

Organizational Justice and Job satisfaction: A literature Review

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Abstract

In recent times, the high level of injustice, unfair treatment and lack of equity in workplace has affected adversely the physical and psychological well-being of employees and consequently led to low productivity, absenteeism, low morale, lack of commitment and disloyalty. Hence, this study proposes a conceptual model by stating propositions for future empirical studies on the effect of organizational justice on job satisfaction. The specific approach adopted to suggest the conceptual model centers on review of extant literature on organizational justice, job satisfaction and empirical nexus between the variables of organizational justice and job satisfaction. The findings from previous studies indicated that organizations that embrace equity, justice and fairness in distribution of resources stand a better chance of generating higher level of job satisfaction. Also, drawing from the theoretical underpinning, it was argued that positive link exists between organizational justice and job satisfaction. Finally, this study developed hypotheses for future empirical studies on the relationship between organizational justice and job satisfaction using the three-dimensional proxies of distributive, procedural and interactional justice.

Keywords: Distributive justice, interactional justice, job satisfaction, organizational justice procedural justice.

JEL Classification: M, M1, M12

1. Introduction

In today's workplace, organizations across the globe usually emerge with several goals and objectives which they continually seek to achieve. Such goal and objective range from survival, expansion, increase performance and productivity, large market size, increase asset base, managing and maximization of shareholder's wealth and above all, profit making. As observed, achieving these objectives in today's competitive and dynamic business environment has become an arduous task, because most organizations across the globe now operates at their lowest ebb due to serious economic strains. To surpass these daunting challenges, human resources experts and personnel management practitioners must revert to corporate survival strategy such as downsizing, rationalizing and reengineering to deal with such economic crisis and its attendant impacts. Therefore, organizations willing to adequately utilize human resources to achieve predetermined goals should give desirable attention to organizational justice (Afridi & Baloch, 2018; Gori *et al.*, 2020)

Organizational justice is regarded as the overall perception of what is just or fair in the workplace. It connotes the individual's and the group's perception of the fairness of treatment received from an organization and their behavioural reaction to such perception (Aryee, Budhwah & Chen, 2002). Organizational justice comprised of three important dimensions namely: distributive, procedural and interactional justice (Robbins, Judge & Vohra, 2012). Distributive justice is connoting the perceived fairness of outcome. Procedural justice is the perceived fairness of process used to determine the outcome while interactional justice is the perceived degree to which one is treated with dignity and respect.

On the other hand, Locke (1976) views job satisfaction as a positive emotional state resulting from the appraisal of one's job or job experiences while Judge, Hulin and Dalal (2009:5) defined "job satisfaction as multidimensional psychological responses to one's job". Job satisfaction center on the issues of physical and psychological well-being of an employee with significant positive or negative impact on productivity, absenteeism, punctuality, improved morale, commitment and loyalty (Mahboob & Khan, 2017). Job satisfaction is key to the growth and development of organization in the 21st century because a satisfied employee will defy all odds to contribute meaningfully to the progress of their organizations.

To establish a nexus between organization justice and job satisfaction, human resources and personnel management experts must understand that today's employees are no longer interested in what they enjoy as benefits or get from their job in terms of salary, promotion and recognition in comparison to their efforts, experience, education but also concerns about input-output ratio of their friends, colleagues, neighbor, and co-worker (Robbins *et al.*, 2012). Generating and maintaining employees' cooperation, self-sacrifice and extra effort in an organization depend largely on the degree of equity and fairness, whether in the areas of remuneration, promotion, career growth and training (Makboob & Khan, 2017). Despite workers curiosity about how they are being treated, most employees often do not have access to information about strategic decisions made by management on technical, financial and legal matters which sometimes call to question the perception of fairness and equity deployed in most organizations.

