Perceived Organizational Justice And Its Impact To The Development Of Commitments: A Regression Analysis

Zaini Jamaludin

Organizational commitment has been an increasingly field of study since past research shown it important to the organization as a whole. Despite the increase in attention given to the study of workplace commitments, there still appears to be considerable confusion and disagreement about what commitment is where it is directed and how it develops. This study tries to link the organizational justice as an antecedent of the commitment. By using a regression analysis, it is found that certain type of justice may influence specific dimension of commitment.

Field of Research: Organizational Commitment, organizational Justice, Organizational Behaviour.

1. Introduction

As firms struggle to use their human resources more effectively in gaining competitive advantage, the employee-organization relationship always become the topic of interest for organizational researcher. According to Tekleab et.al (2005), the level of organizational justice present in management decisions about employees is directly related to the quality of resulting social exchange relationship between the individual and their employing organizations as well as between employees and organization agents such as immediate manager. Social exchange theory is an economic model of human behaviour; employees’ desire to maximize rewards and minimize losses support the interactions between them and the organization or its representatives (i.e. their supervisor) (Wat and Shaffer 2005). A large number of studies have sought to link justice perceptions to a variety of organizational outcomes, including job satisfaction, organizational commitment, withdrawal and organizational citizenship behaviour (Colquitt et.al. 2001). Cropanzano et.al. (2007) argue that organizational justice has the potential to create powerful benefits for organizations and employees alike include greater trust and commitment. Like many constructs in organizational psychology, however, commitment has been conceptualized and measured in various ways (Allen and Meyer 1990). If employees perceive that they are being treated fairly by their supervisor, they will be more likely to reciprocate by holding positive attitudes about their work, their work outcomes and their supervisor (Wat and Shaffer 2005).

Zaini Jamaludin, Faculty of Management and Muamalah, Selangor International Islamic University College. Email: zainijamaludin@yahoo.co.uk
Despite the increase in attention given to the study of workplace commitments, there still appears to be considerable confusion and disagreement about what commitment is where it is directed, how it develops and how it affects behaviour (Meyer and Herscovitch 2001). Thus, this study tries to look at the impact of organizational justice towards the development of commitment among academician in a higher leaning institution.

2. Commitment

Commitments in workplace can take various forms and, arguably, have the potential to influence organizational effectiveness and employee well-being (Meyer and Herscovitch 2001). Commitment is a process of identification with the goals of an organization’s multiple constituencies (Reichers 1985). According to Jaros (1997), organizational commitment is an important part of an employee’s psychological state because employees who experience high organizational commitment are theorized to engage in many behaviours, such as citizenship activities and high job performance that are believed to be beneficial to the organization. The concept of organizational commitment has attracted considerable interest as an attempt to understand the intensity and stability of employee dedication to work organization (Eisenberger et.al. 1990). Allen and Meyer (1990) theorized that, employees with strong affective commitment remain because they want to, those with strong continuance commitment because they need to, and those with strong normative commitment because they feel they ought to do so.

Blau and Boal (1987) discussed two approaches in defining commitment referred as behaviour approach where the individual viewed as committed to an organization if he/she is bound by past actions of “sunk cost” (fringe benefit, salary as a function of age or tenure) and in the attitudinal approach, organizational commitment is viewed as a more positive individual orientation towards the organization; here, organizational commitment is defined as a state in which an employee identifies with a particular organization and its goal, and he/she wishes to maintain membership in the organization in order to facilitate its goals. Attitudinal commitment is affective in nature; employees are emotionally attached to the organization and view their goals and organizational goals are similar (Mowday et.al. 1982).

Meyer et.al (2002) argues that commitment is a multidimensional construct and that the antecedents, correlates and consequences of commitment vary across dimension. They posited that an employee simultaneously experiences commitments to the organization that are based on emotional attachment (affective commitment), a feeling of obligation to the organization (normative commitment) and perceptions that the costs of leaving the organization – social or economic – are prohibitively high (continuance commitment) (Meyer and Allen 1991). Therefore, a multiple commitments perspective strongly suggested that the commitment experienced by any one individual may differ markedly from that experienced by others (Reichers 1985). Thus, Meyer and Allen (1991) suggested that researchers could better understand an employee’s relationship with an organization by analyzing all three components simultaneously.
2.1 Affective Commitment

