

Relationship between Organizational Justice and Employee Satisfaction: Evaluation of Human Resources Functions

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Abstract

The importance of human resources has increased over time for organizations and the concept of human has become increasingly prominent with the transition to post-industrial society to industrial society. The importance of human resources departments has also increased in the same way as the value of human resources has increased in enterprises. The human resources departments have adopted a number of principles while performing all activities within its scope. The principles enable the activities to be carried out effectively in order to carry out transactions within the framework of standards. One of the most important indicators of the effectiveness of human resources activities is the employees' thoughts and opinions about the system. So we can say that employees' perceptions of organizational justice and satisfaction are indicators of effectiveness of human resources activities.

The purpose of this study is to examine the perception of justice on promotion, performance appraisal, remuneration practices, and the effect of this perception of justice on employee satisfaction. The study was conducted on the employees of a leading company in the dairy sector in Konya province, in Turkey; it was found that there was positive relationship between organizational justice in human resources functions and employee satisfaction.

Keywords: Human Resource Management Practices, Organizational Justice, Employee Satisfaction

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1. Introduction

Justice is important both for society and organizations. Perceptions of justice affects employees' opinions, feelings and behaviours towards organization. Therefore, organizations should pay attention to implementation on their human resource functions. From to procurement to dismissal, all function about employees should be implemented by equal basis. The higher perception of justice about promotion, performance appraisal, remuneration practices, the higher organizational commitment.

The perception of injustice brings about some undesirable results for organizations. Some of them are job dissatisfaction, performance degradation, lack of trust in the organization, the exhaustion of anticipation about the career, and the negative emotions towards the organization.

On the other hand, one of important determinative is employee satisfaction concept. This concept is in terms of its consequences both for employees and organizations. Employee satisfaction is influenced by organizational environment rather than their own specific role (Eker, 2006). This suggests that employees need to investigate how they perceive the legitimacy of organizational systems and how these perceptions affect employee satisfaction. Employee satisfaction is indicator that whether implementations are effective or not. So organizations should pay attention to this concept as well as justice because organizations wants to avoid from its negative results such as going on strike, slowing down jobs, the decrease in productivity, exhibiting undisciplined behaviour in the institution and in the working environment.

In briefly, nowadays, human concepts is getting important day by day and organizations know that they should manage human resources in effectively if they want to compete their rival firms. This reasons highlight importance of concepts like organizational justice and employee satisfaction. In the past few years, there are markedly increment on studies about organizational justice, but the number of research that focus on the relationship between justice perceptions and employee satisfaction is still little. Also, none of them examines effect of organizational justice perception on employee satisfaction in terms of human resources functions. This study aims to examine perceptions of justice on human resources functions such as promotion, performance appraisal, remuneration practices and effects of this perception of justice on employee satisfaction.

2. Concepts of organizational justice and dimensions

Organizational justice is used to be a concept that shows whether managers behave fair or unfair. There are lots of description on organizational justice. Organizational justice is defined by Cropanzano, Bowen and Gilliland (2007) as personal evaluation of employees about moral and ethical standing of management. Organizational justice is concerned with the ways in which employees determine whether managers or co-workers treats fairly to them in their jobs (Moorman, 1991, s. 845). According to Folger and Cropanzano (1991), organizational justice is a social norm that indicates how the distribution of organization-based resources such as rewards and punishments, the procedures used to make this distribution, and the inter-personal behavior of these processes should be. Justice deals with

financial and non-financial remuneration such as equal opportunities in fairness, fair payment, incentive, promotion within the organization (Yean & Yusof, 2016).

In literature organizational justice usually examined with three dimensions. These are distributive, procedural and interactional justice. While theorists explain the concept of organizational justice, they taken into consideration that distribution justice that means the distribution of gains, procedural justice that means the distribution of transactions, and interpersonal and informational justice caused by interpersonal interaction. Also they classified the concept of organizational justice in this context. In this study, the dimensions of justice are considered as distributive justice, procedural justice and interactional justice as in other studies. These dimensions are explained in detail below.

