private Company of Saudi Arabia. There were found three types of training: motivation for training, availability training and supervisor's support for training. To collect data from a private company 251 employee respondents were identified and a self-administered questionnaire was used. The results revealed the strong support using regression analysis for the hypothesis of the negative relationship between turnover intentions and organizational commitment. Training availability was supported in relation to turnover intentions and organizational commitment. The studies revealed the influence on turnover intentions of some training and organizational commitment characteristics. Akhtar, Durrani, and Hassan [23], also resulted that organization commitment has a positive relationship with employee's job satisfaction and performance.

### **3. Research Hypothesis**

Based on literature review this research paper have following hypothesis:

**H1:** There is a significant positive association between Distributive Justice and Job Satisfaction.

**H2:** There is a significant positive association between Procedural Justice and Job Satisfaction.

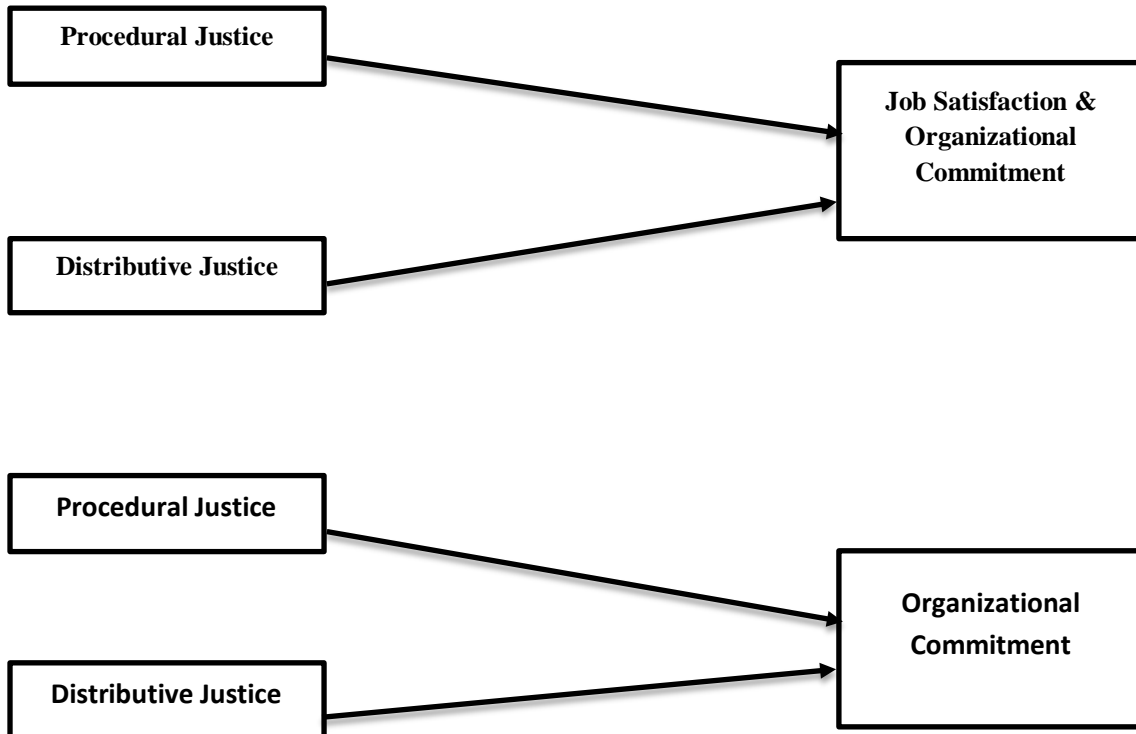
**H3:** There is a significant positive association between Distributive Justice and Organizational Commitment.

**H4:** There is a significant positive association between Procedural Justice and Organizational Commitment.

**H5:** Procedural Justice and Distributive Justice are significant predictor of Job Satisfaction.

**H6:** Procedural Justice and Distributive Justice are significant predictor of Organizational Commitment.

#### 4. Research Model



#### 5. Research Methodology

Simple random sampling technique was used to acquire sample. A sample size of 30 commercial banks branches (both private and government) were chosen from Multan city Punjab Pakistan. The data was collected through using survey questionnaire with complete confidentiality of respondent. A set of 350 self-administered questionnaires were distributed for primary data, from which 310 were received and 249 were useable.

#### 6. Measurement

##### 6.1 Organizational Justice

The two dimensions of organizational Justice (Distributive, procedural) were measured by the scale which were adopted from Cropanzano, Bowen, and Gilliland, [24]. The scale consists of 20 pieces but was modified accordingly. The initial five pieces nominates distributive justice, next six measures procedural justice. Each item contained five point scale. The cronebach alpha reliability test score was 0.92.

### **6.2 Job Satisfaction**

To measure job satisfaction, a standard version of questionnaire used by Fernandes and Awamleh, [25] and developed by Niehoff and Moorman [26]. Many of the other researchers [27] used this instrument in their studies as well. Scale of five point items was also used to score each item. The cronebach alpha reliability test score was 0.74.

### **6.3 Employee's Commitment**

To measure employees commitment, a questionnaire of nine items was used which were adopted from Allen and Meyer [28] and was modified accordingly. Allen and Meyer [20] developed the questionnaire containing 24 items which was later modified to 18 items. We only adopted nine affective items to measure commitment. This questionnaire was also used in many studies previously [29-31]. The cronebach alpha reliability test score was 0.81.

## **7. Data Analysis**

To analyze our results, we used SPSS 20. Regression analysis was performed to evaluate the direct effect of Organizational Justice, Job Satisfaction and Personal Attributes on Organizational Commitment.