The most prevalent approach to organizational commitment in the literature is one in which commitment is considered an affective or emotional attachment to the organization such that the strongly committed individual identifies with, is involved, and enjoys membership in the organization (Allen and Meyer 1990). Employees who have high levels of organizational identification have enhanced feelings of belongingness to their organization and are more psychologically attached to it (Lee et al. 2007). Thus, employees with strong affective commitment remain with the organization because they want to do so (Allen and Meyer 1996). Affective commitment tend to correlate more strongly with any given outcome variable including the focal behaviour (Meyer and Herscovitch 2001). Organizational-based psychological ownership is concerned with individual members’ feeling of possession and psychological connection to an organization as a whole including organizational culture and climate, attitudes of senior management, corporate goals and vision, reputation of the organization, and corporate policies and procedures (Mayhew et al. 2007). Therefore, developing affective commitment should focus on the work experiences and job characteristics such as autonomy, task significance, task identity, skill variety, supervisory feedback and organizational dependability, all of which have been identified as significant antecedents of affective commitment (Jaros 1997).

2.2 Normative Commitment

A less common but equally viable approach has been to view commitment as a belief about one’s responsibility to the organization (Allen and Meyer 1990). Normative commitment reflects a perceived obligation to remain in the organization (Meyer et al. 2002). It refers to commitment based on a sense of obligation to the organization and employees with strong normative commitment remain because they feel they ought to do so (Allen and Meyer 1996). Weiner (1982) suggested that normative commitment develops as a function of socialization experiences, such as societal or familial experience. Employees can develop a sense of obligation to their organization for reasons other than socialization, including the receipt of benefits that invoke a need for reciprocity (Meyer et al. 2002). Exchange theory is relevant to this attitudinal approach to commitment in that it is reasoned that employees offer commitment in return for the receipt (or anticipated receipt) of rewards from the organization (Oliver 1990). Thus, normative commitment is conceptualized to reflect one specific type of attachment-related emotion (Jaros 1997). Employees with a high level of normative commitment believe they have the duty and responsibility to continue working for their current employer (Aube 2007). Although affective and normative commitment shows similar patterns of correlations with antecedent, correlate and consequence variables, the magnitude of the correlations is often quite different (Meyer et al. 2002).

2.3 Continuance Commitment
Continuance commitment refers to commitment based on the employee’s recognition of the costs associated with leaving the organization and they remain because they have to do so (Allen and Meyer 1996). It is proposed that the continuance component of organizational commitment will also develop on the basis of two factors; the magnitude and/or number of investment (or side-bets) individuals make and perceived lack of alternative (Allen and Meyer 1990). According to Becker (1960), people committed to the organization due to three reasons; (1) the generalized culture expectation where people feel that a man ought not to change his job too often and that one who does is erratic and untrustworthy; (2) impersonal bureaucratic arrangement where a man who wishes to leave his current job may find that, because of the rules governing the firm’s pension fund, he is unable to leave without losing a considerable sum of money he has in that fund; (3) individual adjustment to social positions where a person may so alter his patterns of activity in the process of conforming to the requirement for one social positions that he unfits himself for other positions he might have access. Employee would be more attached to their organization if they cannot obtain the same benefits in another firm (Lee et al. 2007). It is generally agreed that continuance commitment develops when a person makes investments, or side-bet, that would be lost if he or she were to discontinue the activity (Meyer and Herscovitch 2001; Meyer and Allen 1991).

3. Organizational Justice

Organizational justice refers to people’s perception of fairness in organizations, consisting of perceptions of how decisions are made regarding the distribution of outcome (distributive justice) and the perceived fairness of those outcomes themselves (as studied in equity theory) (Greenberg and Baron 2003). Equity has generally been conceptualized in terms of perceived fairness and operationalized as a three-dimensional construct: distributive, procedural and interactional justice (Wat and Shaffer 2005). The word equity connotes feelings of good, just, right and fair, and they are deeply embedded in our common heritage (Weller 1995). If people see a discrepancy between the rewards they are receiving for their efforts when compared to those of others (the rewards-to-work ratio), they will be motivated to do more (or less) work (Altman et al. 1985). The three referent categories have been classified as ‘others’ include individuals with similar jobs in the same organization and also include friends, neighbours or professional associates, ‘systems’ which is the organizational pay policies and procedures as well as the administration of the system, and ‘self’ refers to input-outcome ratios that are unique to the individual (Robbins 1992).

