



GRADUATE SCHOOL OF BUSINESS (GSB)  
UNIVERSITI SAINS MALAYSIA

### DECLARATION

I hereby declare that the project is based on my original work except for quotations and citation which have been duly acknowledged. I also declare that it has not been previously or concurrently submitted for any other degree at USM or any other institutions.



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Date: 28.06.2012

**AN EMPIRICAL INVESTIGATION OF THE INFLUENCE OF  
ORGANIZATIONAL JUSTICE ON SAFETY CLIMATE: THE  
MODERATING ROLE OF JOB SECURITY, TRUST AND  
TRANSFORMATIONAL LEADERSHIP**

**(QUATITATIVE STUDY)**

**by**

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## **Dedication**

I dedicate this dissertation to  
my beloved husband and children  
who always stands by me and supportive  
in whatever endeavor undergone by me.

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## ABSTRAK

Kajian ini menyiasat kesan keadilan organisasi (keadilan prosedur, keadilan pengedaran, keadilan interpersonal dan keadilan maklumat) terhadap iklim keselamatan(safety climate) melalui kesan sederhana (moderator) jaminan pekerjaan (job security), amanah interpersonal (interpersonal trust) dan kepimpinan transformasi (transformational leadership). Berdasarkan pada hubungan teori yang di konstruk, model kajian dan hipotesis telah di bentuk.

Sampel untuk kajian ini adalah berdasarkan kepada pekerja daripada sektor pembuatan. Seramai 120 orang pekerja daripada sektor pembuatan telah dipilih untuk menjawab borang soal selidik. Sejumlah 104 daripada pekerja tersebut telah menjawab dan mengembalikan borang soal selidik tersebut (anggaran dalam 86% pekerja yang terlibat). Borang soal selidik tersebut di hantar dengan surat pengenalan yang menerangkan tentang kajian ini. Borang soal selidik ini di berikan kepada para pelajar MBA dan juga rakan sekerja yang terlibat dalam sektor pembuatan yang turut membantu menjawab dan borang soal selidik tersebut.

Dalam kajian ini, didapati bahawa terdapat hubungan yang signifikan antara keadilan prosedur, pengedaran keadilan, keadilan interpersonal dan iklim keselamatan. Kajian semasa juga membuktikan bahawa terdapat kesan sederhana ("moderator) kepimpinan transformasi yang positif yang berkaitan dengan keadilan pengedaran. Hasil daripada kajian ini, menunjukkan bahawa keadilan prosedur, keadilan pengedaran dan keadilan interpersonal membantu organisasi untuk melaksanakan prosedur dan dasar keselamatan yang berkesan.

Sebagai kesan moderator amanah interpersonal sangat ketara yang berkaitan dengan keadilan interpersonal. Manakala bagi keselamatan pekerjaan menunjukkan bahawa keadilan prosedur dan keadilan maklumat dipengaruhi oleh jaminan pekerjaan.

Kajian ini adalah berdasarkan pada sambungan kajian masa hadapan oleh Gatien (2010), dengan menambahkan kesan moderator iaitu jaminan pekerjaan (job security), amanah interpersonal (interpersonal trust) dan kepimpinan transformasi (transformational leadership). Fokus utama dalam kajian ini ialah keadilan organisasi dan iklim keselamatan di organisasi pembuatan. Ia juga adalah untuk memahami kesan yang mempengaruhi keadilan organisasi terhadap iklim keselamatan di tempat kerja.

Untuk implikasi teoritikal, kajian ini adalah untuk memberi sumbangan kepada para penkaji terhadap pengamal keselamatan para pekerja terutamanya ketua-ketua jabatan. Manakala untuk implikasi praktikal, terdapat banyak kajian yang menyokong kajian mengenai iklim keselamatan dalam pelbagai sektor tetapi pengkaji mendapati hanya segelintir kajian yang dilakukan untuk menyokong kajian iklim keselamatan di sektor pembuatan ini secara langsung terlibat dengan keadilan organisasi dan iklim keselamatan. Oleh itu, kajian ini memberi sumbangan kepada organisasi pembuatan.

## ABSTRACT

This study investigated the impact of organizational justice on safety climate through the moderating effect of job security, interpersonal trust and transformational leadership. On the basis of theoretical linkages among the constructs, a research model and hypotheses were established.

The sample of this study was based on employees from manufacturing organization. Total of 120 employees were asked to complete survey questionnaires. A total of 104 of those employees complete and returned the questionnaires (approximate participation rate is 86%).The survey was accompanied by introductory letter which explains the nature of the research. Self administered questionnaires were distributed to fellow MBA students and colleagues who engaged in manufacturing organizations, helped to distribute and answered the survey questionnaires accordingly.

