Correlation between Organizational Justice and Employees’ Performance in Golestan Province Bank Melli Iran

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ABSTRACT The current research aim is to survey the employees’ perception of justice in organization and its correlation with employees’ performance in Golestan Province Bank Melli Iran. The variable of organizational justice is the independent variable and the employees’ performance is the dependent variable. The current research is a descriptive-correlational survey. Population includes all the employees of Golestan BMI and the number is 682 individuals, among which 242 individuals were chosen by simple random sampling. In order to measure the research hypotheses the 20-item organizational justice questionnaire of Niehoff and Moorman (1993) and 24-item employee performance questionnaire of Sai Nick (1985) were used and after ensuring the validity and reliability of the mentioned questionnaire they were distributed among the statistical sample and collected and data were analyzed through statistical techniques and SPSS19 software, and the Pearson correlation coefficient test was conducted on the research hypotheses, and achieved results showed that there is a positive and significant correlation between organizational justice and employee performance of employees, and organizational justice does not have a significant correlation with the dimension of quality of work, knowledge, skill and flexibility of the employees but it does have a positive and significant correlation with the dimensions of quantity of work, creativity and innovation.

Keywords: Organizational justice, Employees’ Performance.

INTRODUCTION

Researches have shown that the justice procedures have important role in the organization and how treating individuals in organizations may affect the beliefs, emotions, attitudes and behaviors of employees (Bos, 2001). Fair treatment of the organization with its employees generally results in higher commitment toward the organization and more job satisfaction. One the other hand, individuals who feel that they have been treated unfairly possibly quit their jobs at that organization or show less levels of organizational commitment and they may even start showing abnormal behaviors such as vengeance. Thus understanding that how people judge about the justice at their organization and how they respond to this justice or injustice is one of the basic issues for understanding the organizational behavior (Yaghoubi, 2009). Another pathway surveyed in the field of studies and researches of organizational justice is types of organizational justice, preconditions and its outcomes. Studies conducted in the field of justice in organizations propose three types of justice: distributive, procedural and interactional justice.

Organizational justice includes three areas of: distributive justice, procedural justice and interactional justice (Adimi Naghani, 2008). Individuals become members of organizations and offer different outputs in terms of time, efforts and etc. to the organization and in return of those outputs the organization provide them with different types of benefits in three groups of economic, emotional and social benefits. Then the importance of distributed benefits and also the method of treating with individuals will be evaluated and perceptions about the fairness or unfairness of them.

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are achieved and this provides the ground for predicting the fair or unfair attitude of the organization in the future (Ghavami, 2011). Greenberg (1990) believes that perception of justice in the organization is a basic principle and requirement of effectiveness and effective functioning of the organizations and also the employees’ job satisfaction and when the individual feel unfairness their moralities will decline. New efforts in this field show that employees face with at least two sources of implementing justice in the organization or violating it. The most obvious source is the individual’s supervisor or direct manager. This supervisor has an absolute authority about his/her subordinate. He/she can affect the important outcomes such as increased salary or promotion opportunities of the subordinate. The 2nd source which may be referred by the employees as the justice or injustice is the organization itself. Although this source is more subtle, it is important to pay attention to. Most of the time individuals consider their organization as an independent social factor that can implement justice or violate it. For example, when the employers (organizations) breach the contracts their employees show a reaction toward it. Thus based on the researches about the discrimination in organizations, employees distinguish between the discrimination of supervisor and the discrimination of organizations (Cropanzano, 2001). According to Cropanzano et al (2007) justice results in enhancement of employees’ job performance. Researches show that interactional justice results in enhancement of relationship between leaders and employees and the strong relationship between them is a motivational factor for the high performance of the employees. Based on the equality theory when an individual feels inequality and lack of justice in organization distributions he/she may change his/her quality and quantity of work in order to reach that equality. In contrast the procedural justice is mostly affective on the employees’ attitudes and also the individuals’ quality of work life.

Procedural justice may affect the individuals’ performance through its effect on the employees’ attitudes (Pourrazat et al, 2011). Also existence of a correlation between the individuals’ work performance and the procedural and interactional justice could be described in the context of social exchange theory. The correlation between procedural justice and performance is an exchange relationship between the organization and employees, while the correlation between interactional justice and performance is an exchange relationship between leaders and employees. This leaders’ positive exchange is originated from employees’ performance. When leaders have a positive evaluation of their employees, the employees also respond to this positive evaluation with higher performance. Also the second reason for the correlation between the interactional justice and the performance is the positive attitude of the employees toward their supervisors. Lack of being satisfied with the supervisors resulted from the supervisors’ injustice in interactions results in decreased performance of the individuals (Cohen & Spector, 2001).