In the organizational context, procedural justice is considered an important resource in social exchange, where else, distributive justice considered to be more closely related to economic exchange (Loi et al. 2006). Another form of justice that focus on employees’ perceptions of the quality of the interpersonal treatment received during the enactment of organizational procedures labelled as interactional justice (Skarlicki and Folger 1997). Cropanzano et al. (2007) argued that organizational justice is a sort of ‘glue’ that allows people to work together effectively, in contrast, injustice is like a corrosive solvent that can dissolve bonds within the community and its hurtful to individuals and harmful to organization. An immediate implication of inequity can arise
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in one of three ways: (1) own inequity (the persons’ input-outcome ratio is unbalance); (2) comparison inequity (the persons’ input-outcome is balance but it is unbalance when compared with that of another person in similar circumstances); (3) own-comparison inequity (the persons’ input-outcome ratio is unbalance it is also unbalance with respect to the comparison person) (Weick dan Nesset 1968).

What must be remembered about equity theory is that it involves personal perception (Altman et.al. 1985). An individual may actually be receiving higher pay than others but believe that he or she is worth even more. Therefore, restoring balance employee’s perception is important to reduce social tension in workplace (Weller 1995). Since equity theory deals with perceptions of fairness or unfairness, it is reasonable to expect that inequity states may be redressed merely by altering one’s thinking about the circumstances, thus they can come to perceive inequitable situation as equitable, thereby effectively reducing their inequity distress (Greenberg and Baron 2003). Experiment by Goodman and Friedman (1968) support this argument and found that employee who experiencing inequity having high desire to prove their ability by increasing output. Research does not consider how different types of injustice may affect the type of deviance in which an individual engages (Ambrose et.al. 2002). Therefore, if one’s goal is to promote workplace justice, it is useful to consider them separately and in detail because each component is engendered is distinct ways, arising from different managerial action (Cropanzano et.al. 2007).

3.1 Distributive Justice

Distributive justice concern people’s perceptions of the fairness of the distribution of resources between people (Greenberg and Baron 2003). Its also refers to the perceived fairness of the amounts of compensation employee receive (Folger and Konovsky 1989). Therefore, distributive justice perspective focuses on the fairness of the evaluations received relative to the work performed (Greenberg 1986). Cropanzano et.al. (2007) distinguish three allocation rules that can lead to distributive justice if they are applied appropriately: equality (to each the same), equity (to each in accordance with contributions), and need (to each in accordance with the most urgency). Distributive justice is concerned with the reality that not all workers are treated alike; the allocation of outcome is differentiated in workplace (Cropanzano et.al. 2007). Dailey and Kirk (1992) found that employee may rationalize their desire to quit by finding ‘evidence’ which illustrates how unfairly rewards are distributed. Furthermore, distributive justice seems to play a salient role for employee in evaluating their employing organization (Loi et.al. 2006). Employee would be more attached to their organization if they cannot obtain the same benefits in another firm (Lee et.al. 2007). It is generally agreed that continuance commitment develops when a person makes investments, or side-bet, that would be lost if he or she were to discontinue the activity (Meyer and Herscovitch 2001; Meyer and Allen 1991).

*Hypothesis 1: Distributive justice strongly influences the development of continuance commitment.*
3.2 Procedural Justice

Research on fairness shifted to an emphasis on procedural justice in the 1980s (Schminke et al. 1997). In the organizational context, procedural justice is considered an important resource in social exchange (Loi et al. 2006). Procedural justice refers to the perceived fairness of the means used to determine the amount of benefits (Folger and Konovsky 1989). Past research demonstrates that procedural justice often is more predictive of a variety of work attitudes, including organizational commitment (Warner et al. 2005). The fairness of the decision-making process itself seems to be more important than the actual amount of compensation that is received by individual (Teprstra and Honoree 2003). Cropanzano et al. (2007) argued that fair process lead to intellectual and emotional recognition, thus in turn, creates the trust and commitment that build voluntary cooperation in strategy execution. This, procedural justice perspective focuses on the fairness of the evaluation procedures used to determine ratings (Greenberg 1986). Folger and Konovsky (1989) found that opportunities for employees to express their feelings when evaluated predicted a measure of perceived fairness and accuracy of performance evaluation. If the process is perceived as just, employees show greater loyalty and more willingness to behave in an organizational's best interest (Cropanzano et al. 2007). Fair procedures let employees feel they will get a ‘fair shake’ from the company and its representatives should they perform well in future (Loi et al. 2006). As Weiner (1982) suggested that normative commitment develops as a function of socialization experiences, such as societal or familial experience. Employees can develop a sense of obligation to their organization for reasons other than socialization, including the receipt of benefits that invoke a need for reciprocity (Meyer et al. 2002).

