Organizational Justice and Employee Sustainability: The Mediating Role of Organizational Commitment

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Abstract
Purpose- The primary purpose of the study is to determine the impact of organizational justice (OJ) on employee sustainability. Along with that, it also describes how organizational commitment mediates this direct relationship. This study includes all dimensions of OJ which are distributive, procedural and interactional (interpersonal & informational) within the context of a developing country (Pakistan).

Design/Methodology- This study has considered employees working in the banking sector of Pakistan. Two hundred ten questionnaires were received back from employees. Regression analysis was used to analyze direct relationships between variables, while smart partial least squares (PLS) were used for mediation analysis.

Findings- Results demonstrated that all hypothesis were accepted and it was also confirmed that organizational commitment (OC) mediates the direct relationship between OJ and employee sustainability (ES).

Originality/value- Multidimensional construct of organizational justice was tested in this study, in the context of a developing country (Pakistan), to address the research gap.
Introduction
Organizational justice has been a widely researched area in the field of management for the last three decades (Cole, Bernerth, Walter, & Holt, 2010). However, as it is still unexplored in many geographical and organizational contexts around the world, the importance of more research in this area should not be undermined (Kofi, Asiama, & Mireku, 2016; Ohana & Meyer, 2016). The construct of OJ has multidimensional situatedness as it includes three dimensions, which are distributive, procedural, and interactional (interpersonal and informational) (Park, Song, & Lim, 2016). A vast bulk of empirical evidence has already demonstrated that OJ has a remarkable impact on many organizational outcomes. The results of various researches have also shown that organizational justice is a catalytic factor that contributes significantly towards employee satisfaction and organizational commitment (Choi & Choi, 2014).

Organizations are always faced with the threat of employee dissatisfaction. Ever-increasing competition between organizations makes it mandatory for them to devise novel ways to retain their competent and trained employees (Chan, 2019). This retaining of employees can lead to attaining competitive advantage for one organization over the others (Kaur Sahi & Mahajan, 2014). There is sufficient evidence from the available body of research to show that committed employees have a more positive attitude towards the organization (Foster, 2010; Thomas & Twyman, 2005). However, to achieve the goal of employees’ loyalty towards them, the organizations need to build a conducive environment for their employees to help them engage in collectively working for positive organizational outcomes (Perryer, Jordan, Firns, & Travaglione, 2010).

The direct relationship of organizational justice with many organizational outcomes has been already investigated (Crow, Lee, & Joo, 2012), but most of the studies have considered its construct in terms of only one or two dimensions (Cheung, 2013). This study is unique in the sense that it considers all the three dimensions of organizational justice to underscore its directly proportionate relationship with employee sustainability and, consequently, an organizational outcome with the mediating impact of organizational commitment.

This study is practically significant as it provides essential insights for the management of the banking sector to attain employees’ higher commitment level and enhance employee sustainability through organizational justice practices. Our review of the relevant literature also suggests that most of the available works on OJ were conducted in the context of the developed countries. These studies hint upon the role of culture in establishing a direct link of organizational justice with different organizational outcomes (Dror & Cole, 2010). As there is a significant difference between the cultures of the developed and the under-developed or developing countries, it is essential to investigate the concept of organizational justice as perceived and practiced in the organizational setup of developing countries (Wong, Ngo, & Wong, 2006). To address this gap, we see a strong need to describe the concept of OJ within the banking sector of Pakistan, as very little empirical evidence is available for organizational justice within this sector.

