

PERCEPTION OF FAIRNESS AND ITS IMPACT ON ORGANISATIONAL COMMITMENT AMONG THE EMPLOYEES OF AUTOMOBILE INDUSTRY

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Abstract

Organizational justice is the employees' perception of fairness with which they have been treated by an organization. The present study was aimed at studying the perception of organizational justice and its impact on organizational commitment among the employees of automobile industry. A convenience sample consisting of one hundred and forty four employees working in automobile industry participated in the study. Questionnaire method was used for data collection. Statistical techniques including mean, standard deviation, ANOVA, correlation analysis and regression were used to analyse the data. This study develops an understanding of the dimensions of organizational justice and its relationship with organizational commitment. The results of the study revealed that interactional justice will have a great impact on organizational commitment.

Key Words: Distributive justice, Interactional justice, Organizational commitment, Organizational justice, and Procedural justice.

Introduction

Organisational justice refers to employees' perception of fairness with which they have been treated by an organisation. It is the degree to which fair procedures and processes exist and are adhered to in an organization, and the extent to which individuals perceive their leaders as being fair and sincere and having logic or rational for what they do. Greenberg (1990) explained organizational justice as a literature "grown around attempts to describe and explain the role of fairness as a consideration in the workplace".

Organizational justice literature initially focused on the distributive justice, which describes the perceived fairness of outcomes that employees receive. Over time, scientists started to consider the procedural justice or the perceived fairness of procedures to determine the outcomes (Folger & Greenberg, 1985) and interactional justice or the quality of the relationships between individuals in organization (Folger & Cropanzano, 1998) as the third form of justice. Thus, in general, three dimensions are considered for organizational justice, i.e. distributive justice, procedural justice and interactional justice (Bies & Moag, 1986).

Distributive justice refers to the perceived fairness regarding a person's perceived input versus the reward obtained (Adams, 1963). Researchers have stressed that many employees perceive pay allocation decisions to be unfair which may explain the weak link between actual pay and performance. Procedural justice implies the perception regarding the process followed to arrive at a particular outcome (Leventhal, 1976). Interactional justice is related to the quality of relationships between individuals within organisations (Folger & Cropanzano, 1998). In interactional justice, decision makers' treatment of those affected by decisions is crucial because persons identify attitudes as indicators of justice within the organisation. It refers to perceptions concerning the way authorities treat their subordinates, and how these subordinates respond to these perceptions (Cohen-Charash and Spector, 2001).

Meyer at al., (1997) describes commitment as a psychological state of employee's relationship with their organization and a propensity to continue the relationship with the organization. Affective commitment is the first component of commitment, which refers to an employee's emotional attachment to, identification

with and involvement in an organization (Meyer and Allen, 1991). Continuance commitment is the second component of Meyer and Allen model, which refers to an employee's perceived costs of leaving an organization. Normative commitment is the third component, which refers to an employee's feelings of obligation to remain in their organization

Review of Literature

Arif Hassan(2002)examined how perception of equity and justice played an important role in employees' commitment to the organization and intent to leave. The sample consisted of 181 middle and lower level managers from the banking and finance, production and manufacturing, and service sectors. The results hypothesized that both internal and external equity perceptions are positively related to commitment and negatively related to intent to leave. Among all the facets, equity promotion appeared to be the most significant predictor. Both distributive and procedural justice factors made significant contributions to employees' organizational commitment and intent to leave.

Nazim Ali & Shahid Jan (2012) investigated the relationship between organizational justice, organizational commitment and turnover intention. Data were collected from 223 medical representatives of pharmaceutical companies of Pakistan. Statistical Package for Social Sciences (SPSS) was used for finding out the relationship between organizational justice, organizational commitment and turnover intention. The results indicated that both distributive justice perception and procedural justice perception had a significant relationship with organizational commitment and turnover intentions amongst Medical Representatives of Pharmaceuticals Companies operating in Pakistan.