Hypothesis 2: Procedural justice strongly influences the development of normative commitment.

3.3 Interactional Justice

Justice research began to focus on interactional justice that focus on the fairness of the interpersonal treatment the individual receives from the decision maker (Ambrose et al. 2007). A person is interactionally just if he or she appropriately shares information and avoids rude or cruel remarks and since interactional justice emphasizes one-on-one transactions, employees often seek it from their supervisor (Cropanzano et al. 2007). The perception of the supervisor as supportive and respectful of subordinates’ dignities in the interaction process will improve perceived interactional justice and positively influence subordinates’ trust in supervisor (Wat and Shaffer 2005). According to Greenberg (1990), interactional justice has come to be seen as two specific type of interpersonal treatment; (1) interpersonal justice, reflects the degree of which people are treated with politeness, dignity and respect by others; and (2) informational justice that focuses on the explanation provided to people that convey information about why procedures were used in a certain way or why outcomes were distributed in a certain
Interactional justice suggests that perceptions of procedural justice can originate from an organization’s procedures and how those procedures are implemented (Tyler and Bies 1990). Cheng and Stockdale (2003) found that affective commitment was significantly predicted by perceived equity, peer group cohesion, and personal importance. This variables are best to relate to the interactional justice (interactional and informational justice) which help the employee to perceived equity, strengthen peer group cohesion and feel some recognition from the supervisor.

Hypothesis 3: Interactional justice strongly influences the development of affective commitment.

4. Theoretical Framework

![Diagram of the theoretical framework](image)

5. Methodology

5.1 Sample

Data for this study were collected from respondent that was an academic staff of one public higher learning institution. Among the respondent, 41.7% was male and 58.3% female. Since the institution has just operated for 13 years, majority of the respondent are in the middle age which is between 31 to 35 years (46.7%). 18.3% has been working with the organization for more than 9 years and 26.6% have been working between 4 to 8 years. Majority of the respondent have masters degree (70%) and only 5% with doctoral qualification. Questionnaire was distributed to academic staff only by a member of faculty administrative office to 290 academic staff and only 120 (41.38%) are return for the analysis.
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5.2 Measurement

The questionnaire used 7 point likert scales (1 represent strongly disagree and 7 represent strongly agree) to measure the construct. Allen and Meyer (1990) eight items affective commitment questionnaire, five items continuance commitment questionnaire and eights item normative commitment questionnaire were used to measure organizational commitment. Cronbach’s $\alpha$ for this scale was .8385, .7413, and .7080 respectively. The continuance commitment were shortened to 5 items from 8 items proposed by Allen Meyer (1990) to focus more on the job alternative and side-bet of the respondent. A few of the question are reversed coded before data were key-in into the SPSS. Organizational justice were measured using seven items develop by Moorman (1991) for procedural and interactional justice was adopted. Cronbach’s $\alpha$ for this scale was .9670 and .8734 respectively. As for the distributive justice, five items develop by Price and Mueller (1986) were adopted with .9688 Cronbach’s $\alpha$.

The data from each construct were sum as one value to make it able for the regression analysis. For the commitment construct the range of data was 8 to 56, procedural justice 7 to 35 and 5 to 35 for interactional justice and distributive justice. By using SPSS a regression analysis were run for each type of commitment to identify which type of organizational justice strongly influence which type or commitment.

6. Discussion of Finding

The data was tested using the linear regression analysis to look at the influences of justice to the commitment of the respondent. The results are shown in tables below.

