ORGANIZATIONAL JUSTICE AND EMPLOYEE CONTEXTUAL PERFORMANCE: THE MODERATING EFFECT OF ORGANIZATIONAL RESPECT

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Abstract

The study investigates the moderating effect of organizational respect on the association between organization justice perceptions and contextual performance. Researchers have hypothesized that organizational respect moderates the association between organizational justice (distributive, procedural, interactional) and contextual performance. In a randomized sample of 385 nurses, dispensers and doctors to whom the self-administered questionnaires were distributed, it was established that organizational justice predicts contextual performance very well. Multiple moderation regression (MMR) results also reveal that organizational respect moderates the association between organizational justice and contextual performance. The results from the existing study, offer some valuable practical implications at organizational level. Managers can boost up employees performance by promoting organizational respect and focusing on their fair interaction with subordinates and group members. Our major limitation is that workers rate themselves about their contextual performance. There is a tendency that in self-appraisal workers rate themselves high. Inspite of the limitations are there, yet this study is novel and unique as organizational respect was tested for its moderating effect in the health sector of Pakistan.

Keywords: Procedural justice, contextual performance, distributive justice, organizational respect, interactional justice

JEL Classification: M 100

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Introduction

In this modern age, there is utmost need to boost up organization's capabilities to be competitive in the global market arena (Aslam, Ilyas, Imran, & Rahman, 2016). Though technical skills have a remarkable share in competitive advantage yet it does not meet all the needs of the organization (Lohani et al., 2017). Thus, managers should also focus on other aspects of organizational capabilities, especially in situations where a technology discontinuity occurs (Martelo et al., 2011). In this ever changing technical environment, there is a vital need to reconsider human resource capabilities for organizational performance and sustainable competitive advantage (Aslam, Rehman, Imran, & Muqadas, 2016; Khandekar & Sharma, 2005). A major challenge for managers is to make decisions which are acceptable organization wide (Aslam et al., 2016; Sikora & Ferris, 2014). Each time, managers have to take decision about promotions, rewards, assignment of work or diverse type of social exchange, employees would be highly sensitive about the impartiality of the verdict (Xu et al., 2016). Hence, organizational justice is one of the key component that has impact on worker’s demeanor and working conduct (Eib et al., 2017), due to previously stated reason, it has become one of the most explored side of organizational psychology in recent era (Muqadas, Rehman, & Aslam, 2017; Ghaziani et al., 2012). It was reported by Colquitt et al. (2013) that organizational justice is a major determinant for a range of attitudes and activities at job place and has a direct effect on the behaviors associated with organizational commitment and performance. Organizational justice is well reported for its association with organizational commitment (Safi & Arshi, 2016), organizational citizenship behavior (Köse, 2014), turn over intentions (Meisler, 2013), job dissatisfaction (Muqadas, Rehman, & Aslam, 2017), job burnout (Lin, 2013), and organizational performance (Mohamed, 2016). Organizational justice is also reported for its significant impact on task performance (Zapata-Phelan et al., 2009). Armstrong and Taylor (2014) stated that in order to fully exploit human resource capabilities to attain competitive advantage, managers should focus upon employee’s contextual performance behavior as an organization is not a one man show, it is a collective domain. But there is very little work available that reconnoiters its effect on contextual performance (Khan et al., 2016), especially in a developing country context. Additionally, however, where employees seek fairness in organizational deeds, they
also seek out organizational respect (Ramarajan et al., 2008). Experiencing a lack of respectability in the organization can weaken one’s existence. The reason for this is that when one is disrespectful, one’s self-worth is negatively affected (Miller, 2001). The disrespectful behavior may also imply that the recipient of the same community or other member of the organization is at least not worthy (Hornstein et al., 1995). The dignity and respect gained by them from workplace may be critical to their self-worth and thus may operate as a powerful source in shaping the work outcomes (Hodson, 2001). Most of the available literature discusses the impact of disrespect and there is a lack of work which takes into account the positive side of organizational respect.

Considering its importance and existing gap, this study strived to recognize the direct effects of perceptions of organizational justice (Distributive, Procedural and Interactional) on employee’s contextual performance. The moderating impact of organizational respect on the relationship between organizational justice perceptions and employee’s contextual performance are tested in present study.

