ORGANIZATIONAL JUSTICE AND EMPLOYEE’S JOB DISSATISFACTION: A MODERATING ROLE OF PSYCHOLOGICAL EMPOWERMENT

Farwa Muqadas¹, Ch. Abdul Rehman², Usman Aslam³

Abstract

This investigation focuses on measuring the perception of employees regarding organizational justice (OJ) and job dissatisfaction in the presence of interactive effect of psychological empowerment. The data have been collected from the employees of private universities in Lahore division using cluster sampling through random approach. The results of this investigation reveal that OJ has a negative association with the level of job dissatisfaction in the workplace. Moreover, the moderating role of psychological empowerment has weakened the negative relationship between OJ and the level of job dissatisfaction. There is scant literature found on the relationship between OJ and job dissatisfaction especially in the presence of interactive effect of psychological empowerment in the developed and the developing countries.

Keywords: Private universities, organizational justice, Job dissatisfaction, psychological empowerment

JEL Classification: Z000

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Introduction

Now-a-days organizations are facing challenges such as downsizing, rightsizing, restructuring, privatization, and technological up-gradation (Aslam, Ilyas, Imran, & Rahman, 2016). These business changes have increased the unemployment ratio and injustice practices in organizations especially in the context of Pakistan (Aslam, Arfeen, Mohti, & Rahman, 2015). Similarly, Batool (2013) has noticed that injustice practices and corruption level are increased in Pakistan. Moreover, these business changes have also increased the level of job insecurity, injustice, distrust, job dissatisfaction and decrease in performance (Aslam et al., 2016; Aslam, Mohti, Imran, & Arfeen, 2015). In today’s dynamic business environment, stiff business competition and unemployment ratio influence the employee’s performance and health in the workplace (Malik & Naeem, 2011). According to Ugwu, Onyishi, and Rodríguez-Sánchez (2014), psychological empowerment programs can play an important role to motivate employees for facing the business changes in the workplace. The changing work situations have required high psychological empowerment in employees when they are dealing with business changes (Stander and Rothmann, 2010). In Pakistan, the service sector is contributing approximate 47-percent in GDP that is higher than the shares of industrial and agriculture sector (Imran, Rehman, Aslam, & Bilal, 2016). The private sector is the engine of the economic development and growth because it is investing in new businesses, adding values, and opening new employment opportunities. The private sector universities of Pakistan are playing a key role in social and economic growth of our country. However, most of the recent studies on OJ have been conducted in public sector organizations of Pakistan (Faheem & Mahmud, 2015; Nasir & Bashir, 2012; Raza, Rana, Qadir, & Rana, 2013; Ullah, 2013). These studies ignore the importance of private sector where the level of job insecurity is high compared to the public sector organizations. Researchers have suggested that budget allocation, rules, procedures, processes, communication flow, decision making, level of job security, trust, empowerment, satisfaction, and performance vary in public and private sector organizations in Pakistan (Aslam et al., 2016; Muqadas,
Ilyas, & Aslam, 2016). Therefore, it is important to investigate that whether the above stated business changes are also influencing the employees of private universities especially in the perspectives of power distance and collectivism culture in Pakistan. In the private sector universities, employees’ are usually hired based on contractual appointments and their contracts may be renewed based on their level of performance and relationships with the top management. It is also found that employees, working in private universities are dependent upon the decisions of top management regarding the fixation of remuneration, numbers of lectures, renew of contracts, and career development opportunities.

From 40-years, various researches have been performed on OJ in the context of performance evaluation (Korsgaard & Roberson, 1995), organizational citizenship behavior (Moorman, Blakely, & Niehoff, 1998), organizational change implementation (Kickul, Lester, & Finkl, 2002), stress (Judge & Colquitt, 2004), trust (Hegtvedt, 2015; Hoy & Tarter, 2004), burnout (Moliner, Martinez-Tur, Peiró, Ramos, & Cropanzano, 2005), organizational commitment (Paré & Tremblay, 2007), employees turnover intentions (Nadiri & Tanova, 2010), behavior ethics and corporate social responsibility (Rupp, Wright, Aryee, & Luo, 2015). However, little research is available to analyze how perceptions of OJ influence the level of job dissatisfaction among employees in private universities in a developing country. Moreover, there is no study found that examine the interactive effect of psychological empowerment on the relationship between OJ and the level of job dissatisfaction neither in developed nor developing countries. Therefore, this study aims to investigate the above stated relationships and contributes to the existing literature.

