Organizational Justice and Organizational Citizenship Behavior: Mediating Role of Psychological Capital

Dr. Tamizarasu Nandan
Putra Business School
University Putra
Malaysia

Dr. Abdul Mutalib Mohamed Azim
Lecturer
Faculty of Business
Multimedia University
Malaysia

Abstract
The present study is aimed to examine the mediating effect of psychological capital in the relationship between organizational justice and organizational citizenship behavior. Data has been collected from a sample of 350 employees from multimedia organizations operating in Malaysia through personally administered questionnaires. The mediation effect has been tested using structural equation modelling. Results show a positive relationship between three dimensions of organizational justice, namely distributive justice, procedural justice and interactional justice towards organizational citizenship behavior, a positive relationship between all this three dimension of organizational justice and psychological capital, and psychological capital towards organizational citizenship behavior. Finally, psychological capital partially mediated the relationship between distributive justice, procedural justice, interactional justice and organizational citizenship behavior. The study makes a significant and unique contribution to literature by showing the mediation effect of psychological capital in the relationship between organizational justice and organizational citizenship behavior.

Keywords: Distributive Justice, Procedural Justice, Interactional Justice, Psychological Capital, Organizational Citizenship Behavior.

Introduction
Organizations today are operating towards providing employees with a climate which motivates their employee towards self-development by encouraging not only in job responsibility but also develop employees’ organizational citizenship behaviors. Cohen and Vigoda (2010) have determined the vital of organizational citizenship behavior for all nature of organizations, and try to elaborate the view that it improves the firm’s overall performance in a variety of ways. If employees are happy with their work, environment and responsibilities, then they naturally feel constructive for the organization and give optimistic response. Researchers have identified organizational citizenship behaviors importance and tried to dedicate their attention towards this aspect of employee behavior for the success and better performance of the organization (Hafiz et al, 2012). Thus, Organ et al (2006) rightly identified organizational citizenship behavior as one of the most influential factors that affect organizational effectiveness and success. Social exchange theory has been used to describe the process of organizational citizenship behavior (Organ & Paine, 1999) as an employee need to reciprocate through citizenship behavior when organizations treattheir employees fairly (Konovsky & Pugh, 1994; Spector & Che, 2014).

From an employee perspective, organization factor such as fair treatment and organization justice are among important elements in the social exchange climate of an organization. Previous studies found a significant relationship between the organizational justice and the organizational citizenship behavior (Walumbwa, Hartnell & Oke, 2010; Iqbal, Aziz, & Tasawar, 2012; Spector & Che, 2014; Sohn & Shin, 2015).
The question still remains to be addressed fully the mediating mechanism through which the organizational justice created by the organization is transferred into organizational citizenship behavior. Recently, Qadeer and Jaffery (2014) found that the psychological capital mediate the relationship between organizational climate and organizational citizenship behavior. Luthans, Norman, Avolio and Avey (2008) also suggested that the psychological capital as mediator in the relationship between supportive climate and employee performance. Another study by Malik and Masood (2015) found that the psychology capital mediate the relationship between emotional intelligence and resistance to change. Many studies have been done in the prediction psychological capital, however, very limited study look into organization justice as a predictor to psychological capital. Most studies examine other organizational climate such as managerial support, leadership and personality factors (Walumbwa et al., 2010; Şahin, Çubuk & Uslu, 2014; Malik & Masood, 2015). This study suggests that the organizational justice will predict psychological capital, which is employee high in psychological capital also have proactive personality. Li,Liang and Crant (2010) also concluded that if an employee has a proactive personality he/she would be high on all components of psychological capital.

Proactive personalities are high on all components of psychological capital which leads them to feel obligated and responsible towards the organization that practices justice (Li et al., 2010). Therefore, this study suggests that the psychological states strengthen the relationship between the organizational justice and organizational citizenship behaviors. In addition, Qadeer and Jaffery (2014) argue that the previous studies do not give a clear idea as to what type of organizational climate will lead to what levels of psychological capital. Therefore, in the current study attempts to find out the relationship between organizational justice as one of the elements in organizational climate and psychological capital, in order to gain employees’ organizational citizenship behavior. This study predicts that, with such a psychological set up, if the organization is fair in terms of distributive justice, procedural justice and interactional justice, the employees are going to display more organizational citizenship behaviors.