In this study, it is found that there is a significant relationship between procedural justice, distributive justice, interpersonal justice and safety climate. The current study also provides evidence that there is moderating effect of transformational leadership which is positively related to distributive justice. The finding of the present study suggests that procedural justice, distributive justice and interpersonal justice help the organization to implement its safety procedures and policies effectively. As the moderator effect of interpersonal trust is significantly related to interpersonal justice. Whereas for job security shows that procedural justice and informational justice are affected by the job security.

This study furthered based on future studies by Gatién (2010), by adding the influence of transformational leadership, job security and interpersonal trust as moderators. The

main concerned on this research is on organizational justice and safety climate in manufacturing organization. It is also to understand more on the influences of the organizational justice towards safety climate in the workplace.

As for theoretical implications, this study was intended to contribute further to the field of research on the employees' safety practices generally towards their leaders managing approaches specifically. While as a practical implication, it has been revealed that many studies have indicated support for the studies of safety climate in various sectors and various angles but the Researcher found only a few empirical studies in this industry directly related to the organizational justice towards the safety climate. Thus, this research had contributed to the field of manufacturing organizations.



## Chapter 1

### INTRODUCTION

#### 1.1 Introduction to the Study

As a result of high economic growth, rapid industrialization in developing countries, the number of workplace accidents and occupational diseases are increasing drastically. This increasing rapidity of world's development had also impact on developing countries such as Malaysia.

In order to acquire a safe workplace in manufacturing industries, a competent and suitable system of safety and health are important to be established. As a result, safety climate in the workplace should be implemented which involves everyone to create awareness, prevention and education in line with the organizational justice.

According to the accident statistics provided by the Social Security Organization (SOCSO) Malaysia from year 2006 to 2010 in the manufacturing sector shows that this sector contributed the highest number of accidents, which was recorded as 17,573 report cases for the year of 2010. Globally it is reported that each day an average of 6000 people die as a result of work related accidents or diseases, totaling more than 2.2 million work-related deaths a year (International Labor Organization, 2010). In Malaysia, there are more than 50 thousand work related accidents and diseases reported every year (Commuting and Industrial Accidents Report 2010, NGO Unit, SOCSO, 2011).

In Malaysia, even though legislation concerning workplace safety has shown some progress, safety conditions was still regarded as poor. Much has been said about

promoting a global culture of workplace accident prevention and while meaningful progress has been made in reducing workplace accidents and injuries, significant challenges remained (Tan Sri Lee Lam Thye, NIOSH, 2008).

## 1.2 Background of the Study

One of the major contributors to the economy of Malaysia is the manufacturing industry. The manufacturing industry is now a vibrant and thriving element of the national economy, contributes about one-third of the gross domestic product (GDP). According the department of the statistics data, it is shown that there is an upward trend of growth, which replicates the states' recital especially the Manufacturing sector.

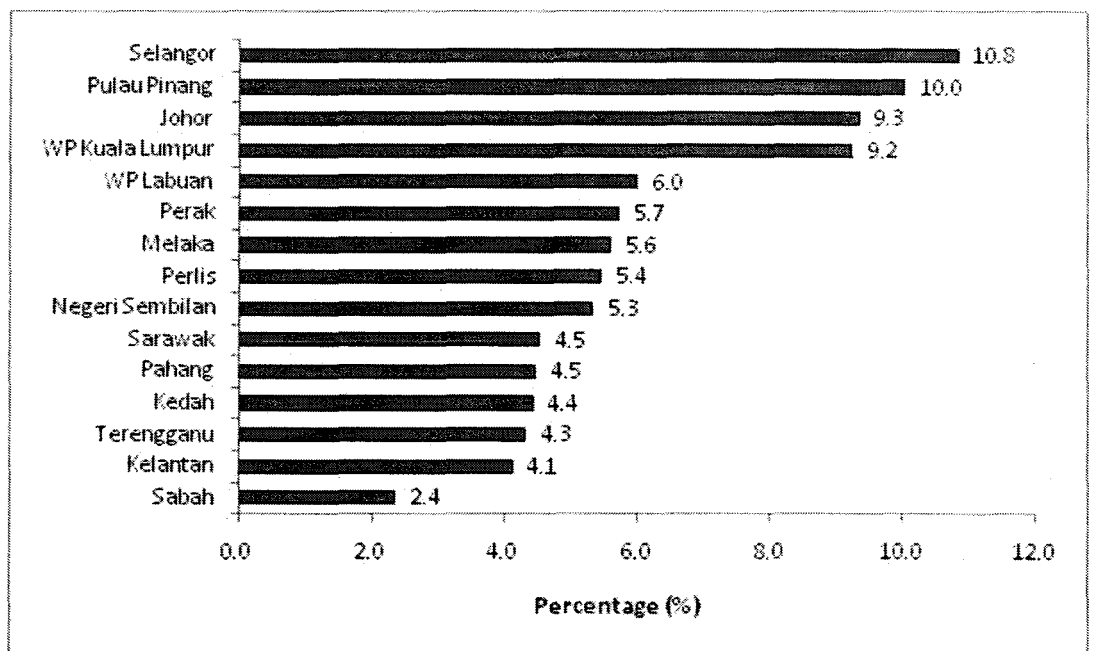


Figure 1: *GDP Growth (%) by State at constant Price 2000 Year 2010*

Source: *MIDA statistics Report 2010*

GDP for Penang state show a very strong growth of 10.0 per cent in the year of 2009 due to the good performance in manufacturing sector. Thus, the better and

