

Studying the Role of Organizational Justice on Job Satisfaction (Case Study: An Iranian Company)

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ABSTRACT

This paper presents the findings of a study, which investigated how organizational justice played an important role in job satisfaction. The sample consisted of 59 managers from Ravagostar company- a consultant firm. The results of using Pearson and Regression test show that there are positive and meaningful correlation ship between organizational justice with job satisfaction which the influence of organizational justice was more than other dimensions.

Also by applying Average test, the variable levels were calculated that all of them were placed in favorable levels. And finally by utilizing one-way Variance Analysis, the effects of demographic characteristics on job satisfaction were surveyed in which no characteristic affect on employees' job satisfaction.

KEYWORDS: Organizational justice, distributive justice, procedural justice, interactional justice, job satisfaction.

1. INTRODUCTION AND PROBLEM STATEMENT

Issues of justice or fairness are a key concern to all individuals virtually. In work settings, people often gauge whether the rewards they receive match their contributions to the organization or the rewards received by their colleagues. People also judge the fairness of the decision-making procedures used by organizational representatives, to see whether those procedures are consistent, unbiased, accurate, correctable, and representative of worker concerns and opinions. Finally, people consider the interpersonal treatment they receive as procedures are implemented by authority figures (Judge & Colquitt, 2004).

As firms struggle to apply their human resources more effectively in gaining their competitive advantage, the employee-organization relationship always become the main topic of interest for organizational researchers. The levels 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 (Tekleab et al, 2005).

Social exchange theory is an important economic model of human behavior; employees' needs to maximize rewards and minimize losses support the interactions between them and the organization or its managers/supervisor. There have been a lot of studies about the link between justice perceptions to a variety of organizational outcomes, including job satisfaction, organizational commitment, organizational citizenship behaviors, and trust. Organizational justice has the potential to create powerful benefits for organizations and employees alike include greater trust and commitment. Commitment has been conceptualized and measured in various ways like many constructs in organizational psychology. If employees perceive that they are being treated fairly by their supervisors/ managers, they will be more likely to reciprocate by holding positive attitudes about their work, their work outcomes and their supervisors/ managers.

People were more satisfied to their organization when felt they were rewarded fairly for the work that they have done by making sure rewards were for genuine contributions to the organization and consistent with the reward policies. The reward included a variety of benefits and perquisites other than monetary gains. People with higher job satisfaction was important as they believed that the organization would be tremendous future in the long run and care about the their work quality; hence they were more committed to their organization, have higher retention rates and tend to have higher productivity (Fatt, Khin & Heng, 2010).

So, the current study tries to look at the influence of organizational justice towards the development of commitment and job satisfaction among Ravagostar Company.

2. LITERATURE REVIEW

2.1. Organizational justice

The first focus on organizational justice was based upon the equity theory, which holds that workers bring inputs to an organization, such as education, effort, experience, willingness, etc. So for the mentioned inputs, employees expect their supervisors/ managers fair outcomes, such as pay, treatment, promotions, special awards, organizational recognition, honest feedback, and fair and accurate performance evaluations (Lambert, 2003).

Organizational justice examines the role of fairness, and particularly perceptions of fairness, in the workplace. Early researchers were interested in fairness in a variety of social interactions and didn't focus on organizations specifically. However, the possible implications of fairness perceptions for organizations became clear, and a considerable amount of research has focused on the organizational setting, leading to the label of organizational justice for this line of research. The topic continues to be important because research has provided evidence of connections between organizational justice perceptions with job performance and job satisfaction, organizational commitment (Mahony et al, 2009).

Justice can be defined as one of the goals which was considered by human beings in ethical, political and social dimensions over the years. Justice is among the most important conceptions which is explained in political and social subjects. No social organization will exist without justice. Certainly, justice causes integrity and organizational justices makes individuals be together in order to work more effectively. Justice is the center of attention of all humanistic affairs, because people are sensitive to how it is behaved towards justice, deeply. In management, observing and making justice is one of the most important tasks of each manager and each human in every condition. Justice is among the most valuable criteria of social life. It is also basis of all suitable behaviors. When justice exists, all the works are done correctly, but people have to get their rights illegally if the justice doesn't exist (Goudarzvan Chegini, 2009).

Researches on organizational justice explain that utilizing justice and fairly decision making will affect on employees' attitude and behaviors drastically (Colquitt & Greenberg, 2003; Greenberg & Baron, 2003).