**Literature Review**

**Organizational Justice and Organizational Citizenship Behavior**

The description and explanation of fairness in the workplace is known as organizational justice (Colquitt et al., 2001). In general, there are three dimensions of organizational justice, namely: distributive justice, procedural justice, and interactional justice (Bies & Moag, 1986). Research constantly shows that individual behavior in the workplace is affected by perception of organizational justice (Colquitt et al., 2001; Iqbal et al., 2012; Sohn & Shin, 2015). That is, if employees perceive the outcomes of their evaluations to be fair or perceive the process by which outcome allocation decisions are made to be fair, they will be likely to reciprocate by performing behaviors to benefit their organization that goes beyond the in-role performance of their jobs (Niehoff & Moorman, 1993). Furthermore, Williams et al. (2002) indicated that the likelihood of organizational citizenship behaviors increased when employee perceptions of fair treatment by supervisors became more positive. Previous studies found that all three dimensions of organizational justice have a significant effect to organizational citizenship behavior. Empirical research supports the relationship between overall fairness and organizational citizenship behavior (Greenberg, 1993; Niehoff & Moorman, 1993; Williams, Pitre & Zainuba, 2002).

Furthermore, organizational citizenship behaviors have constantly been shown to be a consequence of procedural justice (Iqbal et al., 2012; Walumbwa, Hartnell & Oke, 2010). If employees believe that the procedures used in allocation organizational outcomes are fair and just, they will be satisfied and more likely to engage in organizational citizenship behavior. Walumbwa et al., (2010) found that the significant relationship between procedural justice and organizational citizenship behaviors. Organ (1990) suggested a theoretical basis for the relationship between distributive justice and organizational citizenship behavior using equity theory. According to equity theory (Adams, 1965), perception of unfair distribution of work rewards relative to work inputs creates tension within an individual, and the individual is motivated to resolve the tension.

If organizational citizenship behavior is considered a work input, then the employee’s response to underpayment could be decreased in organizational citizenship behavior (Organ 1988). Spector and Che (2014) found that the distributive justice is positively correlated with organizational citizenship behavior. Interactional justice has been defined as the perceived fairness of the interpersonal treatment displayed by supervisors and management (Niehoff & Moorman, 1993). Fair treatment is assumed to produce open end social exchange relationships, these types of relationship will result in obligations for the employee to repay the supervisor or organization, therefore, organizational citizenship behavior, is likely to result (Cropanzano et al., 2001).
The employees who believed that they personally were treated fairly by their supervisors also reported that they were significantly more likely to exhibit citizenship behaviors. Employees who felt supported by their supervisors were more willing to perform citizenship activities is similar to that reported by Zhao, Peng and Chen (2014). Based on the literature reviews, the following hypotheses are formulated:

H$_{1a}$: Distributive justice positively relates to organizational citizenship behavior
H$_{1b}$: Procedural justice positively relates to organizational citizenship behavior
H$_{1c}$: Interactional justice positively relates to organizational citizenship behavior

**Organizational Justice and Psychological Capital**

A very limited study examines the effect of organizational justice specifically towards the psychological capital. However, one of the most important factors that psychological capital is known to have influenced is organizational climate which is the collection of employee perceptions throughout the organization. Organization justice was defined by Greenberg (1990) as a concept that expressed employee’s perceptions about the extent to which they were treated fairly, in organizations and how such perceptions influenced organizations and individual outcomes. In this study, organizational justice view as organizational climate, that refers to a shared employee-level cognition regarding the extent to which employees are treated fairly, and is typically operationalized as aggregate perceptions of justice across employees (Roberson & Colquitt, 2005). Organizational climate creates the positive conditions necessary for psychological capital to flourish. Organizational justice can be seen as organizational climate in providing fair treatment to employees in organization.

Previous studies found various organizational climates relate to psychological capital. Organizational climate in terms of managerial trust have significantly affect the psychological capital (Qadeer & Jaffery, 2014). Managers can develop subordinates’ psychological capital through supportive supervisor (Luthans, Norman, Avolio & Avey, 2008; Walumbwa, Luthans, Avey & Oke, 2011) by providing fair treatment and promoting organizational justice. According to Thomas and Ganster (1995) supervisors act as agents can develop employees’ positive attitude. This study suggests that the employees who are perceived that their organization have practice justice in terms of distributive justice, procedural justice and interactional justice, will likely impact their emotion and psychology, thus, affect their psychological capital. Based on the argument, this study proposes the following hypotheses:

H$_{2a}$: Distributive justice positively relates to psychological capital
H$_{2b}$: Procedural justice positively relates to psychological capital
H$_{2c}$: Interactional justice positively relates to psychological capital