This study expects to provide an insight into how employee’s perception of organizational justice perception affects the contextual performance of employee’s and whether organizational respect moderates this effect. The study has certain objectives.

Ø To identify organizational justice (Distributive, procedural, interactional) association with contextual performance.

Ø How much organizational respect moderates the organizational justice’s relationship with contextual performance?

**Literature Review**

A famous approach to explaining the relationship between employees and organization is the perception of social exchange. Social exchange as a reciprocal pattern between the two sides in the frame of moral norms was explained by Gouldner (1960). In this perspective organizational justice is one best example of such social interaction (Muqadas, Rehman, & Aslam, 2017; Martin & Bennett, 1996).
Organizational Justice

Traditionally, in an organizational context, justice is theorized as a proportion of employee’s output in comparison with some criterion on the basis of impartiality (Greenberg, 1982). Fair treatment perceptions are associated with a range of useful behaviors (Meyer & Allen, 1997). Individual’s perceptions of fairness in organizational deeds play a role in their commitment to their work (Choi & Rainey, 2013). Finally, the organizational justice umbrella is merely a blend of three sub-dimensions (Colquitt, 2001). Perceiving organizational justice consists of three sub-dimensions such as distributive justice, the procedural justice & the interactive justice. As per Adams (1965), persons are simply habitual of making comparison of the efforts they make with the results they achieve, with the efforts and results of individuals those working in a similar working environment. Rawls (1999) and Adams (1965) used the theme of distributive justice in developing the framework of the organizations by using both these theories as a complementary part. A sense of justice that includes the perceptions of organizational members about resource allocation in a transparent and justified way among all the workers in the organization is known as distributive Justice (Muqadas, Rehman, & Aslam, 2017). A concept in organizations which elucidates the distribution of various types of work and the resources like goods, duties, services, rewards, punishments, opportunities, wages, promotion, status, roles, in between and among all individuals, based on the paradigm of differences and similarities (Greenberg, 1990) is termed as Distributive Justice. Early researches have paid attention on distributive justice, however with the passage of time, it shifted towards procedural justice (Leventhal, 1980) because it was recognized that distributive justice is not able to satisfy one’s sensitivity of fair system (Greenberg, 1990). Fair procedure and how closely the process depends upon fairness of employees’ leaders are known as procedural justice (Coetzee & Vermeulen, 2003). When it becomes clear that fair process perception is influenced by interpersonal treatment of decision makers and suitability of procedures, it set the foundation for interactional justice. Bies and Moag (1986) devised the word interactional justice and defined it as “Degree to which the people effected by decisions are treated by dignity and trust”.

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Job Performance

The notion of performance is not well abstracted (Campbell et al., 1993). Performance was described by Campbell et al. (1993) as “something that a single person does”. This is not a comprehensive definition of performance due to which reason it is under criticism by researchers like Dalal (2005). There are numerous deeds that affect the effectiveness of organizations. Hence performance has been divided into three comprehensive categories i.e., contextual performance, task performance, and counterproductive behaviors (Devonish & Greenidge, 2010). A role clearly defined by the job agreement and this contribution to the technical aspects of the organization is called task performance, but contextual performance sets its foundation on activities that are unpaid and add values to the social and psychological domain of the organization (Borman & Motowidlo, 1997). Further, contextual performance is close to citizenship organizational behavior (OCB) (Borman & Motowidlo, 1997). Many researchers are of the view that contextual performance and OCB are the same and should be treated as a single construct (Organ, 1997). However, some researchers have argued that OCB and contextual performance are two different constructs, as generally OCB is rewarded while contextual performance is not compensated (Werner, 2000). In a recent research, Sackett et al. (2006) recognized that contextual performance, counterproductive behaviors, OCB and task performance are dissimilar concepts.

