Analyzing the relationships between organization justice dimensions and selected organizational outcomes - empirical research study

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Organization justice, leader evaluation, outcome satisfaction, rule compliance, employee's trust.

Abstract
This study investigated the relationship between organization justice dimensions namely; procedural justice, distributive justice, informational justice, and interpersonal justice and selected organizational outcomes. Based on the review of the previous literature and studies the research objectives and hypotheses were posed. Organization justice in relation to organizational outcomes was not fully understood particularly in the Eastern countries with a specific focus on Egypt. A questionnaire was constructed, tested and administered to teachers in the International schools in Cairo, Egypt. Results indicate the presence of a relationship between organization justice dimensions and the selected organizational outcomes. Future research should extend to other study sectors within the Egyptian environment as well as expanding the research to include several other organizational outcomes.

1. Introduction
Organization justice is an effective tool that is adopted to reduce the feelings of uncertainty and alleviate the level of discomfort (Thau et al., 2007; Elovainio et al., 2005; Judge et al., 2004). The presence, survival and growth of organizations are reluctant on the employees who work within it. The job related attitudes and work-related behaviours have a significant impact on the employees who work within it. The job related attitudes and work-related behaviours have a significant impact on the employees’ evaluation of their working environment and the organization determines their willingness to continue working with the organization. Organization justice has been a focus of research that gained attention over three decades (Colquitt et al., 2001). Employees will act and react based on their perception of fairness, equity, ethics and religion. Generally, employees are attentive to justice of events and situations in their daily lives and across a variety of contexts (Gopanzano, 2009). Organization Justice has attracted attention as a potential predictor of employees’ health. The extent to which the previous research findings of organization justice studies can be generalized to other countries as well as to work groups is still not well explored.

2. Literature Review
a) Organization Justice
Organization justice refers to people’s (employees) perceptions of fairness in organizations (Greenberg et al., 2005). Greenberg (1990 b) described organization justice as a literature “grown around attempts to describe and explain the role of fairness as a consideration in the workplace” (p. 400). This fairness has been demonstrated to have effects on various attitudinal and behavioural outcomes (Cohen-Charash et al., 2001; Colquitt et al., 2001). The organization justice literature is largely influenced by the work of Adams (1965) and Homans (1961). Adams’ (1965) equity theory argues that human motivation is influenced by the outcomes and the returns that people receive for their inputs in comparison to the outcomes and inputs of other people (Pierce et al., 2002). Organization justice is deeply rooted in the social exchange theory that assumes that social relationships are viewed as exchange processes in
which people make contributions against which outcomes become expected; and that individuals will evaluate the fairness of these exchanges based on the information gained through social interactions (Mowday, 1991). Originally, organization justice was viewed from two dimensions namely; distributive justice and procedural justice. Bies et al (1986), suggested a third organizational justice dimension; interactional justice. On the other hand, Greenberg (1993) argued that interactional justice is made up of two components; interpersonal justice and informational justice.

b) **Distributive justice**

Distributive justice refers to the perceived fairness of the amounts of outcomes employees receive (Greenberg, 1990); it’s the fairness with regard to the distribution of outcomes (Jones, 1998). It is a reflection of how valuable rewards, benefits and compensation from coordinated organizational efforts are fairly distributed among employees (Chou, 2009; Clay-Warner et al., 2005; Farh et al, 1990; Folger et al., 1989).

c) **Procedural justice**

Procedural justice relates to a person’s judgments about the fairness of the process of making outcome allocations decisions (Greenberg, 1990). It focuses on the process that leads to the results (Cropanzano et al., 1997; Konovsky et al., 1991). A number of procedural justice criterion have been outlined such as opportunities for control of the process and the outcomes, ability to voice one’s point of view (Folger et al., 1998), and the use of accurate information following ethical norms and lack of bias (Leventhal, 1998).

d) **Interactional Justice**

Interactional justice is a unique perception of fairness in the interpersonal treatment of employees by an organization (Bies, 2005; 2001; Pillai et al., 1999; Bies et al., 1986). It is concerned with how individuals in charge of “allocating resources and rewards in the workplace behave towards the recipients” (Chou, 2009, p.72). Interactional justice is the quality of treatment that the employee receives inside the workplace.

e) **Informational Justice**

It is the procedural explanations for why something occurred (Colquitt et al., 2001). It is concerned with the perception of fairness based on the clarification of performance expectations, feedback received and justification of decisions.

