

Assessment of LMX as Mediator in Procedural Justice - Organizational Citizenship Behavior Relationship

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Abstract

Purpose: Organizational justice is not considered as objective variable, but considerably, it is the employee's perceptions about an organization. Since the last four decades, researchers endorsed the significant importance of organizational justice on motivation and work behaviours like turnover intentions, trust, motivation, organizational commitment, job satisfaction, in-role and organizational citizenship behaviour. Accordingly, scant literature is available on procedural justice – organizational citizenship behaviour via mediating role of leader-member exchange (LMX) in higher education context especially in Asian countries like Pakistan.

Research Design, Data and Methodology: Cross – sectional study design was used and data was collected from the 452 permanent and contractual teaching faculty serving in different positions at private and public sector degree awarding institutes / universities accredited by Higher Education Commission (HEC) of Pakistan. Mediated regression analysis, as proposed by Baron and Kenny (1986), was employed to address the research hypothesis.

Results: Results showed that procedural justice and LMX was positively impacted on OCB and LMX also fully mediates the relationship of procedural justice and organizational citizenship behaviour (OCB).

Conclusion: The result indicated that LMX fully mediates the relationship of procedural justice and organizational citizenship behaviour.

Keywords: Faculty, Higher Education, Leader Member Exchange, Organizational Citizenship Behavior, Pakistan, Procedural Justice.

JEL classifications : D63, P36.

1. Introduction

Li and Cropanzano (2009) claimed that employees' perceptions regarding the fairness or justice have been extensively studied under organizational justice's heading. Organizational justice is considered as an important aspect regarding the decisions and processes in HR system (Thurston and McNall, 2010; Cohen-Charash and Spector, 2001), for employees and managers as well because it has special forces which can act as binding force between the conflicting parties and establish a social and stable structure (Konovsky, 2000). Colquitt et al. (2001) conducted a meta-analysis on 183 research studies published during 1975-1999 and showed that justice perceptions have impact on numerous organizational outcomes such as organizational commitment, withdrawal OCB, performance and job satisfaction. Cohen-Charash and Spector (2001) also corroborated, in their meta-analysis on 190 research publications, the Colquitt et al. (2001) results also reported the positive relationship of justice with trust and negative association with counterproductive work behaviour.

Organizational justice researches proposed that the decision making process, decision taken, the way these decisions have been carried out and decision maker's treatment while taking the decision have a significant impact on the

outcomes of individuals' behaviours and their work – related attitudes (Greenberg and Folger, 1983). Organizational justice defined by the (Greenberg, 1990) as "...attempts to describe and explain the role of fairness as a consideration in the workplace...". Greenberg (1990) also noted about the organizational justice that researchers of this domain put more attention towards this crucial function declared it as basic requirement if the organization wants to operate effectively and provide personal satisfaction to all employees. Organizational justice also defined as the perceptions that an employee has to what extent he/she treated honestly and fairly (Elovainio et al., 2005) and whether or not specific results can be obtained through fair methodology (Hubbell and Chory-Assad, 2005). Justice is related with the means to distribute benefits fairly and the process of evaluating what benefits are to be received (Johnson et al., 2008).

Organizational justice or fairness at workplace has applied in organizations includes employee development (McDowall and Fletcher, 2004), OCB (Moorman and Byrne, 2005; Tepper and Taylor, 2003; Ehrhart, 2004), turnover intentions (DeConinck and Bachmann, 2005), social loafing (Murphy et al., 2003), stress (Judge and Colquitt, 2004), personnel selection (Bell et al., 2004; Dineen et al., 2004; Truxillo et al., 2004), team effectiveness (Sinclair, 2003), perceived organizational support and pay raise decisions (Kickul et al., 2005; et al., 2001; Rhoades and Eisenberger, 2002).

Organizational justice influences numerous individual work-related factors such as job satisfaction, job burnout, role breadth, leader-member exchange (LMX), organizational commitment, absenteeism, trust, job performance, and leadership (Vermunt and Steensma, 2003; Greenberg 2004; Kumar, Bakhshi, and Rani 2009; Lambert, Hogan, and Griffin 2007; Judge and Colquitt, 2004; Byrne, 2005; Wat and Shaffer, 2005; Hubbell and Chory-Assad, 2005; Colquitt et al., 2001). In spite of these researchers, limited studies are available on the influence of organizational justice (procedural justice) on OCB in the presence of mediating role LMX in higher education scenario. So, the basic aim of this research is to test the mediation mechanism between the relationship of procedural justice and OCB among teaching faculty of higher education institutions / universities of Pakistan.

2. Literature review

Organizational justice is defined as the employees' perception towards the dealing by the organizations honestly and fairly (Elovainio et al., 2005). Numerous studies used organizational justice with its other three dimensions in organizational research as explanatory variables (e.g., Lam et al., 2002). Researchers (Ambrose et al., 2005) also suggested that the paradigm shifting concerning overall fairness may give comprehensive understanding the role of justice in organizational settings.

