

A Critical Review Study on the Effect of Distributive Justice and Procedural Justice on Organizational Commitment and Satisfaction

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Abstract

This research is a review of the article by Heru Kurnianto Tjahjono, Olivia Fachrunnisa, & Majang Palupi which was published in the International Journal of Business Excellence in January 2019, 17(3): 336-360 with the title Configuration of Organizational Justice and Social Capital: Their Impact on Satisfaction and Commitment. The purpose of this study is to analyze whether social capital modifies the impact of organizational equity on individual satisfaction and organizational commitment. The purpose of this study was to determine whether social capital has a moderating effect on the relationship between organizational justice and individual satisfaction and organizational commitment. In addition, this study examines whether individual satisfaction and organizational commitment are influenced by contextual differences or interactional learning models. The findings suggest that it is important to consider the moderating role of social capital in the relationship between distributive and procedural justice, as well as satisfaction with individual and organizational commitment. We can conclude theoretically from the experimental design that distributive and procedural justice have a disproportionate impact on individual satisfaction and commitment. In elaborating individual satisfaction, distributive justice dominates procedural justice. Procedural justice, on the other hand, is more important in building organizational commitment.

Keywords

distributive justice; procedural justice; social capital; satisfaction; organizational commitment



I. Introduction

This research is a critical review of the research conducted by Heru Kurnianto Tjahjono, Olivia Fachrunnisa, & Majang Palupi which was published in the International Journal of Business Excellence in January 2019, 17(3): 336-360 with the title Configuration of Organizational Justice and Social Capital: Their Impact on Satisfaction and Commitment. The purpose of this study was to determine whether social capital has a moderating effect on the relationship between organizational justice and individual satisfaction and organizational commitment. In addition, this study examines whether individual satisfaction and organizational commitment are influenced by contextual differences or interactional learning models. According to the research findings, it is very important to consider the moderating role of social capital in determining the relationship between distributive justice and procedural justice, as well as satisfaction with individual satisfaction and organizational commitment.

From a conceptual point of view, this study focuses on distributive effects and procedural fairness. Distributive justice was measured by modifying the four items developed by Laventhal (1980), which were also used (Colquitt, 2001) after their

exploration. The fairness procedure was evaluated using seven items developed by (Colquitt, 2001). In addition, the measurement of social capital is based on (Chua, 2002), which developed an individual-level measure of social capital. The researchers examined twelve items. In addition, individual satisfaction was assessed using eight items developed by (Roberts & Reed, 1996). Finally, (Meyer & Allen, 1991) developed organizational measurements which were then controlled by (Al-Kilani, 2017). This assessment consists of six components. The validity and reliability of all the items used have been established. The findings indicate that all items are reliable to measure the variables under consideration.

This research was conducted experimentally, involving students in semesters 1 and 3 of parallel courses majoring in business management with a total of 247 students. To test the hypothesis, the ANOVA (moderating effect) test was used. (Kuehl, 2000) proposes that when the moderator variable is categorical (low and high) we can estimate a model analogous to ANOVA. It is often used when comparing the mean group size of two or more groups. We calculated the mean effect sizes and standard errors for each group using a one-way randomized ANOVA model and then tested whether these means were significantly different from each other. In addition, the mean effect sizes and standard errors require the estimation of component variance. We believe that in this study, the variation between studies differed between groups.

II. Review of Literature

2.1 Distributive Justice

Distributive justice refers to employees' perceptions of fairness regarding the allocation of outcomes provided by the organization (Carrell & Ditttrich, 1978). Distributive justice refers to the fair distribution of the results of activities (outcomes) and rewards (rewards) to members of the organization. Members' perceptions of organizational fairness in distributing rewards and allocating results to members (Kumar et al., 2009). Distributive justice is associated with various contexts of compensation practice, career development, and some employee outcomes related to welfare in management practice. (Tjahjono et al., 2019).

2.2 Procedural Justice

Procedural justice is justice that is determined in accordance with the rules, policies, and procedures that govern decision-making in organizations (Batool, 2013). Since procedural justice is more concerned with business operations, the level of fairness in the organization's policy process has an effect on member satisfaction. Procedural fairness refers to employees' perceptions of the mechanisms or processes that produce the outcomes they expect (Cosner et al., 2018; Tyler & Blader, 2003). Procedural justice was created to describe an organization's capacity to treat employees fairly (McFarlin & Sweeney, 1992). Thus, fair systems and procedures reflect an organization's capacity to treat its constituents fairly.