Albeit, several studies (Sohail & Nuhu, 2010; Akbolat *et al.*, 2015; Makboob and Khan, 2017; Afridi & Baloch, 2018; Gori *et al.*, 2020) have examined organizational justice and job satisfaction but most of these studies were conducted outside Nigeria which makes their findings difficult to replicate in Nigeria. To fittingly justify the essence of this discourse, this paper through conceptual proposition will not only add to dearth of literature on organizational justice and job satisfaction in Nigeria organization, but also attempted to seemly exude the shortcomings in previous studies. The specific approach taken to suggest the conceptual model is the review of literature on organizational justice, job satisfaction and empirical relationship between organization justice and job satisfaction.

2. Literature Review and Hypotheses Development

2.1 Organizational Justice

According to Robbins *et al.* (2012), organizational justice has three important components: distributive, procedural, and interactional. Distributive justice has to do with employees' assessment of the perceived outcomes. It is a well-established fact that no two employees can be treated the same way (Robbins *et al.*, 2012). However, employees are much more concern with the effort they put into productive activities compared to how much they receive in return. By implication, employees' job satisfaction is determined principally on the degree of fairness and justice in comparison to the inputs-outcome ratio (Sohail & Nuhu, 2010)

Aryee *et al.* (2002) view procedural justice is viewed as the way employees perceived the procedures or processes that determine the outcomes. When outcomes are positive, the degree of employees' satisfaction will also increase. By implication, the behavioural response of employees would result in greater loyalty, commitment and dedication. Procedural justice is an important key in maintaining legitimacy within the organization (Akbolat *et al.*, 2015; Makboob and Khan, 2017). Interactional justice deals with how such procedures are implemented and the explanation of procedures and final outcomes (Sohail & Nuhu, 2010; Robbins *et al.*, 2012; Makboob & Khan, 2017).

Flowing from the previous studies reviewed, the researcher attempted to identify the benefits of organizational justice which includes employees' loyalty and commitment, reduction in labour

turnover, increase performance and high productivity. To be explicit, organizational justice will help to reduce labour turnover. Obisi (1993) assert that labour turnover is the coming in and going out of employees in an organization over a given period say in a year or a month. High labour turnover is often perceived as the consequence of lack of organizational justice which can be showcased in form of negative attitude on their job. In addition, organizational justice will help to generate high employees' performance and productivity. Productivity as an economic measure of output per unit of input, such as producing results in a fruitful, lucrative and profitable manner (Nda & Fard, 2014; Robbins & Judge, 2013; Singh & Mohanty, 2012). When employees feel equitably treated, he or she will put all efforts into productive activities.

2.2 Job Satisfaction

As opined at the introductory part of this discourse, it is imperative to reemphasize that organizations are incorporated to achieve certain goals and objectives which they continually seek to achieve. Hence, managers must ensure that employee's welfare is prioritized to meet their social and psychological needs. This is important because a satisfied employee will defy all odds to contribute meaningfully to the progress of their organizations (Fajana, 2006). According to Judge *et al.* (2009), job satisfaction is a multidimensional psychological response to one's job, and such personal responses have cognitive, affective and behavioural components. Job satisfaction is a state of positive and emotional realities resulting from appraisal of employee's job characteristics (Robbins & Judge, 2013). In the opinion of Locke (1976), job satisfaction is a positive emotional state resulting from the appraisal of one's job or job experiences. According to Nazir *et al.* (2013), job satisfaction is an indicator of a multiple job characteristics rather than an absolute measure of job. It is the combination of important factors that help an employee to determine the degree to which they like their job.

Job satisfaction is an employee's cognitive, affective and evaluative reactions towards their job. Tella *et al.* (2007) identified three important characteristics of job satisfaction as adapted from Luthan (1998). First, job satisfaction is an emotional response to a job situation, and as such can be inferred, but cannot be seen. Second, job satisfaction is often determined by how well outcome meets or exceeds expectations. If employees in an organization feel that they are working much harder than others in the department but are receiving inequitable rewards, they will probably have or showcase negative attitudes towards their job, coworkers and the boss. However, if they feel well treated, employees will feel motivated and display positive attitudes towards their job. Third, Job satisfaction represents several related attitudes which are most important characteristics of a job from which people have effective response.