Hoy and Tarter (2004) summarized the organizational justice principles as equality principle, perception principle, polyphony principle, interpersonal justice principle, consistency principle, social and political equality principle, and correction principles. Generally, organizational justice categorized in three broad dimensions e.g. distributive, procedural and interactional justice (Martinez-tur et al., 2006). Despite of number of typologies concerning organizational justice, this study only focuses on procedural justice. Procedural justice introduced by (Thibaut and Walker, 1975) during their research on dispute resolution procedures. Procedural justice defined as the employees' opinion about the fairness in decision making process for final outcome of the task (Greenberg, 2004). Moorman (1991) defined it as the equality procedures which evaluate the employee performance fairly.

Researchers (e.g., Schriesheim and Stogdill, 1975) challenged the current existence of leadership styles. These researches indicated that leader led their subordinate and / or followers in different ways rather than to lead with similar leadership style for all of them (Graen and Schiemann, 1978). In educational setting, teacher leadership described as a leadership model in which teaching faculty working in an organization have the opportunity to lead (Harris and Lambert, 2003) but it seems that leadership in educational settings is somewhat confusing due to multitude of models and theories (Grant et al., 2012). OCB defined by (Begum, 2005) as employee behavior which he or she exerts more than their call of duty while performing the job. OCB mainly concentrate on the characteristics of individual's cooperative behaviour in the organization and explain why people show more cooperative behaviours than their peers/subordinates. OCB mainly concentrate on the characteristics of individual's cooperative behaviour in the organization and explain why people show more cooperative behaviours than their peers/subordinates. After 20 years, Organ, Podsakoff, and MacKenzie (2006) emphasized on building the conceptualization of OCB.

Colquitt (2001) claimed that the organizational justice and its sub dimensions are empirically and theoretically different from each other. Hence, it might be possible that these three different justice types have different consequences (Ambrose and Schminke, 2003). Cropanzano, Prehar, and Chen (2002) argued that the two main types of organizational justice: procedural justice and distributive justice have significant exchange relationship with an organization or an individual because these justice types can be claimed as structural or system variables. The empirical researches of (Alexander and Ruderman, 1987) and (Tansky, 1993) on justice and LMX proved the significant and positive association among these variables. However, the recent studies generate more comprehensive results among these two variables by using rigorous analyzing techniques. Nevertheless, there is still lacuna exist in the literature pertaining to justice and LMX at group level or individual level or integrated model (Colquitt and Greenberg, 2003).

Numerous researchers also proved that LMX is serving as bridge which connects the justice perception with importance work related behaviors (Cropanzano et al., 2002). Empirical researches endorsed the relationship of LMX with OCB (Lapierre and Hackett, 2007). It is widely believed that OCB contributes to the effectiveness and efficiency of a functional organization (Organ, Podsakoff, and MacKenzie 2006). Like LMX, the theoretical basis of OCB is predominantly based on social exchange theory (Van Dyne et al., 1994). The discretionary OCB provides an avenue for subordinates in high-quality LMX relationships to return the benefits offered from the leaders (Settoon et al., 1996). This belief was supported by the meta-analytic mean correlation of 0.32 between LMX and overall OCB (Lapierre and Hackett, 2007). From the literature, it can be hypothesized that:

Study Hypothesis: LMX mediates the relationship of procedural justice and OCB in faculty members of higher education institutions / universities.

3. Research Methodology

Survey-based study design was employed to test the hypothesis. Data was collected from the faculty members having permanent or full-time contractual positions in private and public sector higher institutes accredited by HEC Pakistan. After taking permission from the higher management of concerned universities and institutes, 750 questionnaires were distributed personally during March – July, 2011. After multiple follow-ups, 452 statistically usable questionnaires were collected. Procedural justice was measured on the scale presented by (Niehoff and Moorman 1993), LMX was determined on seven items scale was proposed by (Graen, Liden, and Hoel 1982) while overall OCB was assessed on nine items scale suggested by (Lee and Allen 2002). Factor analyses and mediated regression analysis (as proposed by Baron and Kenny 1986) was used to test mediating relationship LMX between dimensions of procedural justice and OCB.

Analyses and Interpretations

The demographic profile of the respondents participated in this study are presented hereunder.

- Majority of the respondents were male (73%).
- 58% faculty members were married whereas 42% were unmarried.
- 71% respondents were below from 30 years and 39% have age more than 30 years.
- 184 faculty members had MS / M. Phil / PhD and Post PhD degrees.
- 74% faculty members serving on Lecturer designations in private and public sector universities and institutions.
- Only 37% faculty members serving in private sector institutions whereas 63% respondents were from private sector institutions.
- 82% faculty members having less than 5 years teaching experience.

