

Organizational Justice and Organizational Commitment: A Study on IT Sector

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ABSTRACT

The purpose of the present paper was to analyse the relationship between perceived organizational justice and organizational commitment on IT sector (India). The research was conducted on 90 employees working in IT sector. A Correlation design was deployed to analyse the data. The three dimensions of organizational justice- procedural, distributive and interactional were positively correlated with organizational commitment wherein distributive justice contributed the most to commitment.

Keywords: *Perceived Organizational Justice, Organizational Commitment, IT Industry.*

The IT industry in India employs millions of workforces and this makes the industry the world's largest sourcing destination. India yields the highest number of engineers in the world but encouragement to innovate and broaden is rarely seen. With increasing competition in the global market, attrition, and change in technology it has become necessary that the workforce is encouraged and trained to perform efficiently which in turn will lead to higher commitment level in the employees. High productivity and performance levels of an organization depend on increased commitment levels among its employees. Prior researches have proved a direct and positive relationship between perception of justice and organizational commitment in employees.

Organizational justice is an important motivator for working employees (Folger & Cropanzano, 1998). When you walk into an office and start interacting with employees - working there, the conversation is sure to turn towards fairness and justice (Greenberg & Cropanzano, 2001). Organizational justice is a field which is dedicated to study people's perceptions of fairness in their organizations. Organizational justice was first used as a term by Greenberg (1987). The three dimensions of justice are distributive, procedural and interactional. Organizational justice is described as "the individual's or a group's perception of a fair treatment received from an organization and in consequence, an employees'

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behaviour in response to such treatment (Nadiri & Tanova, 2010). Procedural Justice refers to “the perceived fairness of the policies and procedures used to make decisions in the organization” (Greenberg, 1990). Procedural justice as a dimension was introduced by Thibaut and Walker (1975). They studied the fairness of processes in legal proceedings. Distributive Justice refers to “the perceived fairness of the outcomes that employees receive from their organizations” (Folger & Cropanzano, 1998). Interactional Justice refers to “concerns about the fairness of interpersonal communication” (Bies & Moag, 1986). Some researchers have referred interactional justice as having two dimensions: Interpersonal and informational justice (Bies, 1986; Lind & Tyler, 1988). Interpersonal justice refers to the degree to which the employees believe they are treated with dignity, respect and sensitively by their supervisors and fellow employees working in the organization. Karriker (2006) studied that procedural and informational justices are unitary constructs.

When employees perceive fair treatment in the organization, they feel more committed towards their job. Justice hold employees together, whereas injustice can drive them apart and make them feel less motivated towards their work duties. Committed employees show high motivation and high performance levels. Organizational commitment has been defined as “the likelihood of an individual remaining with a job and feeling an attachment towards it, whether it is intrinsically satisfying or not” (Farell & Rusbult, 1981). With increasing competition and challenging economic times it is important for organizations to retain their best employees and organizational commitment is one of the means to that end (Dude, 2012). A three component model of commitment was proposed by Meyer and Allen (1991). The three components included: affective, normative and continuance commitment. Affective commitment refers to “an employee’s desire to be a part of the organization”. Affective commitment relates to an employee’s wish to remain with the organization because he/she wants to be with the organization. The employees want to remain with the organization as they feel emotionally attached to the organization. Normative commitment refers to “an employee’s feeling of obligation to be a part of the organization”. The employees feel that they have to stay with the organization. Continuance commitment refers to “an employee’s need to be a part of the organization”. The employees feel they have to remain with the organization because they need to stay with the organization. The employees believe they might lose their retirement funds, rewards etc.

Past researches have indicated that levels of perceived fairness play an important role in employees’ commitment towards their organization and their intention to leave the job. Previous researches have also indicated that organizational justice is strongly correlated with affective commitment than continuance commitment and normative commitment (Konovsky & Cropanzano, 1991). Procedural justice has a significant positive relationship with organizational commitment (Cohen-Charash & Spector, 2001). Sweeney and McFarlin (1993) suggested that procedural justice was a better predictor of organizational commitment compared to distributive justice. Employees believed they would get a fair shake from their organization and colleagues if they performed well in future, even if the current rewards were unfair. Previous researches suggested that distributive justice also has a significant impact on

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organizational commitment (Mcfarlin & Sweeney, 1992; Randall & Mueller, 1995). Distributive justice was positively related to job satisfaction and commitment in previous researches (Bakhshi, Kumar & Rani, 2009). Fairness perceptions are positively linked to job satisfaction and higher levels of organizational commitment (Susanj & Jakopec, 2012).

