

Survey the Relationship Between Procedural Justice and Organizational Commitment: Divandareh Banks and Financial Institutions Case Study

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ABSTRACT

Organizational commitment as an important and fundamental factor in workers performance, as well as overall organizational performance, had gained the attention of many management scholars, so. On the other side, organizational justice will keep on the vitality and social systems survival, and led to creating the coherence and integrity in them .at this research we will investigate the relationship between organizational commitment and procedural justice by emphasizing on the procedural justice. Statistical population include Divandareh banks and financial institutions workers, which 67 of 80 people of statistical population based on Cochran formula were selected as sample. Among them 63 questionnaires were gathered and analyzed. For gathering data of Allen & Meyer's (1997) organizational justice questionnaire, and for gathering data about procedural justice of Colquitt (2001) organizational justice questionnaire were used. For hypothesis Test we used Pearson correlation coefficient. Findings show that there is a significant relation between procedural justice and each facet of commitment–affection, continuance commitment and normative commitment.

Keywords: Organizational Justice, Procedural Justice, Commitment.

Introduction

Organization is a social system that its vitality and stability depends on the strong ties between its constitutive element and components. One of the important factor in creating this tie is organizational commitment. Against traditional perspective in management, that believe whenever worker forced to work can yield efficiency, in new approaches having motivated and obliged worker, not only decrease controlling expenditures, but

improve worker performance. Organizational commitment influence worker and show his or her identity and attachment to the organization .any organization can't be successful without worker's commitment and endeavor. Workers that have commitment and adherent, are more disciplined at their work, stays more in organization and works (1). At the other side, injustice has a destructive impact on the group work

morale; because underestimate human force efforts and workers motivation. Keeping and developing the equal behaviors in managers and feeling of parity in workers is one of the main responsibility of management .by achieving correct knowledge of organizational justice facet and how to influence on the diverse facet of commitment, managers find this possibility that should plane and manage suitable actions for developing justice feeling in organization. Due to this reason, the goal of this research is to achieving to mentioned knowledge by practical test and how organizational justice affect on the commitment. First of all by providing definition and description of commitment and justice, we will investigate the outcome of this research.

Research literature organizational commitment

Organizational commitment is an professional and organizational approach, which in the past years had gained the interest of the many organizational behavior scholars and psychology scholars especially social psychologist, that diverse definition for that provided. "Organizational commitment means power and identity that each person feels with the organization "Mowdy and et al. (1979) say. In the other definition organizational commitment include "the attachment or the interest to the organization that feels by the person". There is a common subject in the diverse definition of organizational commitment: the attachment, interest or person and its organization (2). Organizational commitment is a multi-dimensional structure, that has a relationship with the occupational and professional outcomes include decreasing

absence and job leave(3), increasing civic-organizational behavior, job striving and job performance improvement(4). Diverse studies such as Mito and Raziak(1990) shows that commitment about worker payment, cause that we have obliged worker in the reflective and behavioral facet to the organization. After initial work by the Porter ,Estirs ,Moody and Bolian, about organizational commitment and it's measuring , many researchers at an attempt for accurate and scientific investigation of this structure , introduce types of organizational commitment :most famous and all too familiar endeavors comes back to Allen and Mir studies., which by doubting on one-dimension organizational commitment , and by creating stable and efficient tools, introduce three dimensional commitment; *i.e* affective commitment, continuance commitment and normative commitment(5).

affective commitment; include worker's feeling to the organization identity and involving with the organizational activity along with having positive feeling. Workers with having strong affective commitment stays in the organization, because they want to will stay in the organization (6).

Continuance commitment: include kind of commitment that based on the valuing to the organization .and worker shares his live with the organization live .workers will stay in the organization, because leaving organization has high costs and they need to stay(7).

Normative commitment; include workers feelings based on the necessity to stay in the organization, workers due to the normative commitment that feels to stay in the organization and will stay (8).