Organizational Justice and Performance

Earley and Lind (1987) recognized a positive correlation between performance and procedural justice in a laboratory experiment, while in the same decade, Kanfer et al. (1987), reported inverse relationship with procedural justice. While Kellerl and Dansereaul (1995) reported a sturdy association between performance and procedural justice. Whereas, in the past decade Colquitt (2001) established that there is an unclear relationship between performance and procedural justice. A large number of studies report association between distributive justice and performance; findings are align with equity theory (Ball et al., 1994). On the other hand, there is disagreement among researchers about interactional justice association with performance as Masterson et al. (2000) documented a strong positive relationship between performance and interactional
justice. However, on the other side Borman (1991), recognized performance as a system character which is predictable with procedural justice. In the past decade Devonish and Greenidge (2010) stated that organizational justice is positively correlated with task and contextual performance. There is healthy number of research available which indicate organizational justice can predict employee’s performance (Spector & Fox, 2002) however results are inconclusive and contradictory. Still there is a small number of researches that investigate contextual performance. As per the stated association among performance and justice perceptions, we formulated our first three hypotheses.

H1: Distributive justice has significant impact on contextual performance.
H2: Procedural justice has significant impact on contextual performance.
H3: Interactional justice has significant impact on contextual performance

Organizational Respect

Organizational psychologists recently have shown interest for organizational respect (Cronin, 2004). Hence organizational respect is part of the mission statement of famous organizations like Microsoft, Bayer, Ben & Jerry (Ramarajan et al., 2008). Respect is all about recognition and acceptance of one’s fundamental rights (Kant, 2002). Organizational respect is accounted for in collective context, we can say it is a prestige within one’s social group (Cremer & Tyler, 2005). It is the degree to which respect oriented behavior is valued and promoted in organizational the culture (Erdogan et al., 2006). Beliefs, norms and values detained by individuals within a society or organization is said to be the culture of the organization (Ashkanasy & Dorris, 2017). What is fair and as per norms of the society mostly backed by cultural context (Lamertz, 2002). Respect oriented culture develop and strengthen the individuals belief for trust based affiliation with coworkers, improve performance as well as decrease employee’s anxiety about leaders unfair behavior (Dalal, 2005). Therefore organizational respect play an important role in the justice perception (Miller, 2001), and reported for its moderating impact on the association between OCB and organizational justice by Erkutlu (2011). In a recent study, Srivastava and Gope (2016) reported a congruence between OCB and contextual performance, hence it is expected that
organizational respect will moderate the justice perceptions association with contextual performance.

H1b: Organizational respect moderates the distributive justice’s association with contextual performance.
H2b: Organizational respect moderates the procedural justice association with contextual performance.
H3b: Organizational respect moderates the interactional justice’s association with contextual performance.

Research Model

Research methodology

Research Design

Subject to the nature of the enquiry, causal research design is employed. Usually researchers engaged in this kind of research is to understand, what affect a particular change will have on existing phenomenon. Most of the social scientists have sought a causal explanation that reflects tests of hypotheses. Causal effect take place when change in one phenomenon results in variation in another phenomenon (O’Sullivan et al., 2016).

Research Philosophy and Approach

The present research is based upon the positivistic approach in which deductive reasoning is used for formulation and hypotheses testing. In the current study, positivistic approach is used as recommended by Ponterotto (2005) with help of adequate literature on social sciences.
Sample Selection

A total sample of 385 is calculated by WHO manual with 95% confidence level and 80% power of test and having anticipated satisfactory performance to be 92.3%. Respondents were chosen from a list of 35 hospitals from private and public sector, and from rural health centers at upper Punjab Pakistan. Sample consists of dispensers, nurses and doctors who are working at non-teaching hospitals and centers, having minimum five year job experience.

Measuring Instruments

Aslam et al., (2016) recognized self-administered questionnaires as the best data collection tool; self-administered questionnaires can be helpful in collecting data at low cost. Hence a questionnaire was developed as a data collection tool. For response accumulating Likert type scale with 7 response items, was used. It is well documented that scale reliability is maximized when seven point Likert scale is accounted for data collection (Cicchetti et al., 1985). For measuring instrument development, scales were adopted from published work. Respondent’s justice perception are measured on the foundation of Niehoff and Moorman (1993) scale. Contextual performance is identified with Goodman and Svyantek (1999) performance scale. Ramarajan et al. (2008) provide a scale for organizational respect; which is used in this study.

Data Analysis Strategies

There are different types of statistical analysis used in this study. For example, reliability test was performed for measuring the internal consistency of scales. Whereas linear regression, and Aguinis (2004) multiple moderation regression (MMR) tests were used to examine the relationships in proposed hypotheses.