METHODOLOGY

The sample size of the paper consisted of 90 employees working in the IT industry in different companies in India. The participants consisted of both male and female employees with a minimum experience of 2 years.

Inclusion criteria: Employees working at mid levels in the companies, full time employees, employees with a minimum experience of 2 years in the IT industry, employees with a minimum educational qualification of b tech.

Exclusion criteria: Employees who are part timers, employees with an experience of less than 2 years in the IT industry, employees with less than the required qualification.

Objective

To investigate the relationship between all the dimensions of perceived organizational justice (procedural, distributive and interactional) and organizational commitment.

To explore the contribution of procedural justice, distributive justice and interactional justice in relation to organizational commitment.

Hypothesis

There will be no significant relationship between all the dimensions of perceived organizational justice (procedural, distributive and interactional) and organizational commitment. The three measures will not significantly contribute to predict organizational commitment.

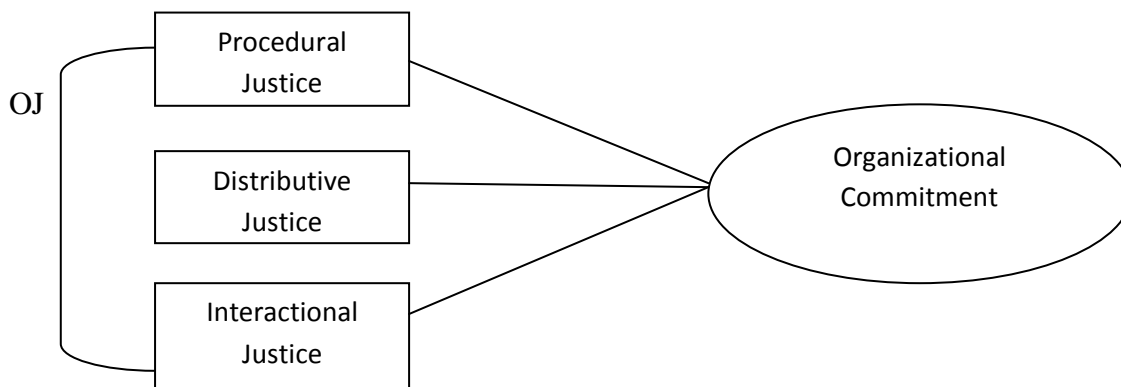
Tools Used

Perceived organizational justice: Organizational justice perception scale (Niehoff & Moorman, 1993). The scale consisted of three sub-dimensions namely procedural, distributive and interactional justice. The questionnaire consisted of 20 questions, five items for distributive justice, six items for procedural justice and 9 items depicting interactional justice. The questionnaire was measured on a seven-point Likert scale ranging from 1=strongly disagree to 7=strongly agree.

Organizational commitment: Organizational commitment scale (Meyer & Allen, 1997). The scale measured three dimensions of commitment namely affective commitment, continuance commitment and normative commitment. The scale consisted of 18 items in total, 6 items for each dimension of commitment. The scale was measured on a seven-point Likert scale ranging from 1=strongly disagree to 7=strongly agree.

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Research Design: [Correlational Design]



OJ- Organizational Justice

RESULT TABLES

Table 1: Mean and Standard Deviation of Organizational Justice & Organizational Commitment (N=90)

	Mean	Std. Deviation
Interactional Justice	45.53	12.01
Procedural Justice	30.45	8.41
Distributive Justice	24.7	6.43
Organizational Commitment	84.63	14.85

Table 2: Correlational Matrix

Predictor Variable	Criterion Variable
	Organizational Commitment
Distributive Justice	0.530
Procedural Justice	0.497
Interactional Justice	0.356

***Correlation is significant at the 0.01 level (2 tailed).*

Table 2 shows correlation between all variables under study. It is evident from the above table that significant positive correlation have been found between all constructs of Organizational justice (Procedural, distributive and interactional) and organizational commitment at 0.01 levels.

