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Study on Impact of Organisational Justice on Organisational Commitment in Selected Two Semi-Government Organisations in Sri Lanka

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Abstract

As one of the work related attitudes, organisational commitment is major employee centred outcome which has major impact on determination of competitive position of the organisation. Organisational justice is one of the major factors affecting organisational justice. Therefore, this study is mainly focusing on investigating the impact of organisational justice on organisational commitment in selected semi-government organisations in Sri Lanka. The main objective of this study is to examine the relationship between organisational justice and organisational commitment. The research problem addressed under this study is to investigate the impact of organisational justice on organisational commitment in selected semi-government organisations in Sri Lanka. The data were collected from randomly selected sample of 100 clerical level employees in two selected semi-government organisations in Sri Lanka by administering a structured questionnaire which contained 42 questions with five points likert scale. The data analysis was made using statistical analysis techniques including univariate, bivariate, and multivariate analyses. The study was revealed that there is significant, strong and positive impact of organisational justice on organisational commitment of clerical level employees in Sri Lankan semi-government organisations. Further, the study points out that impact of all the dimensions of organisational justice (distributive, procedural, and interactive justice) are also significant, positive and strong. As well it has disclosed that the level of organisational justice and organisational commitment of clerical level employees in Sri Lankan semi-government sector are moderate. The study has concluded that the organisational justice is the most crucial factor to consider in determining and enhancing the organisational commitment of employees in this sector of the organisations. Therefore, it is better to take action to enhance the justice within the organisations and it will lead to higher organisational commitment of employees which is needed to ensure the success and progress of the organisation.

Keywords: Organisational Commitment, Organisational Justice, Fairness, Identification, Emotional Attachment.

Introduction

In this era, committed employees are extremely valuable, as organisations are required to change continuously in order to adapt the rapidly changing business environment, increasing competition, and to gain competitive advantage (Suliman & Iles 2000). Studies relating to

organisational commitment are vital because it relates to the relevant individual and organisational outcomes (Silva & Caetano 2014). Organisational commitment (OC) is a work-related attitude of employees which contributes to positive organisational outcomes and to create and/or enhance competitive advantage (Opatha 2009). Building employee commitment is a more crucial issue within growing diverse working environment (Suliman & Iles 2000), because in today's boundary-less career, employees do not stay in a single organisation during his/her whole life time (Gabriel & Desa 2014).

Employees should be treated as responsible, autonomous and proactive human beings so as to encourage employee commitment and involvement (Martin 2008). Justice and implementation of justice is treated as one of the basic and natural needs of the human beings and it plays an important role in the organisation by making impact on employees' attitude and behaviours, thus commitment of employees (Nili, Hendijani & Shekarchizadeh 2012). According to Malik and Naeem (2011) organisational justice (OJ) is considered to be the most important factor that affects the organisational commitment (Malik & Naeem 2011).

Problem Background and Problem of the Study

Justice and fairness leads to employees to feel sense of belonging and it is an important interpreter of organisational commitment (Akanbi, Ofoegbu & Eugene 2013). Akanbi, Ofoegbu and Eugene (2013) found that there is a significant relationship between Organisational justice (distributive justice (DJ), procedural justice (PJ) and interactional justice (IJ)) and organisational commitment (affective, continuous and normative commitment).

On the area of organisational commitment, there have been few empirical studies available over time (Silva & Caetano 2014). The literature did not provide sufficient knowledge to clarify the direct relationship between the major components of the organisational justice and the organisational commitment separately (Jawad et al. 2012). Though there are number of researches conducted to find out this relationship most of them are conducted in western countries (Malik & Naeem 2011; Bakhshi, Kumar & Rani 2009). Most of the commitment studies have been conducted in western countries and it is important to conduct research on that aspect in other regions like Asian countries (Suliman & Iles 2000). Limited studies are available under this area within south Asian context so far (Malik & Naeem 2011). Culture of south Asian countries differs from western culture, thus knowledge in western context cannot be generalise to Asian context, because culture affects the employee perception of justice (Bakhshi, Kumar & Rani 2009). Most of the studies done in this area have been conducted on private sector organisations. A limited number of researches can be found in public sector.

Commitment of employees in public sector is important as same as that of private sector employees (Gabriel & Desa 2014). They support government to achieve public goals and provide better service to general public because committed employees exert their full effort so that employer can achieve their goals (Gabriel & Desa 2014). It is very difficult to find out empirical studies on these three components of organisational justice and the three components of organisational commitment (Niazi & Ali 2014). Latif et al. (2014) suggested

that it is better to conduct a separate research on this area. Not only the distributive and procedural aspects but other aspects like interactive and informative aspects of justice is required to be examined (Murtaza et al. 2011). It is hard to find research studies on this area in Sri Lanka, especially within public sector organisations. Therefore the problem of the study is to measure how the organisational justice impacts on organisational commitment of employees in semi government sector in Sri Lanka.