Distributive justice is the concept of organizational justice as to whether resources within the organization are distributed fairly. This resources are a wage, a reward, a raise or promotion etc. According to Tyler (1984), distribution justice is about the satisfaction of people with their acquisitions (Cropanzano & Folger, 1991, p. 134).

Procedural justice is defined as fairness in processes, and policies that are used in determining and measuring factors such as wages, promotion, financial means, working conditions and performance appraisal. Procedure justice refers to the perception of justice on the processes used to determine gains (Greenberg, 2010, p.38). This dimension of justice means that practices such as participating in the decisions to be taken about the business in the organization, informing the employees about the decisions taken and the results of the activities, based on equality principle are made without discrimination among employees.

Interactional justice is humanistic and social part of organization. It expresses the perceptions that employees have information and explanations about their work in a timely and adequate manner. It is divided into two. Informative justice is the kind of justice that states whether there are good and sufficient justifications when things go bad (Cropanzano, Bowen, & Gilliland, 2007, p.38). Interpersonal justice is express that a person acting in a respect and honor against the other.

3. Concept of Employee Satisfaction

Because of importance of human resource, organizations want to manage this resource in efficiency and want to avoid costs that losing this resource. So, some concepts like employee satisfaction are getting more important. Employee satisfaction is a phenomenon that increases the efficiency, performance and loyalty of employees and allows the reduction of employee turnover rate.

Employee satisfaction is a result of employees' assessment about their jobs. This concept covers feelings like satisfaction about employees' outcomes (wages, promotions etc.), social relationships in workplace and other conditions at work.

According to Heskett et al (1994), if employees are satisfied, this inspires to employees to hold a chain of positive actions and so it improves organization performance. According to Derek R. Allen & Merris Wilburn (2002), employee satisfaction influences employee productivity, absenteeism and retention.

Hackman & Oldham (1976) suggested some job characteristics, this is as follows;

1. Skill variety
2. Task identity
3. Task significance
4. Autonomy
5. Feedback about performance

There are too many factors that can satisfy the employees. So it is a very difficult situation in terms of businesses. For the harmony and combining of three factors, organization, work and worker, it should be that workers enjoy their job and have the sense of self as part of the organization and to participate in the decision-making process related to the business. In this way, it is possible to make the employee more satisfied. Employee satisfaction is important for employees to maintain long-term relationships in the organization and attracting qualified candidates.

Relationship between Organizational Justice and Employee Satisfaction

In this study, three functions among human resources are emphasized. These are promotion, performance appraisal, remuneration practices. Because of being a more ideal for the purposes of researching, these functions are chosen. And also it is considered that the employees demand the justice at these functions.

The specific hypotheses were as follows:

- Perceptions of organizational justice will positively influence the statement of ES.
- Perceptions of distributive justice will positively influence the statement of ES.
- Perceptions of procedural justice will positively influence the statement of ES.
- Perceptions of interactional justice will positively influence the statement of ES.

4. Method

Data collection: The sample for this research was drawn from the employees of one medium-sized companies in Konya. The company operates in the dairy sector since 1988 in Konya. At the same time, it was one of the top 500 companies in Turkey. The human resources department has been actively working since the company was founded. The number of employees of the firm is 200.

Data were collected in by distributing the surveys one by one and is collected by hand. The number of distributed survey is 200 and requested employees to be filled in over a period of two weeks. 165 people returned and so the return rate is 82%.

5. Measures

In the study, data were collected from the survey method. The questionnaire consists of 3 parts. In the first part, there are questions about determining the demographic and socio-economic characteristics of the participants. The second part includes the perceptions of organizational justice scale and the last part includes employee satisfaction scale.