Luthan (1998), Chitale *et al.*, (2013) and Osemeke (2016) opined that job satisfaction is determined by work-itself, pay, promotion opportunities, supervision, recognition, working condition, co-worker relationship, supervision, training, leadership, job enrichment and job design. Finally, organization must proactively manage employees so as to generate job satisfaction since literature has alluded to the fact that the higher the levels of employees' job satisfaction, the more inclined employees are to remain committed to their organizations (Robbins & Judge, 2013).

To further advance this discourse, this study identified some of the determinants of job satisfaction vis-à-vis pay, promotion opportunities, supervision, recognition, working condition, co-workers' relationship, supervision, training, leadership, job enrichment and job design (Osemeke, 2016; Chitale *et al.*, 2013). Chitale *et al.*, (2013) opined that pay satisfaction is an employees' positive feelings about their pay (wages, salaries, pension and gratuity), including whether it is as much as they deserve, equitable, secure, and adequate for both normal expenses and acquisition of luxurious items. Another important determinant of job satisfaction is job advancement, growth in workplace that helps to build a happy and motivated employee

(Armstrong, 2009).

Furthermore, Sohail *et al.* (2014) opined that employee's feel motivated and satisfied with their job when working condition is relatively conducive. In this regard, employee's morale will be lifted and translated to positive job attitude. Working condition is usually in form of provision of modern equipment like quality furniture, well-ventilated and spacious offices to make work attractive and generate employee readiness to advance productivity. Likewise, relationship with supervisor is another key determinant of job satisfaction. This reflects employees' feelings about their boss in terms of politeness, competence, and good communication, as majority of employees want supervisors that can help them attain their individual goals and group's collective values. Lastly, job satisfaction is determined by constant and continuous employee's training exercise (Bulut & Culha, 2010).

2.3 Empirical Review

Hassan (2010) investigated the relationship between organizational justice and job satisfaction in Jordan. The study employed structured questionnaire to elicit information from 299 employees of Electrical Industrial Companies in Jordan and the findings revealed that a positive association exist between organizational justice and job satisfaction. The study concluded that employees' job satisfaction depends upon organizational justice deployed by managers. Afridi and Baloch (2018) examined the effect of organizational justice on job satisfaction by comparing public and private universities of Khyber Pakhtunkwa. The study examined only the distributive and procedural dimension of organizational justice using a standard questionnaire to elicit information from the respondents. Pearson correlation and regression were employed to test the hypotheses and the findings revealed a positive association between organizational justice and employees' job satisfaction.

Gori *et al.* (2020) examined how organizational justices contribute to job satisfaction using a chained mediation model. The study employed both questionnaire and interview to elicit information from respondents and found that a significant influence exists between organizational justice and job satisfaction. Also, a significant chained total-mediation model emerged between the multi-dimension of organizational justice vis-à-vis procedural, distributive and information and interpersonal justice. Ziad, Aman and Abedalbasit (2014) examined relationship between organizational justice and job satisfaction as perceived by Jordanian physical education teachers. The study elicited information from 166 teachers in selected public school in Jordan and found a positive and significant relationship between all dimension of organizational justice and teachers' job satisfaction with interactional justice being the best predictor of teachers' job satisfaction, followed by procedural and distributive justice respectively.

Khan *et al.* (2017) examined the impact of organisational justice on career satisfaction of employees in public sector Pakistan. 105 employees were sampled while multiple regression was employed to test the study hypothesis. The findings showed that significant positive impact exist between distributive and interactional justice on employees' job satisfaction while procedural justice has no impact at all. Akram (2015) examined the impact of organizational justice on job satisfaction of banking employees in Pakistan. Questionnaire was used to elicit information from respondents while correlation and ANOVA were used to test the stated hypotheses. The findings therefore showed that distributive justice has positive relationship with job satisfaction while procedural justice has negative relationship with job satisfaction. Mahboob and Khan (2017) examined organizational justice and its impact on job satisfaction in public sector universities of Peshawar. The study elicited information from respondents through the use of questionnaire while regression and correlation were employed to test the hypotheses. The study found a significant relationship between organizational justice and job satisfaction as most of the

employees want fairness in interaction, procedure and distribution of resources.