Organizational justice can be defined in terms of three distinct dimensions: distributive justice, procedural justice and interactional justice (Adams, 1965; Leventhal, 1976). The mentioned dimensions are explained at below:

2.1.1. Distributive Justice

Distributive justice is concerned with the reality that not all people are treated alike; the allocation of outcome is almost differentiated in workplace. Employees may rationalize their desires to quit by finding 'evidence' that illustrates how unfairly rewards are distributed. Distributive justice seems to play an important role for people in evaluating their employing organization. Employee would be more attached to their organization if they can't obtain the same benefits in another one. It is generally agreed that continuance commitment develops when an employee makes investments, that would be lost if he or she were to discontinue the activity (Jamaludin, 2008).

2.1.2. Procedural Justice

Procedural justice is leaders and managers' fairness in decision making process (Leventhal, 1980; Thibaut & Walker, 1975). It refers to the perceived fairness of the means applied to determine the amount of benefits. Fair processes lead to intellectual and emotional recognition, so in turn, creates the commitment and trust that make voluntary cooperation in strategy execution. Procedural justice perspective focuses on the fairness of the evaluation procedures applied to determine ratings. Employees can expand a sense of obligation to their organizations for some reasons other than socialization, including the receipt of benefits which invoke a need for reciprocity (Jamaludin, 2008).

2.1.3. Interactional Justice

Interactional justice is the third dimension of organizational justice which focuses on individuals' perceptions of the quality of interpersonal treatment received during the enactment of organizational procedures (Jawahar, 2002). Justice research began to focus on interactional justice which focuses on the fairness of the interpersonal treatment the individual receives from the decision makers (Ambrose et al, 2002). An employee is interactionally just if he or she shares information appropriately and avoids cruel remarks and since interactional justice emphasizes one-on-one transactions, employees often seek it from their managers and supervisors (Cropanzano et al, 2007).

2.2. Job satisfaction

Job satisfaction has been defined as pleasurable or positive emotional state resulting from the appraisal of ones job or job experience. Job satisfaction is a result of employee's perception of how well their job provides those things which are viewed as important. It is generally distinguished in the organizational behavior field that job satisfaction is the most important and frequently studied attitude (Tella et al, 2007).

Job satisfaction refers broadly to the degree to which people like their job and is determined based on self-reported information. So job satisfaction can be considered a very important factor in enhancing an organization's competitiveness. Against this background we have witnessed an increased interest of economists in subjective aspects of well-being at work (Millan et al, 2011).

There are so many varied definitions in literature for job satisfaction. Nevertheless, 'there appears to be a general agreement that job satisfaction is an affective reaction to a job which results from the incumbent's comparison of the actual outcomes with those which are desired'. Job satisfaction is a positive feeling an individual has towards his or her job. A person who is satisfied feels fulfilled doing the job. It is an inherent feeling which one's talents are being fully utilized and which one's contribution is impacting society, while at the same time, personal growth-needs are being met. Also job satisfaction has been defined as being 'more of an attitude, an internal state (Dartey-Baah, 2010).

2.3. Relationship between organizational justice with job satisfaction

Performance appraisal criteria and possible rewards should be expressed to their employees clearly to enhance their understanding of the process and improving their performance and trust in managers/supervisors. They have also suggested that by applying rules fairly and consistently to all people and reward them based on their performance and merit without personal bias, would have a positive perception of procedural and distributive justice, which might lead to a higher satisfaction. As well as procedural and distributive justice, 'interpersonal sensitivity' and the supply of information to people, and adding that there is a great need of a focus on the actual presentation of needed information. So, managers needed to understand employee's intention, values, and attitudes, to communicate clearly, to respect their wishes and to project courtesy and friendliness (Fatt et al, 2010).

Thus, employees who feel their employing organization is fair and just in dealing with others will encourage trust and loyalty, and this will ultimately enhance the organizational commitment of people and make them more satisfied. On the other hand, it is unlikely that employees will trust, bond, and commit to an organization that they perceive as being unjust, unfair, and untrustworthy. Likewise, organizational justice should have a significant impact on the job satisfaction of employees. Most employees have career aspirations and ambitions which they expect to be met by the organization over time (Walumbwa et al, 2008).

Furthermore, perceptions of unfair procedures and, even more so, unjust outcomes can lead to resentment on the part of the workers. This resentment will affect their job satisfaction ultimately. When a person feels that he or she has been betrayed via an unfair organizational process or outcome, feeling that his or her job is satisfying would be so hard. While it is theoretically acceptable to conclude that organizational justice will help shape worker job satisfaction and organizational commitment, empirical findings are needed to provide support for the theorized impacts of organizational justice on the attitudes of people (Walumbwa et al, 2008).