2.3 Social Capital

(Akdere, 2005) defines social capital as the capacity of individuals to mobilize their potential through a network of friends, groups, or organizations. Individual abilities are determined over an extended period of time in this definition (Nahapiet & Ghoshal, 1998), implying that social capital is private property based on individuals rather than social interactions. In a bridging perspective, these potentials are referred to as binding and

mobilizing. They are able to build patterns of psychological interaction between themselves and their social environment. (Tjahjono, 2011) also explains that social capital reflects an individual's tendency to social or economic relationships. Individuals with low social capital are disproportionately focused on economic interests.

2.4 Satisfaction

According to (Wicker, 2011), job satisfaction refers to an employee's sense of comfort and pride in his work. Employees will achieve job satisfaction if they believe in the value and importance of their work. Employee satisfaction has a positive effect on business; satisfied employees are more creative, adaptable, innovative, and loyal (Wicker, 2011). According to (Wexley, 1988), job satisfaction is a pleasant emotional state resulting from a person's perception of the fulfillment of the basic values of work. According to (Aziri, 2011), job satisfaction is a sense of pleasure and love for one's work resulting from one's enthusiasm, discipline, and performance. Job satisfaction includes an evaluative component – the employee's overall attitude towards the organization (likes and dislikes).

2.5 Organizational Commitment

Organizational commitment is an important factor in explaining how employees behave in the workplace. Organization must have a goal to be achieved by the organizational members (Niati et al., 2021). Organizational commitment is also a psychological state in which employees feel a sense of loyalty to the organization. Organizational commitment consists of three components: affective commitment, continuity commitment, and normative commitment (Meyer & Allen, 1991). (Mowday et al., 1979) defines organizational commitment as an affective response that is reflected in the level of individual organizational loyalty. Affective commitment to foster positive internal feelings among employees and the organization that contributes to improved performance. (Porter et al., 1974) identified three dimensions of organizational commitment:

- a. Strong belief in the goals and values of the organization,
- b. Willingness to exert considerable effort for the organization,
- c. Strong desire to maintain membership in the organization.

(Meyer & Allen, 1991) argue that the various psychological states associated with organizational commitment are not mutually exclusive. They call it organizational commitment, which consists of affective and normative commitments (obligations).

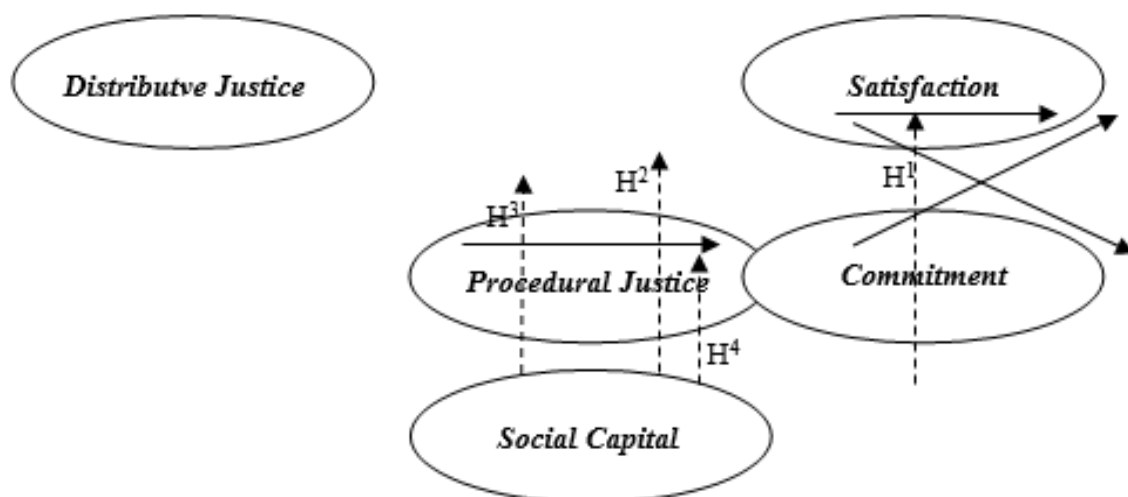


Figure 1. Theoretical Model

III. Research Method

This study uses a discussion method based on a collection of literature on distributive justice, procedural justice, social capital, satisfaction, and organizational commitment. It involved 247 students enrolled in semesters 1 and 3 of parallel courses majoring in business management. The primary investigation examined the impact of distributive and procedural justice on social capital, satisfaction, and organizational commitment. (Tjahjono et al., 2019) show that the research model has developed into a necessary reference for organizational studies in their data articles. The discussion section explains why this study uses distributive and procedural justice. Two weeks before the experiment, the lecturer conducted experiments on students to select respondents. The effectiveness of experimental testing is determined by the experimental design and procedures, the author's reputation, and the quality of journal references.

