

# The Influence of Organizational Justice on Organizational Effectiveness: Mediating Role of Trust

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## Abstract

*The motivation behind this study is to research the part of organizational justice in accomplishing organizational effectiveness. Delineation on the Adam's equity hypothesis and social trade hypothesis consider unite an intervening part of organizational trust in accomplishing organizational effectiveness. A cross sectional investigation was led. The information was gathered from 460 employees from 4 telecom organizations in Pakistan utilizing simple random procedure. Information was broke down utilizing correlation and regression examination, while the moderation was registered utilizing Barron and Kenny four stages and Sobel-test. The outcomes have affirmed that there is a positive and noteworthy relationship exists between organizational effectiveness and organizational justice; moreover the interceding part of organizational trust was likewise affirmed. Imminent analysis can be done to check the effect of develops like organizational citizenship conduct or turnover expectation in improving the organizational effectiveness. Besides it will likewise be helpful to evaluate the generalizability of the results of the examination by repeating unconcerned nations and different parts of an economy.*

**Keywords:** Organizational Justice, Organizational Effectiveness and Organizational Trust.

## Introduction

Present day associations and the association of work are described by a high level of many-sided quality and uncertainty and an assortment of contending esteems and structures. These associations are developing in outer variables, for example, globalization, innovation and statistic changes, and are continually scanning for creative methods for enhancing aggressiveness in which managers speedily require rethinking and re-set

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up their authoritative strategies. The analyses of components that clear up the high ground of associations have revealed that individual aptitudes are resources that engage associations to make advantages and keep up their forceful edge (Sahoo, 2016). But is this enough for an organization to be effective and competitive? As with the innovative and dynamic environment we see that the present business situation is convoluted, eccentric, and riotous. In this, associations have a tendency to inspect those authoritative practices and approaches likewise organizational justice and trust that are commonly useful to managers and representatives, which prompt sense and importance making at the working environment and which stresses general worker motivation and learning (Kapil, 2017).

In a changing economic atmosphere, portrayed by compressions to enhance efficiency and diminish costs, execution administration has a more focal part in guaranteeing upper hand. As it is usually trusted that human resource are the most vital resource of an association and the suitability of any association relies upon the abilities, capabilities and activity of its workers. With the pervasiveness of the execution evaluation has developed, so its significance in molding representative impression of equity has turned out to be more critical (Hall, 2012).

To achieve the focused edge in the market associations ought to need to hold their work constrains resource by treating them reasonably and giving the equivalent chances of self-improvement. To connect this fissure, this examination inspects the connection between organizational justice, trust and effectiveness. Organizational equity and justice assumes a basic part towards the organizational trust and thus the trust is vivacious to a company's viability. This exploration result may give help to the association's administration for viably dealing with their work force. This investigation may likewise recommend a circumspect of the essentialness of maintaining a finest level of hierarchical equity in an association for the prosperity of the company's adequacy and advances the relationship between authoritative equity and organizational trust. The discoveries of this research will be significant for planning of the association as to present those frameworks and methodology which will upgrade inspiration level, trust and connection of representatives to the association. Moreover it will likewise add to the writing as an endeavor of helpful examination openings that may offshoot the worry for the imminent research.

### **Literature Review**

When employees see reasonableness in their work environment and their general circumstance apparently is reasonable and impartial to that of

others, they will probably exhibit and embrace better work practices. These cases have been set up by past examinations contending that working environment reasonableness and worker impression of decency are probably going to foresee their practices and demeanors in territory including advancement, enhanced occupation fulfillment and work execution, and expanded representative duty (Hayfaa A. Tlaiss and Abdallah M. Elamin, 2015)

Authoritative equity has been characterized with respect to what degree the representatives of an association are dealt with reasonably or not all in all as far as association arrangements, work put techniques and in everyday communications. If "value" was developing exclusively as for getting benefits, by then individual would presume a greater association. Association and specialist can benefit an awesome arrangement if the techniques are sensible and employees are considered with social respectability (e.g., Goldman, 2003).

John Stacey Adams (1965) was the first workplace and developmental psychologist who had given the phenomenon of equity and justice. The outcomes though were confined to financial points of view and melded factors, for instance, headways and examinations too. According to his hypothesis a condition was developed which utilized as a part of estimating the incentiveaccomplishment for the degree of taskcompleted by an employee. This extent was critical exactly when if it is differentiated and some seat stamp and after that makes affiliation and laborer find that atmosphere he has been managed sensibly or not.If the real fraction is the same as they watched extent at that point esteem is accessible and in other words when the objectives are focused for the group or individual welfare allocating outcomes about as showed by correspondence and requires checks are believed to be sensible (Deutsch, 1975; Leventhal, 1976).

