

# Distributive and Procedural Justice as Predictors of Job Satisfaction and Organizational Commitment: A Case Study of Banking Sector of Balochistan

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## Abstract

The basic purpose of the study was to determine the relationship and impact of the employees distributive and procedural justice perception on the job satisfaction and organizational commitment of the banking sector employees in Balochistan. The sample size for the study was 125 and data was collected through questionnaires. The trustworthiness of the questionnaire was checked through cronbach alpha test. Correlation and multiple regression analysis were used to analyze the data. The outcome of the study indicated that the distributive and procedural justice have significant positive influence on the job satisfaction and organizational commitment of the banking sector employees. The study has both managerial and academic implication in the literature of organizational behavior and human resource management.

**Keywords:** Distributive, procedural justice, job satisfaction and organizational commitment.

## 1. Introduction

Organizational justice perception of the employees plays a very important role in effective performance of the organization. When the employees perceived that the organization is fair in decision making about the allocation of the resources and the procedure of allocation decisions then they will tend to be more satisfied with job and will be more committed with the business. Managerial fairness refers to “perceptions of staff about fair treatment received from an organization and their behavioral reaction to such perceptions” (James, 1993). Research study shows that organizational justice is a significant predictor of employees’ organizational commitment and job satisfaction. Procedural justice has direct impact on job satisfaction and distributive justice has significant impact on organizational commitment (Sareshkeh, Ghaziani, & Tayebi, 2012). In the current study the impact of two main components of organizational justice (distributive and procedural justice) on job satisfaction and organizational commitment will be studied in the Banking sector of Balochistan. The research questions for the study are

What relationship exists among distributive justice, procedural justice perception, job satisfaction and organizational commitment in banking sector employees?

What will be the influence of distributive justice on the job satisfaction of the employees working in the Bank of Balochistan?

What will be the influence of distributive justice on the organizational commitment of the employees working in the Banks of Balochistan?

What will be the influence of procedural justice on the job satisfaction of the employees working in the Bank of Balochistan?

What will be the influence of procedural justice on the organizational commitment of the employees working in the Banks of Balochistan?

## 2. Literature review

### 2.1. Organizational justice

Organizational justice has been studied in the literature and its impact on employees has been analyzed as the employees’ perception of the organizational justice has a direct impact on their attitude toward the work. Employees mostly consider disciplinary procedure as biased which leads them toward emotional stress (Bank, Engelbrecht, & Strumpher) but When the employees realize that the organization is fair in distribution of rewards then they become more supportive to satisfy the customers and it has a positive influence on employees customer oriented behavior (Ashar & Shahbaz, 2013). It is also found that two important dimensions of the organizational justice such as distributive and procedural justice has significant positive relationship with employee engagement of banking sector (Alvi & Abbasi, 2012) however distributive justice has a stronger impact on customer satisfaction than procedural and interactional justice (Martinez-Tur, Peiro, Ramos, & Moliner, 2006). Distributive justice refers to fair allocation of benefits and workloads in the organization and the Procedural justice describes that in what way an allocation decision is made in the organization either it was fair or not. Research study reveals that Organizational justice has no significant influence on organizational citizenship behavior (Batool, 2013). Distributive and procedural justice has a positive impact on the organizational

commitment of the employees and has a negative influence on the employees intention leave the job(Hassan, 2002);(Niazi & Ali, 2014) but it is also found that procedural justice contribution to predict the commitment of the employees is greater than distributive justice however interactional justice has no significant impact on organizational commitment(Niazi & Ali, 2014). The research studies shows that distributive justice has significant impact on employees' satisfaction with pay raise but procedural justice is significant predictor of not only employees' commitment and trust on supervisor but also of employees job satisfaction with pay raise however the influence of distributive justice on job satisfaction is more intense (Folger & Kanovsky, 1989).

