

Impact of Distributive Justice on Organizational Citizenship Behavior: Empirical evidence from Private Sector Banks of KP.

Imran Khan^{*} and Muqaddas Ullah[†]

Abstract

The aim of the study is to examine the effect of distributive justice on organizational citizenship behavior in private sector banks operating in Khyber Pukthunkhwa. The study considered employees of private sector banks of Peshawar as population. Based on the methodology of Krejcie and Morgan (1970) proposed for determining sample size, the current study took 234 employees as a sample from total of 640 employees for data collection. Data was collected through questionnaires from the employees of the said organizations. Regression analysis was performed to check the effect of the predictor variable on the outcome variable. The result reveals that distributive justice has a significant effect on organizational citizenship behavior.

Key words: OCB, Justice, Equality

Introduction

Employee if perceived equality at workplace can perform more than what is expected or demanded. Equality at workplace through fair distribution of resources encourages employees to become loyal to organization. Justice at workplace leads to organizational citizenship behavior (Chekole, 2016). OCB is considered as one of the most influential factor in the success of organization (Organ, 1988). Research about OCB increased after its relation with the success of organization (Chekole, 2016). The task performed by the employees which is not a part of their job responsibilities (Robbins, 2015; Lee & Allen, 2002). Chester Barnard (1938) was the first to talk about the idea of “willingness to cooperate” which was later on called organizational citizenship behavior. He defined cooperation to be, “a genuine compulsion on oneself for serving organization voluntarily, expecting no reward, for its betterment” (as cited in Harper, 2015).

In, 1988 Organ defined OCB on the basis of Barnard and Katz work as “individual behavior that is discretionary, not directly or explicitly recognized by the formal reward system, and that in the aggregate promotes the effective functioning of the organization” (p.4). Later on in 1997, he redefined it as “performance that supports the

^{*} Dr Imran Khan, Assistant Professor, Department of Management sciences, Qurtuba University of Science & IT. Email: imk_mgt@yahoo.com

[†] Dr Muqaddas Ullah, Assistant Professor, Qurtuba University Peshawar

social and psychological environment in which task performance takes place" (p. 95). Lambert (2006) defined OCB as "behavior that (a) goes beyond the basic requirements of the job, (b) is to a large extent discretionary, and (c) is of benefit to the organization" (p.503). Robbins (2015) noted that OCB are tasks performed by the employees which are not a part of their job responsibilities.

Numerous studies were conducted to study the OCB in organizations, and its relationship with organization success. Also studies have been conducted at international and national level to find the role of organizational Justice in OCB at workplace, but only few studies at international market worked on the distributive justice as a separate variable and its relationship with OCB in organization. The current study strives to find out the role of Distributive justice at workplace that leads to employee's organizational citizenship behavior.

Research Question

Does distributive justice have a role in Organizational citizenship behavior at workplace?

Objective

To find out the effect of distributive justice on organizational citizenship behavior at workplace.

Literature Review

Organization Citizenship behavior

The task performed by the employees which is not a part of their job responsibilities (Robbins, 2015; Lee & Allen, 2002). Chester Barnard (1938) was the first to talk about the idea of "willingness to cooperate" which was later on called organizational citizenship behavior. He defined cooperation to be, "a genuine compulsion on oneself for serving organization voluntarily, expecting no reward, for its betterment". The idea to allow individual a free will in participating in a set system of cooperation is integral to Barnard's opinion. Katz (1964) noted that it is impossible for organization to predict all situations of future; hence some voluntary behaviors are required for unique situations. He called them *spontaneous and innovative behaviors* rather than an obligatory role performance.

Research about OCB increased after its relation with the success of organization (Chekole, 2016). OCB is related to organizational productivity such as quality and quantity of production, reduced manufacturing costs, and revenues (Podsakoff et al., 2009). "OCB explained approximately 20% of the variance in store profitability" (Ehrhart, 2004 p.64) Chelagat, Chepkwony, and Kemboi (2015) in their

study reported that unselfish devotion to the welfare of employees and being courteous to them increase their performance. They emphasized that OCB can play a vital role in enhancing employee's performance. OCB provides extra benefit to organization by motivating individuals to performance beyond their job requirement. It engulf the earlier terms used by researchers such as "organization citizenship performance", "contextual performance", "extra role acts" and "pro social behaviors".

Organizational Justice

Organizational Justice means how the employees of the organization are treated (Rupp, Wright, Aryee, & Luo, 2015). Employees perceives the justice and injustice in the organizations and behave accordingly. Along with other fulfillment of the needs of employees the fairness is the most important factor (Mohler, & Schminke, 2001). People should be treated accordingly, "Equal as Equal" and "Unequally as Unequally", Aristotle (as cited in Al-Khouri, 2010). Miller (2017), Rai (2013) and Choi (2011) concluded that there is a positive and significant relationship between the three types of organizational justice and employee work attitude/behavior. The most important among the three types of organizational justice is the distributive justice.