ANOVA was used to test the hypothesis. (Kuehl, 2000) proposed that when the moderator variables are categorical (low and high), a model similar to ANOVA can be estimated. It is often used when comparing the mean group size of two or more groups. We calculated the mean effect sizes and standard errors for each group using a one-way randomized ANOVA model and then tested whether these means were significantly different from each other. In addition, the mean effect sizes and standard errors require estimation of component variance. We believe that in this study, the variation between studies differed between groups.

IV. Results and Discussion

The findings show that distributive and procedural justice are very important in determining the level of satisfaction and commitment. The role of each of these types of judges is consistent with (McFarlin & Sweeney, 1992; Sweeney & McFarlin, 1993) and is supported by substantial empirical evidence (Badawi et al., 2017; Colquitt, 2001; Colquitt et al., 2001; Masterson et al., 2000). However, several previous studies did not support the design of two different types of models (Barling & Phillips, 1993; Tang & Sarsfield-Baldwin, 1996; Tjahjono, 2010, 2011). (Sweeney & McFarlin, 1993) acknowledge the limitations of their study. The main problem is that their proposed model requires the addition of more complex variables. Therefore, one of the opportunities for the feasibility study is to test the moderator variables. (Harris et al., 2004) improve their position by arguing that when constructing models, individual subjective judgments should be taken into account. According to heuristic equity theory, individuals will not be able to obtain complete information when evaluating the fairness of a policy. Without objective information, subjective judgments of fairness are made.

In general, the findings of this study support the view that subjective judgments are made by individuals. H1, H3, and H4 all support the role of social capital, while H2 does not support it empirically. The findings show that H1 is correct, implying that social capital contributes to the moderating effect of distributive equity on individual satisfaction. Individuals with high levels of social capital ($M = 7.71$) reported higher levels of average satisfaction than those with low levels of social capital (5.50). Individuals with low social capital are more sensitive to and affected by distributive justice, implying that the effect of distributive justice on individual satisfaction is greater in these individuals. This is consistent with research showing that individuals with low social capital often seek to maximize their personal well-being and happiness (Chua, 2002; Kostova & Roth, 2003; Tjahjono, 2011). These individuals are concerned with distributive justice in relation to

how organizations value individual happiness (Folger & Konovsky, 1989). As a result, when distributive equity is low, the level of satisfaction of individuals with low social capital is also low.

This study also supports H3 that social capital modifies the effect of distributive equity on organizational commitment. The difference in mean organizational commitment between individuals with low and high social capital is $M = 7.13$ versus $M = 9.90$. Moreover, when distributive equity is high, individuals with low social capital (10.82) have lower levels of commitment than those with high social capital (11.47), although the difference is even smaller than the model with weakly distributed equity. The regression line shows that individuals with low social capital are more susceptible to the effects of distributive equity; Thus, the effect of distributive equity on organizational commitment is greater for those who have low social capital. They are more sensitive to their level of commitment when distributive justice is lacking. Their dedication to the organization will be reduced because their interests and well-being are threatened. In contrast, individuals with social capital seek to develop relationships with various people and prioritize emotional closeness, such as friendship (Chua, 2002; Kostova & Roth, 2003; Primeaux et al., 2003; Tjahjono, 2015).

This study also supports H4, that social capital modifies the effect of procedures on organizational commitment and that the application of justice to organizational commitment is more significant in individuals with low social capital, also supported. According to this study, individuals with low social capital have lower participation rates when their perception of procedural justice is negative. In the high procedural justice interaction model, the difference between low and high social capital is even smaller than the low procedural justice interaction model. The regression line shows that individuals with low social capital are often vulnerable to justice procedures because of their selfish nature. According to them, procedural justice is the capacity of an organization to consider its own interests. Organizations view these procedures as a way to solve problems. As a result, it can be concluded that the procedure has a greater impact on individuals, organizational commitment, and individual satisfaction in individuals with low social capital.

This study does not support H2, Setting the effect of procedural justice on individual satisfaction was found to be stronger in individuals with low social capital. The experimental results in this study do not support the hypothesis because fairness procedures may not explain most individual satisfaction. Thus, the difference between high and low social capital is a better predictor of individual satisfaction than commitment to equitable distribution. This difference cannot be measured statistically because of the insignificant difference between high and low social capital.

Distributive and Procedural Justice Interaction Patterns, there is no difference in attitude or behavior that distinguishes those who have high or low social capital to explain satisfaction and commitment in the high distributive high procedural justice interaction model. Indeed, none of the sample groups had significant equity problems, and thus the role of social capital as a moderating variable was ruled out.