Data analysis and Results

The study is conducted in the health sector of Pakistan, a developing country context. In aggregate there were 385 respondents. Among these participants 85 were doctors who comprise 22.08% of the sample size and there were 135 nurses who make up 35.06% of the
sample size, reaming 155 were dispensers and they were 42.86% of the sample size (Table 1).

Table 1:

Frequency table for Respondents

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doctors</td>
<td>85</td>
<td>22.08</td>
<td>22.08</td>
</tr>
<tr>
<td>Nurses</td>
<td>135</td>
<td>35.06</td>
<td>57.14</td>
</tr>
<tr>
<td>Dispensers</td>
<td>165</td>
<td>42.86</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>385</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Table 2 presents summary statistics, reliability and correlations coefficient of the variables. Correlation analysis disclosed that organizational justice dimensions are positively correlated with contextual performance with Pearson coefficient of correlation (r=.36, .56, .33) for distributive, procedural and interactional justice respectively. To figure scale’s internal consistency, “Cronbach’s alpha” values are worked out and it is find that measures are internally consistent and are in agreement with values stated in existing literature. Results are summarized and can be seen in a glance in table given below.

Table 2:

Summary Statistics, Alpha Reliability and correlations

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>S.D</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Distributive Justice</td>
<td>4.84</td>
<td>0.67</td>
<td></td>
<td></td>
<td>.78</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Procedural Justice</td>
<td>3.56</td>
<td>0.71</td>
<td>.341**</td>
<td></td>
<td></td>
<td></td>
<td>.85</td>
</tr>
<tr>
<td>3. Interactional Justice</td>
<td>5.80</td>
<td>0.43</td>
<td></td>
<td>.331**</td>
<td></td>
<td>.100</td>
<td></td>
</tr>
<tr>
<td>4. Contextual performance</td>
<td>5.08</td>
<td>0.48</td>
<td>.380**</td>
<td>.620**</td>
<td>.373**</td>
<td></td>
<td>.87</td>
</tr>
<tr>
<td>5. Organizational Respect</td>
<td>2.39</td>
<td>0.19</td>
<td>.301**</td>
<td>.110</td>
<td>.390**</td>
<td>.071</td>
<td>.88</td>
</tr>
</tbody>
</table>

** significant at the 0.01 level (2-tailed). Numeral in brackets represents Alpha Reliability coefficient
**Hypotheses Testing:**

The significant positive impact ($R^2=15, \beta=.38$) of distributive justice on contextual performance was revealed by regression analysis. It’s proves our first hypothesis H1. We can see this effect in table 3 at step 1. In same manner step two and three show significant effect of moderating variable and interaction term. Results reveal that there is positive moderation occur ($R^2_{change}=.08, \; F=.711$). Hence results support our hypothesis $H_{1b}$ stated that “Organizational respect moderates the relationship between distributive justice and contextual performance”. Outcomes are surmised in Table 3, given below.

**Table 3:**

**Regression analysis for Hypothesis $H_{1a}$, $H_{1b}$**

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>$B$</th>
<th>$R^2$</th>
<th>$R^2$ Change</th>
<th>$F$ Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distributive Justice</td>
<td>.380</td>
<td>.15</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Step 2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distributive Justice</td>
<td>.360</td>
<td>.18</td>
<td>.03</td>
<td>6.61*</td>
</tr>
<tr>
<td>Organizational Respect</td>
<td>.211</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Step 3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distributive Justice</td>
<td>.383</td>
<td>.26</td>
<td>.08</td>
<td>7.11*</td>
</tr>
<tr>
<td>Organizational Respect</td>
<td>.03</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DJ*OR</td>
<td>.22</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Our 2nd hypothesis $H_2$ was stated as “Procedural justice has significant positive impact on contextual performance” Hierarchical regression analysis results in step 1 at table 4 support our hypothesis, as results indicate that there is significant positive effect of procedural justice on contextual performance. $R^2$ value demonstrates that there 38.4% variance can be explained in dependent variable with independent variable. Hence results support our hypothesis. We state our hypothesis as “Organizational respect moderates the relationship between procedural justice and contextual performance”. Results at step 3 in table 4 show that when procedural justice and organizational respect interactional term was applied at regression model, it generate a significant change in $R^2$ (.09) and $F=27.534$. Hence 9% more variation can be explained in dependent variable when we provide organizational respect. Hence our stated hypothesis approved and supported by analysis. Results can be visualized in table 4 given bellow.
The Influence of Organizational Justice

