Impact of Distributive and Procedural Justice on Employees’ Commitment: A Case of Public Sector Organization of Pakistan

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Abstract
The debate of fair treatment and justice originates from the notion of social justice. Even though fair treatment may be implemented in the organizations, the employees may perceive that they are not being treated fairly by their employers. This paper analyzes the effects of perceptions of distributive and procedural justice on commitment, among the employees of Water and Power Development Authority (WAPDA) of Pakistan. Primary data have been collected from 140 WAPDA employees belonging to different cadres and working in different basic pay scales ranging from 4 to 19. A mailed questionnaire was used as a tool for data collection. The results indicate that both procedural and distributive justice have positive and significant effect on employees’ commitment, with procedural justice having stronger effect.

Keywords: Procedural justice, distributive justice, employees’ commitment, public sector, Pakistan.

1. Introduction
Organizational justice is defined as the perception of employees about the fair treatment in the organizations. It has become salient issue and frequently researched topic in the field of human resource management, industrial organizational psychology and organizational behavior (Cropanzano & Greenberg, 1997). The concept of organizational justice has developed gradually since Adams (1965) introduced the perception of inequity in distributive issues. One such example of organizational justice is equality; the employees perceive that managers treat all of them equally and do not discriminate. The people, who are not treated fairly in their organizations, feel irritated resulting in getting disappointed (Bierhoff, Cohen & Greenberg, 1986). Consequently, they would not be loyal.
Moreover, such employees do not serve their organization for a longer period of time. Whenever they find the better opportunities, they simply quit the organization. Most of the researchers divide organizational justice into two categories, namely distributive justice and procedural justice (see for instance Greenberg, 1990). The reaction of employees at the workplace in response to the management behavior and motivation of employees cannot be understood without distinguishing between two types of justice (Folger & Konovsky, 1989; Greenberg, 1986). Distributive justice can be defined as treatment on equal basis of employees in terms of salary, working hours, promotion, and other rewards (Adams, 1965). In contrast if the managers do not design pay and promotion policy according to the employee performance, skills, expertise and education, employees would be dissatisfied and would not be committed to the organizations. Procedural justice, according to Folger and Konovsky (1989), focuses on the fair dealing of the managers’ decision making. Employees are interested in knowing which decision have been made and how they have been made (Cropanzano & Floger, 1991). In the organizations, if the managers’ exercises regarding evaluation of the employee’s performance are perceived unfair according to the rules and regulations, there is no justice and the managers show discrimination in their decisions. Such practices lead to originate employee frustration. Owing to the unfairness of the managers’ procedures, the employees may become annoyed with the colleagues and their performance will be poor. It has also been perceived that if the managers behave equally with all the employees, they will be proud of being associated with their organization, thus, ultimately the organization will get desired outcomes as expected.

Pakistan is an under-researched country in the field of organizational behavior. Effect of justice on employees’ commitment has been investigated in Pakistan in some studies (see Chughtai & Zafar, 2006) but the overall evidence is not strong enough especially in the context of public sector. According to Baig (2006), there is high agreement among researchers that social sciences research in Pakistan is ignored and neglected. Keeping in view this literature gap, the objective of this study is to estimate the effect of distributive and procedural justice on organizational commitment. More specifically, the study aims at exploring and analyzing the employees’ perceptions about the fair dealing at their workplace and whether or not the fair dealing has an effect on their commitment.