bigger the manufacturing grows, the more chances of the industrial accidents and occupational diseases occurs if there is no proper safety measures being implemented in the organizations as indicated in the SOCSO statistics on accidents by industry reported that the highest occupational accidents were reported in the manufacturing industry if compared to other industries as per below table:-

Table 1

*Number of Accidents by Industry*

Industry	2008			2009			2010		
	Cases	Per. Dis	Death	Cases	Per. Dis	Death	Cases	Per. Dis	Death
Agriculture, Forestry, Fishing	2,998	498	70	2,696	488	77	2,564	532	78
Mining and Quarrying	359	81	14	370	101	9	370	88	13
Manufacturing	18,280	4,733	238	17,206	4,733	212	17,573	5,005	245
Electricity, Gas, Water & Sanitary Services	254	149	11	544	174	12	648	195	10
Construction	3,758	900	100	4,108	977	116	4,667	1,110	137
Trading	9,689	2,012	192	9,197	2,131	178	9,437	2,248	185
Transportation	3,298	920	120	3,690	1,021	127	3,642	1,119	94
Financial Institution & Insurance	949	232	12	780	252	9	840	300	2
Services	4,403	1,106	114	10,072	2,449	297	11,270	2,785	276

*Source: SOCSO Occupational Accidents and Diseases Statistics, June 2011*

Thus, the main reason manufacturing industry was chosen for this study is based on the Penang GDP growth of 10% which is in second ranking shows a very strong growth in the manufacturing sector (Figure 1). Therefore, chances of industrial accidents are high in the manufacturing sector. It is proven that manufacturing organizations is in high risk of industrial accidents, supported by the SOCSO data where about 17,573 accident cases and 245 death cases occurred in manufacturing organization for the year 2010 (Table 1).

It has been revealed that there might be a connection between organizational justice and safety climate (Gatien, 2010). If safety climate can be proven to have relationship with the moderators such as transformational leadership, job security and interpersonal trust, the organization can use their measured safety climate level to encourage and motivate the employees to implement a save injury free working environment. At the same time, the organization could emphasize on the safety awareness training in order to enhance the understanding of the safety requirements by the governmental body and also the manufacturing organization itself. Therefore, procedures and policies of safety requirements need to be implemented effectively in order to create a safer working environment.

### **1.3 Statement of the Problem**

The existing scholarly literature contains very limited discussion of the relationship between organizational justice and safety climate with the moderating effects of transformational leadership, interpersonal trust, and job security.

Manufacturing organizations are prone to accidents whether it is minor or major depends on the situations. According to the accident statistics provided by the Social Security Organization (SOCSO) Malaysia from year 2006 to 2010 in the

manufacturing sector shows that this sector contributed the highest number of accidents, which was recorded as 17,573 report cases for the year of 2010.

It seems not easy to implement safety standards and procedure according to the safety regulation in the organizations. Even though these standards and procedures were implemented and practiced effectively but at times it is just written statements on the paper and notice boards. This is due to the unsafe acts and behavior of the employees who does not care about their safety in the work place and unsafe working condition provided by the organization. Thus, whenever there is an accident occurred in the workplace, there is under reporting circumstances occurred. This under reporting situation were influence by the fairness depends on how the organizations managed blame and punishment policies.

Moreover, the employees are influenced by the superior or management practices on the safety issues in the organization. If the superior strictly follows and enforce the safety procedures and policies, there were less accident cases, compared to the superior with just culture (Zohar & Luria, 2005).

Internal Situational factors, whereby safety management system of the organization are portrayed through an internal organization environment by enforcing desired behavior, it increases the adaptability to external factors and demands on the safety requirements are starting to increase.

External Situational factors such enforcement of rules and regulations by the government, increased awareness of the legislation and court decision, and higher safety requirements set by government policies. In addition, wearing equipment or accessories as ordered by the company can also reduce the number of accidents in manufacturing industries.

Therefore, this study will investigate the influence of organizational justice on safety climate and test the moderating role of job security, interpersonal trust and transformational leadership in organization.

#### **1.4 Purpose of the Study**

The purpose of this quantitative study was to determine and provide solution, if the connection between organizational justices would have an effect on safety climate among employees in manufacturing firms. It also looked at the moderating role of transformational leadership, interpersonal trust, and job security on the relationship between organizational justice and safety climate.