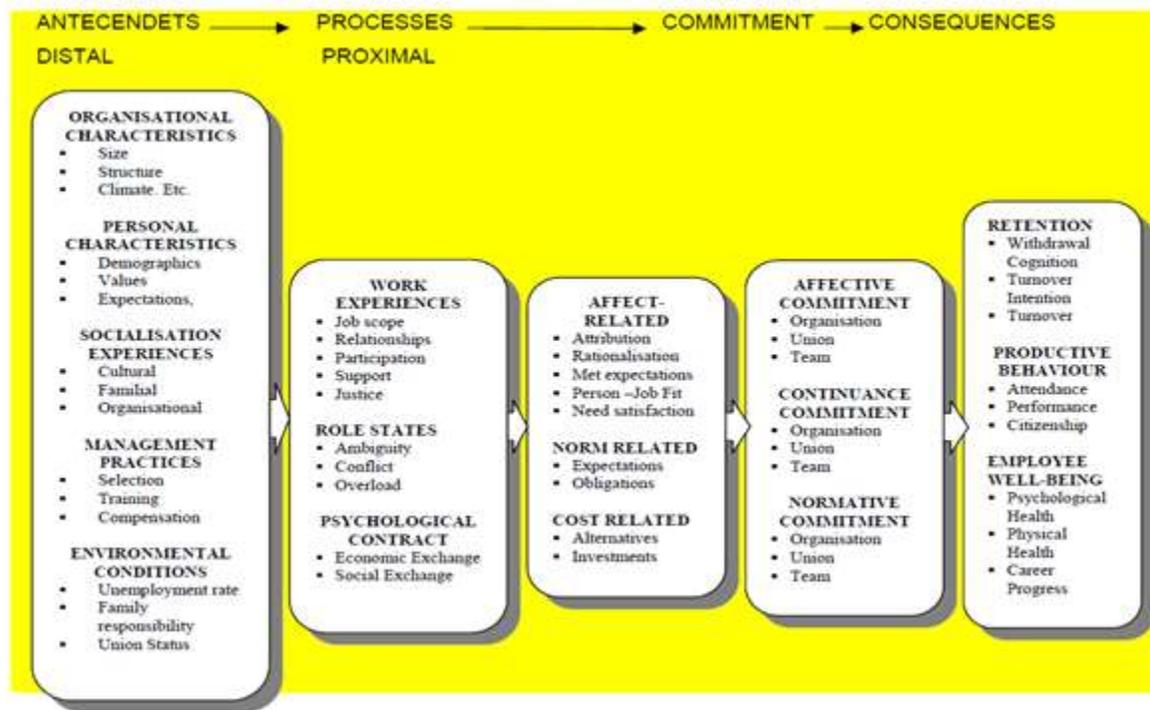


Figure 1. Organisational Commitment Model (Meyer & Allen, 1997) (7).

Organizational justice

Justice and its implement is one of the basic and intrinsic human needs, which always and in all historic era provided suitable situation for human societies development. Theories on justice developed along with human society extension and advancement and its range spread to the empirical studies. Some of the scholars names the equality theory as the justice extension theory. Because equal distribution of income between human concentrate on the high level of the motivation (1). In the organization and management literature, organizational justice expression was applied by the Greenberg, formerly .in the Greenberg opinion, organizational justice is correlate with worker's cognition of job fair in the organization: he employ this expression for explanation and interpretation of equality essence in the work environment(9). Organizational justice importance was discussed in many studies. At this subject two model

provided, which include: personal benefit model and group value model. Personal benefit model justify justice importance to this manner: which, maximize possible personal benefit: i.e people pay value to equal procedural, because scholars believe that equal procedures led to desirable outcomes. in the other side, group value says that justice is important, since workers by perceiving supervisor's equal behavior, worker earn information about group membership and group identity (10). Based on the conducted studies in the organizational justice realm, three kinds of justice identified in the work environment, which include;

Distributive justice: about 40 years ago, G.Esti Adams , a psychologist introduced equal(equity) theory, which based on, worker by doing their work can receive equal reward , in other words receive benefit reward of the work as equal as their colleague's benefit. Based on the Adam's theory, whenever equality yield, that workers feels their input (endeavor)

proportion to the their output (reward) proportion, with these proportion in their colleagues be equal.