Literature Review

Organizational Justice and Employee Sustainability
Employee sustainability is defined as: “A voluntary move by an organization to create an environment which engages employees for long term.” This voluntarily created environment by an organization makes it keep it's qualified and trained employees loyal towards it (Karam et al., 2019). Employee turnover has been seen as negatively impacting factors on employee productivity and performance (Mitchell, Holtom, & Lee, 2001). In academic literature related to the discipline of human resource management, the two terms employee retention and employee sustainability have been used as synonyms (Tettey, 2006), so in this article, both these terms have been used interchangeably.
Employee sustainability can be viewed as a way of attaining a competitive advantage for an organization over the others as employees are the most important resource of any organization (Diaz, 2020). Organizations invest in employees by not only uplifting their lifestyle by paying lucrative pay packages but also by giving them training and opportunities to improve their skills and qualification. Therefore, when an organization loses an experienced and able employee, it is a real loss in that it can slow down the pace and quality of outcomes in the organization (Diah, La Ode Hasia, & Irwan, 2020). So it is never easy for organizations to let their trained employees go. Research shows that organizations can sustain employees just when employees themselves are willing and committed to staying loyal with an organization (Merriman, Sen, Felo, & Litzky, 2016; Thuy & Van, 2020).

This voluntary commitment to stay loyal is related to organizational justice. If all employees are given a fair chance in the organization, their chances of exiting it are low. Issues of justice and fairness have been discussed at length in a large body of work, particularly by the scholars interested in organizational psychology and organizational behavior (Colquitt & Zipay, 2015). Justice is defined as: “The individuals’ (or groups’) perception of the fairness of treatment received from an organization and their behavioral reaction to such perceptions” (Nadiri & Tanova, 2010). As stated above, the construct of justice has three dimensions: Distributive justice includes even-handedness in organizational outcomes (Adams, 1965; Leventhal, 1976); Procedural justice refers to the aptness in the procedures which are adopted to make all crucial decisions regarding outcomes (Leventhal, 1980; Thibaut & Walker, 1975); Interactional justice includes interpersonal justice that refers to the appropriate treatment with employees and informational justice that is the correctness of justification given for these decision-making procedures (Bies & Moag, 1986; Greenberg & Cropanzano, 1993).

Colquitt and Rodell highlight the difference between the constructs of justice and fairness by stating that: “Justice is perceived adherence to rules that reflect appropriateness in decision contexts.” In contrast, “fairness is a global perception of appropriateness--a perception that tends to lie theoretically downstream of justice” (Colquitt & Rodell, 2015). Hence, “justice describes normative standards, and how these are implemented and fairness describes reactions to those standards.” These justice practices in organizations help to build fairness perceptions of employees (Goldman & Cropanzano, 2015).

Employees show higher production and a higher level of performance when they receive fair outcomes (Kinley & Ben-Hur, 2020). Fairness in procedures tends to lead towards social exchanges in which an employee displays citizenship behavior and builds a long-term relationship with his/her firm. Fair treatment and access to accurate information by an organization mean that the employee is valued by the organization (Cugueró-Escofet, Bertran, & Rosanas, 2019). The relational model also suggests that employees see more value in their status in a particular organization. When an employee is convinced that he has some significant standing in the organization, then he/she is more satisfied with his/her job, and this ensures employee sustainability (Leow, 2015). This means that an employee’s perceptions of justice have a significant impact on his behavior. If the employee perceives that his/her organization is just and fair, then it would be easy for the organization to sustain such an employee (Masterson, Lewis, Goldman, & Taylor, 2000).

H1: OJ has a significant impact on employee sustainability.
H1a: DJ will lead towards employee sustainability.
H1b: PJ will lead towards employee sustainability.
H1c: IJ will lead towards employee sustainability.