Akanbi et al (2013) examined the role of organizational justice on organizational commitment in Nestle Nigeria PLC Agbara, Lagos State Nigeria. The objectives of the study were to examine the relationship between distributive justice and perceived organizational commitment. In addition, the study ascertained the main and interaction effect of distributive justice and procedural justice on organizational commitment. The study employed survey research using questionnaire to collect data from all categories of workers in the multi-national manufacturing company. Two hundred and fifteen employees of the company responded to the questionnaire. Results indicated that organizational justice as measured by procedural justice and distributive justice can have a significant impact on the organizational commitment. The findings from the study also showed that there was a significant relationship between distributive justice and perceived organizational commitment.

Fariba Rafei-Dehkordi, Sardar Mohammadi and Mozafar Yektayar (2013) examined the relationship between organizational justice and its relationship with organizational commitment of the staff in Directorate of Youth and Sport of Chahar Mahal va Bakhtiari. 150 staff employed in the Office of Youth and Sports in Chahar Mahal va Bakhtiari were selected as sample. To collect data, questionnaire of organizational justice (Nihoof and Moorman 1993) and organizational commitment questionnaire (Allen and Meyer, 1991) were used. Results indicated that all of the components of the organizational justice distributive justice, procedural justice and interactional justice effect organizational commitment and there is direct and significant relationship between organizational justice and its dimensions with organizational commitment.

Objective of the Study

The present study was aimed at studying the perception of fairness (distributive justice, procedural justice, and interactional justice) and its impact on organizational commitment (affective commitment, continuance commitment and normative commitment) among the employees of automobile industry.

Research Methodology

A convenience sample consisting of one forty four employees working in automobile industry participated in the study. Questionnaire method was used for data collection. The collected data was analyzed with mean, standard deviation, ANOVA, correlation and regression tests.

Measures

The perceptions of distributive justice were measured with a 5-item scale developed by Neihoff and Moorman (1993). Respondents indicated the extent of their agreement or disagreement with each item on a scale from 1 (strongly disagree) to 5 (strongly agree). The perceptions of procedural justice were measured

with a 6-item scale developed by Neihoff and Moorman (1993). The perceptions of interactional justice were measured with 11-items measuring the degree to which employees felt their needs were considered, and adequate explanations were made for job decisions (Neihoff and Moorman, 1993). Organizational Commitment scale developed by Meyer and Allen (1991) was used. Each commitment has 8 items. The respondent was asked to rate each of the 24 items on the following 5-point Likert scale-1 (Strongly disagree) to 5 (Strongly agree).

Results and Discussion

This section presents the analysis of the data collected from the respondents.

(Kindly refer Table 1)

Among the 144 respondents, 77 (53.5%) belong to 20- 30 years age group; 77 (53.5%) are female; 88 (61.1%) are married; 87 (60.4%) are post graduates; 51 (35.4%) belong to above 8 years experience group; and 71 (49.3 %) belong to above 25000 income group.

Table 1 Demographic characteristics of the Sample

Demographic Factors	Classification	Number of Respondents	Percent
Age (in years)	20-30	77	53.5
	31-40	39	27.1
	41-50	18	12.5
	Above 50	10	6.9
Gender	Male	67	46.5
	Female	77	53.5
Marital Status	Married	88	61.1
	Single	56	38.9
Education	UG	57	39.6
	PG	87	60.4
Experience (in years)	Below 2	43	29.9
	2-5	34	23.6
	5-8	16	11.1
	Above 8	51	35.4
Monthly Income (Rs)	Below 15000	29	20.1
	15000-20000	13	9.0
	20001-25000	31	21.5
	Above 25000	71	49.3

(Kindly refer Table 2)

A higher level of organizational justice (Mean= 103.13) was observed among the respondents of age group 20-30. A higher level of organizational commitment (Mean= 81.56) was observed among the respondents of age group 41-50.

Table 2 Showing the Mean and Standard Deviation of research variables in different age groups.

Age		Organizational justice	Organizational commitment
20-30	Mean	103.13	76.61
	N	77	77
	Std.Deviation	22.278	6.442
31-40	Mean	96.49	80.87
	N	39	39
	Std.Deviation	22.531	8.007
41-50	Mean	99.39	81.56
	N	18	18
	Std.Deviation	24.786	7.294
> 50	Mean	79.40	79.80
	N	10	10

Age		Organizational justice	Organizational commitment
	Std.Deviation	19.033	4.917
Total	Mean	99.22	78.60
	N	144	144
	Std.Deviation	23.071	7.189

(Kindly refer Table 3)

A higher level of organizational justice (Mean= 103.13) was observed among the female respondents. A higher level of organizational commitment (Mean= 81.56) was observed among the female respondents.