**Literature Review**

OJ has been considered as an extensively investigated topic in organizational behavior and applied psychology (Parker & Kohlmeyer, 2005). The concept of OJ has been introduced briefly by
Greenberg (1987) with an objective to measure the level of performance. OJ has been derived from the concept of equity theory. According to Adams (1963), employees usually perceive cognitive conflict when they perceive that things or procedures are based on unfairness. According to Luthans (1996), the concept of OJ is based on three important aspects such as process, outcomes, and interpersonal relationships. As per the theory of OJ, employees continually measure and compare their “inputs” with “outcomes”. In previous studies, OJ is divided into four sub-types such as distributive, informational, procedural, and interpersonal (Colquitt et al., 2001; Greenberg, 1993). However, OJ is broadly considered and used into three dimensions: distributive, interactional and procedural justice. Firstly, distributive justice highlights the fairness in outcomes. Secondly, procedural justice shows the fairness and consistency in rewarding procedures for everyone. Thirdly, interactional injustice exhibits the fairness in receiving information and interpersonal treatment from their employer.

OJ creates the foundation for healthy working environment and retains the loyal human capital in organizations. Hence, OJ is equally favorable for the welfare of employees, organizations, and societies. The extant of literature has found the relationships between OJ and job-related outcomes (e.g. pay satisfaction, performance, trust, and organizational commitment) in the workplace (Batool, 2013; Hegvedt, 2015; Wu & Wang, 2008). Employees who perceive injustice in the workplace might be dissatisfied with their jobs, call in sick, show lower levels of commitment, and ultimately, they may seek to quit (VanYperen, Hagedoorn, Zweers, & Postma, 2000). While another study has found that the standards of performance appraisal systems align with employee’s competencies, skills, and goals to increase the level of job satisfaction in the workplace (Palaiologos, Papazekos, & Panayotopoulou, 2011). There is scant research that analyzes how perceptions of OJ practices reduce the levels of job dissatisfaction among employees in the private universities of developing country. Kanter (1993) has been given the difference between two constructs of empowerment: physiological empowerment and structural
Organizational Justice and Employee’s empowerment. Structural empowerment is the set of practices to access the information and learn in workplace while psychological empowerment is a motivational feeling based on four cognitions: competence, meaning, self-determination, and impact. According to Spreitzer (1995), physiological empowerment exhibits when organizational members or employees perceive control over their working lives. Quinn and Spreitzer (1997) explain that empowered employees feel that their working lives are important and they care regarding what they are doing in the workplace. Researchers argue that physiological empowerment can increase the motivation and sense of personal control that ultimately lead to positive organizational and managerial outcomes in the workplace (Quinn & Spreitzer, 1997; Spreitzer, 1995). The recent literature has used the psychological empowerment as independent variable (Ambad & Bahron, 2012; Bester, Stander, & Zyl, 2015; Degago, 2014; Patah et al., 2009). Ugwu et al. (2014) have conducted a study that investigated the moderating effects of psychological empowerment for strengthening the relationship between organizational trust and employee engagement. As claimed in the above discussion, there is no study found that investigate the interacted role of psychological empowerment on the relationship between OJ and the level of job dissatisfaction neither in developed nor developing countries.

Hypotheses

- **Hypothesis 1**: The level of Job dissatisfaction increases with the decreases in distributive, procedural, and interactional justice.

- **Hypothesis 2**: Psychological empowerment moderates the association among distributive, procedural, interactional justice and the level of job dissatisfaction.
Methodology

Research Approach and Design

This study has followed the assumptions of positivistic paradigm because quantitative approach is helpful to investigate the empirical relationship between OJ and the level of job dissatisfaction in the presence of moderating effect of psychological empowerment. Moreover, it is a cross-sectional study that aims to collect data and examine the research model at one point of time. Cross-sectional studies are time saving, easy, and generate multiple outcomes in limited time (Silva & Caetano, 2014).

Sample

Based on population, nine largest cities of the Punjab have been selected to develop clusters i.e. Lahore, Rawalpindi, Gujranwala, Faisalabad, Sargodha, Sahiwal, Multan, Bahawalpur, and Dera-Ghazi Khan. These cities represent almost 80 percent population of the province and fall under higher degree of representation. As per recommendations of Sekaran (2009), all clusters are coded, which are homogenous among clusters but heterogeneous within clusters.
Owing to likeness of characteristics in all clusters, the private universities in Lahore are selected for data collection, from where 440 employees are chosen using random approach. These universities are University of Management Technology, University of Central Punjab, The Superior University, National College of Business Administration and Economics, and Hajvery University. The sample size of 440 employees is calculated using the sample-size-formula 
\[ n = \frac{Z^2c}{\epsilon^2} \frac{N}{N-n} + \frac{1}{N-1} \] 
with the help of identified sampling frame. This sample size is similar to the acceptance standards of Hair, Black, Babin, and Anderson (2010).