2.4. Conceptual framework and Hypotheses

Chart 1 presents the effect of organizational justice consist of distributive justice, procedural justice and interactional justice on organizational commitment and job satisfaction. The influence of demographic characteristics will be surveyed on organizational commitment and job satisfaction too. Thus the current article contains four major hypothesis and fourteen sub-divisions.

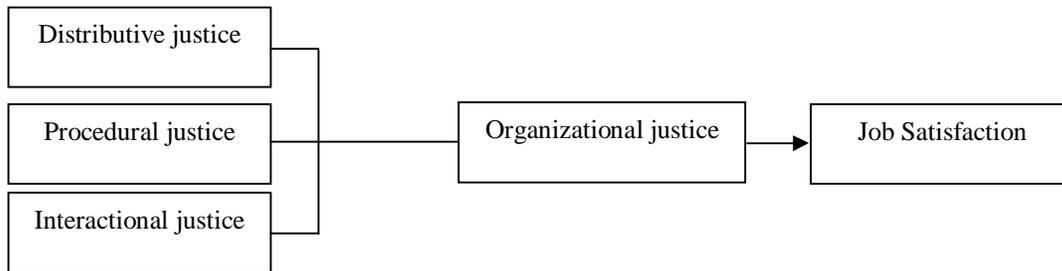


Figure 1: Conceptual framework of research

1. Organizational justice has positive and meaningful influence on job satisfaction.
- 1.1. Distributive justice has positive and meaningful influence on job satisfaction.
- 1.2. Procedural justice has positive and meaningful influence on job satisfaction.
- 1.3. Interactional justice has positive and meaningful influence on job satisfaction.

- 2. There is a direct relationship between Demographic characteristics and job satisfaction.
- 2.1. There is direct relationship between managers' age and job satisfaction.
- 2.2. There is a direct relationship between managers' gender with job satisfaction.
- 2.3. There is a direct relationship between managers' education level with job satisfaction.
- 2.4. There is a direct relationship between managers' work experience with job satisfaction.

2. RESEARCH METHODOLOGY

Samples for this research were chosen from managers in different levels of Ravagostar Company: 59 managers and whereas this number seems to be inadequate, the sampling was done through an integral counting method. Current study can be considered as a descriptive survey if to view from data collection aspect and as an applied research if to investigate the goals of the study. To collect the data library method (to refer to books, articles, libraries, etc...) and fieldworks (questionnaire) was being used. The questionnaire was designed in two parts; 34 questions in organizational justice and 28 questions in job satisfaction and then distributed within the samples (participants). To analyze the data SPSS 17 was used. The management experts were being asked to evaluate the validity of questionnaires. For this mean, the questionnaires were given to some professors and experts in management, and after their modifications were being applied and they confirmed it, the questionnaires were given to the participants. For assessing questionnaire validity we asked for experts' opinions and to determine the questionnaires' reliability, the 'Cronbach Alfa technique' was applied. For this purpose, 30 people were chosen by random (from the participants) and the questionnaires were given to them. The 'Cronbach Alfa' values for all organizational justice and job satisfaction were calculated 0.84 and 0.82. As the reliability results calculated above the reasonable threshold (0.7), reliability of questionnaire was confirmed.

4. DATA ANALYSIS

4.1. Kolmogorov-Smirnov

First of all for data analyzing, we used Kolmogorov-Smirnov test to identify the statistical society normality. The results are presented in table 1:

Table 1. Kolmogorov-Smirnov test result

Variables	Organizational justice	Job satisfaction	Distributive justice	Procedural justice	Interactional justice
Sig	0.107	0.094	0.069	0.083	0.075

As table 1 shows, all calculated amounts are more than 0.05, so the normality of statistical society is proved. Therefore for analyzing data, some parametric tests were used.

4.2. Pearson's correlation test

To investigate the relations of the variables this test was applied. The results are shown in table 2:

Table 2: The correlation between organizational justice with job satisfaction

Correlation	Pierson r	Sig	Test result
Organizational justice with job satisfaction	0.59	0.039	H ₀ hypothesis is rejected
Distributive justice with job satisfaction	0.65	0.003	H ₀ hypothesis is rejected
Procedural justice with job satisfaction	0.51	0.000	H ₀ hypothesis is rejected
Interactional justice with job satisfaction	0.56	0.002	H ₀ hypothesis is rejected

As can be viewed from table 2, there is a meaningful and direct correlation between organizational justice and their dimensions with organizational commitment and job satisfaction.