Organizational justice. Organizational justice was measured with the Justice Index, developed by Moorman (1991). It was composed of 3 dimensions and 18 items. It was taken from doctoral dissertation that was done by Yilmaz (2004). The scale composed of dimensions of justice (5 items for distributive justice, 7 items for procedural justice, 6 items for interactional justice).

Job Satisfaction: The measure of satisfaction designed for this study. Many studies were revised related to employee satisfaction and has tried to determine the most commonly used phrases. As a result of the examinations made, 5 expressions which best express employee satisfaction were selected.

Data Analyses; The data were analyzed with SPSS 14.0. Basic statistics (mean, standard deviation) and Correlation Analyzes were used for the analysis of data in the study.

6. Results

Descriptive Statistics

The descriptive statistics of the research are summarized in Table 1. The mean of 'Organizational Justice' factor is $x = 3,77$. The mean of "Procedural Justice" factor is $x = 3,74$, "Distributive Justice," factor is $x = 3,79$, 'Interactional Justice' factor is $x = 3,78$. The result of the analysis indicated that distributive justice, procedural justice, interactional justice and organizational justice at human resources functions are 'agree' conclusion that the perception of justice has been reached. The average of "Employee Satisfaction," factor is $x = 3,80$. This shows that they are satisfied in their organization.

The internal reliabilities for the scale scores are reported also in Table 1. Of special interest in Table 1 are the reliabilities (Cronbach' alpha) of the three organizational justice scales and employee satisfaction scale. All three organization justice scale were over 0.80, indicating strong reliability. The reliabilities of the employee satisfaction measures used were also over the 0.80.

Table 1: Descriptive statistics and internal reliabilities (α)

Variables	Mean (SD)	α
Employee Satisfaction	3.80 (0.68)	0.84
Organizational Justice	3.77 (0.47)	0.96
Distributive Justice	3.79 (0.54)	0.82
Procedural Justice	3.74 (0.52)	0.93
Interactional Justice	3.78 (0.48)	0.90

Standard deviations are given in the parenthesis.

The descriptive statistics of the employee satisfactions items are summarized in Table 2. According to Table 2, "Satisfaction with Manager," factor is $x = 3,79$. "Satisfaction with Career Opportunity," factor is $x = 3,72$. "Satisfaction with Workplace," factor is $x = 3,82$.

“Satisfaction with Wage,” factor is $x = 3,75$ and “Satisfaction with their job,” factor is $x = 3,79$. The result of this analysis shows that level of satisfaction in items is high.

Table 2: Satisfaction levels of employees

Items	<i>N</i>	<i>Mean (SD)</i>
Manager	165	3.79 (0.753)
Career Opportunity	165	3.72 (0.888)
Workplace	164	3.82 (0.874)
Wage	165	3.75 (0.953)
Job	165	3.79 (0.984)

Standard deviations are given in the parenthesis.

The relationship between organizational justice and employee satisfaction levels

There is a positive significant correlation between organizational justice perceptions at human resource functions and employee satisfaction levels ($p < .05$) (see Table 3). Result proves that when employees’ organizational justice perceptions at human resource functions raise, their satisfaction level raise as well. It is also possible to state the opposite. If there is increment on satisfaction level, organizational justice perceptions at human resource functions raise too.

Table 3: The relationship between organizational justice and employee satisfaction levels

Variables	Organizational Justice	Employee Satisfaction
Organizational Justice	1	
Employee Satisfaction	0,75**	1

$N=165$ **. Correlation is significant at the 0.01 level (2-tailed).

According to correlation analysis result about dimensions of justice and items of employee satisfaction (see Table 4), there is a positive correlation between organizational justice perceptions at human resource functions and items of employee satisfaction levels ($p < .05$)

As it is seen, there is a positive correlation between procedural justice perceptions at human resource functions and levels of satisfaction with manager, career, workplace, wage and Job ($p < .05$). These strength of correlations are strong ($r > 0.50$). When the procedural justice raises, satisfactions with manager, career, workplace, wage and job raise too. This shows that the existence of the procedure for activities related to human resources practices affects employee satisfaction. If the perception of procedural justice in human resource functions is raise that motivates employees and raise their satisfaction level. They think that their organizations have certain principles specifying and governing the process within the decision-making. So if they have a positive perception about procedure, it means that they received their just share.