Trust in associations is unmistakable in nature from different settings. Hierarchical trust has been drawn closer from an assortment of points of view. The different theories and models of trust, various leveled singular componentsare contemplated as the integralprovisionand inevitabilities of legitimate trust (Najibeh Abbasi Rostami, 2015). Diverse examines have exhibited that hierarchical trust effectively influences the expanding extentof constancy between the agents, their capability and the overallperformance of the association. At the individual as well as at the strategic level organizational trust is considered as the most integral component in the hierarchy of the relationship amidst laborer chief.

Moreover, a liberal and normal relationship amidst communication and organizational trust can be developed in various

surveys, condition where trust subsists, individuals do have certainty and they confer their contemplations to others and furthermore reveal their feelings and have an inclination about participating and for shared goals (Ritu Gill, 2017).

Trust in a supervisor and trust in colleagues and peers are of worth in maintaining the coordinated effort at the workplace and, along these lines, have vital consequences (Hartog, 2003). Where trust in manager and in acquaintances is especially encompassed, trust in organization is wider. The level and sort of trust which is given on accomplices and quick managers will regularly secure improved working relationship affiliation (Dirks & Skarlski, 2002). Social exchange rule illuminates that, the connection constructed on point of view suggests that enthusiasts will moreover respond distinctly and resultantly more preferences will be picked up, individuals will focus on executing preeminent undertakings to get more focal facts. The humanist George Homans developed the principle of social exchange in the year 1958. He depicted social trade as the trading of movement, extensive or uncertain and basically fulfilling or excessive, individuals.

Hierarchical research has been ruled for over a century by the journey to recognize the segments of authoritative viability. Now a day everyone likes to do work in kind of "association" and affiliations that are created by group of the people and essential workplaces to the endeavors of human life affect human directly a ton. To fulfill this essential of cooperating we will initially need to unmistakably comprehend the idea of a definitive sufficiency. A few analysts battle that adequacy isn't an idea, but instead a concept. The construct of viability isn't a genuine possession of some association, but instead a mark, which individuals use with shifting degrees of arrangement. For numerous reasons, the powerful name is connected both to individuals and associations. Regularly, the name is connected when a specific authoritative activity accomplishes a particular wanted result. Concentrates additionally illuminated by expressing that viability alludes to the level of correspondence between the real and wanted yields of an association (Colette M. Taylor, Casey J. Cornelius and Kate Colvin, 2014).

Organizational effectiveness is the methods by which viable a connection is in completing the results the alliance would like to make. Legitimate sufficiency is a speculative idea and is by and large difficult to gauge. Instead of estimating legitimate practicality, the association picks center individual measures that might be utilized to represent sufficiency. Such things as benefit of association, implementation of specialists, center limits, number of individuals worked, genera and extents of grassroots zones served thusly on. So we concentrated on the

execution of the workers that to what expand this center individual measure backs in association practicality (Malik, Ghafoor and Naseer, 2011). It is the measure through which an effective association can achieve its targets.

The organizational effectiveness (OE) is crucial thought for forerunners and overseers to appreciate the aftereffects of their works and to study whether the affiliation is convincing in achieving its normal outcomes and satisfying its targets. The analysts have made assorted approaches and unmistakable level of examination to check definitive sufficiency. As we had starting at now discussed some of those philosophies earlier. Out of every one of these techniques, the Cameron's (1978) show has an advantageous connotation with the three essential models, especially goal, process and structure. Cameron figured out that, it ponders in transit that the association is appropriate as long as it can complete the objectives proposed. It can secure the focal points from environment, and it can prevail together with the vast majority of its system frames similar to the execution of the affiliation. In perspective of this model, it should be thought about that there isn't one single appropriate model for the assessment of the dynamic reasonableness. Notwithstanding the way that the affiliations satisfy the criteria of each methodology, they might be adjudged insufficient. This can mirror the point of confinement for a more noteworthy examination of dynamic adequacy in complete setting by using multi-extent model of Cameron's (Ashraf, 2012).

Organizational trust between the managers and representatives are being balanced by the returns. The strength of the trust is dependent on the level of communication (Gouldner, 1960). Pillai et al. (2001) in their study examined that when dispersal of organizational outcomes is believed to be sensible, higher employee intensity of trust are in all likelihood going to make. Lind (2001) said that the utilization of sensible frameworks by association produces pro trust since it expels assessments of misappropriation among employees. The resultant trust spurs pros to respond distinctly toward the connection (Konovsky and Pugh, 1994).