In most of the large organizations performance evaluation system is a tool for allocating rewards, detecting the competent individuals for promotions, and development of human resources in the organization. While there is no doubt in the benefits of the performance evaluation but there is a problem in how to implement them that not result in being offensive. For instance, nowadays organizations have faced a phenomenon called diminishing performance evaluation. Most of the performance evaluations in organizations do not have an appropriate principle and they are based on the mentality of the evaluators and the feedback is not good, and it is more affected by the political considerations and the base and context in which the evaluation takes place. Researches show that giving the opportunity to the individuals to give comments during the performance evaluation process has a considerable effect on their satisfaction and perception about the fairness of performance evaluation procedures and enhancement of individuals’ performance (Alvani, 2009). Each individual who does a task in the organization is a part of system consisting of data, output, outcomes, feedback, knowledge/skill and capability of the individuals and this system is called performance system. If an organization could not organize these variables properly its performance would be lower than the optimal level (Fisher, 1997). Employees’ job performance means a degree of work in a specific condition determined for the employees to perform. Borman and Motowildo distinguished between the task performance and contextual performance. That part of performance usually existing in the official job description is task performance. Contextual performance is defined as a behavior helping the effectiveness of organization through affecting the psychological, social and organizational contexts. Bassol and Bourdieu examined the correlation between organizational justice and self-reporting performance, and they achieved a significant correlation between job performance, procedural and distributive justice.

In a research named correlation between the components of organizational justice in staff and professors of Islamic Azad University Dousti et al (2011) stated that there is a positive and significant correlation between some of the components of organizational justice of staff and professors. Ahmadi Azarm (2011) in an article named organizational justice and its enhancing strategies stated that organizational justice points to the emotions and perceptions of the employees about the fairness and equality in behaviors and work relationships, and it has different types of distributive, procedural and interactional (interpersonal and informational). Different researches show that increased amount of
justice affects different aspects of organizational behavior such as job satisfaction, organizational commitment, organizational trust, OCB, employees’ performance and ultimately the employees’ satisfaction and loyalty. On the other hand, perception of injustice in organization results in negative and destructive outcomes such as aggressive behaviors, organizational deviant behaviors, little work, theft and fraud in the organization. Recruitment procedures and selection system, reward system and base of rewarding individuals, methods of resolving organizational conflicts, downsizing management and more importantly how to evaluate performance in the organization are some of the most important sources of perceiving justice and injustice for individuals.

In a research named correlation between organizational justice and components of performance evaluation of employees of Isfahan Oil Refining Company Naderi et al (2010) stated that there is a positive and significant correlation between organizational justice and performance evaluation (P=0.05). The best predictors of components of perceptual management and quality of work are respectively interactional and distributive justice and for each unit of increase in two mentioned justice respectively the perceptual management and quality of work increase 0.233 and 0.175. Also the best predictive variable in the components of working relationship with others and ethical relationship was interactional justice, and for each unit of increase in it respectively the components of working relationships with others and ethical relationship will be increased as 0.332 and 0.171. In an article named surveying the effect of organizational justice on the employee performance Haghighi et al (2009) stated that employees’ perceptions about the fairness of distributive and procedural justice in this organization affected their performance, but there is not a strong correlation between the employees’ perception of the interactional justice and employee performance in this organization. Robinson (2004) surveyed the correlation between organizational justice and job performance, and concluded that justice is a significant predictor for the job performance. In a research studying the effect of procedural justice on the employee performance the results showed that procedural justice has a correlation with task performance and contextual performance. Thus the current research aims to survey the correlation between organizational justice and job performance and predicting the performance by the use of organizational justice.

The importance and necessity of conducting this research is originated from two matters, firstly each organization should be fully informed about the methods of distributing sources and rewards, organizational procedures and its employees’ interpersonal relationships, because the pre-hypothesis of managers of the organizations is that the organizational procedures, and the organizational interactions in their organizations are based on fairness, but despite their fairness they may not be perceived by the employees, and this could effectively result in the waste of manpower energy in organizations and reduced commitment and job satisfaction in employees.