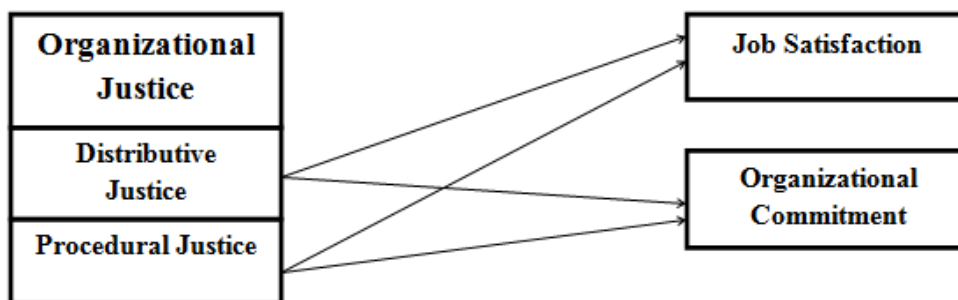
## **2.2. Job satisfaction**

Job satisfaction can be defined as “a pleasurable or positive emotional state resulting from the appraisal of one's job or jobexperiences”(Locke, 1976).Job stress such as conflict and heavy workload and heavy workload has a significant negative impact on job satisfaction dimensions related to physical environment and career opportunities, management styles and job enrichment, reward and job security. Job stress resulting from career development and work autonomy has a negative influence on physical environment and career opportunities and management styles and job enrichment. However the job stress dimensions such as performance feedback and information access have a significant positive impact on reward and job security (Trivellas, Reklitis, & Platis, 2013).Employee job insecurity is negatively correlated with job satisfaction therefore by securing employees job their satisfaction level can be enhanced for effective performance of the organization (Yashoglu, Karagulle, & Baran, 2013).However the employees emotional intelligence results in a positive attitude toward satisfaction with life and job satisfaction (Ignat & Clipa, 2012).It is found that the level of job satisfaction of the older employees is higher than younger employees. Job type is also strong predictor employees' job satisfaction and distributive justice has a strong positive influence on employees pay level satisfaction and job satisfaction ( Mcfarlin & Sweeney, 1992). Research study shows that negative association exists between job satisfaction and employees intention to quit the job (Tnay, Othman, Siong, & Lim, 2014).Job satisfaction is effective predictor of organization citizenship behavior (Zeinabadi, 2010);(Salehi & Gholtasb, 2011).Previous research study shows thatTask identity, job variety, need for achievement, motivation are important predictors of job satisfaction (Baker & Colledge)..Employee engagement is also a good predictor of the job satisfaction of the employees (Andrew & Sofian, 2012).

## **2.3. Organizational commitment**

Organizational commitment can be defined as “the strength of an individual's identification with and involvement in a particular business, characterized by a well-built belief in an acceptance of an organization's goals and values; a willingness to exert considerable effort on behalf of the organization; and a definite desire to maintain organizational attachment” (Porter, Steers, Mowday, & Boulian, 1974). An investigation study showed that commitment level of the aged employees is higher than younger employees and procedural justice has a positive impact on subordinate's evaluation of supervisor and organizational commitment ( Mcfarlin & Sweeney, 1992). Organizational commitment has a significant positive relationship with employee job performance and its all three dimensions such as sentimental loyalty, normative commitment and prolongation assurance are effective predictors of employees' job performance (Memari, Mahdien, & Marnani, 2013). Organizational commitment and organizational citizenship behavior are positively related and organizational commitment mediates the relationship between organizational justice and organizational citizenship behavior (Batool, 2013). The organization fair distribution of resources results in committed employees. Procedural and distributive justice has a positive influence on organizational commitment of employees (Akanbi, Ayobami, Ofoegbu, & Eugene, 2013). Organizational commitment is a strong predictor of organization citizenship behavior (Salehi & Gholtasb, 2011).Employee job satisfaction is a significant predictor of employees' organizational commitment (Niazi & Ali, 2014) however another study shows that organizational commitment is one of the significant predictor of employees' job satisfaction ( Bateman & Strasser, 1984). Employee job engagement and organization engagement has a positive influence on the organization commitment of the employees (Andrew & Sofian, 2012). Organizational commitment has a significant positive relation with job satisfaction however the age of the employees moderates this relation (Yucel & Bektas, 2012).