Workers that feels inequality, respond with the negative reaction like refusal of endeavor, less work and weak civic-organizational behavior and in more acute form, use of resignation. Historically, equality theory concentrates on the perceived justice of rewards which distributed between people. This kind of justice has many applications in the organizational environment, and scholars investigate the relationship of this kind of the justice with many variables such as quality and quantity. Due to this kind of justice's concentration on the outcomes, it was forecasted that this form of justice correlates with the cognitive, affective and behavioral reactions. so whenever a specific outcomes perceive as unequal ,this injustice underlie worker's feelings (frustration ,self-satisfaction ,pride , guilty) cognitive (distorted perceive of person's input and output with others) and finally behavior (performance and job leave) (11).

Procedural justice ; by shifting in the social psychology studies ,study justice in organizations by mere emphasize on the reward allocation outcomes (distributive justice) shift to emphasize on the procedure that cause such allocations (procedural justice) (12). Procedural justice is a kind of perceived justice of the procedure that is use to determine distributing rewards.(13).now ,can bring up this question , may one worker receive lower reward than to the other colleagues and don't feel inequality or injustice ? Our answer based on the procedural justice is positive, and will illustrate this subject with an example. Suppose, there is two qualified worker for doing a job and occupational responsibility, but one of them receive more wage than the other.

organization payment include diverse policies and legal factors that encompass work time ,work shift and so on .these two worker are aware of organization payment policy and have equal opportunities, by considering these factors maybe one worker receive more wage than the other ,meanwhile may the other worker feels that lower to his /her desire had paid ,though ,but this payment isn't injustice, because of organization's compensation policy is a Politician and had employed as a strict manner and without any prejudice and discrimination. So by employing this justice system, payment system sounds justice. Even so payment seems too lower (14). By increasing knowledge about procedural justice, worker look more positively at the upper colleagues and their organization, even though, show dissatisfaction toward the payments, promotions and other personal consequences (13).

by shifting in the social psychology studies ,study justice in organizations by mere emphasize on the reward allocation outcomes (distributive justice) shift to emphasize on the procedure that cause such allocations (procedural justice). Based on the procedural justice theory , whenever people consider current procedure in decision making for distributing incomes as equal and fair they become motivated for better performance ,because ,their performance will be assessed strictly: in contrast , if think that supervisors aren't aware of their services ,as well as don't assess their performance strictly ,or intrude their personal feelings in the assessment ,as a result they don't show little motivation from him/herself. Procedural justice theory is finding the reasons for fair and unfair procedures consideration and its consequences by the people (15).

In Lontal point of view, there are six rules (principles) that when are applied, give rise to equitable procedures.

1- Stability principle: It is a situation in which allocation (distribution) procedures should always be constant for everybody.

2- Bias preventing principle: It is the situation in which decision makers are prevented from seeking their own benefits during the distribution process.

3- Accuracy principle: It refers to usefulness of data in allocation process.

4- amendment ability principle: it refers to opportunities for changing an unjust decision.

5- agency principle: a state in which the needs, values and perspectives of the affected parts should be considered in distribution process.

6- moral principle: according to this principle, distribution process should be compatible with moral and conscientious values. Organizational procedures show the quality of resource allocation by the organization. The studies show that there is a close relationship between procedural justice and cognitive, emotional and behavioral reactions of the personnel towards the organization (such as organizational commitment). So, a process would led to a special result when it is perceived as a fair event. Studies show that procedural justice correlate with the worker's cognitive, emotional, behavioral reactions to the organization (such as organizational commitment).so whenever a process led to a specific outcome, which (process) perceived as injustice (15).