#### **1.5 Research Questions**

The central research questions for this study were:

1. Is there a relationship between organizational justice (procedural justice, distributive justice, interpersonal justice, and informational justice) and safety climate?
2. Can transformational leadership moderate the relationship between organizational justice (procedural justice, distributive justice, interpersonal justice, and informational justice) and safety climate?
3. Can interpersonal trust moderate the relationship between organizational justice (procedural justice, distributive justice, interpersonal justice, and informational justice) and safety climate?

4. Can job security moderate the relationship between organizational justice (procedural justice, distributive justice, interpersonal justice, and informational justice) and safety climate?

### **1.6 Study Significance**

This study helps the manufacturing firms to understand the organizational justice and determining the safety climate effect in the organizations. It also helps the management to reveal the organizational justice and the effect from the moderators such as transformational leadership, interpersonal trust and job security to the employees. It will benefit the employers of the manufacturing firms to enhance the management skills and put more effort on the safety climate so that accident free working environment being provided to the employees. In the other hand, the employees could be benefited in the way of determining the safety climate of their work place which influences the organizational justice perceived by them.

This study also benefits the nation such as agencies like National Institute of Occupational Safety and Health (NIOSH), Departmental of Environment (DOE), Departmental of Safety and Health (DOSH), Federation of Malaysian Manufacturers (FMM) and Safety Non Governmental Organizations (NGO).

It is also hoped that this study could contribute to the bank of findings in relevant area, in order benefited by the academicians, research groups and students.

Lastly, the result of this study also will provide ideas and practical suggestions, which manufacturing organizations can implement to improve their safety climate procedures and policies. It is hoped that this findings will be able to

help the organizations recognize the factors affecting their organizational justice towards safety climate.

### **1.7 Definition of Terms**

Interactional justice deals with the fairness of interpersonal communication.

The following definitions are provided as below:-

**Organizational justice** –with regard to how an employee judges the behavior of the organization and their resulting attitude and behavior that comes from this (Greenberg, 1987).

**Distributive justice** – Is concerned with the fairness of outcomes, such as pay, rewards, and promotions (Colquitt, Greenberg, & Zapata-Phelan, 2005).

**Procedural justice** - Refers to fairness issues concerning the methods, mechanisms, and processes used to determine outcomes (Folger & Cropanzano, 1998).

**Informational justice** - is the access of the information that an employee has or not in the organization (Colquitt et al., 2001).

**Interpersonal justice** - Means that people are sensitive to the quality of interpersonal treatment they receive during the enactment of organizational procedures (Bies & Moag, 1986).

**Safety climate** –is a theoretical term used by safety and personnel professionals to describe the sum of employee perceptions regarding overall safety within the workplace (Zohar, 1980).

**Transformational leadership** - is known as leadership that encourages employees to go beyond their self interest to consequently perform beyond expectation instead of focusing on the values, norm and goals of the organization (Bass, 1985; Yukl, 2001).

**Interpersonal trust** – Trust is also related with joining voluntary organizations, because it facilitates individuals' likelihood of interacting with others (Putnam, 1994).



**Job Security** – Job security is always a question mark among the employees whether or not they will be in the job (Probst, 2003).

## **1.8 Organization of the Remainder of the Study**

This thesis comprises of 5 chapters. Each chapter has a distinctive aim and purpose as outlined below:-

**Chapter 1** briefly provides an overview of the subject, research problem and the significant study and an overall research purpose.

**Chapter 2** provides the past and present literature related to the subject. This chapter presents research on theoretical and empirical studies of safety climate, organizational justice. Additionally it highlights how transformational leadership, interpersonal trust, and job security moderates the relationship between organizational justice and safety climate. It gives rise to the research hypotheses and a conceptual model.

**Chapter 3** describes the research model for the current study. Hypothesis is developed in order to investigate the relationship between safety climate as dependent variable towards the independent variables of organizational justice and moderators namely job security, transformational leadership and interpersonal trust. This chapter will begin with the research model and development of hypothesis.

**Chapter 4** provides with data gathering and data analysis. Here, the data are gathered from the respondents which will be interpreted into useful information of the study by the help of the SPSS software. A series of hypotheses were tested.

**Chapter 5** This chapter will begin with the respondents' profile by showing in frequency and percentage. Section 2 will describe the goodness of measures and section 3 will represent the hypotheses testing.

**Chapter 6** is the discussion of the findings together with the conclusion of this research. This chapter also points out the limitations found in this research and gives some recommendations for further study and future reference.

## Chapter 2

### REVIEW OF THE LITERATURE

#### 2.1 Introduction

This literature review examines theoretical and empirical studies of safety climate and organizational justice. Additionally it highlights how transformational leadership, interpersonal trust, and job security moderates the relationship between organizational justice and safety climate.