## 2.4. Theoretical framework



## 3. Hypothesis

Hypothesis1: Distributive justice will have a positive impact on job satisfaction of the employees working in the Bank

Hypothesis2: Distributive justice will have a positive impact on the organizational commitment of the employees working in the Bank

Hypothesis3: procedural justice will have a positive impact on job satisfaction of the employees working in the Bank

Hypothesis4: procedural justice will have a positive impact on organizational commitment of the employees working in the Bank

## 4. Research methodology

The current study is empirical and the sample size for the study was 125. The target population for the study was the employees working in the banks in Balochistan and Convenience sampling technique was used for the collection of the data. Questionnaires were distributed among the participants.

### 4.1 Variable measurement

#### Independent variables

Distributive justice and procedural justice were independent variables in the present study

#### Distributive justice

Distributive justice scale developed by Neihoff and Moorman (1993) was adopted for the current study. It was measured with five items on five point likert scale from (1) strongly disagree to (5) strongly agree. The cronbach alpha of distributive justice was  $\alpha=0.88$

#### Procedural justice

Procedural justice scale developed by Neihoff and Moorman (1993) was adopted for the current study. It was measured on five point likert scale form (1) strongly disagree to (5) strongly agree i with 6 items. The cronbach alpha for the procedural justice was  $\alpha=0.93$

#### Dependent variables

Job satisfaction and organizational commitment were the dependent variables.

#### Job satisfaction

Employee job satisfaction was measured with a scale developed by Hackman and Oldham (1975). The employees job satisfaction was assessed on five point likert scale form strongly disagree to strongly agree with three items. The cronbach alpha for job satisfaction was  $\alpha=0.87$

#### Organizational commitment

The commitment scale developed by Allen and Meyer (1990) was used in the current study for the measurement of the employees' organizational commitment. The variable was measured on five point likert scale by six items. The cronbach alpha for organizational commitment was  $\alpha=0.92$ (table:1).

Table-1 showing Reliability Statistics

Variables	Cronbach's Alpha	Numbers of Items
Distributive Justice	0.88	5
Procedural Justice	0.93	6
Job Satisfaction	0.87	3
Organizational commitment	0.92	6

## 5. Data Analysis and Result

The data was examined with the help of SPSS 19 version.Cronbach alpha test was used to detect the reliability of

the questionnaire. The mean and the standard deviation of the variables were calculated (Table: 2). Correlation and multiple regression analysis was used to investigate the relationship among the variables and to determine the impact of independent variables on dependent variables. The Durbin Watson d test was used to determine the presence or absence of the autocorrelation in the data.

Table 2: showing descriptive statistics

Variables	Mean	Standard deviation	N
Distributive justice	4.85	1.411	125
Procedural justice	4.47	1.652	125
Job satisfaction	5.33	1.344	125
Organizational commitment	5.23	1.206	125

The correlation table displays the relationship among distributive justice, procedural justice, job satisfaction and organizational commitment. The result indicates that distributive justice has significant positive relationship with procedural justice ( $r=0.726$ ,  $n=125$ ,  $p<0.01$ , two tailed). The Distributive justice has a significant positive relationship with job satisfaction ( $r=0.644$ ,  $n=125$ ,  $p<0.01$ , two tailed). The Distributive justice also has significant positive relationship with organizational commitment ( $r=0.670$ ,  $n=125$ ,  $p<0.01$ , two tailed). The procedural justice has a significant relationship with job satisfaction ( $r=0.690$ ,  $n=125$ ,  $p<0.01$ , two tailed). The procedural justice has a significant positive relationship with organizational commitment ( $r=0.644$ ,  $n=125$ ,  $p<0.01$ , two tailed).