### **7.1 Demographic Results**

The table below shows that the majority of respondents were male 54.6% of the total sample and the females were 45.4%. The percentage of married employees was 45 while the single ones were 55. 7.6% of the employees belonged to the age group of 20 to 25, 6.4% to the age group of 26 to 30, 28.5% to 31 to 35, 25.3 to 36 to 40 while the 32.1% belonged to the age group of 41 and above. The majority of the employee held the qualification of Masters which is 48.6% of the total respondents.

**Table 1:** Demographic Results

<i>Name</i>	<i>Category</i>	<i>Frequency</i>	<i>Percentage</i>
<b>Gender</b>	Male	136	54.6
	Female	113	45.4
	<b>Total</b>	<b>249</b>	<b>Cumulative = 100</b>
<b>Marital Status</b>	Single	137	55
	Married	112	45
	<b>Total</b>	<b>249</b>	<b>Cumulative = 100</b>
<b>Age</b>	20 to 25	19	7.6
	26 to 30	16	6.4
	31 to 35	71	28.5
	36 to 40	63	25.3
	41 and above	80	32.1
	<b>Total</b>	<b>249</b>	<b>Cumulative = 100</b>
<b>Qualification</b>	Bachelors (2 years)	97	39
	Masters	121	48.6
	MS and Above	31	12.4
	<b>Total</b>	<b>249</b>	<b>Cumulative = 100</b>

<b>Experience</b>	1 to 3 years	77	30.9
	5 years	114	45.8
	10 years	33	13.3
	More than 10 years	25	10
	<b>Total</b>	<b>249</b>	<b>Cumulative = 100</b>

**7.2 Descriptive**

Table number two elaborated the descriptive statistics of the variables. The mean result of age shows that the average no of respondents ranged from 31 to 40. The mean of qualification shows that average qualification held by employees was almost Masters. The mean of distributive justice procedural justice and interaction justice is almost Agree. Mean of job satisfaction and commitment is also above disagree and almost agree.

**Table 2:** Descriptive Statistics

<i>Variables</i>	<i>N</i>	<i>Mean</i>	<i>Std. Deviation</i>
Gender	249	1.4538	.49887
Age	249	3.6787	1.20533
Marital Status	249	1.4498	.49848
Qualification	249	1.7349	.66752
Experience	249	2.0241	.91989
Distributive Justice	249	3.5020	1.28617
Procedural Justice	249	3.2972	1.31371
Interaction Justice	249	3.6787	1.20533
Employee Satisfaction	249	3.5181	1.32618
Employee Commitment	249	3.5261	1.31075
Valid N (list wise)	249		

**7.3. Correlation Analysis**

The table indicates the there is significant positive relationship among Distributive Justice and Job Satisfaction ( $r = 0.469, P < 0.001$ ) and between Procedural Justice and Job Satisfaction ( $r = 0.501, p < 0.001$ ). So that prove our H1 and H2.

**Table 3:** Correlation between Distributive Justice and Procedural Justice and Job Satisfaction

<i>No.</i>	<i>Variables</i>	<i>1</i>	<i>2</i>	<i>3</i>
<b>1</b>	Distributive Justice	<b>1</b>		
<b>2</b>	Procedural Justice	<b>.376** .000</b>	<b>1</b>	
<b>3</b>	Job Satisfaction	<b>.469** .000</b>	<b>.501** .000</b>	<b>1</b>

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



**Table No. 4:** Relationship between Distributive Justice and Procedural Justice and Organizational Commitment

No.	Variables	1	2	3
1	Distributive Justice	1		
2	Procedural Justice	.376** .000	1	
3	Job Satisfaction	.469** .000	.501** .000	1

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

The above table indicates that there is a significant positive relationship among Distributive Justice and organizational commitment ( $r = 0.469$ ,  $P < 0.001$ ) and between Procedural Justice and organizational commitment ( $r = 0.412$ ,  $p < 0.001$ ) which prove the hypothesis four and five.

#### 7.4 Regression Analysis

In table number five we performed the regression analysis to judge Organizational Justice as predictor for Organizational Justice to have a direct impact on commitment. The value of B shows that Procedural Justice have 34% while Distributive Justice have 29% impact on Job Satisfaction. While the R square is very low which is 0.34 that shows, there are some other important variables we are missing here. The results also prove hypothesis no 5.

**Table 5:** Regression Analysis of Distributive Justice and Procedural Justice and Job Satisfaction

No.	Variables	1	2	3
1	Distributive Justice	1		
2	Procedural Justice	.376** .000	1	
3	Organizational Commitment	.467** .000	.412** .000	1

**Table 6:** Regression Analysis of Distributive Justice and Procedural Justice and Organizational Commitment

No.	Variables	B	t	Sig.
1	Procedural Justice (PJ)	.242	5.702	.000
2	Distributive Justice (DJ)	.302	7.493	.000

The table number six predicts the value of Procedural Justice and Distributive Justice for organizational commitment. The results indicated that PJ contributes 24% while DJ contribute 30 % of the impact on

Organizational Commitment while the value of R square is 0.28 which is very low. The result proves hypothesis number six.

## **8. Conclusion and Recommendations**

This research paper examined the impact of organizational justice, on job satisfaction and organizational commitment. The received results nominate that there are significant direct impacts of organizational justice dimensions Procedural Justice and Distributive Justice on organizational commitment and job satisfaction. But as we have mentioned the low value of R Square so there are some missing variables. So we think our result can be mixed. There are also some limitations that must be considered like sample size, instruments, some other variables and population.

We will suggest adding different variables like political skills, leadership as well as the mediation impact for future studies. Other dimensions of organizational justice can also be added in this research that are interactional justice, temporal justice and spatial justice. Moreover, the same research with different sample size, population and instrument can also be implemented in other countries.

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