3. **Research Objectives**

The research objectives are developed from the review of previous scholars work and the documented literature and are listed as follows:

a) Understanding the relationship between distributive justice and outcome satisfaction.

b) Understanding the relationship between procedural justice and rule compliance.

c) Understanding the relationship between interpersonal justice and leader evaluation.

d) Understanding the relationship between interpersonal justice and informational justice and employee's trust.

4. **Research Methods**

a) **Procedure**

The researcher collected data from teachers working in the International Schools located in Cairo governate, Egypt through a professional association specialized in the data collection. Participants who filled the questionnaires were full-time employees who were contacted by email and invited to participate. Because of the specific nature of the research questions, the data were collected by using one source namely; a questionnaire. In order to minimize the common method variance (CMV) issues, (Podsakoff et al., 2012; Podsakoff et al., 2003) procedural
remedies were used. A video that explains the research purposes was sent with the questionnaire over the email whereby participants were informed that all the collected data will be used only for the purpose of the research and that all the information will remain confidential.

b) Participants

The researcher selected the international schools sector for the adoption of the empirical study. Through the review of previously published data about this sector it is concluded that most of the employees working in this sector share a relative degree of homogeneity. The teachers employed in this sector share similar educational linguistic based background along with relatively similar salary and compensation packages. The total numbers of employees working in this sector in Cairo is 2100 employees. The researcher conducted one-to-one interviews with the key personnel inside some selected schools to explain the research purpose and scope. Due to the inability to cover the total population, the research depended on a proportion stratified random sample. A number of 330 questionnaires were distributed and those who agreed, completed the electronic questionnaires and returned them complete and valid summed up to 300 employees. The response rate was 90.9%.

c) Measures

The researcher used questionnaires to collect the data. Procedural justice was measured by Leventhal (1980), distributive justice was measured by Leventhal (1976) scale, Interpersonal justice and informational justice were measured by Bies et al (1986) scale, employee trust was measured by Tzafir et al. (2004), and rule compliance was measured by Tyler et al (1996). Outcome satisfaction and leader evaluation were measured by the self-reported scale developed and tested by Colquitt (2001).

5. Research Hypotheses

Previous research studies in the field of organization justice focused on a variety of organizational behavioural outcomes including job satisfaction (Parker et al., 1997; Sweeny et al., 1993), organization citizenship behaviour (Skarlicki et al., 1996; Moorman, 1991), turnover, organization commitment, retaliation and involvement (Folger et al., 1999; Shapiro et al., 1993; Witt et al., 1993; Dailey et al., 1992; Cropanzano et al., 1991). Several other organizational outcomes have been in relation to organization justice. The subsequent section predicts linkages between distributive, procedural, interpersonal and informational justice and the four selected organizational outcomes that will be the focal concern of this research study namely; outcome satisfaction, rule compliance, leader evaluation and employee trust. It is worth mentioning that up to the knowledge of the research few research studies were adopted on the Eastern countries especially the Egyptian environment. Outcome satisfaction is one of the commonly explored organizational outcomes in relation to organization justice. From the analysis of the previous literature it is concluded that distributive justice judgments is a better predictor of outcome satisfaction than procedural, informational and interpersonal justice. Distributive justice was more related to person-centered evaluations like outcome satisfaction, whereas procedural justice was more related to systems’ or organizational assessment (Sweeney et al., 1993; Mc Farlin et al., 1992; Folger et al., 1989; Lind et al., 1988). Accordingly, the first hypothesis is concluded as:

