

IMPACT OF PROCEDURAL JUSTICE AND DISTRIBUTIVE JUSTICE ON ORGANIZATIONAL COMMITMENT IN BANKING SECTOR OF LAHORE (PAKISTAN)

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ABSTRACT: This research aimed to access the effects of procedural justice, distributive justice on organisational commitment in the Banking Sector of Lahore (Pakistan). Data was collected through self-survey and the questionnaire which was distributed among private and public banks and the positions of the employees (OGII and above the officers). The sample size was 270. SPSS was used for demographic and inferential analysis. Results accomplish that Procedural Justice and Distributive Justice have a positive relationship with organisational commitment. This study mainly focused on Banking Sector in Lahore. So the results are limited to the only the banking sector. The current study is cross sectional.

Keywords: Procedural Justice, Distributive Justice, Organizational Commitment.

1. INTRODUCTION

In this study in the context of the research study will focus on the relation between Procedural, Distributive with organisational commitment. Further Organizational justice is divided into Procedural, Distributive, and Interpersonal and Informational justice. This study is describing the relationship between these variables (Organization Commitment, Procedural Justice and Distributive Justice). The basic purpose of this study to check the relationship between procedural justice, distributive justice and organisational commitment. Important of the justice in the organization because in the organisation the role of justice very important because it determines the job allocation and decision criteria, however, a lot of work in this field but still very issues in the organisation regarding justice. Organizational commitment was initially defined regarding an emotional or affecting attachment by the researcher [1]. Organizational commitment can be defined as “the readiness of community performers to give their drive and faithfulness to group Systems, the, Part of character to social relations that are seen as self-expressive [3]. The situation of the organization comes when if the employees thought of the positive behavior so its increase the level of trust of the organization and if they show the negative attitude so its decrease the of trust in the organisation [1]. Organizational commitment is evolving as a very thoughtful problem for the organisations because for the managers who may impact on the organizational output and business’s struggle [2]. Researcher [1] informed that 71% of employees of Nigeria were facing the problem of organizational commitment.

Objectives of the Study

The objectives of the study are given as follow

To check the relationship between procedural justice on organizational commitment

To check the relationship between distributive justice on organizational commitment.

Significance of the study:

The study examines the impact of distributive justice and distributive justice on organizational commitment in Pakistan’s banking sector because banking sector of Pakistan is playing essential role in the growth of country’s economy [7]. According report [7] the growth rate of Pakistan’s

banking sector is 16.8% which is better than all other service sectors.

2. LITERATURE REVIEW, THEORITICAL FRAMEWORK AND HYPOTHESES

2.1 Distributive Justice

In simple words, distributive justice defined that how fairness of the outcomes or results comes from different perspective in the organization. And always results indicate the fairness on the base of the legal works, unlikeness through judgments [1]. In another words, if unbiased behaviour results in rewards for the employees on the work [2]. Then we say that inputs in the organization is proper distribution on the work [2]. All the actions regarding work inputs and proper distributed on the works will result in more powerful fair process. Organizational justice previously focused on the equality perceptions of results generally declared to Distributive Justice.

2.2 Procedural Justice

Researcher [3] proposed that procedural justice based on the equality of the procedure process in the works. Although distributive justice determine the appraisal and procedural justice determine how to process on the equity base in the work on the organization. Previously importance of the procedural justice base on the fairness and generate the good assets provide in the organization. [8]. Procedural substances such as fairness of the sequence [8], behavior of the funders and the trustworthiness of the result establishment must be expert [9] are important to smart visions of procedural justice. General works chains procedural justice concepts of fulfillment. In overall, research advises that if structural processes and procedures are supposed to be reasonable, then members will be more fulfilled, more prepared to receive the resolve of that procedure, and more likely to form positive approaches about the organizations [11, 9]

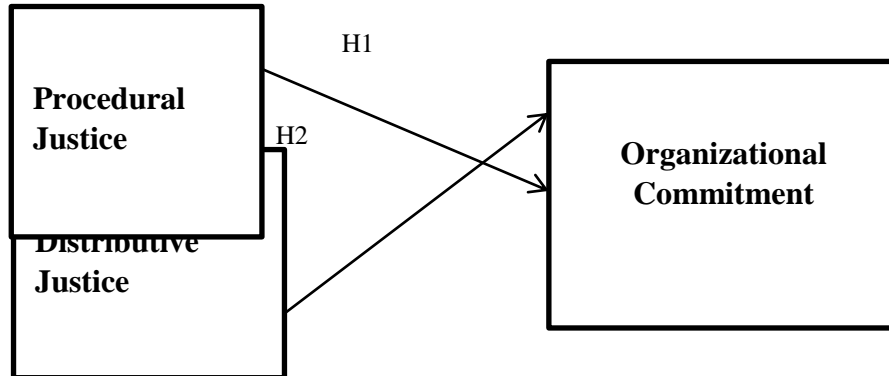
2.3 Organization Commitment

In 1991 (Meyer) According to Becker’s theory, the relationship between an employee and the organization is shaped on behaviors limited by an “agreement” of economic improvements. Employees are loyal to the organization because they have some unseen discussed funds. These investments are respected by the individual because of the increase of certain costs that reduce separation. In fact,

Becker’s theory classifies organizational commitment as a major element of unpaid income. Organizational commitment was firstly discrete regarding a physical or Affecting part to an organization by (Kantar, 1968) as “the will of social Performers to give their energy and faithfulness to public systems, (Klinsontorn, 2005).