The role of social capital as a moderating variable in shaping individual satisfaction is not supported in interactions with low procedural justice; On the other hand, distributive justice is more influential in explaining satisfaction (Sweeney & McFarlin, 1993). This is not the case when organizational commitment to social capital is used as a moderating variable in this interaction model. (Skitka, 2003) supports this view, suggesting that an individual's interest in justice is related to superficial factors (Skitka & Crosby, 2003). Procedural justice is related to the level of individual commitment to the organization

(Tyler & Blader, 2003; Viswesvaran & Ones, 2002). Procedural justice must explain participation in this case so that individuals can respond to various degrees of justice based on their social capital (Tjahjono, 2015).

Social capital, on the other hand, appears as a moderating variable in individual satisfaction and organizational commitment in the interaction model between low distributive equity and high procedural equity. This shows how differences in individual characteristics, such as social capital, can result in individuals adopting different attitudes and behaviors when faced with justice issues. Even if they have a negative view of the distributive, they will not be satisfied; however, they will be satisfied when due process or procedural fairness is deemed fair. Individuals with high levels of social capital will respond more positively to satisfaction and commitment than individuals with low levels of social capital, because of their positive perception of procedures related to long-term relationship activities of group members or organizations.

Similarly, the low distributive equity interaction model - low procedural justice - shows the role of social capital in shaping organizational satisfaction and commitment. This shows that individuals with high levels of social capital and those with low levels of social capital show very different responses. They want prosperity, which is why they place greater importance on the uniform distribution of goods and services. If the results of the allocation are not balanced, especially if the process is also uneven, the two groups of social capital will react negatively. Individuals with high social capital who survive are more committed to the organization than those with low social capital because they have long-term relationships in the social system (Chua, 2002; Kostova & Roth, 2003; Primeaux et al., 2003). As a result, individuals with high levels of social capital are not fully concerned with fairness when describing their level of commitment.

This finding is in line with (Bajaj & Krishnan, 2016; Clayton & Opatow, 2003; Tamta & Rao, 2017) perspectives on the problem of inconsistent findings inequity studies when discussing the consequences of addressing interaction patterns. There is a complex and dynamic pattern of interactions between public reactions and perceptions of justice.

V. Conclusion

The results of the study produced a number of good notes from the research results of Heru Kurnianto Tjahjono, Olivia Fachrunnisa, & Majang Palupi which were published in the International Journal of Business Excellence in January 2019, 17(3): 336-360 with the title Configuration of Organizational Justice and Social Capital: Their Impact on Satisfaction and Commitment, conceptual review, research methods, and research context. In general, research articles show that distributive and procedural justice have contrasting effects on individual satisfaction and commitment. Likewise, distributive justice dominates procedural justice in terms of elaborating individual satisfaction. Procedural justice, on the other hand, is more important in explaining organizational commitment. Second, social capital acts as a buffer against the detrimental effects of distributive and procedural justice on individual satisfaction and organizational commitment in the face of injustice. Third, this study proposes a subjective approach to examine the impact of distributive and procedural justice on complex and complex consequences. In addition, this study clarifies certain concepts, such as the two-of-a-kind justice model, which are not always supported empirically. The context of the interaction of justice, or the pattern thereof, is a significant contextual factor. As a result, generalization of research becomes difficult and research appears to be limited to the context under study, given the low generalization capacity.

Implications

Several managerial behaviors emerged as a result of this research. To begin with, distributive justice is dominant in explaining individual satisfaction or outcomes in research settings because individuals have a concern and desire to allocate goods and services for their own prosperity. Consequently, organizations must examine the allocation of resources in relation to staff concerns and desires. Second, procedural justice, as opposed to distributive justice, is very important in explaining staff commitment, therefore it is important to carefully examine the policy procedures that lead to the emergence of organizational policies. This means that fair procedures demonstrate organizational capacity, which encourages staff to remain committed to the organization. Third, performance appraisal remains important in contemporary organizations. The findings show that being fair in evaluating performance contributes to an increase in employee satisfaction and commitment. It also addresses the paradoxical nature of performance appraisal in practice. Fourth, management must understand the unique characteristics of each employee. In this case, it is considered as part of their social capital, and thus their responses to management policies also vary. As a result, leadership or management must ensure the characteristics of its employees, such as their social capital.

In addition, this study has several limitations. To begin with, any study of justice is a subjective undertaking. While we used an experimental design rather than a survey design, future research using a qualitative approach is also needed to develop a dynamic picture of perceptions of organizational justice. Second, the division of study subjects into high and low social capital groups is based on absolute standards rather than relative standards, which allows them to more clearly reflect individuals with low and high social capital. Future research should take into account the clear differences between those with and without social capital.

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