Interactional justice; simultaneous with the study on the procedural justice, Bayiz and Moola (1975) bring up interactional injustice discussion .which concentrate on the intrapersonal facet of organizational actions, especially behavior and

relationship between management and workers. Although many researchers wanted to distinguish between interactional justice and procedural justice, but Tayer(1999) and Byz(1990) questioned this discrimination . many scholars such as kropanzno and byren instead of had considered that as a separate structure of organizational justice ,had considered interactional justice as one facet of the procedural justice .parts of ambiguity about relationship between interactional and procedural justice refers back to this description that how to differentiate from each other .

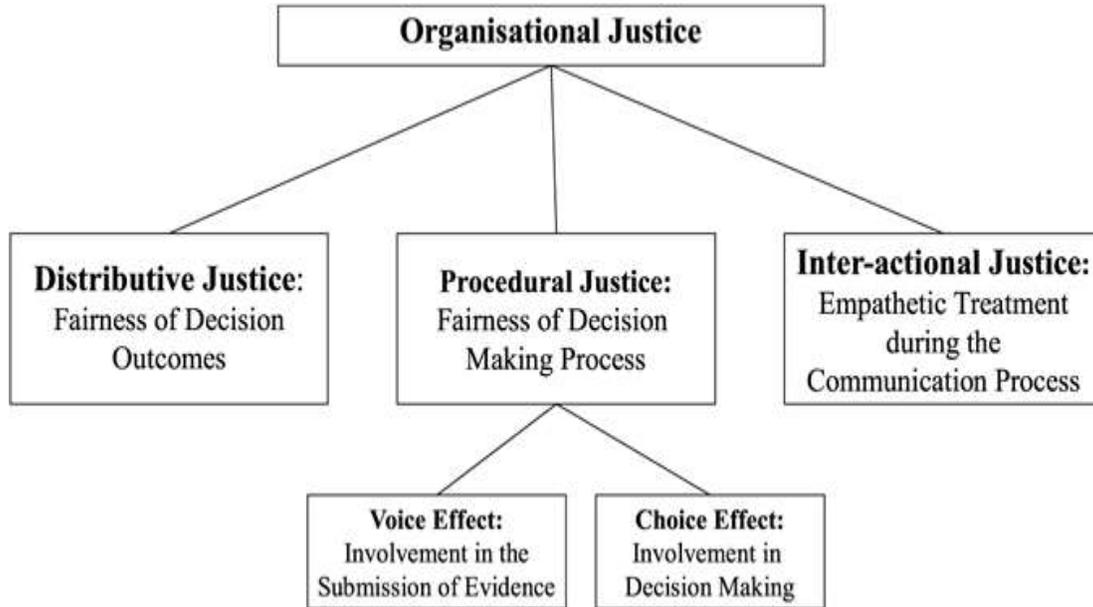
interactional justice concentrate on the supervisors behavior and their role to observe organizational justice .and in conceptual manner is similar with the quality of informal behavior. In the other side, conceptually, procedural justice is similar with the formal decision making and imply on the perceived equality of intrapersonal relationship quality in the organizational procedures. Especially concentrate on decision makers behaviors in the organizational decision making process (16).

Relationship between Organizational justice and organizational commitment

organizational justice show managers and management attention to the workers, and create a bridge of certainty, which led to increasing and reinforcement of worker's commitment to the organization. in addition organizational commitment led to perceiving organization legitimacy and worker's that feels organization is fair and justice with them ,persuade to trust to the organization ,and loyal to that and finally will increase their organizational commitment(18).Different studies show that affective commitment is related to the procedural justice and to the

distributive justice positively. Colquitt and et al., finds that organizational justice has a positive relations with the workers

organizational justice. Especially this relation is more stronger in the procedural justice (2).