On the other hand, paying attention to the manpower and meeting their proper and rational needs and paying attention to the quality and quantity of work, employees’ more sense of responsibility, employees’ flexibility, compliance with administrative laws and regulations, willingness to cooperate with the organization and in other words the proper organizational justice for them in line with realizing the organizational goals and performing the mandatory necessary tasks are very necessary. Lack of paying attention to the justice in Bank Melli not only creates some problems in the workplace but also affects their private life outside the workplace. Despite the importance of recognizing the manpower organizational justice by the managers and making decisions about the employees, no research has been conducted in this field in bank Melli and this indicates the importance of conducting this research. The current research subject matter indicates the condition and problems observed during previous years in Golestan Province Bank Melli due to the absence, leaving the job, and dissatisfaction of some of the employees and managers in the recent years. Regarding the importance of organizational justice in organizations and especially in Golestan Province BMI as one of the developing organizations, its managers’ attention to the effective factors on its employees’ performance could help the managers of this bank to solve different problems of human resources such as absence, leaving the job, and dissatisfaction, and some of these problems are related to the perceived organizational justice of the employees. Thus in the current research efforts have been made to survey the perceived organizational justice of the employees and its effect on the employee performance.

**METHODOLOGY**

In this research methodology two subject matters of research aim and data collection method are stated. Thus from the point of nature and aims it is an applied research and from the point of methodology it is a descriptive-correlative survey. Descriptive research includes methods with the aim of describing the surveyed conditions or phenomena. This research is a survey, in this method the traits are measured in terms of quantity and variables are measured in four
nominal levels (two-mood, multiple-mood), ordinal, interval and ratio. The research population includes all the employees and managers of Golestan Province Bank Melli Iran and the number is 682 individuals. For this research in order to determine the sample volume the Krejcie and Morgan table was used and according to the population, 242 individuals were chosen as the research sample. Choosing the individuals was based on simple random sampling and the questionnaires were distributed among these individuals. Data collection tools include: Organizational justice questionnaire of Nieohoff and Moorman (1993), and standard questionnaire of employee performance by Sai Nick (1985). After completing the questionnaires and reviewing them the questionnaires were codified and data entry was conducted and ultimately by the use of SPSS software data were extracted and they were analyzed by this software. Organizational justice questionnaire of Nieohoff and Moorman (1993) is used. This questionnaire consists of three dimensions: distributive justice (5), procedural justice (6) and interactional justice (9 items) in a 5-degree Likert scale. In order to measure the employee performance the scale of employee performance by Sai Nick (1985) was used. This questionnaire measures 5 dimensions of employees’ quantity of work (6 items), quality of work (4 items), knowledge and skill (5 items), creativity and innovation (5 items) and flexibility (4 items) in 5-degree Likert scale. The current research data collection tool is questionnaire. The researcher has chosen its samples with the unit of one individual or visiting bank based on the systematic sample specified from the employees’ list and after conducting the data collection the researcher carefully and diligently performed the control and review procedure. The validity of the research questionnaires were provided by receiving the comments of experts of this field of study, and for surveying the reliability of research questionnaire the Cronbach’s Alpha was used, and this coefficient for the organizational justice equals 0.88 and for employee performance questionnaire equals 0.93. In addition to the descriptive statistics in inferential statistics part the Kolmogorov-Smirnoff test was used for surveying the normal distribution of data and Pearson correlation coefficient test was used at error level 0.05 by the help of SPSS 19 software.

RESULTS

Surveying the research data showed that from 242 studied employees, 11% of the respondents were females and 89% of them were males. In terms of age the biggest frequency belongs to the range of 36-45 years old which is around 50% of the examinees. 94 examinees had bachelor degree. Around 51% of the respondents had 10-19 years of work experience. The work experience status of examinees is shown in figure 1.

![Figure 1. Frequency percentage of respondents based on work experience.](image)