Research Framework

Turgut, Tokmak and Gucet (2012) defined organisational justice as the encouragement of fair and ethical systems and functions within the organization. As mentioned by Akanbi, Ofoegbu and Eugene (2013, p. 208) “the employees’ perception concerning the nature of treatment given to them in the organizations in terms of distributively, procedurally and interactionally”. Organisational commitment is explained by Porter et al. (1974) as sincerity of employees with the organizational objectives and the extra effort that the employees put in to keep their membership with the organization. According to Saresheh, Ghaziani and Tayebi (2012, p. 4230) organisational commitment is “the behaviour took shape as a result of persons’ relationship with the organization and brought about them to decide to become a fixed member of the organization”.

As per Akanbi, Ofoegbu and Eugene (2013), Hassan (2002), Jawad et al. (2012), Niazi and Ali (2014), Saresheh, Ghaziani and Tayebi (2012), there is direct relationship between organisational commitment and organisational justice. According to Akanbi, Ofoegbu and Eugene (2013), Akuzum (2014), Jawad et al. (2012) significant and positive relationship consists between organisational justice and organisational commitment. Therefore the hypothesis of the study was developed as follows:

H₁: Organisational justice affects positively and significantly on organisational commitment of clerical level employees in the Sri Lankan semi-government sector.

Under this hypothesis following sub hypotheses were developed by paying attention on sub components of independent variable.

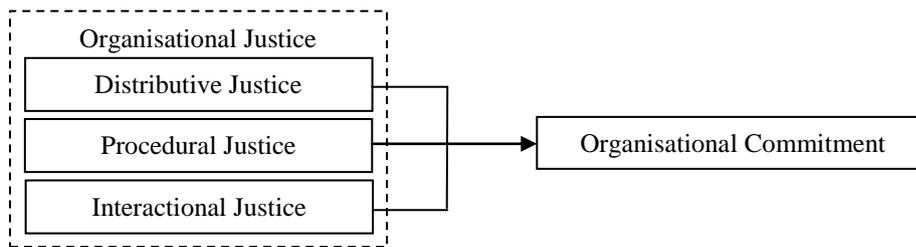
H₂: Distributive justice affects positively and significantly on organisational commitment of clerical level employees in the Sri Lankan semi-government sector.

H₂: Procedural justice affects positively and significantly on organisational commitment of clerical level employees in the Sri Lankan semi-government sector.

H₃: Interactive justice affects positively and significantly on organisational commitment of clerical level employees in the Sri Lankan semi-government sector.

Relevant conceptual framework is shown in the following diagram (Figure 1). Organisational justice of the Sri Lankan semi-government organisations is considered as independent variable and organisational commitment of employees of the Sri Lankan semi-government sector is considered as dependant variable.

Figure 1: Conceptual Framework



Method

Study Design

The study was designed with the objective to examine the relationship between organisational justice and organisational commitment in semi government sector in Sri Lanka. The study was done to establish a cause and effect relationship. Relevant dimensions and indicators under independent and dependent variable were identified in order to find out their relationship. Therefore, this research is experimental as well as a correlational study. As this study was conducted under the natural working environment where none of the variables are controlled or manipulated, it was done in non-contrived settings. Any artificial or contrived setting was not created for the study. According to Sekaran and Bougie (2010), studies conducted to establish cause-and-effect relationships using the same natural environment in which employees normally function are called field study. Therefore, this study is a field study. As the data collection method of the study, the survey method which is characterised by structured questionnaire was selected. This study is purely based on the primary data.

The total population of the study was 280 clerical level employees of selected two semi-government organisations in Sri Lanka. The organisations were Colombo city office of the Ceylon Electricity Board and the Sri Lanka Tourism Promotion Bureau. 100 clerical level employees were selected as the sample of the study. Sampling technique used to select the sample was cluster sampling. Fifty management assistants of Sri Lanka Tourism Promotion Bureau including all grades (Grade I, II and III) and fifty clerks of Ceylon Electricity Board including all grades (Grade I, IIA, IIB and III) were included in the sample. Accordingly, 100 questionnaires were distributed among the selected sample and all of them responded. Therefore, the response rate is 100%.

Measures

Questionnaire with five point Likert scales, which were completed by employees themselves, was used to measure the variables of the study: organisational justice and organisational commitment. The variables of the study constitute interval scales.