#### 2.2 Safety Climate

Researchers and studies nowadays are interested to investigate the role of sociotechnical factors such as organizational climate and culture (Wiegmann et al, 2004). Upon investigation and researches it had been revealed that the organizational disasters and technical failures were caused by the sociotechnical factors (Flin, Mearns, O'Connor, & Bryden, 2000). Safety climate is one of the well recognized sociotechnical factors. So many efforts and time had been invested by the researchers to study the impact of safety climate and the level to which it predicts workplace accidents and injuries.

Safety climate is a subset of organizational climate, where it illustrates individual perceptions of the value of safety in work place. Several factors were identified as important mechanisms of safety climate. These factors are management and organizational practices ( e.g. proper safety equipment, quality of safety management system, adequacy of training), management values (e.g. management concern for employee well-being), employee involvement and communication in safety and health in workplace (Dejoy,1994; Neal & Griffin,2000). A series of

studies have verified that these factors predicts safety related effects, such as incidents and accidents (e.g. Zohar, 1980; Brown and Holmes, 1986; Dedobbeleer and Beland, 1991; DeJoy, 1994; Niskanen, 1994; Hofmann and Stetzer, 1996).

According to Zohar (1980,2000; Zohar & Luria, 2005), safety climate refers to attributions about procedures and policies, and priority of safety at work by the supervisory practices. Determinations on desirable behavior role by the employees while making sense of the workplace, they tend to focus on patterns of behavior over time, rather than specific incidents of behavior. As the immediate supervisor is the most adjacent representative of the organization to most employees, supervisor behavior's pattern will be observed quickly and leads to the employees perceptions of the relative importance of safety at work.

Various studies had been done across the globe and in several industrial sectors ever since Zohar (1980) constructed the safety climate measures. Lately organizations transform its system from control-oriented approach to accident reduction, where the safety rule enforcement and punishment were emphasized to a more strategic approach which motivates employees to recognize the organizational goals and to join the effort to achieve them (Barling & Hutchinson, 2000). It is proven that the safety climate is a practical management tool emphasized on safety before accident occurred (Seo, Torabi, Blair & Ellis, 2004).

According to Neal and Griffin (2006) safety climate, like organizational climate, could be viewed as an individual or group level variable. Safety climate in individual employee's perception of the work environment refers to the individual level variable while the group level refers to the shared perceptions of group of employees. It depends to the researcher views on climate as a group level or individual level variable. Studies conducted organizational or group level climate do

not focus on individual perceptions and categorized it as shared perceptions (Zohar,2000).

The employees' diligence of safety implementation and practices are based on the organization's procedures and policies effectiveness. Supervisors view on violation of safety procedures and policies are very important because it indirectly influences the perception and behaviors of employees towards accident and injuries occurrence (Nahrgang, Morgeson, Hofmann, 2007).

The following section describes the safety climate antecedents that can be used to predict the impact of organizational justice and safety climate.

There has been an enormous number of researches recently examining safety climate either as independent variable, moderator variable, or mediating variable. Some studies viewed safety climate as independent variable (Fugas, Silva, & Melia, 2012; Idris, Dollard, Coward, & Dormann, 2012; Idris, Dollard, & Winefield, 2011; Law, Dollard, Tuckey, & Dormann, 2011; Lu & Yang, 2011; Xuesheng & Xintao, 2011; Bond, Morrow, McGonagle, Dove-Steinkamp, Walker Jr., Marmet, & Barnes-Farrell., 2010; Kath, Magley, & Marmet, 2010; Tuckey, & Dollard, 2010; Chi, Huang, & Chang, 2010; Torner, 2008). There are also researchers who studied safety climate as a moderating variable (Kapp, 2012; Dollard, Tuckey, & Dormann, 2012; Law *et al.*, 2011; Naveh, Katz-Navon, & Stern, 2011; Bond *et al.*, 2010; Jiang, Yu, Li, & Li, 2010; Probst & Estrada, 2010; Baba, Tourigny, Wang, & Liu, 2009) and mediating variable (Wu, Chang, Shu, Chen, & Wang, 2011; Luria, 2010). In this study, safety climate is a dependent variable.

Past empirical studies on the antecedents of safety climate will be considered in the next section.

### 2.3 Safety Climate Antecedents

A limited number of studies have been studied recently on the antecedents of safety climate (Walston, Al-Omar, & Al-Mutari, 2010; Luria, 2010; Mearns, Hope, Ford, & Tetrick, 2010; Gyekye & Salminen, 2009; Baek, Bae, Ham, & Singh 2008; Wu, Liu, & Lu, 2007). For instance, Walston *et al.*, (2010) investigated on the hospital patients affecting factors of safety climate. Specifically, the purpose of their study is to describe three organizational dimensions that influence hospital patient safety climate. Four types of Saudi Arabian hospitals were choose to conduct surveys. Multiple regression analysis results showed that the patient safety climate is positively and significantly influenced by management support, organization's reporting system, and adequate resources.