H1: Distributive justice will be positively related to outcome satisfaction

Rule compliance is explained as the adherence to the guidelines which govern as system (Tyler, 1999; Tyler et al., 1996; Aquino, 1995). This includes acceptance of decisions by made third parties or authority figures (Korsgaard et al., 1995; Lind et al., 1993). The agent system –
model supports the relationship between procedural justice as a better predictor of system variables than agent variables enhancing the expectation of a strong significant relationship between procedural justice and rule compliance. Accordingly, the second hypothesis is concluded as:

**H2: Procedural justice will be positively related to rule compliance**

Leader evaluation is commonly investigated in the organization justice domain (Greenberg, 1990b). Based on the agent –system model, the researcher expects leader evaluation to be strongly related to interpersonal justice. Previous research studies show that interpersonal justice is a strong predictor of leader member exchange than other forms of organizational justice (Masterson et al., 2000; Cropanzo et al., 1999; Moye et al., 1997). Accordingly, the third hypothesis is concluded as:

**H3: Interpersonal justice will be positively related to leader evaluation**

Employees’ trust is a crucial variable that influence organizational performance, effectiveness and efficiency (Dirks et al., 2002; Mayer et al., 1999; Kramer et al., 1996). Trust relates to individuals’ beliefs in honesty, strength of veracity and justice. Trust appears to be an essential intangible resource in organizations, that bonds managers and subordinates. Colquitt (2001) contends that employees who are treated fairly in terms of interpersonal justice have trust in their managers. Based on the previous findings of (Konovsky et al., 1994; Alexandar et al., 1987) and through the review of theoretical literature and the agent-system model the researcher expects employees’ trust to have a stronger relationship with both interpersonal justice and informational justice. Accordingly, the fourth hypothesis is concluded as:

**H4: Interpersonal justice and informational justice will be positively related to employees’ trust**

a) **Descriptive Statistics:** The questionnaires distributed included items related to the demographic statistics. The gathered data included: gender, age group, and marital status. A summary of the demographic characteristics is presented in the following table:

<table>
<thead>
<tr>
<th>Demographic Characteristics</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>53</td>
<td>17.7</td>
</tr>
<tr>
<td>Female</td>
<td>247</td>
<td>82.3</td>
</tr>
<tr>
<td>Age Group</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20-29</td>
<td>1</td>
<td>0.3</td>
</tr>
<tr>
<td>30-39</td>
<td>295</td>
<td>98.3</td>
</tr>
<tr>
<td>40 and above</td>
<td>4</td>
<td>1.4</td>
</tr>
<tr>
<td>Marital Status</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single</td>
<td>106</td>
<td>35.3</td>
</tr>
<tr>
<td>Married</td>
<td>102</td>
<td>34</td>
</tr>
<tr>
<td>Divorced</td>
<td>79</td>
<td>26.3</td>
</tr>
<tr>
<td>Widow</td>
<td>13</td>
<td>4.4</td>
</tr>
</tbody>
</table>

Table (1): shows the demographic characteristics of the research study

b) **Statistical Analysis**

A pilot study was conducted on 30 questionnaires to check for the reliability of the instruments and scales used. The results are presented in the following table:
### Table (2): shows the results of the pilot study items reliability

From Table (2) it is concluded that all the research dimensions showed a high degree of reliability ranging from (0.912-0.984), this confirms that the research scales are reliable and valid to be used for the research purposes. The researcher analyzed the correlation between the research variables and the results showed a strong, linear and a positive relationship between the independent and the dependent variables. The results are presented in the following table:

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Outcome Satisfaction</th>
<th>Rule Compliance</th>
<th>Leader Evaluation</th>
<th>Employee Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procedural Justice</td>
<td></td>
<td>0.978**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distributive Justice</td>
<td></td>
<td></td>
<td>0.973**</td>
<td>0.991**</td>
</tr>
<tr>
<td>Interpersonal Justice</td>
<td></td>
<td></td>
<td></td>
<td>0.989**</td>
</tr>
<tr>
<td>Informational Justice</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**: denote to Pearson Correlation Coefficient at 0.01 level of significance

Table (3): Shows the Pearson Correlation Coefficient Results

### 6. Statistical Results

**H1: Distributive justice will be positively related to outcome satisfaction**

Simple linear regression analysis was used and the results are presented in the following table:

\[
\text{Outcome Satisfaction} = 0.078 + 0.989 \times \text{Distributive Justice} \\
(1.541) + (67.044**) \\
F\text{-ratio}= 4494.914**, \text{ degrees of freedom=}(1,298) \\
R^2= 93.8\%, \text{ Standard Error } = 0.345
\]

**: denotes the level of significance for F – test and T- test at 0.01 level of significance

Table (4): shows the relationship between distributive justice and outcomes satisfaction using simple linear regression

The results presented in the previous table indicate a strong, significant and a positive relationship between distributive justice and outcome satisfaction. The F- test indicated this (F-Calculated= 4494.14) at 0.01 level of significance. Accordingly, hypothesis number one can be accepted

**H2: Procedural justice will be positively related to rule compliance**

Simple linear regression analysis was used; results are presented in the following table:

\[
\text{Rule Compliance} = -0.017 + 0.993 \times \text{Distributive Justice} \\
(-0.395) + (81.498**) \\
F\text{-ratio}= 6641.996**, \text{ degrees of freedom=}(1,298) \\
R^2= 95.7\%, \text{ Standard Error } = 0.280
\]

**: denotes the level of significance for F – test and T- test at 0.01 level of significance
Table (5): shows the relationship between procedural justice and rule compliance using simple linear regression

The results presented in the previous table show a strong, significant and positive relationship between procedural justice and rule compliance. The F-test indicated this (F-Calculated= 6641.996) at 0.01 level of significance. Accordingly, hypothesis number two can be accepted

**H3: Interpersonal justice will be positively related to leader evaluation**

Simple linear regression analysis was used and the results are presented in the following table:

<table>
<thead>
<tr>
<th>Leader Evaluation</th>
<th>0.072 + 0.964 interpersonal justice</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1.578) + (72.622**)</td>
</tr>
</tbody>
</table>

F-ratio= 5273.922**, degrees of freedom=(1,298)
R²= 94.7%, Standard Error = 0.308

**: denotes the level of significance for F – test and T-test at 0.01 level of significance

Table (6): shows the relationship between interpersonal justice and leader evaluation using simple linear regression

The results presented in the previous table reveal a strong, significant and positive relationship between interpersonal justice and leader evaluation. The F-test indicated this (F-Calculated= 5273.922) at 0.01 level of significance. Accordingly, hypothesis number three can be accepted.

**H4: Interpersonal justice and informational justice will be positively related to employees’ trust**

Multiple linear regression analysis was used and the results are presented in the following table:

<table>
<thead>
<tr>
<th>Employee Trust</th>
<th>0.005 + 0.543interpersonal justice*+ 0.457 informational justice*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.541***+0.458**</td>
</tr>
<tr>
<td></td>
<td>(0.225) (17.506)*** (14.814)***</td>
</tr>
</tbody>
</table>

F-ratio= 13621.090***, degrees of freedom=(2,297)
R²= 98.9%, Standard Error = 0.140

*: denotes the unstandardized regression coefficient

**: denotes the standardized regression coefficient

***: level of significance for F – test and T-test at 0.01 level of significance

Table (7): shows the relationship between interpersonal justice, informational justice and employee trust using multiple linear regression

The results presented in the previous table show that there is a strong, significant and positive relationship between interpersonal justice and employee trust, and informational justice and employee trust. The F-test indicated this (F-Calculated= 13621.090) at 0.01 level of significance. Results revealed that employee trust was affected by interpersonal justice more than informational justice. Accordingly, hypothesis number four can be accepted.