Table 3 Showing the Mean and Standard Deviation of research variables among the male and female respondents.

Gender		Organizational justice	Organizational commitment
Male	Mean	98.25	76.13
	N	67	67
	Std.Deviation	21.590	5.841
Female	Mean	100.05	80.75
	N	77	77
	Std.Deviation	24.396	7.587
Total	Mean	99.22	78.60
	N	144	144
	Std. Deviation	23.071	7.189

(Kindly refer Table 4)

A higher level of organizational justice (Mean= 107.36) was observed among the respondents who are single. A higher level of organizational commitment (Mean= 79.33) was observed among the respondents who are married.

Table 4 Showing the Mean and Standard Deviation of research variables among the married and unmarried respondents

Marital status		Organizational justice	Organizational commitment
Married	Mean	94.03	79.33
	N	88	88
	Std.Deviation	22.453	7.656
Single	Mean	107.36	77.46
	N	56	56
	Std.Deviation	21.817	6.284
Total	Mean	99.22	78.60
	N	144	144
	Std.Deviation	23.071	7.189

(Kindly refer Table 5)

A higher level of organizational justice (Mean= 100.18) was observed among the post graduates. A higher level of organizational commitment (Mean= 80.07) was observed among the respondents who are under graduates

Table 5 Showing the Mean and Standard Deviation of research variables in different Education groups.

Education		Organizational justice	Organizational commitment
UG	Mean	97.74	80.07
	N	57	57
	Std.Deviation	24.599	8.426
PG	Mean	100.18	77.64
	N	87	87
	Std.Deviation	22.104	6.111
Total	Mean	99.22	78.60
	N	144	144
	Std.Deviation	23.071	7.189

(Kindly refer Table 6)

A higher level of organizational justice (Mean=109.79) was observed among the respondents of experience group below 2 years. A higher level of organizational commitment (Mean=81.81) was observed among the respondents of experience 5-8 years.

Table 6 Showing the Mean and Standard Deviation of research variables in different Experience groups.

Experience		Organizational justice	Organizational commitment
< 2	Mean	109.79	77.86
	N	43	43
	Std.Deviation	20.599	5.922
2-5	Mean	97.65	74.85
	N	34	34
	Std.Deviation	21.720	5.842
5-8	Mean	94.44	81.81
	N	16	16
	Std.Deviation	27.164	8.448
>8	Mean	92.84	80.73
	N	51	51
	Std.Deviation	22.058	7.516
Total	Mean	99.22	78.60
	N	144	144
	Std.Deviation	23.071	7.189

(Kindly refer Table 7)

A higher level of organizational justice (Mean=112.17) was observed among the respondents of income group below less than 15000. A higher level of organizational commitment (Mean=79.92) was observed among the respondents of income 15001-20000.

Table 7 Showing the Mean and Standard Deviation of research variables in different Income groups.

Income		Organizational justice	Organizational commitment
< 15000	Mean	112.17	79.21
	N	29	29
	Std.Deviation	22.854	6.673
15001-20000	Mean	110.54	79.92
	N	13	13
	Std.Deviation	24.768	5.090
20001-25000	Mean	100.23	79.84
	N	31	31
	Std.Deviation	21.844	6.548
>25000	Mean	91.41	77.58
	N	71	71
	Std.Deviation	20.325	7.920
Total	Mean	99.22	78.60
	N	144	144
	Std.Deviation	23.071	7.189

(Kindly refer Table 8)

There was a significant difference in procedural justice ($F=16.504$, $p < .01$); interactional justice ($F=9.757$, $p < .01$); organizational justice ($F=3.562$, $p < .05$); affective commitment ($F=6.594$, $p < .01$); continuance commitment ($F=4.235$, $p < .01$); and organizational commitment ($F=4.712$, $p < .01$) among the respondents of different age groups.