2.4 Theoretical Underpinning

Relevant to this study is equity theory as advanced by Adams (1963, 1965). The notion of equity is primarily concerned with doing justice and fairness in any reward system. Equity theory also contains social elements wherein individual compares his inputs and outcomes to those of others at the same level. If there is perceived equity or fairness, the individual is satisfied and continues the level of effort put into productive activities. On the flip side, the person perceived inequity or unfairness in the comparison may feel unhappy and frustrated due to deviation in the sense of equity and fairness. The theory holds that individuals are motivated not only by measuring the balance between their efforts, performance and rewards but also by comparing these with that of others colleague.

The consequences of equity theory include: First, persons may alter their efforts. Individuals who feel underpaid for their effort would tend to reduce them, and people who feel overpaid would increase the effort they put in. Second, individual can try to alter their outcomes or rewards. Third, an individual can cognitively distort inputs or outcomes. Fourth, the individual could quit the job. Fifth, the person could persuade the other individual to put in less effort. Six, the person could change the level of comparison and thus minimize restlessness. The managerial implication of equity theory is that it sensitizes manager to the fact that employees make comparison to judge whether or not they have been treated fairly when compared to others of like status. To tackle perceived inequity, managers should involve in open communication with the employees on the basis of granting rewards.

The application of equity theory to this study originates from the fact that it has a wide-reaching implication for employees' morale, turnover intention and job satisfaction. For example, if employees perceive high rate of disparity between input and output, the consequences may be grave to the organization. The inputs are in form of time, effort, commitment, loyalty, hard work, flexibility, tolerance, adaptability and determination while the outputs are in form of job security, cordial relationship, salary, recognition, responsibility, achievements and so on. Therefore, once there is perceived equity between input and output, employee's satisfaction will be at its peak.

2.5 Gap in Literature

It is worthy of note that equity theories, as well as previous studies discussed in the preceding sections are in line with the proposed framework. Specifically, the relevance of this theory suffices from the fact that fairness, equity and justice form the bedrock of Adam (1963) equity theory which underscored the fact that different employees ascribe personal values to inputs and outcomes. The implication of this theory is that employees' job satisfaction depends largely on the degree of fairness and equity deployed by managers. Extant literature also alluded to the fact that organizational justice and employees' job satisfaction are key element useful in achieving organizational vision and mission. As equally noted in the earlier discussions of this study, the concept of organizational justice has not been fully explored in Nigeria. The dearth of researches in this very important area of study makes it an open debate for scholars in the near future. Finally, there is need to close rank the study's knowledge gap through holistic examination of the impact of organizational justice on job satisfaction in Nigeria organizations.

2.6 Future propositions

Based on the studies reviewed, along with theoretical underpinning, the study makes the following propositions for future empirical studies:

Proposition 1: Distributive justice does not have significant effect on job satisfaction

Proposition 2: Procedural justice does not significantly influence job satisfaction

Proposition 3: Interactional justice has no significant effect on job satisfaction

3. Conclusion

This study specifically sought to contribute to bridging the knowledge gap by providing extant literature on the issue of organizational justice and job satisfaction. This current study equally attempted to examine and make proposition to test the relationship between organizational justice and employees' job satisfaction using the variables of procedural, distributive and interactional justice. This current study will help human resources expert, practitioners and policy makers in Nigeria private and public sector to generate useful ideas that help to provide deeper insight on how well employees' job satisfaction can be achieved in an organization using organizational justice dimensions (distributive, procedural and interactional). This study, therefore, developed hypotheses to guide future empirical studies in this perspective. This current study hopes that future empirical studies will test the veracity of this claim by unveiling the impact of organizational justice on employees' job satisfaction in Nigeria organizations.

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