

## A study on relationship between Organizational Commitment, Organizational Justice, Organizational Fairness and Organizational Citizenship with reference to Steel Sector

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### ABSTRACT

In this paper the Organizational Citizenship Behaviour (OCB) is considered as dependent variable and independent variables are organizational justice, fairness and commitment. Employees from steel industry who are working various steel companies are interviewed through structured questionnaire. The results of this study had revealed that various factors influence organizational citizenship behavior. The outcome of this research paper helps practicing managers in steel industry in formulating better policies for encouraging organizational citizenship behavior.

**Keywords:** Organizational justice, Organizational fairness, Organizational commitment, Organizational citizenship behavior, steel sector.

Date Of Submission: 09-05-2019

Date Of Acceptance: 24-05-2019

### I. INTRODUCTION

Organizational Citizenship Behavior (OCB) is about employee perception on belongingness to the organization. Employee with high citizenship behavior will treat organizational goal as their personal goal and give importance for organizational needs. The organizational citizenship behavior of employees is influenced by various factors. In recent years research on organizational citizenship behavior had gained importance because it has positive impact on organizational performance. In this regard the Organizational Citizenship Behavior (OCB) among employees working in steel industry had been empirically verified in this study. In organized sector job security and job satisfaction can be attained but at the same time OCB is very importance for sustaining in the modern business world.

The impact of selected factors like organizational commitment, perception on organizational fairness and perception on organizational justice on organizational citizenship behavior is described in this research paper. Organizational fairness is about transparency in implementation of organizational policies and organizational justice is about treatment of employees equally with regard to payment, benefits and promotions. Employees with low citizenship behavior may stay with the organization but may not contribute for attaining organizational goals. It is also important to possess employees with

commitment so that they enhance organizational productivity.

### Research Objectives

1. To analyze the impact of selected factors on organizational citizenship behavior among employees in steel sector.
2. To understand the importance of organizational citizenship behavior among employees in steel sector.
3. To provide suggestions for practicing managers in steel sector.

### Review of Literature

Feather and Rauter (2004) had described that organizational citizenship behavior is positively influenced with more job security and it leads to organizational commitment. The employees in the same sector will have different opinion towards organizational citizenship behavior based on permanent or contractual type of employment. According to Silverthorne (2004) there is an association between organizational culture and organizational citizenship behavior. The job satisfaction level is influenced by organizational culture and it has an impact on organizational citizenship behavior.

Bogler and Somech (2004) had explained the relationship between professional commitment, organizational commitment and organizational citizenship behavior along with other independent variables like self-efficacy, status and professional

growth. Jafari and Bidarian (2012) had conducted empirical verification and stated that organizational trust questionnaire and explained the impact of procedural justice, interactional justice and distributive justice on organizational citizenship behavior of employees. The factors like organizational justice and organizational fairness have sub dimensions.

Inoue et al (2010) had explained the association between psychological distress at work place with independent variables like interactional justice, procedural justice and dependent variable as job satisfaction. Work engagement also influences job satisfaction and organizational justice. Al-Zubi (2010) had stated that demographic variables influence the perception of employees towards job satisfaction and organizational stress. The dimensions for organizational justice like distributive justice procedural justice and interactional justice helps in deep analysis of employees towards organizational justice.

Vinekar et al (2009) had explained organizational citizenship behavior by considering variables like procedural fairness and organizational commitment. Employees with organizational citizenship behavior enhance organizational productivity because recent layoffs in various sector had an impact on the moral or employees. Janssen et al (2004) had explained that independent variables like procedural fairness and distributive fairness enhances innovative behavior among employees at the same time it reduces stress, anxiety and job burnout behavior. In the competitive business world innovation is very important for sustaining and it is possible with organization justice.