Organizational Commitment as Mediator

Many scholars have also studied the phenomenon of organizational commitment (OC). Its significance lies in the fact that committed employees are always seen as involved in other related positive behaviors such as organizational citizenship behavior. These favorable behaviors are highly useful for enhanced productivity and
performance of the organizations (Chung, 2001). The construct of organizational commitment (OC) is defined as: “the relative strength of an individual's identification with and involvement in a particular organization and can be characterized by a strong belief in and acceptance of the organization's goals and values, willingness to exert considerable effort on behalf of the organization and a strong desire to maintain membership of the organization” (Mowday, Porter, & Steers, 1982). OC further includes three dimensions which are: affective commitment, continuance commitment, and normative commitment. Affective commitment is “the employee's emotional attachment to, identification with, and involvement in the organization.” Continuance commitment is the “awareness of the costs associated with leaving the organization.” Normative commitment is defined as: “a perceived obligation to remain in the organization” (Meyer, Stanley, Herscovitch, & Topolnytsky, 2002). Organizational commitment increases employee’s attachment with his/her organization and decreases their intentions to switch organizations. Due to this, the employees become highly loyal towards organizations and consider it as their responsibility to serve their organizations (Allen & Meyer, 1990). Organizational commitment takes the employees towards exhibiting a citizenship behavior in which an employee willingly “goes extra-miles” to serve the organization. Committed employees will show relatively higher productivity and will help in the growth of their organization (Mathieu, Bruvold, & Ritchey, 2000). Several researchers have linked organizational commitment to organizational citizenship behavior. They also consider organizational commitment as an antecedent of organizational citizenship behavior (Mowday et al., 1982; Sjahruddin & Normijati, 2013).

So it is clear that the organizational justice prevailing in an organization creates a positive image of it as the employees, when valued by their employer, show a higher level of commitment. Various studies have proved that there is a positive and significant relationship between OJ & OC (Moorman, Niehoff, & Organ, 1993; Nadiri & Tanova, 2010; Williams, Pitre, & Zainuba, 2002). If an employee perceives that organization is biased and the employee will not be repaid by the organization for their efforts, then it leads towards burnout. The employee avoids citizenship behavior & will be less committed to the organization (Robinson & Morrison, 2000).

Social exchange theory also highlights this relationship of organizational justice with organizational commitment. It theorizes that social exchanges require reciprocations between employees and their supervisors. The employees will be highly committed to the organization and will show citizenship behavior while believing that authorities will also show the same behavior in return. But if the authorities are not trustworthy and do not reciprocate, then the employee commitment with organization decreases. The employees will avoid citizenship behavior because of the risk of exploitation and rejection (Blau, 1964; Farh, Podsakoff, & Organ, 1990). Committed employees will show more productive behavior and will surpass the supervisor’s expectations (Yousef, 2000). Literature suggests that some researchers have found a more significant relationship between procedural justice and OC (Astuti & Ingsih, 2019; Mete & Sökmen, 2019; Tremblay, Gaudet, & Vandenberghe, 2019). While others have claimed that distributive justice has a more significant relationship with OC (Imamoglu, Ince, Turkcan, & Atakay, 2019; Jang, Lee, & Kwon, 2019). OC has a direct impact on employees’ intentions to stay in the organization or intentions to leave the organization. Lack of OC can also lead to psychological withdrawal from the organization (Scales & Brown, 2020). Therefore, it is proposed that employee commitment mediates the relationship between organizational justice and employee sustainability.

H2: Organizational Commitment mediates the relationship between OJ & ES.
H2a: Organizational Commitment mediates the relationship between DJ & ES.
H2b: Organizational Commitment mediates the relationship between PJ & ES.
H2c: Organizational Commitment mediates the relationship between IJ & ES.
Methods and Data Analysis

Procedure and Sample
In this study, banks from the Rawalpindi and Islamabad region were selected as organizations. The rationale for this selection is that all the representative banks of Pakistan have their branches in this region, and competition among them is extreme and the turnover rate is higher. The population frame consists of the 1310 bank employee’s working in the selected banks, including Habib Bank Limited (branches n = 152), Muslim Commercial Bank (branches n = 46), Bank Al-Falah (branches n = 44) and Dubai Islamic Bank (branches n = 20). Simple convenience sampling was used for the study. Krejcie and Morgan’s (1970) table was used to know the sample size. The total number of respondents for the study was 297. The questionnaires were distributed among the respondents, and then the responses were collected by hand. Out of 297 questionnaires, 210 were received back.