(Botulin, 1974) organizational Commitment on a basis of promise of an individual to the organisation and approving the relation between employees and the organization. Commitment to the organizations occurs in related exchange process between employees and the organization.

Model



Hypotheses

Bakshi Kumar and Rani[2] has proved that procedural and distributive justice both were significantly correlated with the organizational commitment. Lamber et al. [18] also established significant positive association of employee’s perceptions of distributive justice with commitment to the organization .

H1: Procedural Justice has positive effect on organisation commitment.

H2: Distributive Justice has positive effect on organization commitment.

Methodology

Population and Sampling Method

Simple random sampling technique of is used in this research study for data collection. The sample size for research was all 25 banks in Lahore Pakistan the current study focuses on the employees (OGII and the above officers) of banking sector of Pakistan as population.

Sample Size: According to Glenn, [14] a good sample size, i.e., 200-500, is needed for simple and multiple regression which might be performed for more difficult state impact evaluations.

Data Collection: Therefore, 300 questionnaires were distributed among different banks of Lahore. The

questionnaires were distributed among the banks until it completed. 25 banks were included in data collection process. In data collection process, 270 complete questionnaires were used for final analysis. Response rate of return was 84%.

Data Collection Instrument: This study used an instrument 32 items developed with the previous articles published in the same research area. Cronbach alpha of the instrument for procedural justice was 0.841, distributive justice was 0.741, and for organizational commitment, it was 0.951 for this study. Quantitative research designs use tests and closed-ended questionnaires to gather, analyze and interpret the data. **Data Analysis Technique:** SPSS 17 was used to evaluate variables engaged in the study. To check the influence of procedural justice and distributive justice on organizational commitment, several statistical tests were applied through SPSS 17.

Findings and Discussion, The purpose of analysing data, is to obtain usable and useful information.

Findings

Demographics

It consists of the age, education, banks and detail mentioned on the table 1

Table No 1 Demographic Analysis

			Frequency	Percent	Valid Percent
Valid	Age	25-30	75	25.0	25.0
	Education	Masters	100	50.0	50.0
	Banks	public	75	25.0	25.0
	Total		250	100	100

Correlation Analysis: correlation is defines the relationship between independent and dependent variables (procedural justice, Distributive justice) on the dependent variable (organizational commitment) which is a used. The table 1

shows the results of correlation analysis: The table1 explains that there is positive relationship between PJ and OC which is (0.774**), Similarly DJ has positive relationship between OC which is (0.742**).

Regression Analysis: The detail of regression analysis is described below. The regression defines The relationship and impact of the independent variables on the dependent variable with the help of regression analysis. And the value of R Square shows the effect that independent variable have on dependent variables. The value of R Square is accepted when it is value is greater than 25%. Than, the P-Value describes the actual level of relationship. F defines the level of relationship between independent and the dependent variables For relationship between procedural justice with organization commitment, the value of R square is 0.645 and the value of

R square should greater than 25 %i.e. 0.25.F value is equal to 242.92, and the p value is 0.000. This shows that there is strong relationship among dependent variables and independent variables for the relationship of PJ and OC, the value of β is 0.500, i.e. for the relationship of DJ and OC, the value of β is .0348. In first relationship means procedural justice, distributive justice and organization commitment the value of p for the relationship is equal to 0.000 which is less than 0.01. This means that hypothesis regarding procedural justice, distributive justice and organization commitment is accepted.

Table2: Correlations

	Correlations		
	PJ	DJ	OC
PJ	1		
DJ		1	
OC	.774**	.742**	1

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

Table 3: Regression Analysis

Model Summary					
Model	<u>R</u>	<u>R Square</u>	<u>Adjusted R Square</u>	<u>F</u>	<u>p-value</u>
1	.803 ^a	.645	.643	242.992	0.000

a. Predictors: (Constant), DJ, PJ

Table 3.1: Coefficients

Coefficients ^a						
Model		<u>Unstandardized Coefficients</u>		<u>Standardized Coefficients</u>	<u>t</u>	<u>p-value</u>
		<u>B</u>	<u>Std. Error</u>	<u>B</u>		
1	(Constant)	.710	.205		3.457	.001
	PJ	.492	.058	.500	8.469	.000
	DJ	.354	.060	.348	5.889	.000

a. Dependent Variable: OC

Conclusion: Results of this study propose that two dimensions of organizational justice (procedural justice and distributive justice) plays important role in helping organizational commitment in commercial sector particularly in banking sector of Pakistan. Results suggests procedural justice, and distributive justice has open directly impact on organizational commitment. However one can easily understand the importance of all two dimensions of organisational justice including distributive and procedural justice to support organizational commitment.

Contribution of study: In the literature review, researcher discussed about importance and significance of organisational justice like procedural justice, distributive justice and organizational commitment. Very little work is seen with the dimensions of organizational justice, i.e. procedural, distributive, collectively in banking sector of Pakistan.

Future Research: The current research can be increased to get better results The same research can also be arranged in

other organizations, e.g. industrial sector telecommunications, hospitality sectors, educational institutions etc. to checked the generalizability of results. In future research, for more generalising the result longitudinal study will conduct on banking sector of Lahore.

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