Table -2: Correlation among variables

Variables	(1)	(2)	(3)	(4)
(1) Distributive Justice	1			
(2) Procedural justice	0.726**	1		
(3) Job satisfaction	0.644**		0.690**	1
(4) Organizational commitment	0.670**		0.644**	0.68**

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

N=125

Multiple regression analysis was used to investigate the impact of independent variables on dependent variables. Distributive justice and procedural justice are independent variables and job satisfaction and organizational commitment are dependent variables in the current study. The result reveals that distributive justice has significant positive influence on the employees job satisfaction ( $\beta=0.303$   $t=3.324$ ,  $p<0.05$ ). The procedural justice has a significant positive influence on job satisfaction ( $\beta=0.470$   $t=5.147$ ,  $p<0.05$ ). Both independent variables distributive justice and procedural produce 52% change in employees' job satisfaction (Table: 4).

Table -4: Regression table

Independent variables	Beta	t-values	p-values	R square	Durbin Watson
(1) Distributive justice	.303	3.324	.001	0.52	1.67
(2) Procedural Justice	.470	5.147	.000		

Dependent Variable: Job Satisfaction

The results show that distributive justice has a significant positive influence on organizational commitment ( $\beta=0.428$   $t=4.608$ ,  $p<0.05$ ). The procedural justice has a significant positive influence on the organizational commitment of the employees ( $\beta=0.333$   $t=3.585$ ,  $p<0.05$ ). The independent variables produce 50% variation in organizational commitment of the employees (Table: 5).

Table -5: Regression table

Independent variable	Beta	t-values	p-values	R square	Durbin Watson
(1) Distributive Justice	.428	4.608	0.000	.50	1.73
(2) Procedural Justice	.333	3.585	0.000		

Dependent variable: Organizational commitment

## 6. Discussion

The main purpose of the study was to investigate the relationship among distributive justice, procedural justice,

job satisfaction and organizational commitment of the employees working in the banks in Balochistan Province. The research outcome illustrates that distributive justice is positively associated with job satisfaction and organizational commitment of the employees working in banks. It is also found that procedural justice is also positively associated with job satisfaction and organizational commitment of the employees.

The multiple regression analysis confirms the hypothesis made in the study. The regression analysis showed that distributive justice perception of the employees working in the banks has a significant positive impact on the job satisfaction and it confirms the first hypothesis of the study. This finding of the study is consistent with previous research studies. The employees' distributive justice perception of the employees also has a significant positive effect on the organizational commitment of the employees and it confirms the second hypothesis of the study. This detection is also consistent with past research studies (Sareshkeh, Ghaziani, & Tayebi, 2012). The employees' procedural justice perception has a significant positive impact on the job satisfaction of the banking sector employees and this research outcome confirms the third hypothesis of the study. This finding of the current study is also consistent with prior research studies. The procedural justice perception also has a significant positive impact on the organizational commitment of the banking sector employees and it also confirms the fourth hypothesis of the study. The research finding is consistent with previous research studies (Akanbi, Ayobami, Ofoegbu, & Eugene, 2013); (Folger & Greenberg, 2009); (Hassan, 2002).

## 7. Conclusion

The current study determined the impact of distributive justice and procedural justice perception on the job satisfaction and organizational commitment of the employees of the banking sector of Balochistan. The distributive and procedural justice perception of the employees both have a significant impact on the job satisfaction and organizational commitment of the employees. Higher the employees' perception about the fair treatment of the organization, higher will be their level of satisfaction and commitment with the organization. The substantial level of the employee satisfaction and commitment will result in better performance of the employees as job satisfaction and organizational commitment are essential for the employees' positive attitude toward work and loyalty with organization. The managers of the bank should take in to consideration the importance of organizational justice in the organization for enhancing the satisfaction and commitment level of the employees and its positive impact on the organizational performance. The current study is important for the managers of the banking sector and it has worthy contribution in the literature of the organizational behavior and human resource management. The limitation of the study is small sample size and the use of convenience sampling technique for the data collection. Future studies can be made with relatively large sample size

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