Table 3: Regression Analysis

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.560 ^a	.314	.290	12.52049

Predictors: Procedural Justice, Distributive Justice, Interactional Justice

The above table reveals that 29% of the variance in the criterion variable (Organizational commitment) is accounted for by the predictor variables of the study.

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ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	6157.303	3	2052.434	13.093	.000 ^b
	Residual	13481.597	86	156.763		
	Total	19638.900	89			

Dependent Variable: Organizational Commitment

Predictors: Procedural Justice, Distributive Justice, Interactional Justice

The above table reveals that all dimensions of Organizational Justice (Procedural, Distributive and Interactional) predict Organizational Commitment. The value was found to be significant.

COEFFICIENTS						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	54.620	5.820		9.386	.000
	Distributive Justice	.787	.322	.341	2.447	.016
	Interactional Justice	-.263	.215	-.213	-1.223	.225
	Procedural Justice	.741	.376	.419	1.971	.052

Dependent Variable: Organizational Commitment

As evident from the above table, Distributive Justice contributed the most to Organizational Commitment.

DISCUSSION

Data was collected from 90 employees working in the IT sector for the purpose of understanding the relationship between organizational justice and organizational commitment. Correlation and regression analysis were used to analyse data which indicated a positive relation between organizational justice and organizational commitment. The hypothesis formulated was that there will be no significant relationship between all components of perceived organizational justice and organizational justice. The results show that procedural justice ($r=.49$, $p<0.01$), distributive justice ($r=.53$, $p<0.01$) and interactional justice ($r=.35$, $p<0.01$) are positively and significantly correlated with organizational commitment. All three dimensions of justice: procedural, distributive and interactional were positively correlated with organizational commitment. Perception of fairness in the organization leads to higher levels of commitment in the employees. When the employees perceive a fair chance of promotion and rewards in the organization, the commitment levels increase. Distributive justice exerts a stronger influence on organizational commitment compared to procedural and interactional justice. Distributive justice was found to be strongly related to organizational commitment compared to procedural justice and organizational

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commitment (Lowe & Vodanovich, 1995). Employees who viewed their organizations as fair and understanding showed higher levels of commitment. If the employees are treated fairly in terms of pay, rewards, promotions, policies and communication, they feel motivated and in turn reveal higher levels of commitment towards their organizations. Higher levels of distributive justice were associated with higher levels of commitment. Employees who perceive justice in their organization are more likely to feel satisfied with their jobs and are less likely to leave their jobs (Bakhshi, Kumar & Rani, 2009). Such employees feel more committed to their jobs. The employees want to stay with the organization as they have a feeling of attachment with the organization. Regression analysis indicated a significant role of organizational justice in organizational commitment. Employees who are happy in terms of pay, rewards, promotions, have trust in supervisors and colleagues are more committed to their work and organization. Perception of fairness in employees in an organization results in faith and trust in authorities and also a reduced fear of exploitation. As per the equity theory by Adams (1965) employees should get outputs (salary, promotions) consistent with the input given by the employees (efforts). If employees are hard working and get increased pay and rewards in return for their efforts, the commitment levels increase.

Furthermore regression analysis was carried out, in which procedural justice, distributive justice and interactional justice were the predictor variables and organizational commitment was the criterion variable. The analysis revealed that distributive justice emerged as the most significant predictor of organizational commitment. This finding was found consistent with other researches, in which it stated that distributive justice was found to be a significant predictor of organizational commitment (Dude, 2012). Higher levels of distributive justice were associated with higher levels of organizational commitment. When employees feel that the work outcomes are relative to work inputs in the organization, their commitment level increases. Organizations should ensure that work outcomes such as salary, rewards are distributed in proportion to work input of employees. Transparent and clear discussions about the responsibilities will help all employees understand why their salaries are different from their colleagues.

CONCLUSION

The significant results of the paper indicate that if the supervisors are fair towards the employees in the organization there is enhancement in the employee commitment levels and this in turn will improve organizations performance and productivity. Organizations that treat employees fairly, in return get higher productivity and commitment from employees.

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