<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>(Constant)</td>
<td>28.658</td>
<td>2.493</td>
<td>.11496</td>
</tr>
<tr>
<td>PROSJUST</td>
<td>.079</td>
<td>.076</td>
<td>.139</td>
<td>1.033</td>
</tr>
<tr>
<td>INTRJUST</td>
<td>-.056</td>
<td>.135</td>
<td>-.054</td>
<td>-.414</td>
</tr>
<tr>
<td>DISTJUST</td>
<td>.071</td>
<td>.096</td>
<td>.092</td>
<td>.748</td>
</tr>
</tbody>
</table>

Table 1 have shown the result of regression analysis for continuance commitment as dependent variable. It’s revealed that procedural justice has strongly influence the development of continuance commitment. According to Tepstra and Honoree (2003) the fairness of the decision making process itself seems to be more important than the actual amount of compensation that is received by individual. The employees feel more secured if the procedures that lead to a decision by the management are clear. The fair procedure such as promotion criteria, benefit distribution and so on make them prepared and able to forecast the benefits that they will receive from the organization.
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Thus, they will stay with the organization to meet the criteria determined by the management for the benefits that they aim. Cropanzano et al. (2007) argued that fair processes lead to intellectual and emotional recognition, thus in turn, creates the trust and commitment that build voluntary cooperation in strategy execution. Therefore, hypothesis 1 is rejected.

Table 2: Regression Result for Normative Commitment

<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>(Constant)</td>
<td>28.943</td>
<td>2.876</td>
<td>10.065</td>
</tr>
<tr>
<td></td>
<td>PROSJUST</td>
<td>.437</td>
<td>.088</td>
<td>.606</td>
</tr>
<tr>
<td></td>
<td>INTRJUST</td>
<td>-.269</td>
<td>.156</td>
<td>-.205</td>
</tr>
<tr>
<td></td>
<td>DISTJUST</td>
<td>-.094</td>
<td>.110</td>
<td>-.095</td>
</tr>
</tbody>
</table>

Procedural justice again has shown its strong influence in developing normative commitment as shown in Table 2. As stressed by Meyer et al. (2002), normative commitment reflects the employee perceived obligation to remain in the organization. Thus, perceived just procedure gave the employee a reason to reciprocate to the organization. Although both procedural and distributive justices are important predictors of workplace attitudes, research generally finds that procedural justice explains a greater proportion of the variance in organizational commitment (Folger and Konovsky 1989). The employee put less concern to the distributive justice when the procedures of distributing the reward are clear. To the some extend, fair procedure will control the perception on organizational justice and distributive justice will not be significant to the commitment. What is more interesting is that procedural justice affects what workers believe about the organization as a whole. If the process is perceived as just, employees show greater loyalty and more willingness to behave in an organization’s best interests. They are also less likely to betray the institution and its leader (Cropanzano et al. 2007). Therefore the hypothesis 2 is rejected.

Table 3: Regression Result for Affective Commitment

<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>(Constant)</td>
<td>31.053</td>
<td>2.953</td>
<td>10.516</td>
</tr>
<tr>
<td></td>
<td>PROSJUST</td>
<td>.082</td>
<td>.090</td>
<td>.114</td>
</tr>
<tr>
<td></td>
<td>INTRJUST</td>
<td>.271</td>
<td>.160</td>
<td>.207</td>
</tr>
<tr>
<td></td>
<td>DISTJUST</td>
<td>.128</td>
<td>.113</td>
<td>.130</td>
</tr>
</tbody>
</table>

Table 3 have shown the result that interactional justice has strongly support the affective commitment followed by distributive justice and procedural justice. The result is in-line with the literature and study done by Cheng and Stockdale (2003). They found that affective commitment was significantly predicted by perceived equity, peer group
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cohesion, and personal importance. Perceived fair interactional justice help employees to feel that their presents are important and being valued by employer. The information they received help them to understand any decision made by the senior management and close interaction with supervisor would bring some feel of recognition. Therefore the hypothesis 3 is accepted; interactional justice strongly influences the development of affective commitment.

7. Conclusion

It is revealed that procedural justice is more important in developing the continuance commitment and normative commitment while the interactional justices strongly influence the affective commitment. In this study, the distributive justice has no significant effect to any dimension of organizational commitment. This probably due to the samples concern more towards the procedural justice compared to distributive justice. Different employees have different kind of motivation factor. For employee with material motivation factor, they will more concern on distributive justice, however, employee with non-material motivation factor fair procedure is more important. The supervisor or manager must be able to manage their staff motivation factor and it is important for organization to maintain justice in their practice. Justice provides an excellent business opportunity from reaping specific returns such as stronger employee commitment to gaining an overall tough-to-copy competitive edge that resides in a “culture of justice” (Cropanzano et.al. 2007).

REFFERENCES

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