

# Organizational Justice and Job Satisfaction among Malaysian Workers

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#### Abstract

The aim of the study is to investigate the organizational justice and job satisfaction among Malaysian workers via hierarchical multiple regression as a method. The result indicated that organizational justice, job control and social support uniquely predict wellbeing (job satisfaction). Interestingly, the pattern of interaction showed that employees who perceived the interactive effect of high Recibido: 10-11-2018 •Aceptado: 10-03-2019 interactional justice and high job control reported lower levels of job satisfaction. In conclusion, it is important to promote a just and inclusive organizational working culture which can create a sense of belonging, satisfaction and commitment among employees.

Keywords: Organizational, justice, job satisfaction, demand.

## Justicia organizacional y satisfacción laboral entre trabajadores malayos

#### Resumen

El objetivo del estudio es investigar la justicia organizacional y la satisfacción laboral entre los trabajadores de Malasia a través de la regresión múltiple jerárquica como método. El resultado indicó que la justicia organizacional, el control del trabajo y el apoyo social predicen de manera única el bienestar (satisfacción laboral). Curiosamente, el patrón de interacción mostró que los empleados que percibían el efecto interactivo de una alta justicia interactiva y un alto control del trabajo informaron niveles más bajos de satisfacción laboral. En conclusión, es importante promover una cultura de trabajo organizacional justa e inclusiva que pueda crear un sentido de pertenencia, satisfacción y compromiso entre los empleados.

Palabras clave: organizacional, justicia, satisfacción laboral, demanda.

#### **1. INTRODUCTION**

In the workplace, employees are the most valuable asset to the organization that employs them. Employees' dissatisfaction with their jobs or lives will reduce their work performance, job commitment and dedication to their job and the family. Numerous studies have linked worker wellbeing with decreased workplace turnover; improved physical health and high employee performance. As low levels of employee wellbeing can also adversely affect both workers and their

organizations, clear identification of worker wellbeing predictors required to formulate a useful theoretical framework for understanding employee wellbeing in Malaysia.

Malaysia consists of people from several different ethnic and cultural backgrounds. Thus, another crucial issue for workers and their organizational wellbeing is the issue of workplace justice. Employees from different cultural backgrounds may have a different understanding of the organizational practices and of what constitutes justice. Barak et al. (2003) noted an important relationship between commitment to an organization and perceived fairness at work as a crucial element in determining worker motivation. This study offers better insights into an understanding of employee wellbeing, especially in the collectivistic culture of

Malaysia – a multi-ethnic society consisting of different sociocultural groups. Guided by the Job Demand-Control (JDC) Karasek (1979) and Job Demand-Control-Support (JDCS) Johnson & Hall (1988) models, the present study investigates organizational justice as a predictor of employee wellbeing.

#### 2. LITERATURE REVIEW

Organizational justice refers to the role of fairness in the workplace and employees' perceptions regarding the treatment they have received in the workplace. Earlier research has described three types of justice in the workplace, namely distributive, procedural and interactional. This section discusses these types of justice to provide a basis for the understandings adopted for use in this study.

## 2.1. Distributive Justice

Based on the initial work by Karasek's (1979) on the equity theory of distributive justice, distributive justice explored the psychological processes involved in forming fairness judgments. This theory hypothesizes that individuals are concerned about whether they receive balanced outputs that are commensurate with inputs in comparison with the input and outcomes of other people in their workplace. For example, if employees find that they are being given less pay and promotions than their work colleagues for the same amount and quality of input, those employees will judge their work outcomes as unfair. Even though Adams' theory regarded as the basis of organizational justice research, it also attracted several criticisms (Karasek, 1979).

#### 2.2. Procedural Justice

Following the introduction of the theory of distributive justice, the focus of justice shifted from the evaluation of outcomes to the allocation process by which the distribution of the outcomes was done. Karasek (1979) focused on legal procedures in which disputant's perceived procedural fairness as having the opportunity to voice their arguments. Based on these understandings, Karasek (1979) presented two models of justice: the self-interest model where, in exercising voice-over work procedures, individuals have the opportunity to influence outcomes; and the group-value model where individuals have the chance to voice their opinions to satisfy their desire to be heard.

Research on procedural justice in organizations has been significantly influenced by Lu's et al. (2006) work which employed a multi-conception theory of justice as an alternative to equity theory. However, similar to Lu's et al. (2006) equity theory, procedural justice has not been free from criticism. Johnson and Hall (1988) argued that organizational justice research mainly focused on the analysis of outcomes (distributive justice) and procedures (procedural justice) as the basis of justice judgments.