Table 8 Showing the results of ANOVA test of Research variables in relation to Age

		Sum of Squares	df	Mean Square	F	Sig.
Distributive justice	Between Groups	25.047	3	8.349	1.152	.330
	Within Groups	1014.509	140	7.246		
	Total	1039.556	143			
Procedural justice	Between Groups	475.615	3	158.538	16.504	.000
	Within Groups	1344.823	140	9.606		
	Total	1820.437	143			
Interactional justice	Between Groups	874.008	3	291.336	9.757	.000
	Within Groups	4180.319	140	29.859		
	Total	5054.326	143			
Organizational	Between	5397.204	3	1799.068	3.562	.016

		Sum of Squares	df	Mean Square	F	Sig.
justice	Groups					
	Within Groups	70715.123	140	505.108		
	Total	76112.326	143			
Affective commitment	Between Groups	271.098	3	90.366	6.594	.000
	Within Groups	1918.652	140	13.705		
	Total	2189.750	143			
Continuance commitment	Between Groups	143.882	3	47.961	4.235	.007
	Within Groups	1585.611	140	11.326		
	Total	1729.493	143			
Normative commitment	Between Groups	9.492	3	3.164	.304	.822
	Within Groups	1456.480	140	10.403		
	Total	1465.972	143			
Organizational commitment	Between Groups	677.722	3	225.907	4.712	.004
	Within Groups	6712.715	140	47.948		
	Total	7390.438	143			

(Kindly refer Table 9)

There was a significant difference in distributive justice ($F=2.970$, $p<.05$); interactional justice ($F=4.426$, $p<.01$); organizational justice ($F=4.972$, $p<.01$); affective commitment ($F=5.263$, $p<.01$); continuance commitment ($F=2.751$, $p<.05$); normative commitment ($F=4.759$, $p<.01$); and organizational commitment ($F=6.442$, $p<.01$) among the respondents of different experience groups.

Table 9 Showing the results of ANOVA test of Research variables and Experience group

		Sum of Squares	df	Mean Square	F	Sig.
Distributive justice	Between Groups	62.196	3	20.732	2.970	.034
	Within Groups	977.359	140	6.981		
	Total	1039.556	143			
Procedural justice	Between Groups	41.871	3	13.957	1.099	.352
	Within Groups	1778.566	140	12.704		
	Total	1820.438	143			
Interactional justice	Between Groups	437.807	3	145.936	4.426	.005
	Within Groups	4616.520	140	32.975		
	Total	5054.326	143			
Organizational justice	Between Groups	7328.763	3	2442.921	4.972	.003
	Within Groups	68783.564	140	491.311		
	Total	76112.326	143			
Affective commitment	Between Groups	221.943	3	73.981	5.263	.002
	Within Groups	1967.807	140	14.056		
	Total	2189.750	143			
Continuance commitment	Between Groups	96.267	3	32.089	2.751	.045
	Within Groups	1633.226	140	11.666		

		Sum of Squares	df	Mean Square	F	Sig.
	Total	1729.493	143			
Normative commitment	Between Groups	135.652	3	45.217	4.759	.003
	Within Groups	1330.320	140	9.502		
	Total	1465.972	143			
Organizational commitment	Between Groups	896.416	3	298.805	6.442	.000
	Within Groups	6494.022	140	46.386		
	Total	7390.437	143			

(Kindly refer Table 10)

There was a significant difference in distributive justice ($F=3.701$, $p<.05$); procedural justice ($F=3.467$, $p<.05$); interactional justice ($F=7.702$, $p<.01$); and organizational justice ($F=7.795$, $p<.01$) among the respondents of different income groups.

Table 10 Showing the results of ANOVA test of Research variables and Income groups

		Sum of Squares	df	Mean Square	F	Sig.
Distributive justice	Between Groups	76.393	3	25.464	3.701	.013
	Within Groups	963.163	140	6.880		
	Total	1039.556	143			
Procedural justice	Between Groups	125.907	3	41.969	3.467	.018
	Within Groups	1694.530	140	12.104		
	Total	1820.437	143			
Interactional justice	Between Groups	716.018	3	238.673	7.702	.000
	Within Groups	4338.309	140	30.988		
	Total	5054.326	143			
Organizational justice	Between Groups	10894.383	3	3631.461	7.795	.000
	Within Groups	65217.943	140	465.842		
	Total	76112.326	143			
Affective commitment	Between Groups	45.809	3	15.270	.997	.396
	Within Groups	2143.941	140	15.314		
	Total	2189.750	143			
Continuance commitment	Between Groups	45.027	3	15.009	1.247	.295
	Within Groups	1684.466	140	12.032		
	Total	1729.493	143			
Normative commitment	Between Groups	39.516	3	13.172	1.293	.279
	Within Groups	1426.457	140	10.189		
	Total	1465.972	143			
Organizational commitment	Between Groups	155.238	3	51.746	1.001	.394
	Within Groups	7235.199	140	51.680		
	Total	7390.437	143			