The independent variable of the research model: organisational justice was measured by an instrument consisting of 22 statements developed through the scales developed by Hasan (2010) and Colquitt and Rodell (2015). Organisational justice was measured in terms of three dimensions as distributive justice, procedural justice and interactive justice (Jawad et al. 2012). These dimensions consist of 12 aspects as distributive justice (equity, equality, need), procedural justice (process control, decision control, consistency, bias supervision, accuracy,

correctability, ethicality), interactive justice (respect, propriety). Organisational justice is measured by their responses to the questionnaire with five point Likert scales of “strongly agree, agree, average, disagree and strongly disagree”.

The dependent variable of the study: organisational commitment was measured by an instrument consisting of 19 statements developed through questionnaires Bagraim (2003), Kaptijn (2009) and Meyer and Allen (2004). Organisational justice was measured in terms of three dimensions as affective commitment, continuous commitment, normative commitment (Sareshkeh, Ghaziani & Tayebi 2012; Akuzum 2014; Raza et al. 2013; Balassiano & Salles 2012; Sjahrudin, Sudiro & Normijati 2013). These dimensions consist of 06 aspects as affective commitment (structural characteristics, working experience), continuous commitment (involvement, identification, and emotional attachment), normative commitment (socialisation, organisational investment). Organisational commitment also was measured by their responses to the questionnaire with five point Likert scales of “strongly agree, agree, average, disagree and strongly disagree”.

Validity and Reliability

Reliability of the instrument is measured with the Cronbach’s alpha, and results of the test are presented in Table 1. Test re-test reliability coefficient of organisational justice and organisational commitment instruments are respectively 0.890 and 0.816. The results indicate that the test-retest reliability of both instruments is acceptable. The Cronbach’s Alpha coefficient of the organisational justice and organisational commitment instruments are respectively 0.867 and 0.857, which indicates that content reliability of the instruments are satisfactory.

Table 1: Results of Test Retest and Content Reliability Tests

Instruments	Test-retest coefficient	Cronbach’s Alpha
Organisational Justice	0.890	0.867
Organisational Commitment	0.816	0.857

The content validity of the instruments was ensured by the conceptualization and operationalisation of the variables on literature, and indirectly by the high internal consistency reliability of the instruments as denoted by Alphas.

The content validity of the variables of the study were ensured by the fact that the correlation and regression analysis support the hypotheses formulated linking the relationship between the independent variable and the dependent variable.

Techniques of Data Analysis

Statistical data analysis method was used to analyse the primary data collected through the questionnaire. Computer based statistical data analysis package, SPSS (Version 20) was used to perform the validity, reliability, frequency and relationship tests. Univariate, bivariate and multivariate analyses were included in the data analysis.

Results

Univariate analysis was conducted to determine the frequency distribution of the responses given by the respondents for the independent variable and dependant variable of the study, as well as for the dimensions of the independent variable. The results of the univariate analysis are presented in Table 2.

Table 2: Results of Univariate Analysis

	OJ	Dimensions of OJ			OC
		DJ	PJ	IJ	
Mean	3.3072	3.4463	3.2488	3.2267	3.4685
Median	3.8056	3.8750	3.6250	3.5833	3.9500
Mode	3.81	4.00	4.00	3.67	3.95
Std. Deviation	0.48217	1.04677	0.81388	0.83569	0.98742
Variance	0.778	1.096	0.662	0.698	0.975
Skewness	-0.781	-0.790	-0.685	-0.655	-0.811
Std. Error of Skewness	0.241	0.341	0.241	0.251	0.241
Kurtosis	0.455	0.839	-0.725	0.915	0.544
Std. Error of Kurtosis	0.478	0.478	0.478	0.478	0.478
Minimum	1.74	1.38	1.75	1.83	1.80
Maximum	4.29	4.63	4.25	4.50	4.55

As shown in Table 2, the statistical distribution of the organisational justice perception and organisational commitment of clerical level employees in Sri Lankan semi-government organisations are approximately normal. The mean values of the variables show that both the organisational justice and the organisational commitment of Sri Lankan semi-government organisations are at the moderate level. Apart from that the dimensions of the organisational justice is also normally distributed and they are also at moderate level. When comparing those dimensions distributive justice is somewhat higher than the procedural justice and interactive justice.

Correlation analysis and simple regression analysis was done under bivariate analysis. The results of correlation analysis between organisational justice, distributive justice, procedural justice, and interactive justice with organisational commitment are presented in Table 3.

Table 3: The Pearson's Correlation between Independent Variable and Dependent Variable

	OJ	DJ	PJ	IJ
Correlation	0.976	0.970	0.948	0.953
Sig. (2-tailed)	0.000	0.000	0.000	0.000

According to the Pearson's correlation coefficient organisational justice and organisational commitment have strong positive and significant relationship. When considering the dimensions of organisational justice they also have strong positive and significant relationship with organisational commitment. The relationship between distributive justice and organisational commitment is stronger where comparing with the other two dimension relationships with organisational commitment.