Affiliations need to utilize effectively the human variable which is a victor among the most basic resources in order to accomplish their aspirations and maintaining their integration in the forceful world. Authoritative trust assumes an energetic part so as to conquest and maintains the viability of the association in the focused domain. With hierarchical trust delegates have a persuasion that the affiliation will work for their preferences or if nothing else won't hurt them. For whatever length of time that the employees feel the assistance of the administration in the undertakings they do and their endeavors are considered and

recognized, the trust that they have for their affiliations and administration will grow, their commitment will upgrade, and in this manner they will try more for their relationship to accomplish its targets and focuses (Dursun, 2015). It is essential to set up hierarchical trust to accomplish the authoritative viability and adequacy. Keeping in mind the end goal to do as such, associations need an exceptionally solid top of the line trust culture in light of the fact that at exactly that point they can underwrite such further angles through which they can achieve adequacy. These means incorporate Leadership, High-Ranking Team, Transparency, Independence and Performance-Based Culture (Malikeh, 2013).

Understanding legitimate value and trust is basic for relationship by virtue of its relationship with various leveled amplexness. Hierarchical equity incorporates the impression of basic personages as for the conventionality of their conditions of work (Ismail, 2014). Trust has been recognized as a possible elucidation for dealing with the impact of various leveled justice on definitive reasonability. Experts have used social exchange speculation as a light for the bit of trust in intercede the relationship between value discernment and dynamic feasibility.

In view of our discourse above, we display the accompanying speculations to be tried in this study:

H1: Organizational justice is positively linked with organizational effectiveness.

H2: Organizational justice is positively linked with organizational trust.

H3: Organizational trust is positively linked with organizational effectiveness.

H4: The connection among organizational justice and organizational effectiveness get facilitated through organizational trust.

### **Research Methodology**

It is based on quantitative study in which data has been collected from telecom sector and hypothesis developed has been further tested by applying statistical software's. Quantitative technique has been used in the study which will upsurge the generalizability of the enormous populace.

### *Research Instruments*

In order to measure Organizational Justice, Jason & Colquitt (2001) instrument was used consisting of 20 questions, for organizational trust Paliszkievicz (2010) fifteen items scale is used and for measuring organizational effectiveness, scale developed by Mott (1972) having 8 items is used.

### *Research Design*

In this research telecommunication sector of Pakistan has been used as population of the study. Telecom sector has been selected because of its unpredictable nature. This impulsive phenomenon of the telecommunication sector helps us in investigating the interceding impact of organizational trust on organizational justice and organizational effectiveness. There are five leading companies in the telecom sector of Pakistan ranging from Pakistan Mobile Communications Limited (PMCL)–Mobilink, Warid Telecom (Pvt.) Limited, Pak Telecom Mobile Limited (PTML) - Ufone, CMPAK Limited (Zong) and Telenor Pakistan (Pvt.) Ltd. The list of data encompasses of 1200 personnel comprising of middle and lower administrators, selected from the above stated companies randomly. The unsystematic choice of personnel was done manually. The response rate was 77% thus the final sample of 460 is used for quantitative analysis. To measure the direct associations of organizational justice on organizational effectiveness, organizational trust and similarly the direct impact of organizational trust on organizational effectiveness, linear regression has been used. Furthermore, four condition approach test was applied by using Baron & Kenny (1986). In addition to this, mediation was testing by applying Sobel test (Preacher & Hayes, 2004; Preacher & Leonardelli, 2003).

### **Results and Discussion**

Statistical test has been used in order to check the influence of organizational justice on organizational effectiveness and also the mediating role of organizational trust. With reference to table-01, which shows the positive relationship among organizational justice and organizational trust having a value of Pearson coefficient  $r=0.671$  and its value of significance is  $P<0.01$  and with organizational effectiveness the table shows a value of coefficient of Pearson as  $r=0.376$  having a significance value less than 0.01. Moreover organizational trust and organizational effectiveness are positively correlated having the value of  $r=0.468$  and value of significance as  $p<0.01$ .

Table-01 Inter scale Correlation Matrix - all Variables (n = 460)

Variable	I	II	III
I OJ	-		
II TR	.671**	-	
III OE	.376**	.468**	-

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

### *Linear Regressions for Direct Relations*



Table-02 Direct Relationship between the Organizational justice, Organizational effectiveness, Trust and Organizational Trust.