According to table 2, hypotheses were supported. Strong positive correlation was found between distributive justice with job satisfaction ($r > 0.6$, $p < 0/05$).

4.3. Regression test

To investigate how intense is the effect of organizational justice on job satisfaction, the regression test was used.

Due the table 3 it can be viewed that the positive and meaningful linear correlation exists between organizational justice and its dimensions with job satisfaction of Ravagostar Company managers. The linear correlation is explained below:

Table 3: multi-variables regression between organizational justice and job satisfaction

Variables	Standardized Coefficients		Unstandardized Coefficients		T value	sig
	Beta	Standard error	B			
Constant			3.466	0.843	6.713	0.000
Organizational justice	0.616		0.065	0.436	5.423	0.007
Constant			4.235	1.029	8.415	0.044
Distributive justice	0.635		0.054	0.598	8.873	0.016
Procedural justice	0.544		0.211	0.521	6.219	0.000
Interactional justice	0.592		0.075	0.566	7.641	0.029

Table 3 suggests the direct and meaningful linear correlation between its dimensions with job satisfaction. The linear correlation is shown below:

$$\text{Job satisfaction} = 1.029 + 0.598 \text{ Distributive justice} + 0.521 \text{ Procedural justice} + 0.566 \text{ Interactional justice.}$$

4.3. Average Test

This test has been used to measure the knowledge management and intellectual capital levels and their dimensions.

Table 4: Results from Average test application

Dimensions	Z _{0.05}	Z value	Test result
Organizational justice	1.645	1.848	High level ranking in application
Distributive justice	1.645	2.312	High level ranking in application
Procedural justice	1.645	2.128	High level ranking in application
Interactional justice	1.645	1.746	High level ranking in application
Job satisfaction	1.645	1.701	High level ranking in application

As it can be viewed, the entire variables are higher than Z-value. Therefore table 7 suggests that the “Ravagostar” company is in a favorable level from its organizational commitment, job satisfaction, organizational justice and its dimensions.

4.5. One-way Variance Analysis test

This test was applied to survey the relationship between employees’ demographic characteristics with their satisfaction. The results are shown in table below:

Table 5: Results of using one-way Variance Analysis

Independent Variable	Dependent Variable	P-Value	Standard Error	Results
Age	Job satisfaction	0.342	0.076	Rejected
Gender	Job satisfaction	0.227	0.119	Rejected
Educational level	Job satisfaction	0.321	0.059	Rejected
job experience	Job satisfaction	0.264	0.055	Rejected

The results of applying One-way Variance Analysis show that there are no positive and meaningful correlation between demographic characteristics with employees’ job satisfaction.

5. Conclusion and further suggestions

The present study is done in a community which includes of 59 managers, consultants and experts in Ravagostar co. In the statistical society 0.81 percent was men and 0.19 women. 36 percent were carried a bachelor

degree, 56 percent master, and 8 percent a doctorate. Meanwhile 63 percent of participants had work experience between 10 to 20 years and 37 percent more than 21 years of experience.

The results from correlation test propose a meaningful and positive relation between organizational justice and its dimensions with job satisfaction in Ravagostar co. While the regression test shows how intense is the effect of every variable, in which the distributive and interactional justice were recognized to be more effective on job satisfaction.

Finally the results of applying Average test show that the entire variable was on a favorite level.

Finally as the perceptions of unfairness can lead to in negative reactions to the organization, the managers are suggested that apply rules fairly and consistently to all people, and rewarding them based on their performance and competencies without personal bias in order to create a positive perception of distributive and procedural justice.

As organizational justice and all indices have meaningful influence on job satisfaction, so the managers are advised to distribute all payments, rewards and earnings fairly (for improving distributive justice), create the simulate and the same situation for all employees (to increase procedural justice), behave respectfully and speak politely (for enhancing interactional justice) to make their employees more satisfied their job.

Also it should be mentioned that distributive justice has influence on job satisfaction more that other organizational justice dimensions, so we can claim that focusing on distributive justice would lead to more job satisfaction.

To achieve more interactional justice managers need to nourish a procedurally fair climate environment in the organization by establishing two-way communication to inform the employees about possible changes and seeking their opinions of those changes might avoid deteriorating of their work attitudes.

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