Luria (2010) tested the contribution of trust between leaders and subordinates to safety. They distributed questionnaires to 2524 soldiers in three army brigades were tested for trust and safety-climate variables, then crossed with injury rate according to platoon level of analysis based on medical records. They found that trust to be positively related both to level and strength and negatively related to injuries of safety climate. Furthermore, they discovered that relationship between trust and injury rates were mediated with safety-climate level.

Illustration from climate and social exchange theory, Mearns *et al.* (2010) used a multilevel approach to examine the implications of worksite health investment for worksite employee safety compliance and commitment to the worksite safety and health climate. Data were collected from 1932 personnel working on 31 offshore installations operating in UK waters. Corporate workforce health investment details for 20 of these installations provided by installation medics. Their findings provide support for a strong link between health investment practices and worksite safety and

health climate. The results also found a relationship between organizational commitment and health investment practices among employees. These results advocate that health investment practices are connected with climates and committed workforces that reflect a priority on health and safety.

In another study, Gyekye and Salminen (2009) tested the relationship between educational attainment and (i) job satisfaction, (ii) safety perception, (iii) accident frequency and (iv) compliance with safety management policies. Participants were 320 Ghanaian industrial workers categorized into four educational groups based on their responses: secondary education, basic education; vocational/professional education; and university education. Workplace safety perception was assessed with Hayes et al.'s 50-item Work Safety Scale (WSS): a scale that effectively captures the elements identified by safety experts to influence perceptions of workplace safety. Multivariate analysis (MANOVA) was used to test for differences of statistical significance. Posterior comparison with *t*-test consistently revealed significant differences between the two higher-educated associates and their lower-educated counterparts. The results indicated a positive relationship between safety perception and education. Higher-educated workers proofed the best perceptions on safety, were the most compliant with safety procedures and indicated the highest level of job satisfaction, recorded the lowest accident involvement rate.

The main objective of Baek *et al.*'s (2008) study was to explore safety climate practices (level of safety climate and the underlying problems). Out of 642 plants contacted, 195 Korean manufacturing plants, especially in hazardous chemical treating plants participated in the surveys. Their results showed that high levels of safety climate awareness were practiced by both managers and workers. The major causal problems identified were inadequate safety procedures/rules, health pressure

for production and rule breaking. The duration of employment was a significant contributing factor to the level of safety climate. In addition, workers showed generally high level of safety climate, and length of employment affected the differences in the level of safety climate.

Meanwhile, Wu *et al.* (2007) investigated the impact of organizational and individual factors on safety climate among employees at 100 universities and colleges in Taiwan. Multivariate analysis of variance revealed that organizational category of the presence of a safety manager and safety committee, ownership, age, title, gender, safety training and accident experience significantly affected the climate. Among them, safety training and accident experience affected the climate with practical significance.

In conclusion, the somewhat low number of relevant studies on the relationship between organizational justice and safety climate can be justified by the relative “newness” of the subject area. Therefore, more research is needed in order to better understand the other antecedent variables that influence safety climate. As highlighted by Gatién (2010), one possible antecedent variable that has yet to be explored within the safety climate literature is the possibility of organizational justice. The following section describes the independent variable of the study; organizational justice

## **2.4 Organizational Justice**

For over 30 years, organizational justice has been a major interest of researchers (Amrose, 2002). Greenberg (1987) introduced organizational justice with regard to how an employee judges the behavior of the organization and their resulting attitude and behavior that comes from this. Organizational justice is generally considered to



consist of four sub dimensions: distributive justice, procedural justice, interactional justice and informational justice.

Distributive justice is concerned with the fairness of outcomes, such as pay, rewards, and promotions (Colquitt, Greenberg, & Zapata-Phelan, 2005). Procedural justice refers to fairness issues concerning the methods, mechanisms, and processes used to determine outcomes (Folger & Cropanzano, 1998). Interactional justice deals with the fairness of interpersonal communication. Interactional justice means that people are sensitive to the quality of interpersonal treatment they receive during the enactment of organizational procedures (Bies & Moag, 1986).

The four dimensions of organizational justice will be explained in the following section.

#### ***2.4.1 Procedural Justice***

Procedural justice is one the most important resources in social exchange especially in the organizational context (Loi et.al. 2006). Previous research illustrates that procedural justice frequently predictive of range of work attitudes as well as organizational commitment (Warner et.al. 2005). The individuals who received an amount of compensation seems to be unimportant than the decision making process of the fairness (Teprstra and Honoree, 2003). In strategy implementation, trust and dedication builds the voluntary cooperation which creates the commitment and trust through the appreciation of emotional and intellectual from the fair process itself (Cropanzano et.al, 2007).