Measures and Procedure

Radhakrishna (2007) has stated that in survey method, self-administered questionnaire is one of the frequent data collection technique. He has found that out of 748 studies, approximate 64% studies used the self-administered questionnaire as a data collection instrument. OJ scale was taken from previous research (Colquitt, 2001). Psychological empowerment scale was adopted from the study of Spreitzer (1995). While job dissatisfaction scale was measured by using the scale of previous study (Seashore, Lawler, Mirvis, & Cammann, 1982). All the scales are used on five-point Likert-type responses.

Self-administered questionnaires have been given to the permanent and visiting faculty of private universities in Lahore division. Approximately 440 Self-administered questionnaires are given by hand and mail, after the struggle and reminders to targeted respondents, 298 questionnaires have been received. Of these, 31 self-administered questionnaires were not up-to-mark because of high rate of missing data (Hair, 2010), so the remaining 267 questionnaires are valid and 60.68% is the resulting response rate.
Data Analysis Techniques

Descriptive statistics has been used to find the gender, age, level of education, working status, and experience level. Reliability test has been used to measure the internal consistency and multiple regression test performed to examine the proposed direct hypotheses. Finally, Hayes (2013) moderation test has been used to measure the moderating role of psychological empowerment on the association between OJ and the level of job dissatisfaction.

Results and Discussion

Table 1: Sample Characteristics

<table>
<thead>
<tr>
<th>Descriptions</th>
<th>Classification</th>
<th>Frequency</th>
<th>C.F (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>156</td>
<td>58.43</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>111</td>
<td>41.57</td>
</tr>
<tr>
<td>Age (In years)</td>
<td>20-30</td>
<td>108</td>
<td>40.45</td>
</tr>
<tr>
<td></td>
<td>31-40</td>
<td>77</td>
<td>28.84</td>
</tr>
<tr>
<td></td>
<td>41-50</td>
<td>61</td>
<td>22.85</td>
</tr>
<tr>
<td></td>
<td>51-60</td>
<td>21</td>
<td>7.86</td>
</tr>
<tr>
<td>Educational Level</td>
<td>Master</td>
<td>135</td>
<td>50.56</td>
</tr>
<tr>
<td></td>
<td>MS/M.Phil</td>
<td>110</td>
<td>41.20</td>
</tr>
<tr>
<td></td>
<td>PhD</td>
<td>22</td>
<td>8.24</td>
</tr>
<tr>
<td>Working Status</td>
<td>Permanent</td>
<td>115</td>
<td>43.08</td>
</tr>
<tr>
<td></td>
<td>Visiting</td>
<td>152</td>
<td>56.92</td>
</tr>
<tr>
<td>Experience (In years)</td>
<td>1-5</td>
<td>152</td>
<td>56.93</td>
</tr>
<tr>
<td></td>
<td>6-10</td>
<td>77</td>
<td>28.84</td>
</tr>
<tr>
<td></td>
<td>11-15</td>
<td>38</td>
<td>14.23</td>
</tr>
</tbody>
</table>

Descriptive statistics has been extracted to find the gender, age, level of education, working status, and experience of employees. The prominent features in this study are male (58.43%), education level
Organizational Justice and Employee’s Constructs

Reliability and Descriptive Analysis

Table 2: Reliability and descriptive results

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Alpha(α)</th>
<th>Mean</th>
<th>S.D</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distributive Justice</td>
<td>0.837</td>
<td>3.45</td>
<td>0.61</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interactional Justice</td>
<td>0.764</td>
<td>3.33</td>
<td>0.72</td>
<td>0.11</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Procedural Justice</td>
<td>0.775</td>
<td>3.23</td>
<td>0.67</td>
<td>0.48</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Psychological empowerment</td>
<td>0.872</td>
<td>3.73</td>
<td>0.99</td>
<td>0.62</td>
<td>0.42</td>
<td>0.51</td>
<td>-</td>
</tr>
<tr>
<td>Job dissatisfaction</td>
<td>0.770</td>
<td>2.52</td>
<td>1.04</td>
<td>-0.68</td>
<td>-0.41</td>
<td>-0.54</td>
<td>-0.51</td>
</tr>
</tbody>
</table>

Note: *p<.05, **p<.01, ***p<.001.

Reliability test has been used to find the reliability "the extent to which the instrument yields the same results on repeated trials" (Blanche & Durrheim, 1999). In Table 2, alpha values are exhibiting that all the alpha numeric are fall inside the range between .770 to .872, these values are above the minimum acceptable benchmark (0.70) (Nunnally, 1978; Nunnally & Bernstein, 1994). The mean values are extracted to get the average response of the respondents; the mean values of distributive, interactional, procedural justice and psychological empowerment have been ranged from neutral to agree. However, the mean value of job dissatisfaction is ranged from disagree to neutral. In correlation analysis, distributive, interactional, and procedural justice have negative relationship with job dissatisfaction ($r=-0.68, P<.001; r=-0.41, P<.01; r=-0.54, P<.001$). While there is strong negative relationship investigated between psychological empowerment and job dissatisfaction ($r =-0.51, P<.001$).