Measures
This study examines the direct relationship between OJ (DJ, PJ & IJ) and ES with the mediating role of OC. On the basis of the literature review, the study proposes a theoretical framework, as shown in figure 1. The theoretical framework shows that organizational justice is the dependent variable, employee sustainability is the independent variable, and OC is a mediator. Five-point Likert-scale was used ranging from 1 (strongly disagree) to 5 (strongly agree) for items of OJ & ES. Seven-point Likert-scale, ranging from 1 (strongly disagree) to 7 (strongly agree) for items of OC. Twenty- item scale for OJ and scale for ES was adopted from Nadiri and Tanova (2010), which was based on three items. The 19-items for OC were obtained using Bayer (2009) scale.

Results and Discussion
The demographics show that majority of the respondents were from the age-group of 36 to 45. This is the age group where the people generally seek a reasonable position in banks, and they are generally working at the middle-level management positions and are more carefully observing organizational practices. With respect to experience, the employees had one to ten years of experience that is the adequate experience in banks to understand the organizational practices.

Moreover, while looking at the participants with respect to gender distribution, the male respondents were almost double than the females. The females were found hesitant to respond to the questionnaire for some unknown fear of providing responses. With respect to the education level, the majority of the employees were well qualified by having MS level degrees.

![Figure 1 - Conceptual Framework](image-url)
Table 1 - Reliability Analysis

<table>
<thead>
<tr>
<th>Variable</th>
<th>No. of items</th>
<th>Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Justice</td>
<td>20</td>
<td>0.978</td>
</tr>
<tr>
<td>D1: DJ</td>
<td>5</td>
<td>0.915</td>
</tr>
<tr>
<td>D2: PJ</td>
<td>6</td>
<td>0.926</td>
</tr>
<tr>
<td>D3: IJ</td>
<td>9</td>
<td>0.904</td>
</tr>
<tr>
<td>Organizational Commitment</td>
<td>19</td>
<td>0.812</td>
</tr>
<tr>
<td>Employee Sustainability</td>
<td>3</td>
<td>0.965</td>
</tr>
</tbody>
</table>

The reliability of the questionnaires shows the degree of consistency and reliability scores should be greater than 0.7 (Saunders, 2007). All the scores are more significant than the minimum required score, showing that the instrument was reliable enough for data collection.

Table 2 - Correlation Analysis

<table>
<thead>
<tr>
<th>Constructs</th>
<th>OJ</th>
<th>OC</th>
<th>ES</th>
<th>DJ</th>
<th>PJ</th>
<th>IJ</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Organizational Justice</td>
<td>1</td>
<td>.975</td>
<td>.882</td>
<td>.972</td>
<td>.969</td>
<td>.975</td>
</tr>
<tr>
<td>2. Organizational Commitment</td>
<td>.975</td>
<td>1</td>
<td>.884</td>
<td>.943</td>
<td>.944</td>
<td>.756</td>
</tr>
<tr>
<td>3. Employee Sustainability</td>
<td>.882</td>
<td>.884</td>
<td>1</td>
<td>.849</td>
<td>.851</td>
<td>.773</td>
</tr>
<tr>
<td>4. Distributive Justice</td>
<td>.972</td>
<td>.943</td>
<td>.49</td>
<td>1</td>
<td>.921</td>
<td>.928</td>
</tr>
<tr>
<td>5. Procedural Justice</td>
<td>.969</td>
<td>.944</td>
<td>.851</td>
<td>.921</td>
<td>1</td>
<td>.924</td>
</tr>
<tr>
<td>6. Interactional Justice</td>
<td>.975</td>
<td>.756</td>
<td>.873</td>
<td>.928</td>
<td>.924</td>
<td>1</td>
</tr>
</tbody>
</table>

Results show a strong positive correlation among the variables. There is a significant positive correlation between all dimensions of OJ.

Table 3 - Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R-Square</th>
<th>Adjusted R-Square</th>
<th>Standard Error of Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>.889*</td>
<td>.790</td>
<td>.788</td>
<td>.15881</td>
</tr>
</tbody>
</table>

- a. Predictors: (Constant), OJ
- b. Dependent Variable: ES

The value of R square is 0.790, which shows that due to the independent variable (organizational justice), the dependent variable (employee sustainability) is changed up to 79%.