(Kindly refer Table 11)

There was a significant positive correlation between distributive justice and procedural justice ($r=0.397$, $p<.01$); distributive justice and interactional justice ($r=0.307$, $p<.01$); distributive justice and affective commitment ($r=0.306$, $p<.01$); procedural justice and interactional justice ($r=0.570$, $p<.01$); interactional justice and affective commitment ($r=0.229$, $p<.01$); interactional justice and continuance commitment ($r=0.219$, $p<.01$); and interactional justice and normative commitment ($r=0.211$, $p<.05$).

Table 11 Showing the correlation among research variables

		Distributive justice	Procedural justice	Interactional justice	Affective commitment	Continuance commitment	Normative commitment
Distributive justice	Pearson Correlation	1	.397**	.307**	.306**	.103	-.045
	Sig. (2-tailed)		.000	.000	.000	.221	.595
	N		144	144	144	144	144
Procedural justice	Pearson Correlation		1	.570**	.038	.141	.033
	Sig. (2-tailed)			.000	.653	.092	.693
	N			144	144	144	144
Interactional justice	Pearson Correlation			1	.229**	.219**	.211*
	Sig. (2-tailed)				.006	.008	.011
	N				144	144	144
Affective commitment	Pearson Correlation				1	.361**	.074
	Sig. (2-tailed)					.000	.381
	N					144	144
Continuance commitment	Pearson Correlation					1	.105
	Sig. (2-tailed)						.209
	N						144
Normative commitment	Pearson Correlation						1
	Sig. (2-tailed)						
	N						

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

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

(Kindly refer Table 12)

Regression analysis was conducted to investigate the relationship between the three dimensions of organizational justice - distributive justice, procedural justice, interactional justice, and the three dimensions of organizational commitment i.e., affective commitment, continuance commitment, normative commitment. F-Test was statistically significant ($F=7.201$ & $p<.01$), which means that the model was statistically significant. The R-Square was .234 which means that approximately 23% of the variance in organizational commitment was explained by the predictor variables, that is, distributive justice, procedural justice, and interactional justice.

Table 12 Showing the regression analysis with job satisfaction as dependent variable

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.366 ^a	.234	.215	6.763

a. Predictors: (Constant), Interactional justice, Distributive justice, Procedural justice

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	987.936	3	329.312	7.201	.000 ^a
	Residual	6402.502	140	45.732		
	Total	7390.437	143			

a. Predictors: (Constant), Interactional justice, Distributive justice, Procedural justice

b. Dependent Variable: Organizational commitment

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	63.381	4.597		13.787	.000
	Distributive justice	.396	.230	.148	1.721	.087
	Procedural justice	-.342	.201	-.170	-1.701	.091
	Interactional justice	.455	.116	.376	3.905	.000

a. Dependent Variable: Organizational commitment

Conclusion

Organizational justice refers to employees' perception of fairness in the workplace. Organizational commitment is a psychological state that characterizes the employee's relationship with the organization, and has implications for the decision to continue membership in the organization. The purpose of this study was to examine the relationship between organizational justice and organizational commitment among the employees automobile industry. The sample consisted of 144 employees. The tools used for analysis were percentage analysis, mean and standard deviation, ANOVA, correlation and regression. The results of this investigation revealed that there is a significant relationship between interactional justice and organizational commitment. Interactional justice focuses on the quality of the interpersonal treatment people receive during the implementation of procedures and outcomes. It was found that interactional justice will have a great impact on organizational commitment. Twenty three percent of the variance in organizational commitment was explained by distributive justice, procedural justice, and interactional justice.

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