Evaluation procedures which are used to determine ratings were focused on the fairness of the procedural justice perspective (Greenberg, 1986). Folger and Konovsky (1989) argued that opportunity for employees to express their feelings

upon evaluation showed a measure of perceived fairness and accuracy of performance evaluation. Employees have more willingness to behave and show greater loyalty in an organization, if the process shows just attitude (Cropanzano et.al, 2007).

Fair procedures makes employees feel they get an equal opportunity from the company and it indicates that they should perform well in future (Loi et.al. 2006). As past researcher suggested that normative commitment consists the function of socialization experiences which means familial or societal experience (Weiner,1982). For reasons other than socialization, employees can develop a sense of obligation to their organization, such as the receipt of benefits that invoke a need for reciprocity (Meyer et.al. 2002).

#### ***2.4.2 Distributive Justice***

Distributive justice referred to employee's perceptions of the fairness of the allocation of resources among themselves (Greenberg & Baron 2003). When efficiency and productivity involved, distributive justice affects performance (Cohen-Charash & Spector, 2001). Performance increases when perception of justice improved (Karriker & Williams, 2009). Three distribution rules that leads to distributive justice if applied accordingly: equality, equity and needs (Cropanzano et.al., 2007). Cropanzano also stressed that distributive justice is concerned with the reality that not all workers are treated equally; the distribution of outcome is differentiated in workplace.

Past researchers found that employees desired to quit by looking for evidence proving the rewards are unfairly distributed (Dailey & Kirk, 1992). Moreover, distributive justice seems to play a significant role for employee in assessing their

organization (Loi et.al, 2006). High loyalty could be seen on the employees if they could not acquire the same benefits in another organization (Lee et.al, 2007).

#### ***2.4.3 Interactional Justice***

Interactional justice is catered by respect, justification, politeness and truthfulness (Bies & Moag, 1986). Employees seeks respect from their supervisors to share information and avoid rude remarks, since supervisors are the person who are near to them and influenced by their behavior, employees are very sensitive on the way they are treated (Cropanzani et.al., 2007), thus it builds trust in supervisor (Wat & Shaffer, 2005).

Interactional justice has been categorized as interpersonal justice, which is known as people who are treated with respect, dignity and politeness by others (Greenberg, 1990). Employees when treated in a fair way motivate them to trust the supervisors and in return they will perform well (Schminke et al., 2000). Interactional justice helps the organization to build a stronger relationship between supervisors and employees.

Individuals do not like it when someone treats them in an improper way. Their performance will be lacking and they were not motivated to perform the job well. It all depends on the supervisors, how well are they treating their sub-ordinates in order to obtain their trust.

#### ***2.4.4 Informational Justice***

Informational justice is the access of the information that an employee has or not in the organization. This is the transparency justice being practiced in the workplace

such as supervisors being honest with employees essential to an employee's sense of justice in the workplace (Colquitt et al., 2001).

Previous research shown that there is a significant positive relationship between agreeableness and the individual consideration. Because meticulous leaders are more punctual, organized and challenging in their work, they are expecting to provide timely, thorough justifications to their subordinates. This is because in an effort to stay organized and on top of things, meticulous leaders need to have access to complete information in a timely manner; because timely information regarding decisions impacts them. It is their responsibility to share the information with others. In addition, the meticulous leaders should ensure that the information they provide to subordinates is truthful in nature. In support of the relation between meticulous and informational justice, Sheppard and Lewicki (1987) found that meticulous leaders always communicate important news to their subordinates.

## **2.5 Organizational Justice Outcomes**

Organizational justice is a multidimensional construct. The four proposed components are procedural, distributive, interpersonal and informational justice. studies also suggests the importance of emotion and affect in the appraisal of the fairness of a situation as well as one's attitudinal reactions and behavioral to the situation (e.g., Barsky, Kaplan, & Beal, 2011).

There have been a number of empirical studies on organizational justice. However, this section only covers the most recent empirical research (between 2010 and 2012) on organizational justice particularly on the outcomes of organizational justice. The current study was identified by an electronic library databases. Databases

only included Emerald and Science Direct. The searched begin for the terms “organizational justice” in article title.

Guided by the Strength Model of Self-control and the General Theory of Crime Simon, Restubog, Garcia, Toledano *et al.* (2011), they examined the role of self-control in buffering the negative relationship between perceived cyberloafing behavior and organizational justice. Organizational justice negatively predicted cyberloafing behavior, though this relationship had ceased to be statistically significant after controlling for gender, age, and hours of internet use for work-related activities. In addition, self-control moderated this relationship. Specifically, there was a stronger negative relationship between perceived organizational justice and cyberloafing for employees with high as opposed to low levels of self-control.