Based on the organizational justice model of Nieohoff and Moorman this model is achieved from the combination of three variables of distributive, procedural and interactional justice that were measured, and each index is respectively considered having (5 items, 6 items and 9 items). At first the surveyed respondents’ evaluation of each of the items is conducted and then by combining the items the amount of organizational justice is stated.
Above mentioned table data indicate the surveyed respondents’ evaluation about the considered items for recognizing organizational justice and in the following we separately explain them. 1st item: majority of them (42.6%) chose to some extent for the item of distributive justice, and mean of their evaluation about the above mentioned item was 2.7 of 5. 2nd item: majority of them (50.5%) chose very low and low for the item of procedural justice and mean of their evaluation about the above mentioned item was 2.7 of 5. 3rd item: majority of them (54.9%) chose very low and low for the item of interactional justice and mean of their evaluation about the above mentioned item was 2.6 of 5. Comparing the mean of surveyed respondents’ evaluation about the considered items in line with recognizing the variables of organizational justice shows that item of distributive justice with mean of 2.7 is at the 1st place; item of procedural justice with mean of 2.7 is at the 2nd place and item of interactional justice with mean of 2.6 is at the 3rd place. Also comparing the mean of surveyed respondents’ evaluation about the considered items in line with recognizing the variable of employee performance shows that quantity of work with mean of 1.8 is at the 1st place, flexibility with mean of 1.7 at the 2nd place and quality of work and knowledge and skill with mean of 1.6 is at the 3rd place, and creativity and innovation with mean of 1.4 is at the 4th place.

Results of Kolmogorov-Smirnoff test showed the normal distribution of data. Thus data of the above mentioned components are normal and for surveying the statistical hypotheses the parametric tests were used, and due to the normality of data Pearson correlation test was used.

As it is observable in table 2, there is a positive and significant correlation between organizational justice and employee performance (r=0.161). Also there is a significant correlation between organizational justice and components of quality of work, creativity and innovation, but there is no significant correlation between organizational justice, quantity of work, knowledge, skill and flexibility.

**DISCUSSION AND CONCLUSION**

The current research was conducted in order to survey the correlation between organizational justice and employee performance. The current research population includes the employees of Golestan Proving Bank Melli Iran, and its statistical samples were chosen based on the systematic random sampling. The correlation analysis results of two variables of organizational justice and employee performance showed a direct correlation and regarding the matter that the significance level in this test is smaller than 5% thus the HO is rejected, which means that there is a correlation between organizational justice and employee performance of employees of Golestan Province BMI. Research result achieved from the main hypothesis test is consistent with and supported by the research findings of researchers such as Naderi et al (2010), Haghighi et al (2009), Barati et al (2009), Robinson (2004), Parker et al (2005). Also results showed that there is a significant correlation between organizational justice and components of quality of work, creativity and innovation but there is no significant correlation between organizational justice, quantity of work, knowledge, skill and flexibility. This part of the results is also consistent with the findings of Naderi et al (2010).
Based on the matter that the research main hypothesis was confirmed, and based on the significant correlation between the organizational justice and employee performance it is suggested to detect the employees’ needs toward the components of performance in order to improve and enhance this correlation. Also it is recommended to the managers to put too much attention to the concept of interactional justice more than before and to consider that individuals infer justice from the attitude in the personal interrelationships and also to pay attention to the fact that employees are also very sensitive toward the structural aspects of the decision-making process. Also based on the significant correlation between organizational justice and employees’ quality of work it is suggested to the managers to provide the contexts for enhancing the level of employees’ awareness in maintaining respect for the client, maintaining politeness and courtesy and paying attention to the clients’ needs in order to improve the employees’ quality of work. Additionally due to the independence of correlation between organizational justice, knowledge and skill of the employees’ and evaluation of components or items of knowledge and skill it is recommended to focus on the implementing of these items in order to increase and improve knowledge, skill and ultimately the employee performance and organizational justice, and it must be taken into account that education and development of employees’ knowledge and skills is one of the most important capabilities of organizations, thus the managers should try to create long/short-term trainings in order to provide potential and unique capability for the bank to have expert and skilled employees in order to realize the organizational goals.

Due to the importance and effectiveness of two dimensions of organizational justice and employee performance it is recommended to the managers to interpret the landscape, mission, long-term and short-term goals of the bank and pay attention to the justice and implementing justice in the bank more than before and provide the ground for increasing justice especially in the dimensions of procedural and interactional justice and create a condition in the organization to hold training sessions for detecting the proper and right on time needs and employees’ motivational factors, to create a system of rewarding and promoting based on the meritocracy and to result in increase and improvement of correlation between these two components. Also based on the important role of justice in increasing the employee performance managers should perceive its meaningful role on the employees’ attitudes and job performance. They should always ask themselves that what the outcomes of a fair decision making are. This could reduce the distance between manager and subordinates and increasingly enhance the performance in the organization. It is recommended to the future researchers to survey different types of justice in organizations and to consider its correlation with employees’ performance and job satisfaction.

REFERENCES