2. Literature Review

2.1. Organizational Commitment

Organizational commitment has been mainly reflective of the extent of employees’ loyalty to the organization. It means to what extent the employees of an organization own the goals of the organization and feel pride by being affiliated with the organization. Such types of ‘we feelings’ with the organization may be indicative of the extent of organizational commitment of employees. Lambert, Cluse-Tolar, Pasupuleti, Hall and Morris Jenkins4 (2005, p. 415) defined organizational commitment as, “the strength of the bond a person has with the entire organization.” Employees’ feelings of taking pride by being the part of an organization, internalizing the goals of the organization, and putting extra efforts for achieving these goals have been considered the indicators of organizational commitment. The previous research in antecedents of organizational commitment has recommended that mixture of individual characteristics and organizational characteristics can influence the employee’s levels of commitment to the organization as stated by Angle and Perry (1993). Employee’s commitment issues are different in the different types of organizations; it can also be possible that there may be fundamental differences among the classes of organizations that affect the attitude of employee’s commitment. Organization commitment varies from person to person; more satisfied persons go towards achievement of goals as result of organizational commitment. Positive attitude towards the organization would definitely call for the organizational commitment (Mowday, Porter & Steers, 1982; Eisenberger 1986; Roussean & Parks 1993; Mayer & Allen, 1997; Rhoades & Eisenberger, 2002; O, Reilly & Chatman, 1986). There are many antecedents of organizational commitment however in this study we have focused only perceptions justice both distributive and procedural.
2.2. Distributive Justice
Distribution of the rewards that are based on the equity theory of Adams involve input and output as Adams (1965) describes that a person will be given rewards for his contribution towards the output. Adams discussed equity theory that the employees are satisfied when they feel that the rewards have been equally given according to their input and there is no difference as compared to the others. If rewards are not allocated equally and there may be the unpleasant atmosphere and the result will be in the form of de-motivation of employees (Folger & Cropanzano, 1998). Cohen and Greenberg (1982) described the outcome in the shape of rewards which individual receives against the input and these rewards might be in the form of salary or inner satisfaction, or sense of achievement. Longnes and Scanlon (2001) maintain that distributive justice also deals with how the economic and social goods and services are distributed in a society and focuses on the fair distribution of rewards. Distributive justice is just reward of favorable results and outcomes for employees (Colton, 2002). Therefore, distributive justice finally deals with the degree of perceived fairness in distribution and allocation of outcome, as an organization refers with input of employees (Cohen; 1985; Prince & Mueller, 1986; Adms1965; Wastler, Wastler & Berscheid, 1978).

2.3. Procedural Justice
Procedural justice refers to the fairness of decision making. There should be consistency across individuals and times in shape of promotions and outcomes among the employees (Hegtredt & Markovsky, 1995). Thaibut and Warker (1975) described that employee of any organization prefer fair outcomes followed by fair procedure. Hence the desire of procedural justice in an organization is the desire of every fair employee. Procedural justice refers to the procedure or method while making a decision. Tendency of employees to form evaluation of supervisors has strong relationship with procedural justice. According to McFarlin and Sweeney (1992) when employees’ experience high level of procedural justice, evaluation of supervision is higher across the all levels of distributive justice. Thus it can be concluded that procedural justice is about means while distributive justice is about ends.

2.4. Organizational Justice and Organizational Commitment
Bakshi, Kumar and Rani (2009) reported that procedural and distributive justice both were significantly correlated with the organizational commitment of the employees in India. Similar results were found by Masterson, Lewis, Goldman and Taylor (2000). They also described that organizational justice is an important forecaster of job satisfaction and employees commitment. Lambert et al. (2005) also established significant positive associations of employees’ perceptions of distributive and procedural justice with commitment to the organization.

Also Masterson et al. (2000) explained that procedural justice to be a stronger predictor of job satisfaction than distributive justice and this job satisfaction leads to the organizational commitment. Lambert et al. (2005) also argued that perceptions of procedural justice have a greater impact on organizational commitment of employees than perceptions of distributive justice. In the light of above cited previous studies the following hypotheses have been developed:

H1: There will be a positive relationship between the level of the perceived distributive justice and the level of their organizational commitment.

H2: There will be a positive and significant relationship between the level of perceived procedural justice and the level of organizational commitment.

H3: Perceived procedural justice will be more strongly correlated to the level of organizational commitment than perceived distributive justice.
3. Methodology
For this purpose we have selected a public sector organization, Water and Power Development Authority (WAPDA), a public sector organization. WAPDA is the autonomous body working under the rules and regulations of the Federal Government of Pakistan. Data have been collected from WAPDA employees having different basic pay scale ranging 4 to 19. The descriptive statistics, correlation, and multiple regressions have been applied for analyzing data and finding results.

The study is based on a sample of 140 WAPDA employees. Accordingly the target population of WAPDA employees has been split into the eight distribution companies and GEPCO (Gujranwala Electric Power Company) is one of them. For this purpose all the respondents were selected from different cities / towns where the offices are located under the jurisdiction of the GEPCO. There were four circles of (Gujranwala City, Gujranwal Cantt, and Sialkot and Gujrat Circle) of GEPCO Distribution Company. The sample was drawn from the population of Gujrat city because it was more easily accessible. Simple random sampling was the most suitable technique to select the sample.