#### 2.3. Interactional Justice

As an alternative to distributive and procedural justice frameworks, Lu et al. (2006) established the third approach to organizational justice, that is, interactional justice. In this framework, Bies and Moag extended interaction factors such as communication which had not been a focus of previous justice research. Notably, they argued that communication is significant in ensuring that the implementation of procedures is done correctly. For example, interactive communication is important to ensure the effectiveness of performance appraisal procedures (Lu et al., 2006).

By the studies by Johnson and Hall (1988) of organizational justice, this study adopts all three components of justice, namely, distributive, procedural and interactional justice in the context of Malaysian organizations, to represent overall justice in the workplace. Since the present study is conducted in a non-Western setting in the manufacturing sector, the overall findings should contribute to further understanding of the cross-cultural aspect of organizational justice as the reliable predictor of employee wellbeing. Since the interactional justice concept has not widely studied in Malaysian research, the present study focuses on the overall interactional components rather than distinguishing it as two parts (Lu et al., 2006).

#### 2.4. Justice in the Workplace

The experience of justice in the workplace produces positive consequences as reported in previous studies. For example, an earlier study by Chen et al. (2009) involving 225 employees in two companies in the United States found that employees who perceived that they were fairly treated tended to possess positive attitudes towards their jobs, their job outcomes, and their supervisors. In terms of organizational justice components, Moorman found that interactional justice is the most comfortable practice through which a supervisor or manager can enhance employees' perception of fairness. On the other hand, both distributive and procedural justice frameworks are difficult to implement in ways that are consistent with those expected by employees.

Job satisfaction as a significant work outcome associated with organizational justice was evidenced not only in Spector (1997) review of earlier studies from 1975 to 1999 but has continued to be confirmed in recent studies (Chen et al., 2009). Spector (1997) carried out a study involving 250 Israeli employees and found that employees who perceived fair organizational process reported a higher sense of wellbeing. In a recent study of 160 correctional employees in the US, Spector (1997) confirmed that procedural justice has a positive relationship with life satisfaction. They reported few studies being conducted to investigate the relationship between justice and life satisfaction.

#### 2.5. Moderators in the Organizational Justice Literature

The literature related to the importance of justice and its impact in the workplace generally focuses on the direct relationship between justice and job-related wellbeings such as job satisfaction, performance and health. Although most of the findings are corroborated in terms of the negative consequences of injustice on employee wellbeing have led to suggestions for eliminating the sources of injustice, some commentators such as Johnson and Hall (1988) observe that it is

# Organizational Justice and Job Satisfaction among Malaysian Workers

difficult or even impossible to entertain the interests of all employees working in the same organization.

The majority of organizational justice studies focus on the main effect of justice on wellbeing and assess perceived low justice or injustice as an occupational stressor, however, a few investigate the moderating effect. For instance, in a study involving 1,443 Finnish workers, Spector (1997) found that perceived job insecurity moderated the association between procedural and interactional justice and employee wellbeing. Employees who perceived low justice and job insecurity reported low wellbeing (Johnson and Hall, 1988).

Taking into account the possible buffering effect of moderator variables in the association between perceived low justice and employee wellbeing, the current study investigates two significant environmental factors as postulated by (Johnson and Hall, 1988; Karasek, 1979). The current study applied the JDC and

JDCS models in the context of organizational justice. As work of Watson et al. (1988) expands the scope of social support in Watson et al. (1988)'s work by incorporating both supervisor and co-worker support as a moderator variable along with job control, in the context of Malaysian workers. Contrary to Rousseau et al. who focused on procedural and distributive justice, the focus of the current study is on three types of justice: procedural, distributive and interactional justice. More specifically, the current study contributes to the literature in testing:

Hypothesis 1 – Organizational justice (procedural justice (PJ), interactional justice (IJ), distributive justice (DJ)), job control and social support will be positively related to employee job satisfaction (JS). Hypothesis 2a - Job control will moderate the relationship between PJ and JS. Hypothesis 2b - Job control will moderate the relationship between IJ and JS, PA, NA). Hypothesis 2c - Job control will moderate the relationship between DJ and employee wellbeing (JS, PA, NA).

Hypothesis 3a - Social support will moderate the relationship between PJ and employee wellbeing (JS, PA, NA). Hypothesis 3b -Social support will moderate the relationship between IJ and employee wellbeing (JS, PA, NA). Hypothesis 3c - Social support will moderate the relationship between DJ and employee wellbeing (JS, PA, NA). Hypothesis 4a - Hypothesis 4b - Social support will moderate the effects of perceived low interactional justice and low levels of job control on employee wellbeing. Hypothesis 4c - Social support will moderate the effects of perceived low distributive justice and low levels of job control on employee wellbeing.