7. Discussion

This research study tested empirically the relationship between organization justice with its various types and selected organizational outcomes. It was assumed that all the independent variables (distributive justice, procedural justice, interpersonal justice and informational justice) will impact all the dependent variables (outcome satisfaction, rule compliance, leader evaluation and employee's trust) positively. The following discussion addresses the key insights that highlight the relationship between organizational justice dimensions and the selected organizational outcomes.
Distributive justice had a strong, significant and a positive impact on outcome satisfaction. This finding suggests that organizations should be alert to the method of distributing the outcomes (both financial and morale outcomes) as employees tend to link the fairness of the distribution process to their feelings of satisfaction which would directly impact their sense of overall satisfaction towards their jobs. Failure in the distribution process would directly affect the level of satisfaction held among employees.

Procedural justice had a strong, significant and positive impact on rule compliance. This suggests that when employees feel a lack of bias and that ethical norms are adopted fairly and strictly, they will be willing to increase their abidance to the governing organizational norms, rules and regulations. Organizations should be alert to the employees' needs through allowing them to voice out their demands through a formal channel to foster an environment of compliance to the preset organizational procedures.

Interpersonal justice had a strong, significant and positive impact on leader evaluation. Employees' perception of the level of interpersonal justice is considered as one of the criterion used by employees to assess their leaders. A leader who knows how to influence his/her employees in the sense of disseminating a level of perceived fairness in the relationships among his followers might be very successful in getting his/her employees to believe more in his leading capabilities and to follow his steps towards professional effectiveness.

Interpersonal justice has a higher, strong and significant positive relationship on employees' trust than informational justice. This could be further related to the perception process of human beings. Employees and particularly in the east cultures, and in this specific domain of the research, Egypt would tend to care more about the level of human interaction and fairness. The human touch and the degree of personal interaction fairness affect the level of employees' trust directly. The Egyptian culture tends to be more towards the individualism and femininity concepts. Accordingly, employees' level of trust will be directly linked to the level of interpersonal justice that they acquire within the organization more than the level of informational justice. Though informational justice is an integral part of developing employees' trust nevertheless, results indicated that interpersonal justice plays a crucial role when compared to informational justice.

8. Conclusion

The purpose of this paper is to examine the relationship between organization justice and its types in relation to a set of selected organizational outcomes. Organization justice is an integral part of employees' performance towards improved efficiency and effectiveness. The study revealed that distributive justice has a positive impact on outcome satisfaction; procedural justice has a positive impact on rule compliance, interpersonal justice has a positive impact on leader evaluation and interpersonal justice has a more positive impact on employees' trust than informational justice. The research showed that organization justice can predict directly organizational outcomes. To improve employees' attitudes towards the organizations it is necessary to adopt internal disclosure policies with the intent to comply with the employees' needs, code of conducts and ethics, and willingness to support employees fairly. The tendency to foster and environment of organizational justice remains a value of honesty that enforces and fosters improved level of employees' performance, trust in their organizations, perception of their leaders as role models and willingness to abide to the organizational rules and regulations.

9. Research Limitations and direction for future research

Due to the limitations in time and the economic costs that are associated with covering a wider scope of participants the study was administered on Cairo and governorate, Egypt as it
was difficult to cover other geographical districts in Egypt. The researcher recommends that the research could be extended to other governorates within Egypt to gain a better insight for the generalization of the results. Future research could extend to include several other organizational outcomes such as: performance, intention to leave and many others as this will enrich the existing academic literature.

References
Cropanzano, R., & Prehar, C. A., 1999, 'Using social exchange theory to distinguish procedural from interactional justice', Presented at the 14th Annual Meeting of the Society for Industrial and Organizational Psychology, Atlanta, GA