Guangling (2011) conducted a test for intermediary relation model between employees’ senses of organizational justice and organizational citizenship behavior in private enterprises. The result showed sense of organizational justice has a positive prediction role on employees’ organizational identification; organizational identification positively promotes employees’ organizational citizenship behavior and the organizational identification plays an intermediary role on relationship between organizational justice and organizational citizenship behavior.

Nasurdin and Khuan (2011) investigated the links between organizational justice (distributive justice and procedural justice) and job performance (task performance and contextual performance). The moderating role of age in the above-mentioned relationship was also investigated. Data were gathered using self-administered questionnaires from a sample of 136 customer-contact employees within the telecommunications industry of Malaysia. The results illustrated that distributive justice had a positive and significant relationship with task performance. In a similar

element, procedural justice was found to be positively and significantly related to contextual performance. Age, however, did not moderate the justice-performance relationships.

Hassan and Hashim, (2011) analyzed the differences between national and expatriate academic staff perception of organizational justice in Malaysian institutions of higher learning. It also explores the role of organizational justice in shaping teaching faculties' attitude (job satisfaction and commitment) and behavioral intention (turnover intention). Except for job satisfaction, where Malaysians recorded significantly higher endorsement compared to expatriates, no significant difference was found between the two groups on perception of distributive, procedural, and interactional aspects of organizational justice, as well as organizational commitment and turnover intention. Different facets of organizational justice predicted work outcomes in the two groups. Whereas interactional and distributive justice promoted expatriates' organizational commitment and/or intention to stay with the organization, it was mainly procedural justice that contributed to local employees' job satisfaction, organizational commitment, and turnover intentions. Distributive justice also predicted turnover intentions of locals.

Palaiologos, Papazekos, and Panayotopoulou, (2011) examined the relationship between performance appraisal and organizational justice (distributive, procedural and interactional justice). The results show that distributive, procedural, and interactional justice is related with different dimensions of performance appraisal. Elements of satisfaction are sturdily related to all aspects of organizational justice. The performance appraisal criteria are related to procedural justice.

Erkutlu, (2011) examined whether organizational culture moderates the relationships between organizational citizenship behaviors (OCBs) and justice

perceptions. Multiple hierarchical regression results support the moderating role of organizational culture of the justice perceptions-OCB link. As hypothesized, results show a stronger relationship between interactional justice and OCB for organizations that are higher in respect for people and a weaker relationship between distributive and procedural justices and OCB for organizations that are higher in team orientation.

Fuchs (2011) studied on the impact of top management and manager identification on the relationship between change-oriented behavior and perceived organizational justice. They initiate that all types of justice predict pro-change behavior and that, in addition, interactional justice perceptions are negatively related to employees' anti-change behavior. Neither top management nor manager identification had a moderating effect on the relationship between organizational justice and pro-change behavior, but both moderated the relationship between anti-change behavior and distributive justice perceptions. Moreover, identification with top management moderated the relationship between procedural justice perceptions and anti-change behavior.

The purpose of Till and Karren's (2011) study is to compare the relative importance or effects of external equity, individual equity, internal equity, informational justice, procedural justice and on pay level satisfaction. Of the three types of equity, individual equity was the most important factor on pay level satisfaction. Three other factors and the external equity were important for many individuals, and this was shown through the individual analyses.

Wang, Liao, Xia, and Chang, (2010) construct and test a model that identifies the impact of organizational justice on work performance. The model examined the mediating role played by organizational commitment and leader-member exchange (LMX) in linking organizational justice and work performance. They found that the

relationship of organizational justice to work performance was mostly indirect, mediated by organizational commitment and LMX. Second, among the three kinds of organizational justice, interactional justice was the best predictor of performance.

Elanain (2010a) investigated the direct and indirect relationship between organizational justice and work outcomes in a non-Western context of the United Arab Emirates (UAE). The study revealed that procedural justice was more strongly related to organizational commitment than distributive justice. The study also showed that procedural justice was more strongly related to job satisfaction than distributive justice. Moreover, job satisfaction was found to play a partial role in mediating the influence of organizational justice on organizational commitment and turnover intention. Also, organizational commitment was found to fully mediate the relationship between procedural justice and turnover intention. However, it partially mediated the relationship between distributive justice and turnover intentions. Finally, distributive justice was found to mediate some of the relationships between procedural justice and work outcomes.

Elanain (2010b) examined the impact of openness to experience on organizational citizenship behavior (OCB) dimensions in the UAE; and second, to test the mediating impact of work locus of control (WLOC) and interactional justice on the openness-OCB dimensions relationship. Openness to experience was found to be strongly related to the four OCB dimensions. Also, WLOC and interactional justice were found to play a role in mediating the influence of openness to experience on OCB dimensions.

McCain, Tsai, and Bellino (2010) examined the antecedents and consequence of casino employees' ethical behavior. They discovered that casino employees' ethical behavior was positively influenced by both procedural and distributive justice, with