Model	R <sup>2</sup>	Adj R <sup>2</sup>	Standardized Coefficients	T	Sig.
			Beta		
1 OJ – OE	.274	.263	.378	8.847	.000
2 OJ – TR	.497	.489	.703	19.304	.000
3 TR – OE	.319	.308	.431	10.648	.000

*Control Variables: Qualification, Name of Organization, Gender, Experience, Marital Status, Age.*

With reference to table 2 that shows the results of linear regression, represent the relationship among dependent, independent and mediating variable. Initially the demographic variables are taken into account while analyzing the outcomes of the research. The relationship present between all the variables under study are highly significant which means that their value of  $p < 0.005$ , hence the hypothesis 1, 2 and 3 are accepted.

#### *Barron and Kenny Mediation*

Table-03 Mediation Analysis Coefficients (Organizational Justice, Trust and Organizational Effectiveness)

Model	R <sup>2</sup>	Adj R <sup>2</sup>	Standardized Coefficients	t	Sig.
Model 1			Beta		
OJ	.156	.137	.370	6.990	.000
Model 2					
OJ			.238	3.720	.000
TR	.362	.348	.279	4.632	.000

*Control Variables: Qualification, Name of Organization, Gender, Experience, Marital Status, Age.*

Analysis results have demonstrated the intervening part of organizational trust between organizational equity and organizational viability. The outcomes bolster each of the three state of Baron and Kenny contemplating test as appeared in Table - 3, condition four castigated that when authoritative equity and hierarchical trust both relapsed on hierarchical viability, the coefficient of organizational equity ( $\beta = 0.37$ ,  $p < 0.01$ ) the level of significance of organizational equity tumbled down ( $\beta = 0.37$ ,  $p < 0.05$ ). Along these lines incomplete intervention has occurred (Preacher and Hayes, 2004). Sobel-test measurements has likewise indicated substantial outcome ( $z = 2.93$ ,  $p < 0.01$ ). The overall findings of this study are consistent with the results of prior literature. The positive impact of the organizational justice on the effectiveness of



the organization assures that the organizations will prosper and will achieve their objectives if they successfully maintain the justice in an organization. Also the organizational trust acts as a catalyst in influencing the firm's effectiveness.

### **Conclusion**

The epicenter of this exploration was to discover the impact and configurations of organizational equity and authoritative trust in accomplishing hierarchical viability. The destinations of the investigation have been accomplished by observationally testing a thorough hypothetical system display in light of hypothesis of social trade, Adam smith value hypothesis and Cameron's model of organizational effectiveness. The investigation has tried to test the model and concocted discoveries that for associations to accomplish adequacy, equity and authoritative trust ought to be stressed; at exactly that point representative will feel more joined to association and henceforth will work with more inspiration and diligent work. The consequences of the investigation have demonstrated that in Pakistani informational collection hierarchical equity immediate affected the authoritative viability and by methods for mediating variable of authoritative trust had empowering their association. In inquire about a theoretical model was considered in the help of composing and data accumulated which takes a glimpse at the organizational trust that impacts and improves the effect of the authoritative equity measurements on the ability of the general population. These associations were attempted by gathering data from a sample of lower and center level organization of telecom division in Pakistan.

Information gathered for the investigation is cross sectional which reduce the inactive danger of regular technique inclination. The results exhibit that distributive, procedural, and interactional equity is astonishingly and totally associated with hierarchical trust and authoritative adequacy. Those representatives who have a superior sentiment authoritative equity do have an empowering climate in the affiliation that leads towards overwhelming employment execution. Some utilization full upshots of this investigation are obvious. As indicated by the Adams value hypothesis and hypothesis of social trade it has demonstrated that distributive, procedural, and interactional equity increments authoritative adequacy. Hierarchical trust ought to be conceived in an association so they feel trust towards their employments and work hones in their separate associations and which thusly expands the adequacy of an association. Likewise frameworks should be devised which pay specific idea towards the reasonableness, uprightness and

delegate needs which upgrades the adequacy and equity in an association. These sensible techniques and treatment among agents in an affiliation reduces laborer's aim to leave the association. At the end of the day if specialists in an affiliation have an inclination that they are managed on comparable premise as far as prizes and different advantages then they are more steadfast to association and from this time forward various leveled profitability can be refined. This investigation is a vital bit of work for academicians, directors and experts to guarantee corporate adequacy to be practiced inside the premises of association. The consequences of study demonstrates that it is vital for hierarchical development to accomplish its objectives and goals that it ought to build up those arrangements and frameworks which upgrades authoritative trust and authoritative equity as these are critical to progress. For imminent thought research can be led by captivating opposing results (dependent variable), such as turnover goal or its results, its career satisfaction, absenteeism and so on. Further in prospect research can be completed by taking organizational citizenship conduct as an autonomous variable rather than authoritative equity. At last, replication of concentrate in different areas and diverse piece of the world would be helpful for the generalizability of the results of the study.

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