Total numbers of employees in Gujrat circle were 2665. To get the representative sample a well known formula of Yamane (1967) was used: 

$$n = \frac{N}{1+Ne^2}$$

In the pre-testing phase it was observed that response rate was very low so it was decided to remain within acceptable error instead of normal value (5%) to manage the non response, sample size was inflated by taking two limits 7% to 8% which was acceptable error of this study keeping in view the above mentioned problem.

For e= 8 %, 

$$n = \frac{2665}{1+2665(.08)} = 146$$

So sample should be in range of 146-189 which was due to acceptable error with sample inflation. A well structured questionnaire was used to collect required information from the respondents. This questionnaire contains 4 sections. First section contained demographic information of the respondents. Remaining three sections had questions about distributive justice, procedural justice, and organizational commitment accordingly. Face to face method was used for those respondents who were accessible to researcher; in other cases questionnaire was mailed to the respondents for getting the maximum response.

Perceptions of distributive justice (4-items) and procedural justice (5-items) were measured using the scale of Lambert et al. (2005). Cronbach alpha values found for these scales were .83 and .85 respectively. Organizational commitment was measured using the 6-item scale of Mowday et al. (1982) and cronbach alpha value for this scale was .82. Five point likert scale was used where 1 represented “highly disagree” and 5 represented “strongly agree”.

4. Results
Descriptive statistics of the sample has been shown in table 1. Correlation (Table 2) and regression analysis (Table 4) was used to find the association and impact of independent variables (distributive and procedural justice) on dependant variable (organizational commitment). Moreover ANOVA (Table 3) has been used to find the affect of age, education, basic pay scale and work experience on organizational commitment.
Table 1: Descriptive Statistics

<table>
<thead>
<tr>
<th>Items</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>140</td>
<td>0</td>
<td>1</td>
<td>.01</td>
</tr>
<tr>
<td>BPS</td>
<td>140</td>
<td>4</td>
<td>19</td>
<td>12.17</td>
</tr>
<tr>
<td>Married/ Unmarried</td>
<td>140</td>
<td>0</td>
<td>1</td>
<td>.79</td>
</tr>
<tr>
<td>Experience</td>
<td>140</td>
<td>1</td>
<td>35</td>
<td>15.56</td>
</tr>
<tr>
<td>Year of Education</td>
<td>140</td>
<td>10</td>
<td>19</td>
<td>13.82</td>
</tr>
<tr>
<td>Age</td>
<td>140</td>
<td>24</td>
<td>58</td>
<td>39.91</td>
</tr>
</tbody>
</table>

The correlation is used to find degree of association between different variables under consideration of this study i.e. distributive justice, procedural justice and organizational commitment.

Table 2: Correlations

<table>
<thead>
<tr>
<th>Item</th>
<th>Distributive Justice</th>
<th>Procedural Justice</th>
<th>Organizational commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distributive Justice</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Procedural Justice</td>
<td>.175(*)</td>
<td>1</td>
<td>.423(**)</td>
</tr>
<tr>
<td>Organizational</td>
<td>.040</td>
<td>.469(**)</td>
<td>1</td>
</tr>
<tr>
<td>commitment</td>
<td>.000</td>
<td>.000</td>
<td></td>
</tr>
</tbody>
</table>

* Correlation is significant at the 0.05 level (2-tailed).

The table shows that procedural and distributive justice is significantly correlated with organizational commitment. All the relationships are checked at 5% level of significance with two tailed tests which are shown (0.00). It is also clearly evident from the above table that procedural justice is more strongly correlated with the organizational commitment of employees in WAPDA than distributive justice.

Table 3: ANOVA

<table>
<thead>
<tr>
<th>Source</th>
<th>Category</th>
<th>Sum of Squares</th>
<th>d.f</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>Between Groups</td>
<td>14.969</td>
<td>20</td>
<td>.748</td>
<td>.646</td>
<td>.870</td>
</tr>
<tr>
<td></td>
<td>Within Groups</td>
<td>136.758</td>
<td>118</td>
<td>1.159</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>151.727</td>
<td>138</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td>Between Groups</td>
<td>14.162</td>
<td>20</td>
<td>.708</td>
<td>1.024</td>
<td>.442</td>
</tr>
<tr>
<td></td>
<td>Within Groups</td>
<td>70.537</td>
<td>102</td>
<td>.692</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>84.699</td>
<td>122</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic Pay Scale</td>
<td>Between Groups</td>
<td>3.587</td>
<td>20</td>
<td>.179</td>
<td>.903</td>
<td>.584</td>
</tr>
<tr>
<td></td>
<td>Within Groups</td>
<td>23.634</td>
<td>119</td>
<td>.199</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>27.221</td>
<td>139</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Experience</td>
<td>Between Groups</td>
<td>230.003</td>
<td>20</td>
<td>11.500</td>
<td>.872</td>
<td>.622</td>
</tr>
<tr>
<td></td>
<td>Within Groups</td>
<td>1568.932</td>
<td>119</td>
<td>13.184</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>1798.936</td>
<td>139</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