**Psychological Capital and Organizational Citizenship Behavior**

Psychological capital is one of the new research areas of interest to researchers of organizational behavior and human resources (Avey, Reichard, Luthans, & Mhatre, 2011 Qadeer & Jaffery, 2014). Psychological capital can be defined as positive-oriented psychology development situation, which includes four components: self-efficacy, hope, optimism and resiliency (Luthans et al, 2007). Psychological capital has positive correlation with desired employee attitudes, behaviors and performance (Avey et al., 2011). A meta-analysis of 51 independent samples found strong, significant, positive relationship between psychological capital and desirable attitudes (job satisfaction, organizational commitment, and well-being), organizational citizenship behaviors and job performance and a negative relationship with undesirable attitudes (cynicism, stress, anxiety, and turnover intentions) and workplace deviance behaviors (Avey et al., 2011).

Avey, Wernsing & Luthans (2008) found that psychological capital was related to organizational citizenship behavior in a study of 132 employees from a broad cross-section of organizations. Another cross-sectional study indicates psychological capital as a positive predictor of organizational citizenship behavior (Norman et al., 2010). Golestan (2014) also showed that there was a significant multiple relationships between psychological capital and organizational citizenship behavior. Contradictory to these findings Shahnawaz and Jafri (2009) found that the psychological capital couldn’t predict organizational citizenship behavior in both public and private the organizations in India. Hence, the following hypothesis is developed:

H$_{3}$: Psychological capital positively relates to organizational citizenship behaviors
Mediation

According to Greenberg and Scott (1996) and Masterson et al. (2000), social exchange theory often be en used to explain the effect of justice perceptions on individual’s behaviors. Social exchange theory suggests that through mutual exchanges, a pattern of reciprocal obligation is established between the parties (Blau, 1964). The receiving party becomes obligated to reciprocate with some voluntary service (Gouldner, 1960).

As a result, individuals develop a commitment to fulfill their obligations and the pattern of reciprocity is reinforced (Cropanzano and Byrne, 2000). Furthermore, fairness perceptions may influence individual proactive personalities and organizational citizenship behavior by prompting an employee to define his or her relationship with the organization as one of social exchange. Therefore, employees consider themselves in conditions of social exchange. Which support intern of justice turns employee into proactive personalities and affect their behavior (organizational citizenship behavior). Employees with proactive personalities, that is, people with critical psychological states, given a justice-oriented organizational climate, are more likely to show organizational citizenship behavior. Proactive personalities are high on all components of psychological capital which leads them to feel obligated and responsible towards the organization that practices organizational justice (Li et al., 2010). Hence, their psychological states strengthen the relationship between the organizational climate and organizational citizenship behavior (Li et al., 2010; Luthans et al., 2008). Luthans et al., (2008) found that psychological capital mediates the relationship between supportive climate and employee performance.

Also, Qadeer and Jaffery (2014) indicate that the organizational climate in terms of managerial trust result in highest psychological capital and thus effect organizational citizenship behavior. On the whole this study suggests that the psychological capital is known to have a possible relationship with the organizational justice dimension, namely distributive justice, procedural justice, interactional justice and organizational citizenship behavior. Figure 1 shows the research framework that develops based on theory and literature review. However, whether this relationship will be mediated by psychological capital or not has not been critically examined before, so, in order to provide more theoretical knowledge and empirical evidence related to the discussed variables, the researchers test the relationship predicted in following hypotheses:

H₄a: Psychological capital mediates relationship between distributive justice and organizational citizenship behavior
H₄b: Psychological capital mediates relationship between procedural justice and organizational citizenship behavior
H₄c: Psychological capital mediates relationship between interactional justice and organizational citizenship behavior

Methodology

Sampling

The sample of this study consisted of employees from six multimedia organizations in Malaysia. The selection of employees is based on cluster sampling. This study employed self-administered questionnaires as a means of data collection. Based on the number of respondents (n = 350) with complete data in this study, this sample size is sufficiently large for the use of SEM (Hair et al., 2010). Before proceeding to the final data collection, a pilot study to test the reliability of the instrument was conducted to ensure the consistency of the questionnaire.
The Cronbach alpha reliability coefficients for all the five variables (distributive justice, procedural justice, interactional justice psychological capital and organizational citizenship behavior) exceed .70, indicating good internal consistency of the measures (Hair et al., 2010).

**Instrument**

**Scale 1: Psychological Capital** was measured using 24 items developed by Luthan, Youssef and Avolio (2007) this scale analyzed four dimensions of Psychological Capital: Hope, Optimism, self-efficacy and resilience. Each dimension has 6 items. This is a 5 point scale and scores on the scale varies from 1= strongly disagree to 5= strongly agree.