Many of the studies include analyzes that is based on the social exchange theory ,which at that workers respond to the organization fair and equal behavior with the reciprocal manner and with the affective commitment feeling. So can conclude that procedural justice and distributive justice have a positive relation with the organizational justice. Samawatian's research finding shows that there is significance relation between organizational justice and commitment with the income level and worker's settlement (19). Warner (2005)reach to this conclusion that procedural justice is the best job satisfaction predictor ,although at here distributive justice is effective too, but has a lower influence(20) . In the conducted research by Elovainio about organizational justice influence on workers health, which had conducted in two years in Finland and between 2969 workers, this outcome yield that justice implementation in organization has an influence on workers

health and decreasing absence due to the sick(21). In the research that conducted by mary Lemons with this goal to study and determine procedural justice role in promoting decision making as a forecasting variable ,reach to this conclusion that procedural justice presence has an influence on the organizational commitment in decision making (22) . Workers perception of some of the organizational activities, such as salary and wage increasing, teaching promotion and so on, which organization pay attention to the workers welfare and advocate of them. In response to this perceived feeling will improve workers confidence and workers relationship quality with the organization. In other word, worker so that appreciate of organization, forms positive feeling to the organization, which led to increase their affective commitment to the organization. High level of affection commitment cause that workers to stay in the organization, due that feels attachment with the organization and shows identity with that

organization that seek to improve and reinforce workers and organization ties, should concentrate on the approaches that increase advocacy of workers. Organization for show its advocacy of workers can provide suitable occupational situations for them and have fair behavior to them .distribute organizational rewards equally .provide occupational advancement and promotion for workers and give them authority and guarantee their job security.

Research assumptions

Hypothesis 1; there is a significance relation between perceived procedural justice and workers affective commitment toward the organization.

Hypothesis 2; there is a significance relation between perceived procedural justice and workers continuance commitment toward the organization.

Hypothesis 3; there is a significance relation between perceived procedural justice and workers normative commitment toward the organization.

Research methodology;

Research data had gathered through divandareh banks and financial institutions (private, public and semi-public) workers . statistical population include 80 people which based on Cochran formula 67were selected as simple random manner and among them 63 questionnaires were gathered and analyzed .

For gathering data we used Allen & Meyer's (1997) questionnaire with 24 questions, and for gathering data about procedural justice of organizational injustice colquitt's questionnaire (2001) with 7 questions were used. Questions were composed in one questionnaire and distributed between respondents.

Questionnaire Validity verified (%87) with outcome Cronbach's alpha test by gathering 25initial distributed questionnaire.

Research outcomes

To make sure of perceived commitment and justice presence in the organization, we took T-test of variables (procedural justice, affective, continuance, normative commitment). By considering this matter that all variables significance level is lower than the error level ,can conclude that statistical population perceived their procedural justice in the organization, and affective commitment, continuance commitment, normative commitment in the banks and financial institution in the study was approved. For investigating the relationship between perceived procedural justice and available commitment in the organization, we used Pearson correlation test. Test outcome provided in table 2. By considering this matter that significance level is lower than the test error level (%5). So there is relationship between perceived procedural justice by banks and financial institution's workers and affective continuance and normative commitment. Of course, lower correlation coefficient level between procedural justice and threefold commitment shows that this relationship isn't so strong and this perceived procedural justice depends on other factors.

Discussion and Consequence

Organizations as common institutions are responsible for providing the great part of human needs. Better performance of these institutions led to better providing of human and societies needs and will gift personal and public welfare. Having obliged workers is one of the main factors in organization's promotion and

improvement. organizational commitment led to workers strive more and maximize their power and strength and show suitable performance of the organization .obliged workers attempting to improve their activities continually and promote organization performance more as ever .

Based on the previous studies that refer to them at this article formerly, organizational justice is one of the influencing factors in creating and promoting organizational commitment .justice or observing equality led to creating positive approaches in workers to the organization .but important matter at here is perceiving justice by the workers.

At this research we attempted to emphasize on the organizational justice facets (distributive, procedural and interactional) and investigate it's relation with the organizational commitment in divandareh banks and financial institutions statistical population .

Before research assumption test, we took test of the research assumption i.e affective commitment, continuance commitment, normative commitment and procedural justice, separately; research finding shows that worker's statistical population perceived organization's procedural justice. Also affective commitment, continuance commitment and normative commitment presence proved at the workers.