There is a positive correlation between interaction justice perceptions at human resource functions and levels of satisfaction with manager, career, workplace, wage and job ($p < .05$). There is strong relationship between interaction justice perceptions and workplace ($r > 0.50$). Others have weak relationships ($r < 0.50$). So it can be said that when the perception of interaction justice raises, satisfaction with workplace raises.

There is a positive correlation between distribution justice perceptions at human resource functions and levels of satisfaction with manager, career, workplace, wage and job ($p < .05$). There is strong relationship between distribution justice perceptions and satisfactions with career, workplace, wage and job ($r > 0.50$) whereas there is weak relationship between distribution justice perceptions and satisfaction with manager. This shows that outcomes being distributed in fair at human resources practices affects employee satisfaction. They think all activities about human resources such as wages, performance and promotion is distributed proportionally within range all employees and they feel satisfied.

Table 4: Correlations between organizational justice and employee satisfaction

	Manager	Career	Workplace	Wage	Job	Procedure	Interaction
Career	0.424**	1					
Workplace	0.494**	0.502**	1				
Wage	0.549**	0.617**	0.454**	1			
Job	0.544**	0.542**	0.548**	0.498**	1		
Procedure	0.560**	0.545**	0.638**	0.588**	0.583**	1	
Interaction	0.473**	0.496**	0.547**	0.495**	0.489**	0.785**	1
Distribution	0.424**	0.543**	0.567**	0.539**	0.542**	0.767**	0.774**

** . Correlation is significant at the 0.01 level (2-tailed).

On the other hand, there are positive relations among the items of satisfaction except for justice functions too. Result as following show that if employees are satisfied with manager, they also are satisfied with career, workplace, wage and job conditions. Also these relationships exist for within each other items.

According to the findings of the correlation analyzes, there is a positive strong relation among the dimensions of organizational justice. This results show that each dimension of justice is interrelated. If employees think that the procedure is fair, they also think outcomes being distributed in fair. In the same way they also think interactions is fair.

7. Conclusion

The aim of the present study is to analyze the relationship between organizational justice and employee satisfaction and the results were as follows: There is a positive correlation between organizational justice perceptions at human resource functions and employee satisfaction levels. This conclusion shows that employee perceive their outcomes in fair, and

this leads to satisfaction for employee. People want to be treated to himself fairly because fairness provides what they like.

Also there is positive correlations between dimensions of justice and items of employee satisfaction. Positive correlations were found between employees' satisfaction with their careers and distribution justice, procedural justice and interaction justice. Satisfaction with the managers of employees was positively correlated with distribution justice, procedural justice and interaction justice. Similarly, there was a positive correlation between satisfaction with their wages and distribution justice, procedural justice and interaction justice. Finally, there was a positive correlation between satisfaction with their work and distribution justice, procedural justice and interaction justice. This shows that employees are satisfied with the salaries in related to justice perceptions of promotion, wages and performance. The situation also is true for satisfaction with manager, workplace, work and career opportunities.

Another result obtained is the relationship between the dimensions of justice. Every dimension of justice has a positive relationship with one another. This result is consistent with the other studies. The results of the study were consistent with the research results of Greenberg (1988) and; Greenberg (1990). Likewise, every items of satisfaction also show positive relationships with one another. For example; satisfaction with wages is related to satisfaction with manager. If employees are satisfied with wage, they like jobs, work place and communicate better with their managers. For employees, if all activities are implemented in justice in the workplace that means that they are important for the organization. So they will be satisfied and improve work performance. Otherwise, they don't perceive himself a part of organizations and their performance will fall.

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