Table 4:

Regression analysis for Hypothesis H3a, H3b

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>β</th>
<th>R²</th>
<th>ΔR²</th>
<th>ΔF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Procedural Justice</td>
<td>.620</td>
<td>.384</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Step 2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Procedural Justice</td>
<td>.635</td>
<td>.388</td>
<td>.04</td>
<td>5.66*</td>
</tr>
<tr>
<td>Organizational Respect</td>
<td>.110</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Step 3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Procedural Justice</td>
<td>.673</td>
<td>.397</td>
<td>.09</td>
<td>27.534*</td>
</tr>
<tr>
<td>Organizational Respect</td>
<td>.375</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IJ*OR</td>
<td>.205</td>
<td>.375</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Dependent Variable = Contextual Performance, IJ*OR = Procedural Justice * Organizational Respect

*P<.05

In step 1 of table 5 we test the interactional justice impact on contextual performance the coefficient is positive and significant (β=.373 p<0.05). R² value demonstrates that 14.7% variance can be explained in dependent variable with independent variable. In step 2 we add moderator and in step 3 we applied interaction term of IV and moderator. In keeping with hypothesis H3b, “Organizational respect moderates the relationship between interactional justice and contextual performance” change in ΔR² (.09) and “F=27.534, is significant. Our last hypothesis also supported. Hence proved, when organizational respect is high, employees contextual performance become superior. Results for H3a, H3 are summarized in regression analysis table 5.

Table 5:

Regression analysis for Hypothesis H3a, H3b

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>β</th>
<th>R²</th>
<th>ΔR²</th>
<th>ΔF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interactional Justice</td>
<td>.373</td>
<td>.147</td>
<td>.147</td>
<td>11.564*</td>
</tr>
<tr>
<td>Step 2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interactional Justice</td>
<td>.390</td>
<td>.153</td>
<td>.006</td>
<td>7.620*</td>
</tr>
<tr>
<td>Organizational Respect</td>
<td>.111</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Step 3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interactional Justice</td>
<td>.573</td>
<td>.225</td>
<td>.072</td>
<td>5.703*</td>
</tr>
<tr>
<td>Organizational Respect</td>
<td>.390</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IJ*OR</td>
<td>.205</td>
<td>.375</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Dependent Variable = Contextual Performance, IJ*OR = Interactional Justice * Organizational Respect

*P<.05
Discussion

Using multi source data concerning 385 doctors, nurses and dispensers, we find that there is noteworthy positive relationship between organizational justice perceptions and contextual performance. Thus, our hypothesized relationship is supported. It declares that when individuals have healthier perception of fairness in organization’s deeds, they are enthusiastic to execute job voluntarily; outside their job contract. Study is in line with prior investigation by Devonish and Greenidge (2010), who stated that organizational justice has substantial positive association with task and contextual performance. We also find that organizational respect plays an important moderating role among these relationships. The study, established that respect in an institute enhance the contextual performance as in teams, people usually focus upon preservation of relationships, which results in elevated performance and act beyond their formal job agreement (Farh et al., 1997).

Managerial Implications:

The study, offer some valued implications for executives and supervisors. Mangers should promote respectful interaction with subordinates, and assure resource and rewards allocation fair bases. Organizational respect is shown here one of the contextual variables that can boost up contextual performance. Our results can be beneficial for organizations which are in human services because finding a respectful organization can be a motivator for contextual performance. Respectful cultures smooth relationships, make workers more sympathetic and reduce attention about justice. Overall this principles appears to uplift contextual performance, therefore it should be encouraged.

Limitations/Recommendations/Conclusion

There is ever need and gap for improvements current study also has some limitations. Our major limitation is that workers rate themselves about their contextual performance. There is tendency that in self-appraisal workers rate high themselves. Hence in next endeavor, subordinates should be apprised by managers and vice versa. Rather than performance, success of the project can be variable of interest in future.
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