Table 4 - Coefficients

<table>
<thead>
<tr>
<th></th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>(Constant)</td>
<td>1.911</td>
<td>.028</td>
</tr>
<tr>
<td>OJ</td>
<td>.156</td>
<td>.045</td>
</tr>
</tbody>
</table>

- a. Dependent Variable: ES

Results showed that organizational justice (Beta=.417, p=.001) has a positive and significant impact on employee sustainability. So Hypothesis H1 is accepted.
Table 5 - Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R-Square</th>
<th>Adjusted R-Square</th>
<th>Standard Error of Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>.884*</td>
<td>.782</td>
<td>.779</td>
<td>.16225</td>
</tr>
</tbody>
</table>

da. Predictors: (Constant), DJ, PJ, IJ
b. Dependent Variable: ES

Results showed that a 78% change in DV, which is employee sustainability is due to IV, which are DJ, PJ & IJ.

Table 6 - Coefficients

<table>
<thead>
<tr>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>(Constant)</td>
<td>1.993</td>
</tr>
<tr>
<td>DJ</td>
<td>.059</td>
</tr>
<tr>
<td>PJ</td>
<td>.066</td>
</tr>
<tr>
<td>IJ</td>
<td>.145</td>
</tr>
</tbody>
</table>

a. Dependent Variable: ES

Beta values and P-values (as P-value is <0.005) show that DJ, PJ & IJ has a significant impact on employee sustainability. So based on these results Hypothesis H1a, H1b and H1c are also accepted.

Mediation Analysis

To test the effect of the mediator, Smart PLS was used, and the following results were obtained.

Table 7 - Process Mediation (OJ, OC, ES)

<table>
<thead>
<tr>
<th>95% CI</th>
<th>b</th>
<th>p</th>
<th>LL</th>
<th>UL</th>
</tr>
</thead>
<tbody>
<tr>
<td>OJ ➔ OC ➔ ES</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Effect</td>
<td>0.3292</td>
<td>0.00</td>
<td>0.3091</td>
<td>0.3493</td>
</tr>
<tr>
<td>Direct Effect</td>
<td>0.1557</td>
<td>0.07</td>
<td>0.0667</td>
<td>0.2448</td>
</tr>
<tr>
<td>Indirect Effect</td>
<td>0.1735</td>
<td>0.00</td>
<td>0.0867</td>
<td>0.2590</td>
</tr>
</tbody>
</table>

Note: b = unstandardized coefficient, p<0.05, LL = Lower Limit, UL = Upper Limit, CI = Confidence Interval

Results showed that confidence interval for the indirect and direct effect on organizational effectiveness did not include the presence of 0 (LLCI = 0.30; ULCI = 0.34), suggesting that there is a presence of strong mediation. So, on this basis, hypothesis H2 is accepted.

Table 8 - Process Mediation (DJ, OC, ES)

<table>
<thead>
<tr>
<th>95% CI</th>
<th>b</th>
<th>p</th>
<th>LL</th>
<th>UL</th>
</tr>
</thead>
<tbody>
<tr>
<td>DJ ➔ OC ➔ ES</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Effect</td>
<td>0.3692</td>
<td>0.00</td>
<td>0.3491</td>
<td>0.3893</td>
</tr>
<tr>
<td>Direct Effect</td>
<td>0.1735</td>
<td>0.06</td>
<td>0.0867</td>
<td>0.2590</td>
</tr>
<tr>
<td>Indirect Effect</td>
<td>0.1957</td>
<td>0.00</td>
<td>0.0100</td>
<td>0.2748</td>
</tr>
</tbody>
</table>

Note: b = unstandardized coefficient, p<0.05, LL = Lower Limit, UL = Upper Limit, CI = Confidence Interval