#### **3. METHODOLOGY**

A sample of 1125 Malaysian workers, consisting of 536 men (47.6%) and 589 women (52.4%) aged from 18 to 59 years participated in this study. Respondents were selected from a chosen

industry, situated on the East and West Coast of Peninsular Malaysia, where more manufacturing companies are located by approaching the top management team members (Chen et al., 2009), managers or employees with whom the researcher has professional connections or personal contacts (Lu et al., 2006). In each organization, the contact person was the Human Resources Manager who helped the researcher in identifying the prospective respondents, and distributing and collecting the questionnaires.

Organizational justice Johnson and Hall's (1988) scale contains 18 items with three subscales: procedural, interactional and distributive justice. The first subscale measures the extent to which managerial procedures suppress bias and promote consistency, accuracy, correctability, representativeness, and ethicality, the second subscale indicates the quality of interpersonal behaviour of the supervisor, the degree of attention of the supervisor to the employee's rights, and the truthfulness and trustfulness of the supervisor in dealing with the employees (Beehr & Glazer, 1991).

Approval from the Victoria University Human Research Ethics Committee was obtained. Respondents were selected from a chosen industry, situated on the East and West Coast of Peninsular Malaysia, where more manufacturing companies are located by approaching the top management team members, managers or employees with whom the researcher has professional connections or personal contacts. Hierarchical multiple regression was conducted to test the direct and moderating effect hypotheses. This technique has been widely used in work stress literature testing the JDC and JDCS models. In this study, two-way interaction and three-way interaction were tested. Thus, this study created interaction terms by standardising the variables before multiplying the variables together as recommended as this technique can reduce the risk of multicollinearity. The variables were introduced into the regression models in four successive steps. In the first step, demographic variables were entered into the model as control variables. With regards to the direct effect, this study tested the effects of PJ, IJ, DJ, job control and social support in predicting employee wellbeing.

#### 4. RESULTS AND DISCUSSION

#### 4.1. Result

All data entry and analyses were conducted using SPSS Version 20. PJ, IJ, DJ, job control and social support were correlated with wellbeing

(job satisfaction, positive and negative affects) in the expected direction. A summary of the means, standard deviations and correlations between variables as shown in Table 1.

Table 1: Means, Standard Deviations and Correlations (N=1125)

Organizational Justice and Job Satisfaction among Malaysian Workers

Variable	М	SD	PJ	IJ	DJ	JC	SS	JS
PJ	24.96	4.30	1.000	0.49**	0.39**	0.19**	0.38**	0.34**
IJ	20.90	3.72	0.49**	1.000	0.46***	0.21**	$0.58^{**}$	0.43**
DJ	15.04	4.33	0.39**	0.46**	1.000	0.16**	0.35**	0.43**
JC	37.81	4.74	0.19**	0.21**	0.16***	1.000	0.26**	0.11**
SS	23.37	3.33	0.38**	$0.58^{**}$	0.35**	0.26**	1.000	0.43**
JS	132.66	1950	0.34**	0.43**	0.43**	0.11**	0.43**	1.000

Note: \*\* Sig. at the level 1% (p <0.01), \* Sig. at the level 5% (p <0.05); PJ = Procedural Justice, Interactional justice, DJ = Distributive justice, JC = Job Control, SS = Social Support, JS= Job Satisfaction

Control variables accounted for a significant increment explaining 1.9, 2.0 and 0.8 per cent of the variance in each wellbeing indicators. The variables of organizational justice, job control and social support were entered in the second step of the analyses, which was significant for job satisfaction (F (5, 1115) =

78.58, p<0.01,  $\Delta R^2$  0.354), positive affect (F (5, 1115) = 21.96, p<0.01,  $\Delta R^2$  = 0.142) and negative affect (F (5, 1115) = 2.23, p<0.01,  $\Delta R^2$  = 0.061). Thus, Hypothesis 1 was supported. The third step of regression analyses revealed that only the two-way interaction; IJ x JC (F (6, 1109) =33.26, p<0.01,  $\Delta R^2$  = 0.025), DJ x JC (F (6, 1109) =15.35, p<0.01,  $\Delta R^2$  = 0.029) gained significance for job satisfaction and positive affect respectively which were consistent with Hypothesis 2b and Hypothesis 2c.