**Scale 2: Organization Justice Scale (OJS):** This scale was developed by Niehoff and Moorman (1993). This measurement consists of 19 items to measure three dimensions of organizational justice, namely distributive justice, procedural justice and interactional justice. The five items for both distributive justice and procedural justice, meanwhile interactional justice is consists of nine items. Response to the items is based on 5 point Likert scale. High scores indicate a high perception of justice in the organization and low scores indicate low perception of justice.

**Scale 3: Organizational Citizenship Behavior** scale developed by Williams & Anderson, (1991) was used in this study. This scale consisted of 7 items, that ask respondents about behavior that immediately benefit specific individuals and indirectly through this means contribute to the organization (e.g., help others who have been absent, takes a personal interest in other employees). A five-point Likert scale ranging from strongly disagree (1) to strongly agree (5) was used.

**Result**

The overall satisfactory fit of a measurement model was determined by the confirmatory factor analysis (CFA). The overall model fit reported in RMSEA coefficient of .08 is normally taken as indicative of a satisfactory model fit, and one of .05 is a very good fit (Steiger, 1990). Researchers suggest the chi/df index should less than the value of 5, the model fits reasonably well, and a ratio close to 2 indicates a good fit (Marsh & Hau, 1996). For the GFI, IFI, TLI, and CFI, coefficients of 0.90 but preferably higher are normally taken as indicative of model fit (Byrne, 2001). Meanwhile, for PGFI, parsimony fit indices within the region of 0.50 or above suggests a good model fit (Mulaik et al., 1989). In this current study, the model fit indices ($\chi^2$/df = 2.629, RMSEA = 0.047, GFI = 0.907, IFI = 0.939, TLI = 0.931, CFI = 0.939, PGFI = 0.754) were acceptable.

The results in Table 1 show the standardized regression weights. There are significant positive relationships between distributive justice and psychological capital ($r = 0.483$, $p < 0.001$), procedural justice and psychological capital ($r = 0.151$, $p < 0.01$) and interactional justice and psychological capital ($r = 0.152$, $p < 0.01$), hence, supporting Hypothesis 1a, 1b and 1c. Table 1 also shows a significant relationship between psychological capital and organizational citizenship behavior ($r = 0.296$, $p < 0.001$) thus supporting Hypothesis 3a. Further, the findings show a significant path from all three dimension organizational justice to psychological capital and psychological capital to organizational citizenship behavior.

<table>
<thead>
<tr>
<th>Dependent Variables</th>
<th>Independent Variables</th>
<th>Partial</th>
<th>Indirect</th>
<th>Direct</th>
</tr>
</thead>
<tbody>
<tr>
<td>Psychological Capital</td>
<td>Distributive Justice</td>
<td>.483***</td>
<td>.502**</td>
<td></td>
</tr>
<tr>
<td>Psychological Capital</td>
<td>Procedural Justice</td>
<td>.151**</td>
<td>.150**</td>
<td></td>
</tr>
<tr>
<td>Psychological Capital</td>
<td>Interactional Justice</td>
<td>.152**</td>
<td>.135*</td>
<td></td>
</tr>
<tr>
<td>OCB</td>
<td>Procedural Justice</td>
<td>.148*</td>
<td>.186**</td>
<td></td>
</tr>
<tr>
<td>OCB</td>
<td>Interactional Justice</td>
<td>.146*</td>
<td>.159*</td>
<td></td>
</tr>
<tr>
<td>OCB</td>
<td>Distributive Justice</td>
<td>.296***</td>
<td>.419***</td>
<td></td>
</tr>
<tr>
<td>OCB</td>
<td>Psychological Capital</td>
<td>.274***</td>
<td>.463***</td>
<td></td>
</tr>
</tbody>
</table>

*** Sig. at .001; ** Sig. at .01 * Sig. at .05
The effect of distributive justice, procedural justice and interactional justice on organizational citizenship behavior shrinks upon the addition of psychological capital (the mediator) to the model. This suggests that psychological capital partially mediates the influence of distributive justice, procedural justice and interactional justice on organizational citizenship behavior, supporting Hypothesis 4a, 4b, and 4c. The amount of variance in organizational citizenship behavior explained by distributive justice, procedural justice and interactional justice and psychological capital is 28%.