Regression Analysis

Table 3: Multiple Regression Results

<table>
<thead>
<tr>
<th>Descriptions</th>
<th>Unstandardized coefficient</th>
<th>Significance Level</th>
<th>T-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distributive</td>
<td>- .497</td>
<td>.004</td>
<td>-8.66</td>
</tr>
<tr>
<td>Interactional</td>
<td>- .339</td>
<td>.003</td>
<td>-6.30</td>
</tr>
<tr>
<td>Procedural</td>
<td>- .403</td>
<td>.001</td>
<td>-7.81</td>
</tr>
<tr>
<td>$R^2$</td>
<td></td>
<td>564</td>
<td></td>
</tr>
<tr>
<td>Adjusted-$R^2$</td>
<td></td>
<td>.551</td>
<td></td>
</tr>
<tr>
<td>F-value</td>
<td></td>
<td>82.111</td>
<td></td>
</tr>
</tbody>
</table>

(Masters, 50.56%), visiting faculty (56.92%), and experience range from 1 to 5 years (56.93%).

Reliability and Descriptive Analysis

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Note: *p<.05, **p<.01, ***p<.001.
In Table 03, the value of $R^2$ is exhibiting that distributive, interactional, and procedural justices bring 56.40% variations in the level of job dissatisfaction. Furthermore, the F-value is reflecting that overall model is satisfactory. The unstandardized coefficient values are reflecting that the level of job dissatisfaction increased because of decreased in distributive, interactional, and procedural justice ($\beta = -0.497, P < .05; \beta = -0.339, P < .05; \beta = -0.403, P < .05$).

Moderation Analysis

Hayes (2013) has developed the process macro using 5000 bootstrap samples. This robust macro process is suitable for measuring the moderation or interactive effects (Hayes, 2013). The results reveal that psychological empowerment moderated and weaken the existing negative association between distributive justice and the level of job dissatisfaction. Similarly, the outcomes of moderation results exhibit
that psychological empowerment also moderates and reduce the direct negative association between interactional, procedural justice, and level of job dissatisfaction. Finally, it is concluded that psychological empowerment has strong positive effect on the negative relationship between distributive justice and the level of job dissatisfaction compared to other proposed hypotheses of moderation. The higher is the psychological empowerment the weaker is the relationship between OJ and the level of job dissatisfaction.

Conclusion

This study has been conducted in a peculiar environment; a developing country in which injustice practices and level of corruption is high compared to developed countries. The future of organizations are depending upon the work behavior of their employees, top management of organizations should maintain a healthy working environment by promoting the OJ practices and by empowering the employees for increasing their levels of motivation and performance in the workplace. The top management of universities should emphasize on justice practices in the workplace to ensure and maintain the optimal level of job satisfaction. The results of this study reveal that OJ such as distributive, interactional, and procedural justice can reduce the level of job dissatisfaction in the workplace. Furthermore, psychological empowerment programs can play important role to motivate employees for facing the business changes in the workplace. This study also proves that interactive role of psychological empowerment reduces the negativity in the relationship between OJ and the level of job dissatisfaction.

Implications

The extant of literature is available that focused to investigate the relationships among OJ with organizational commitment, job satisfaction, trust, turnover intention, and organizational citizenship...
behavior (Fulford, 2005; Sieger, Bernhard, & Frey, 2011; Zeinabadi & Salehi, 2011). But, to my knowledge, this study would qualify to be among the first study in Pakistan with reference to the empowerment, social exchange, equity, and fairness theories.

The top management of private universities can benefit using the results and by arranging organizational psychological empowerment programs to improve the level of job satisfaction in the workplace. In the context of social practice, the trainings on justice practices and psychological empowerment would lead to positive outcomes for external and internal stakeholders.

**Limitation and Future Directions**

The researchers have attempted to find the limitations for maintaining the optimistic level of discussion for this study. First, this study has collected data at one point of time so it can raise the issue of causality that negatively influences the generalizability. Therefore, longitudinal study can overcome the causality issues. Second, this study collected data from private sector universities that are operating in Lahore division. Therefore, these results may not applicable to whole population. In future, it is recommended to conduct study on public and private universities using the same research model. Third, this study has been used the self-reported measures that brings the issues of common method bias. Hence, data should be collected using more than one data collection instruments to control the issues of common method bias.
References