ANOVA table shows the relationship between among the age, experience, basic pay scale, education and work experience of employees with organizational commitment. One way ANOVA is performed. The results of the ANOVA table depicted that the organizational commitment has insignificant associations with all demographic variables that have been analyzed. This means there is no demographic effect on WAPDA employees’ commitment.
Table 4:  Regression Analysis

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>t-Statistics</th>
<th>P-Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Constant</td>
<td>6.570</td>
<td>1.730</td>
</tr>
<tr>
<td></td>
<td>Procedural Justice</td>
<td>.525</td>
<td>.092</td>
</tr>
<tr>
<td></td>
<td>Distributive Justice</td>
<td>.430</td>
<td>.088</td>
</tr>
</tbody>
</table>

Dependent Variable: Organizational Commitment, n=140. Predictor (Constant): procedural Justice, Distributive Justice. R² = .338, Adjusted R² = .328, F value = 34.905, p-Value = 0.000

The regression analysis was used to find the impact of procedural and distributive justice and also which type is more dominant predictor of the employees’ commitment. We run the multiple linear regressions and the results are presented in Table 4. The un-standardized coefficient of regression for procedural justice (0.525) shows that it is more positively and significantly correlated with dependent variable as compared to distributive justice (0.430) which is also significant. Coefficient of determination (R²=0.338) shows that 33.8% variation is explained by these two predictor variables. The F-value shows that model is significant (p<0.05).

5. Discussion

The results of this study also signify that both distributive and procedural justice is important for the WAPDA employees but procedural Justice has been found a stronger predictor of commitment. The employees may perhaps think that if the stipulation procedures are fair, the allocation of rewards and distribution of resources automatically will be given according to their education, skills and experiences. Promotions and increments in the salary should be given to those employees who deserve to be the recipients of these benefits without discrimination or bias. The employees might be assuming that in case of any misconduct the decision makers will impose the penalty and not leave the guilty unpunished. Sometime decision makers show favoritism about those employees whom they personally know, and at the time of decision they become lenient instead of taking decision on merit. Generally at the work place a lot of employees working and during the work they make mistakes or blunders intentionally or unintentionally and the management has to impose the penalty for their mistakes according to the rules without biasness. They have to decide fairly about their intentional and unintentional mistake. The findings of this study are consistent with the results of past studies, prominent among which are of Lambert et al. (2005), Bakshi et al. (2009) and Masterson et al. (2000). Results of our study also suggest that managers should prefer procedural justice to distributive justice. Following the fair procedures in the organization, the management can improve the organizational commitment and employee satisfaction without any extra expenditure on employee compensation. After this the distributive justice should be improved regarding the allocation of resources, performance rewards, pay and promotion and incentives as well. The justice in procedures also shows the degree of authenticity of the organization. All in all, organizational justice is an important organizational variable and plays a significant role in the development of organizational commitment.

Conclusion

Mainly purpose of this study was to test a model that examines the impact of distributive justice and procedural justice on employees’ commitment with the organization. The results of this study showed significant association among perceptions of fair dealing and WAPDA employees' commitment with organization. In this research the model signifies that both perceptions of distributive and procedural justice play a major role in the development of employees’ commitment but procedural justice has shown a greater impact on WAPDA employees. The excellence of management’s justice in the organizations promotes employees' perceptions of fair dealing. Consequently, this research helps...
managers better be aware of how to enhance the employees’ organizational commitment, and make better decisions concerning important employee attitude. The management of the WAPDA and managers should pay keen attention towards procedural and distributive justice among the employees and should never ignore this important aspect. However other aspects of organizational justice like informational justice and interactional justice among public sector employees are required to be examined and future study should include sample from different other government constituents to increase to generalizability of the results.

References