Assumption test shows that there is a relationship between procedural justice and affective .continuance and normative commitment ;means that procedural justice is an influential variable on the worker's organizational commitment as well as organizational performance .in the scholars opinions ,apart from procedural justice promotion, preparation for

perceiving that by the workers is very important. Due that, by the time this justice can increase organization commitment and efficiency that accepted by the workers.

Procedural justice attempts to explain diverse outcomes for people, in procedural justice not yielding outcomes, but adapted decision are based for analyzing, and this matter shows the importance of organizational decisions of diverse facets. On this basis, workers organization with diverse outcomes, will accept justice presence in the organization, if believed that applied formula for everyone was the same.

Other test finding show lower correlation coefficient of procedural justice and affective commitment (%114) and correlation coefficient of procedural justice and continuance commitment (%129) and correlation coefficient of procedural justice and normative commitment (%177). This matter shows that relationships of these variables aren't so strong and available commitment in the organization arise from another factors.

Through the other factors can imply to the distributive justice .finding of many researches sounds that relationship between distributive justice and organizational commitment is more stronger. In the people opinion seems that the justice in the yielding outcome is important ,and perceiving procedural justice needs more understanding and teaching than to the distributive justice ,i.e so that workers can perceive available procedural justice that led to same outcomes for them ,not similar ,needs to the more justification .whatever shows the outcomes of this research is relationship between procedural justice and organizational commitment at this

organizations .but can conclude that .although ,procedural justice is an influential factor on the organizational commitment .but sounds that distributive justice role is more important in the statistical population. So managers

should strive to emphasize on observing and implementing justice diverse facets (distributive, procedural ,interactional) and striving to perceive that by organization members ,should have more concentration on the distributive justice.

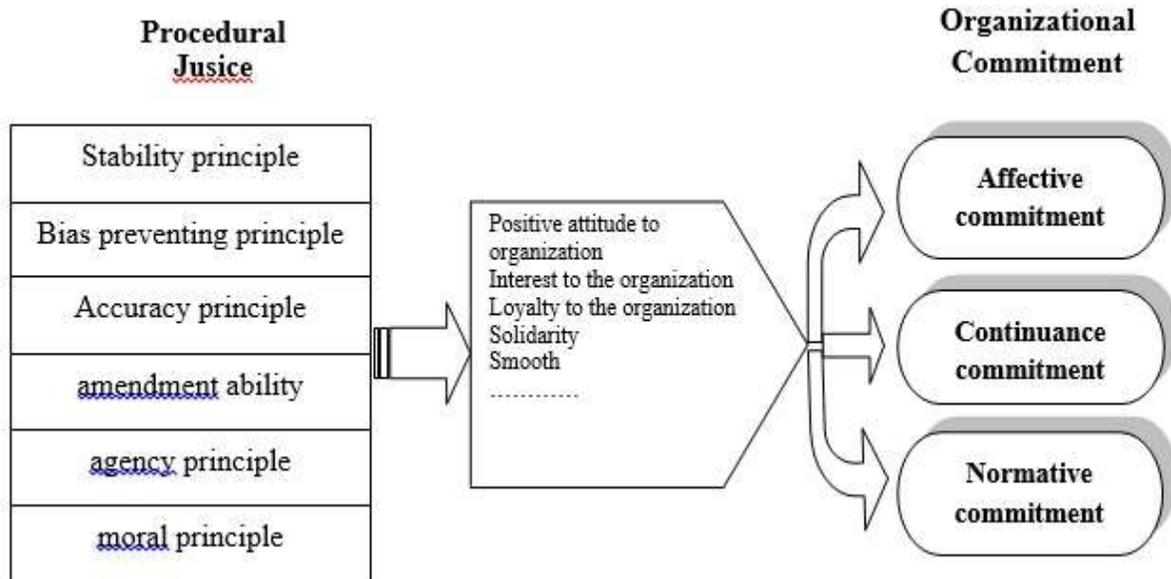


Figure 3. Relationships between received procedural justice and organizational commitment

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