Table 2: Bootstrapping

<table>
<thead>
<tr>
<th>Constructs</th>
<th>SIE</th>
<th>SE</th>
<th>LB</th>
<th>UB</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distributive Justice</td>
<td>.130</td>
<td>.052</td>
<td>.044</td>
<td>.258</td>
<td>.001</td>
</tr>
<tr>
<td>Procedural Justice</td>
<td>.041</td>
<td>.024</td>
<td>.006</td>
<td>.101</td>
<td>.013</td>
</tr>
<tr>
<td>Interactional Justice</td>
<td>.041</td>
<td>.021</td>
<td>.095</td>
<td>.009</td>
<td>.007</td>
</tr>
</tbody>
</table>

This study also runs bootstrapping in order to confirm the mediation effect of psychological capital in this model. Based on the results in Table 2, this study found that the Standardized Indirect Effects (SIE) value for all independent variables is between Lower Bounds (LB) and Upper Bounds (UB) as well as significant (p) values less than .05. This means a significant mediating effect of psychological capital between all dimensions of organizational justice and organizational citizenship behavior.

Discussion and Conclusion

The present study developed and tested a research model that investigate the effects of distributive justice, procedural justice and interactional justice on organizational citizenship behavior, and the mediating role of psychological capital in the relationship between distributive justice, procedural justice and interactional justice and organizational citizenship behavior in multimedia organization. The hypothesis suggests that organizational justice in terms of distributive justice, procedural justice and interactional justice, enhanced organizational citizenship behavior was confirmed by the result of this study. Similar finding was also reported by Williams et al. (2002) where employees who perceived that their organization treated fairly, reported that they were more likely to exhibit organizational citizenship behaviors. The results of this study similar with previous studies.Walumbwa et al. (2010) found that the employees perception of procedural justice practice by their organization affect organizational citizenship behavior. Spector and Che (2014) also suggested that distributive justice influencing organizational citizenship behaviors in the model that they tested.Zhao et al., (2014) found that significant relationship between interactional justice and organizational citizenship behavior. This study concludes that the employees’ perception of fair compensation for their work-related input may be more likely to become obligated to reciprocate with some voluntary behavior which is organizational citizenship behaviors. Similarly, employees who perceived that their organization has fair in terms of decision-making procedures may be more likely to exhibit organizational citizenship behaviors.

Finally, employees’ perception that the organization allowed them to voice out their ideas and fairness in terms of interpersonal communications will be more likely to perform organizational citizenship behaviors. This study suggested that the employees who are perceived that their organization have practice justice in terms of distributive justice, procedural justice and interactional justice, will influence their emotion and psychology, thus, affect their psychological capital. Even though, not many studies have explained these relationships, Li et al., (2010) suggested that if employees have a proactive personality they would be high on all components of psychological capital. With such a psychological set up, if the organization practice all components of organizational justice, employees are going to have more psychological capital. This study supports previous studies when we found that the psychological capital have given impact to organizational citizenship behavior. Norman et al., (2010) and Golestaneh (2014) also showed that there was a significant relationship between psychological capital and organizational citizenship behavior. This study implies that the positively-oriented psychology development situation, which includes four components: self-efficacy, hope, optimism and resiliency(Luthans et al, 2007), could be a complete resource to counter with problems and facing any critical situation, and these factors causes a person shows a good citizenship behavior. This study also tested the mediating effect of psychological capital in the relationship between distributive justice, procedural justice, interactional justice and organizational citizenship behavior.
Psychological capital significantly mediates the relationship between distributive justice, procedural justice, interactional justice and organizational citizenship behavior, implied that the psychological capital is an important element in enhancing employees’ organizational citizenship behavior. This can be concluded that the employees’ perception of organizational justice will influence and develop employees’ psychological capital, and in turn, employees tend to exhibit organizational citizenship behavior. The results reported here may only be generalized to employees in multimedia organizations. Caution must be exercised in generalizing the findings from this sample to other private organization in the study area. Another limitation of this study is that there was no effort to compare this sample group with other groups of business, such as employees in manufacturing industries, which is another important industry in Malaysia. Doing so may offer information about the differences or similarities of the groups for the rationale of future research and understanding into the findings.

Another theoretical limitation of this study is that psychological capital can be influenced by factors outside the organization, such as cultural (Brandt, Gomes & Boyanova, 2011). Therefore, we suggest that the future study should explore the effect of culture on psychological capital, since previous studies suggested that the supervisor or leader who are the important person in implementing policy and promoting fair treatment that will develop employees’ psychological capital. Supervisors or leaders should understand the culture variation in a country (Tamizarasu & Abdul Mutalib, 2015) where they are operating, in order to enhance employees psychological capital and thus affect the organizational citizenship behavior.

References