Table 2: Results of Hierarchical Multiple Regression Analyses:

Predictor(s)	Job	Wellbeing	Negative Affect
	Satisfaction		
Gender	-0.039	0.133***	0.019
Age	0.028	0.025	$0.064^{*}$
Ethics	-0.120***	0.039	0.031
Marital Status	-0.041	-0.047	0.031
Block 1 R2 and $\Delta R^2$	0.019/ 0.019***	0.020/ 0.020****	0.008/ 0.008
Procedural justice (PJ)	$0.069^{*}$	$0.094^{***}$	-0.004
Interactional justice	0.132***	0.070	-0.063
(IJ)			
Distributive justice	0.213***	0.045	0.023
(DJ)			
Job control (JC)	-0.015	$0.228^{***}$	0.006
Social support (SS)	0.183***	0.065	0.017
Block 2 R2 and $\Delta R^2$	0.373/ 0.354***	0.162/ 0.142***	0.069/ 0.061
РЈ Х ЈС	-0.014	-0.034	-0.049
PJ X SS	0.043	0.070	0.006
IJ X JC	-0.068	0.012	-0.049
IJ X SS	-0.049	0.029	-0.005
DJ X JC	0.049	0.091***	-0.062
DJ X SS	-0.008	0.004	$0.087^{*}$
Block 3 R2 and $\Delta R^2$	0.399/ 0.025***	0.190/ 0.029***	0.085/ 0.017
PJ X JC X SS	0.054	0.011	-0.015
IJ X JC X SS	-0.001	0.038	0.013
DJ X JC X SS	0.025	-0.022	-0.079
Block 4 R2 and $\Delta R^2$	0.404/ 0.005	0.194/ 0.004	0.089/ 0.003

## Standardized Coefficient (Beta Values)

Note: \*\* Sig. at the level 1% (p <0.01), \* Sig. at the level 5% (p <0.05); PJ = Procedural Justice, Interactional justice, DJ = Distributive justice, JC = Job Control, SS = Social Support, JS= Job Satisfaction; The bold columns show the last significant block.



Figure 1: Job control as a moderator between interactional justice and job satisfaction

Figure 1 indicates a positive predictor relationship between interactional justice and job satisfaction for employees who reported high or low job control. Examining the pattern of significance of this two-way interaction ( $\beta$  = -0.068, SE = 0.017, p < 0.05), the observed two-way interaction effect explained that when employees perceived high interactional justice, the levels of job satisfaction increased among workers with low job control. In contrast, employees who perceived the interactive effect of high interactional justice and high job control reported lower levels of job satisfaction.





Figure 2 displays a positive relationship between high distributive justice and positive effect. The interactive effect of high distributive

justice and high job control ( $\beta = 0.091$ , SE = 0.019, p < 0.01) significantly increases employees' reported experience of positive effect.

#### 4.2. Discussion

The current findings partially confirm the two-way interaction effects of organizational justice and job control in predicting job satisfaction and positive effect, but this interactive effect was not significant in predicting other wellbeing indicators. The significant moderating effect of job control on job satisfaction might be related to the claim by Lu et al. (2006), that specific jobrelated mental health factors (like job satisfaction) were likely to have a significantly greater impact compared to context-free mental life factors which deal with general wellbeing (Soo et al., 2019; Yang et al., 2019).

The current study also tested the moderating effect of social support in the relationship between organizational justice and employee wellbeing. In contrast to earlier findings, however, no evidence of the moderating effect of social support on each of the wellbeing indicators could be demonstrated in the current findings. A possible explanation for the non-significant moderating effect of social support is that, although the validity and reliability of both social support and interactional justice were proved, according to Chen et al. (2009), an overlap in the conceptualization and operationalization of social support and interactional justice, as perceived by the respondents might occur (Indriastuti, 2019; Spector, 1997).

The multi-variables explain the non-significant interaction effects in the current study entered into the regression model (Mauno et al., 2006). However, it is difficult to establish an explanation of these results, since investigating the three-way joint interactive effect of organizational justice and job control and social support has no equivalent to compare within published studies. The current findings reveal that using the JDC and JDCS models that are widely applied about occupational stress does not appear to be substantially useful in support of organizational justice research in the Malaysian cultural context. In sum, the current study conducted in a collectivist culture setting provides a little evidence for the buffering effects hypotheses.

## 5. CONCLUSION AND RESEARCH IMPLICATION, LIMITATIONS AND FUTURE RESEARCH

The finding of this study indicates the importance of organizational justice as a predictor of work-related wellbeing. The literature highlights the guidelines for human resource managers of organizational procedural justice including consistency, suppression of bias, accuracy, correct ability, representation and ethicality. It indicates that the implementation of these interventions aimed at improving organizational justice should have a positive impact on employees as well as organizations.

In interpreting the current findings, several concerns on methodology need to be considered. For instance, all of the data derived from self-report which can lead to common source bias. However, it recommended that future studies should incorporate a triangulation of data collection by including qualitative methods. Spector (1997) stated that focus groups and in-depth one-to-one interviews provide a better understanding of both individual and organizational factors that contribute to the investigated concerns.

Another concern about this study was the cross-sectional design. This approach could generate a better understanding of the most reliable predictors of employee wellbeing in Malaysian organizations.

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