The above given results indicated that OC mediates the relationship between DJ & ES. So hypothesis H2a is also accepted.
On the basis of obtained results, it can be concluded that organizational commitment significantly mediates the relationship between PJ, IJ & ES. So hypothesis H2b and H2c are accepted. Researchers have always been interested in exploring the effect of OJ on different organizational outcomes (Choi & Choi, 2014). So this study contributes to researchers’ efforts. The results of the study show that OC fully mediates the direct relationship between OJ & ES. The findings of this study are different from previous studies that showed an only direct relationship between OJ & employee turnover intentions (Dror & Cole, 2010). This study includes all four dimensions of OJ (organizational justice). However, many past studies have included only one or two dimensions through which the construct of organizational justice cannot be fully understood (Colquitt, Conlon, Wesson, Porter, & Ng, 2001). This study also explains how a lack of commitment can lead to adverse organizational outcomes (Hendrix, 1999). Finally, this study clarifies the concept of organizational justice (OJ) in the context of developing countries, particularly Pakistan.

### Conclusion

This study has demonstrated a positive and significant relationship among organizational justice, organizational commitment & employee sustainability in the banking sector of Pakistan. Smart partial least squares (PLS) was used for mediation analysis. The results of the study showed that organizational justice practices could help organizations to sustain their employees as these practices enhance employees’ commitment to the organization. Furthermore, the model and hypothesis of this study are supported by the Social Exchange Theory. The findings of the study can be applied by the banking sector of Pakistan to enhance employee sustainability.

### Future Directions and Limitations

This study included a small sample size due to time constraints and limited resources. However, research findings are still significant. Still, in order to reinforce the findings of this study, a larger sample size from all over the country or even from other developing countries may be brought under investigation. Longitudinal studies can also be conducted to understand the impact of organizational justice practices more clearly. This will help in studying the change in the attitudes of employees towards their organizations over time and with changing dynamics. The researchers might also want to conduct case studies to do in-depth analyses of the psychological patterns of a single employee or employees of a single organization. Future studies can incorporate dimensions of organizational commitment to understanding the phenomenon in detail.

### Funding

This research received no external funding.

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### Table 9 - Process Mediation (PJ, OC, ES)

<table>
<thead>
<tr>
<th></th>
<th>b</th>
<th>p</th>
<th>LL</th>
<th>UL</th>
</tr>
</thead>
<tbody>
<tr>
<td>PJ → OC → ES</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Effect</td>
<td>0.3302</td>
<td>0.00</td>
<td>0.3091</td>
<td>0.3693</td>
</tr>
<tr>
<td>Direct Effect</td>
<td>0.1468</td>
<td>0.07</td>
<td>0.0954</td>
<td>0.2048</td>
</tr>
<tr>
<td>Indirect Effect</td>
<td>0.1834</td>
<td>0.00</td>
<td>0.0967</td>
<td>0.2290</td>
</tr>
</tbody>
</table>

Note: b= unstandardized coefficient, p<0.05, LL= Lower Limit, UL= Upper Limit, CI= Confidence Interval.

### Table 10 - Process Mediation (IJ, OC, ES)

<table>
<thead>
<tr>
<th></th>
<th>b</th>
<th>p</th>
<th>LL</th>
<th>UL</th>
</tr>
</thead>
<tbody>
<tr>
<td>IJ → OC → ES</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Effect</td>
<td>0.3492</td>
<td>0.00</td>
<td>0.3291</td>
<td>0.3682</td>
</tr>
<tr>
<td>Direct Effect</td>
<td>0.1735</td>
<td>0.06</td>
<td>0.1100</td>
<td>0.2048</td>
</tr>
<tr>
<td>Indirect Effect</td>
<td>0.1878</td>
<td>0.00</td>
<td>0.1100</td>
<td>0.2290</td>
</tr>
</tbody>
</table>

Note: b= unstandardized coefficient, p<0.05, LL= Lower Limit, UL= Upper Limit, CI= Confidence Interval.
Conflicts of Interest: The authors declare no conflict of interest.

References