Justice also plays an important role in motivation. Adam's Equity Theory of Work Motivation postulates that people compare their personal efforts and rewards with that of others and are motivated to increase or decrease their efforts to equal others (Adam, 1965). Equity theory has now matured into theory of organizational justice. Nwochukwu (1994) reported that the productivity of Nigerian workers is less because the owners have failed to provide the equality in incentives and also because the high grade employees show off their wealth and underestimate the workers party which discourages them to work hard. The profit of the organization is also related to equality in rewards for workers (Ni & Van, 2015).

Distributive Justice and OCB

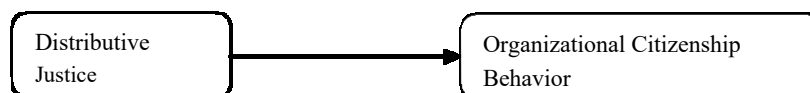
Employees' always perceive fair treatment, equality and equal distribution of resources at work. Whenever there is distribution of resources employees perceived there self to be treated equality as like other in the organization (Robbins, Summers, & Miller, 2000). If employees' agreed to a point that they are not treated equally or according to their peers, distributive injustice took place, which lead to dissatisfaction of employees. Employees who perceived that they are not treated fairly will not be loyal and committed to organization. Further, any long such employees have no wish to continue their relationship with organization (Summers & DeNisi, 1990; Rahman, Shahzad, Mustafa,

Khan, & Qurashi, 2016). On the other side if employees perceived that their organization treat them fairly in the distribution of resources, they are more likely to be committed and feel proud to be a citizen of their organizations (Organ, Podsakoff & MacKensie, 2006). If employees feel that they were fairly treated by their employers, and their employers shows concerned about them, such employees are more dedicated (Andrews & Moorman, 2005; Rahman et. al. 2016).

Hypothesis

H₁: Distributive Justice has significant effect on OCB.

Theoretical Framework



Methodology

The current study followed the philosophy of positivism, based on the time horizon the current study is cross sectional. Data were collected through closed ended questionnaires from the employees of private sector banks of Peshawar. Both reliability and validity (convergent and discriminant) of questionnaires was confirmed. Study used the sample method of Krejcie and Morgan (1970), which is calculated on the basis of total number of population. Purpose sample method was used to select six Private sector banks operating in KP from the list published by state bank of Pakistan (2013-2017). Total employees working in these selected organizations were 640, out of which 234 were considered as sample using Krejcie and Morgan (1970) method of determining sample for the current study. Regression analysis was performed to find out the effect of predictor variable on the outcome variable.

Analysis and Findings

Regression of Distributive Justice and Organizational Citizenship Behavior

Variable	R	R2	Organizational Citizenship Behavior				P-value
			P-value	F-value	Beta	t-value	
Constant	.841	.707	.000	90.369		8.801	.000
Distributive Justice					.841	9.506	.000

Regression analysis was performed to find the effects of DJ on the organizational Citizenship Behavior in Private Banks employees. Regression analysis reveals predictor variable, "Distributive Justice" significant for Organizational Citizenship Behavior, $R^2 = .707$, $F(1, 234) = 24.819$, $p = .000$. The result reveals that, the R-square of the regression

shows 70 percent variance in the organizational citizenship behavior by the distributive justice. The p-value of the model is .000 which means that the chosen model for the findings the effects is significant. The f-value shows the statistical significance of the model which has 4 as a standard value. The value should be more than 4 in case of significant. The f-value in the model is more than 4 which means that the model is statistical significant.

Furthermore, the analysis shows significant effects of predictor variable on organizational citizenship behavior, ($b = .841$, $t = 9.506$), the coefficient of the distributive justice is .841 which means that the organizational citizenship behavior will be changed by .84 units when the distributive justice is changed by 1 unit OR when the distributive justice shows change the OCB will show 70 percent change in the same direction. The t-value of DJ is 9.506 which concluded that the DJ has significant effects on the OCB.

Conclusion

The regression analysis result reveals that distributive justice has significant effect on organizational citizenship behavior. Employees' of the said organizations performed citizenship behavior, when perceived equality and distributive justice in organization. Citizenship is a volunteered behavior of employees in favor of organization, employees involved in organization task and environment beyond their job descriptions. Organizational justice has a significant effect on organizational citizenship behavior; further justice is identified as reasonable fact for impacting OCB in organizations (Guh, Lin, Fan, Yang, 2013). The organizational implication of equity theory suggests that employees' fair treatment motivate them to maintain a fair relationship with the co-workers as well as with the organization (Guerrero et al., 2014). The finding of the current study suggest that distributive justice has significant impact on OCB, which means that if distributive justice is perceived by the employees of these selected firms they will preferred OCB in their respective firms, which lead to the success of organization. On the other side if these employees' perceived injustice at workplace and distributive injustice the situation will be vice versa.