Table 2 provides the descriptive statistics includes mean, standard deviation, reliability and factor loading of each item related to study variables.

Table 2. Descriptive Statistics

	FL Range	KMO	Mean	Std. Deviation	Reliability Co-efficient
Procedural Justice	0.45-0.80	0.68	3.29	0.64	0.70
LMX	0.55-0.73	0.78	3.50	0.60	0.74

OCB	0.38-0.70	0.77	3.80	0.53	0.77
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FL Range = Factor Loading and KMO = Kaiser-Meyer-Olkin Measure of Sampling Adequacy

Table 3 shows the regression analyses of independent variable (procedural justice – PJ) and mediating variable (LMX) on dependent variable (OCB). PJ explained 11% variance in OCB with F-statistics (55.33*, *p<0.001) which is adequate for explaining the variance in predictive model. The standardized beta coefficient for PJ is (b = 0.33,t = 7.44*, *p<0.001) which proved the positive relationship between PJ and OCB. The second regression analysis described the impact of LMX on OCB with 24% variance in the model with beta coefficient (b = 0.48,t = 11.74*, *p<0.001) which is also shows the positive relationship of LMX and OCB.

Table 3. Regression Analyses for PJ and LMX on OCB

Independent Variable	Dependent Variable OCB				
	R Square	F- Statistics (ANOVA)	Beta Coefficient	t-Statistics	
Procedural Justice (PJ)	0.11	55.33*	0.33	7.44*	
LMX	0.24	137.92*	0.48	11.74*	

*Significant at 0.001 Level

Table 4 explained Baron and Kenny (1986) mediation regression analyses which are used to determine whether or not LMX is played a mediating role among PJ and OCB. At the first step, LMX as hypothesized mediator was regressed on PJ. PJ explained 4 percent variance in the model (b = 0.63, t = 17.13*, *p<0.001) in LMX. At the second step, PJ explained 11% variance in OCB (b = 0.33,t = 7.44*,*p<0.001). At final stage (step 3), dependent variable (OCB) was regressed on PJ and LMX. Both the variables showed 24% variance together in OCB with F-statistics (69.26*, *p<0.001). The beta coefficient of PJ is (b = 0.04,t = 0.83non-significant) and LMX is (b = 0.46,t = 8. 61*,*p<0.001). Therefore, according to Baron and Kenny (1986) when the impact of initial or independent variable on dependent variable drops off to a statistically non-significant level after neglecting out the influence of mediating variable then full mediation is endorsed as observed in the sample of faculty members serving in public and private universities accredited by HEC. Hence LMX was found to fully mediate PJ-OCB relationship.

Table 4. Mediated Regression Analyses

		LMX				OCB			
		R Change	ANOVA	β	t	R Change	ANOVA	β	t
Step 1	PJ	0.39	293.26*	0.63	17.13	---	---	---	---
Step 2	PJ	---	---	---	---	0.11	55.33*	0.33	7.44*
Step 3	PJ LMX	---	---	---	---	0.24	69.26*	0.04	0.83**
								0.46	8.61*

*Significant at 0.001 Level

** Not - Significant at 0.1 Level

3. Conclusion and Recommendations

The study findings revealed that LMX act as full mediator in the relationship of organizational justice and OCB among the teaching faculty employed by public and private sector institutes of HEC. LMX theory is grounded in social exchange where there is an “obligation at subordinate ends to create and provide strengths to the relationship with the leader” (Graen and Scandura 1987). The association of procedural justice and extra-role behaviours (OCB) extensively available in the literature, and also provides a relatively robust relationship (Hofmann, Morgeson, and Gerras 2003). While taking OCBs as ethical actions which munificently go beyond the moral minimums, researchers suggested that fairness in the procedures extract moral judgments that’s why the procedural justice escort the employees to go beyond of the duties or to perform OCB. Ambrose (2002)claimed that literature about the fairness perceptions are evolving and growing because the researchers are heavily conducting empirical researchers on justiceperceptions with multiple outcomes. This study specifically address an important notion “why justice matters” for the administration working in higher education sector.

In spite of thoughtful finding in higher education domain, this study also has some limitations. Firstly, there is common method variance exists because data was taken from the same source. This study is cross-sectional in nature and causality can only assume but not generalized. For future studies, it is advisable to add new variables in the model like job satisfaction, intrinsic motivation, organizational commitment and in-role performance etc. This study also contributes for policy makers of private and public sector higher education institutions. Numerous researchers highlighted the importance of OCB according to employees' perspective (Tepper and Taylor 2003). The top management should encouraged the employees to participate in OCB by providing collective and effective functionally by appreciation and demonstration because (Sanchez and Levine 2009) claimed that "practical considerations may involve the use of competency modeling practices to incorporate OCB, signal the importance of this type of behavior, and encourage maximum performance".

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