Brasher et al (2004) had developed a measurement scale and validated it for analyzing perception of employees towards managerial justice, commitment and motivation and the scale has strong evidence of reliability and validity. Salleh et al (2013) had explained the association between organizational commitment and performance appraisal fairness. The employee performance would be enhanced in the long term if they perceive fairness in performance appraisal system. Satisfaction can be attained by employees if they believe that performance appraisal is fairly conducted by the management.

## I. METHODOLOGY

For collecting primary data structured questionnaire had been used from the respondents who are employees in different companies in steel industry. Prior permission was taken from managers of respondents to collect primary data. The sampling methodology adopted for this study

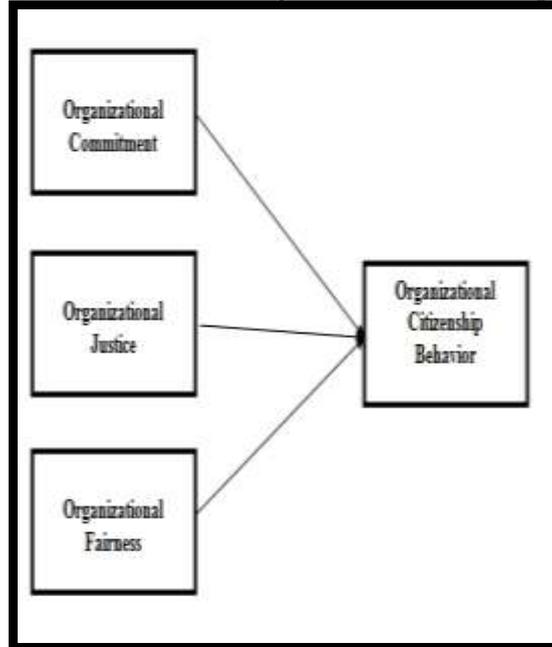
is convenient and judgment sampling. Sample size of this study is 180 and all the respondents are working in steel industry. Secondary data need for this study had been procured from books, journals and reliable electronic publications from internet. In Figure No. 1 the variables considered for this study are shown in the form of research model.

## Measures

The measurement scale of this study consists of four constructs along with demographic variables. The items for each construct are adopted and modified from previously published scales. The items for organizational commitment are (1) I will tell my friends that my organization is a great place to work, (2) Every moment I will remember my job and feel proud of it, and (3) My job is more important than any other thing in my life. The items for organizational fairness are (1) The rewards I receive at my workplace are fair and proportional to my hard work, (2) Rules and procedures are implemented consistently, and (3) My management makes decisions based on accurate information. The items for organizational justice are (1) When decision are made regard to my job, the manager treats me with kindness and consider my suggestions, (2) All the employees are treated equally by managers in my organization, and (3) When implementing organizational policy my manager treats all the people equally.

The items for Organizational Citizenship Behavior (OCB) are (1) I take work to my home or stay late in the organization to complete and finish it, (2) For meeting the needs of my organization I will postpone my vocation in spite of personal inconvenience, and (3) If I observe my coworker feeling difficulty in their job, I would go out of my way to help them. All the items are measured by Likert-type scale anchored from Strongly Agree (5) to Strongly Disagree (1). The statistical tools like descriptive statistics, regression and exploratory factor analysis have been used for analyzing primary data. Exploratory factor analysis (EFA) had been used to determine the loading the items on their anticipate constructs which is shown in Table 1.

**Figure 1: Research model of Organizational Citizenship Behavior**



(Source: Developed by the researcher)

**Table 1: Rotated Component Matrix<sup>a</sup>**

	Component			
	1	2	3	4
OC1			0.915	
OC2			0.953	
OC3			0.960	
OF1				0.915
OF2				0.915
OF3				0.905
OJ1		0.951		
OJ2		0.951		
OJ3		0.958		
OCB1	0.976			
OCB2	0.958			
OCB3	0.971			

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization. a. Rotation converged in 5 iterations. (Source: SPSS output)

**II. DATA ANALYSIS**

The total respondents are 180 for this study and out of them 64 percent are male and 35 percent are female who are working in steel industry in different companies. The average age of all the respondents is 44.5 years and minimum experience among the respondents is 3 three years in steel industry who are working with various designations. From descriptive statistics it is

observed that respondents are more satisfied with organizational justice in their respective organizations because means value for Organizational Justice (OJ) is high as per Table 2. The standard deviation for Organizational Commitment (OC) is high compared to other variables.