Results of regression analysis which shows the relationship between organisational justice and organisational commitment and dimensions of organisational justice and organisational commitment is shown in Table 4.

Table 4 Results of Simple Regression Analysis

Variables	OJ	DJ	PJ	IJ
Method	Linear	Linear	Linear	Linear
R Square	0.953	0.970	0.900	0.909
Adjusted R Square	0.952	0.640	0.899	0.908
F	1986.040	1534.594	877.976	977.871
Significance	0.000	0.000	0.000	0.000
B- constant	-0.145	0.317	-0.270	-0.166
b- Value	1.093	0.915	1.151	1.126
Beta	0.976	0.970	0.948	0.953

As per Table 4, relationships of organisational justice and dimensions of organisational justice with the organisational commitment are positive and significant.

Multiple regression analysis was done under the multivariate analysis to investigate the combined effect of three dimensions of organisational justice on organisational commitment. The result of multiple regression analysis is presented in Table 5.

Table 5 Result of Multiple Regression Analysis

Multiple R	0.978	
R Square	0.956	
Adjusted R Square	0.954	
F	691.609	
Sig.	0.000	
B- constant	-0.036	
b-value	DJ	0.537
	PJ	0.320
	IJ	0.191

Multiple regression analysis also indicates that distributive justice, procedural justice and interactive justice positively affect on organisational commitment. And also it shows that distributive justice has the highest affectation.

Discussion and Conclusion

The first objective of this study is to determine the level of organisational justice of perception among clerical level employees in Sri Lankan semi-government sector. According to the results of the study, it was found that there was no higher level of organisational justice. All the dimensions of the organisational justice (distributive justice, procedural justice, and interactive justice) are also not high. The second objective of the research is to determine the extent of organisational commitment available among clerical level employees of selected semi-government organisations in Sri Lanka. According to the data analysis, it was revealed that organisational justice among clerical level employees in Sri Lankan semi-government sector is also moderate.

The third objective of the study is to identify how organisational justice affects on organisational commitment. Based on those objectives four hypotheses were developed. According to the results of the correlation and regression analyses all the hypotheses were accepted. First hypothesis was: organisational justice affects organisational commitment of clerical level employees in Sri Lankan semi government sector positively and significantly. It was found that if clerical level employee's organisational justice perception is high, his/her organisational commitment is also high. Hence, first hypothesis was accepted.

Next three hypotheses were developed as sub hypotheses of the first one, for the purpose of determining the impact of dimensions of the organisational justice on organisational commitment. Accordingly, second hypothesis was developed as: Distributive justice affects positively and significantly on organisational commitment of clerical level employees in Sri Lankan semi government sector. The results indicated that the impact of distributive justice on organisational commitment is positive and significant. Third hypothesis was: procedural justice affects positively and significantly on organisational commitment of clerical level employees in Sri Lankan semi-government sector. The study revealed that there is positive and significant impact of procedural justice on organisational commitment. Thus, the third hypothesis is also accepted. Fourth hypothesis is interactive justice affects organisational commitment of clerical level employees in Sri Lankan semi government sector positively and significantly. Forth hypothesis is also accepted as there is positive and significant relationship between interactive justice and organisational commitment.

Results from multiple regression analysis also pointed out that there is positive and significant combined impact of dimensions of organisational justice and organisational commitment. As per the results regression coefficients are distributive justice: 0.537, procedural justice: 0.320, and interactive justice: 0.191. It was revealed that the distributive justice has the highest impact and the interactive justice has the lowest impact on organisational commitment.

According to the results of the study, there is positive and significant relationship between organisational justice and organisational commitment of clerical level employees in Sri Lankan semi-government sector. It indicates that organizational justice is a major determinant of organizational commitment. Therefore, organizational justice is the most significant area to improve within the organization. Therefore management of the organisation have to pay their attention to enhance the organisational justice by linking employee outcomes with the proportion of their contribution to the organisation, giving opportunity to employees to participate in decision making, providing sensitive, dignified, and respectful treatment in the judgment of fairness, maintaining consistent leadership behaviour as much as possible, making decisions based on accurate information, following prevailing moral and ethical standards in managing employees, and building the feeling of employer concern about their interests and their importance for the organisation.

Based on this study some recommendations for the future research in this area can be suggested. It is better to conduct a research in this area taking a long special of time as a

longitudinal study. Future research on this area can be considering different organisational contexts like private sector organisations different levels of employees such as managerial level employees, operational level employees, etc. Future research can be conducted by taking the dimensions of organisational justice and dimensions of organisational commitment as separate variables to determine their individual impact.

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