Practical Implication

The finding of the study will help the management of the banking sector to implement fair policy and follow equality at workplace that will lead to the success of organization.

References

- Adams, J.S. 1965. Inequity in Social Exchange. *Adv. Exp. Soc. Psychol.* Vol. 62, 335-343. *Administration Review*, 43 (4): 315 – 25.
- Al-Khouri, A. M. S. (2010). Improving Organisational Performance. *The Association on Employment Practices and Principles (AEPP)*, 24.
- Chekole, Y. A. (2016). *Organizational citizenship behavior (OCB) among teachers in Bahir Dar* (Doctoral dissertation, College of Education and Behavioral Studies School of Psychology Doctoral dissertation submitted to the School of Psychology, Addis Ababa University).
- Chelagat, L. J., Chepkwony, P. K., & Kemboi, A. (2015). Effect of organizational citizenship behavior on employee performance in banking sector, Nairobi County, Kenya. *International Journal of Business, Humanities and Technology*, 5(4), 55-61.
- Ehrhart, M. G. (2004). Leadership and procedural justice climate as antecedents of unit-level organizational citizenship behavior. *Personnel psychology*, 57(1), 61-94.
- Guerrero, Laura K, Peter A. Andersen, and Walid A. Afifi., (2014). Close Encounters: Communication in Relationships, 4th Edition. Los Angeles, CA: *Sage Publications Inc.* p. 263.
- Guh, W.Y., Lin, S.P., Fan, C J., Yang, C.F. (2013). Effects of organizational justice on organizational citizenship behaviors: mediating effects of institutional trust and affective commitment. *Psychological Reports: Human Resources & Marketing*, 112 (3), 818-834.
- Harper, P. J. (2015). Exploring forms of organizational citizenship behaviors (OCB): antecedents and outcomes. *Journal of Management and Marketing Research*, 18, 1.
- Katz, D. 1964. Motivational Basis of Organizational Behavior. *Behavioral Science*, 9: 131–146.
- Krejcie, R. V., & Morgan, D. W. (1970). Determining sample size for research activities. *Educational and psychological measurement*, 30(3), 607-610.
- Lambert, S.J. (2006). Both art and science: Employing organizational documentation in workplace-based research. In Pitt-Catsouphes, M., Kossek, E.E., & Sweet, S. (Eds.), *The work and family handbook: Multi-disciplinary perspectives, methods, and approaches* (pp.503-525). Mahwah, New Jersey: Lawrence Erlbaum Associates.

- Lee, K., & Allen, N. J. (2002). Organizational citizenship behavior and workplace deviance: The role of affect and cognitions. *Journal of applied psychology*, 87(1), 131.
- Miller, D. (2017). Distributive justice: What the people think. In *Distributive Justice* (pp. 135-173). Routledge.
- Mohler, C. J., & Schminke, M. 2001. Three roads to organizational justice. *Research in Personnel and Human Resource Management*, 20: 1-113.
- Ni, A., & Van Wart, M. (2015). Corporate Social Responsibility: Doing Well and Doing Good. In *Building Business-Government Relations* (pp. 175-196). Routledge.
- Organ, D. W. (1988). Organizational citizenship behavior: The good soldier syndrome. Lexington, MA: Lexington Books.
- Organ, D.W., 1990. The motivational basis of, organizational citizenship behavior. *Research in : Organizational Behavior*, 12: 43-72.
- Organ, D.W., P.M. Podsakoff and S.B. MacKensie, 2006. Organizational Citizenship Behavior: Its Nature Antecedents and Consequences. Sage Publication, Thousands Oaks.
- Podsakoff, N. P., Whiting, S. W., Podsakoff, P. M., & Blume, B. D. (2009). Individual-and organizational-level consequences of organizational citizenship behaviors: A meta-analysis. *Journal of applied Psychology*, 94(1), 122.
- Rahman, A., Shahzad, N., Mustafa, K., Khan, M. F., & Qurashi, F. (2016). Effects of organizational justice on organizational commitment. *International Journal of Economics and Financial Issues*, 6(3S), 188-196.
- Rai, G. S. (2013). Impact of organizational justice on satisfaction, commitment and turnover intention: Can fair treatment by organizations make a difference in their workers' attitudes and behaviors?. *Journal of Human Sciences*, 10(2), 260-284.
- Rupp, D. E., Wright, P. M., Aryee, S., & Luo, Y. (2015). Organizational justice, behavioral ethics, and corporate social responsibility: Finally the three shall merge. *Management and Organization Review*, 11(1), 15-24.