**Table 2: Descriptive Statistics**

	N	Mean	Std. Deviation
Organizational Commitment (OC)	180	4.146	0.803
Organizational Fairness (OF)	180	4.244	0.572
Organizational Justice (OJ)	180	4.307	0.566
Organizational Citizenship Behavior (OCB)	180	4.272	0.873
Valid N (listwise)	180		

(Source: SPSS output)

**Table 3: Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig./ 'p' value
	B	Std. Error	Beta		
(Constant)	5.881	0.849		6.930	0.000
1 Organizational Commitment(OC)	-0.200	0.089	-0.184	-2.241	0.026
Organizational Fairness (OF)	-0.366	0.134	-0.240	-2.723	0.007
Organizational Justice (OJ)	0.179	0.124	0.116	1.441	0.151

a. Dependent Variable: Organizational Citizenship Behavior (OCB), (Source: SPSS output)

H1: Organizational Commitment (OC) had an impact on Organizational Citizenship Behavior (OCB).

H2: Organizational Fairness (OF) has an impact on Organizational Citizenship Behavior (OCB)

H3: Organizational Justice (OJ) has an impact on Organizational Citizenship Behavior (OCB)

**Results of Hypothesis Testing:**

Regression analysis had been used for hypotheses testing where organizational citizenship behavior (OCB) is dependent variables and independent variables are organizational justice (OJ), organizational fairness (OF) and organizational commitment (OC). The result of regression test had been shown in Table 3 and according to 'p' values the hypothesis are tested. H1 is accepted because 'p' value is less than 0.05. Even for organizational fairness (OF) the 'p' value is less than 0.05 therefore H2 is accepted and finally H3 is rejected because 'p' value for organizational justice (OJ) is more than 0.05. The 'p' values for OC, OF and OJ are 0.026, 0.007 and 0.151 respectively as per Table 3.

**III. DISCUSSION AND CONCLUSION**

Organizational Citizenship Behavior (OCB) is an essential component because it

enhances the productivity of organization. The gap between personal goals and organizational goals will be reduced with improvement in organizational citizenship behavior. OCB is complex factor because it is outcome various other influencing factors like organizational justice, organizational fairness and organizational commitment. It is observed that in steel industry the organizational citizenship behavior is more than satisfactory or it is excellent. It is evident that management in steel sector is implementing fair policies thereby attaining positive organizational citizenship behavior.

**Implications for Managers**

Managers in steel industry either in human resource department or other departments should develop strategies for enhancing organizational citizenship behavior. It is important to identify the fairness in implementing organizational policies and unbiased decisions for subordinates' welfare are important for organizational sustainability. The attrition rate can be reduced or avoided if organizational justice and organizational fairness are displayed in management actions specifically in steel industry. The consumption of steel, cement and other building materials had increased in the recent years and it will continue therefore

enhancing organizational citizenship behavior is important for managers in steel sector.

### Future Research

In this paper only three independent variables have been considered but future researchers can consider other factors like job satisfaction and job security. A standard model for assessing organizational behavior is needed and it can be developed by scholars in the field of human resource management studies. The perception of employees between public sector employees and private sector employees in steel industry can be analyzed. It is also important to conduct longitudinal studies to analyze employee behavior from the perspective of organizational citizenship behavior in steel industry.

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N. Anjaneya Sharma" A study on relationship between Organizational Commitment, Organizational Justice, Organizational Fairness and Organizational Citizenship with reference to Steel Sector" *International Journal of Engineering Research and Applications (IJERA)*, Vol. 09, No.05, 2019, pp. 20-24