

## The Relationship between Procedural Justice, Organizational Trust and Organizational Affective Commitment: A Conceptual Model

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### Abstract:

*The positive relationship between organizational justice and workers' affective commitment to the organization has been empirically proven by the academic researchers in the field of organizational psychology. However, in more specific terms, what possible behavioral or other variable(s) may create the strength in this positive relationship is something that still needs to be explored in depth in the current and future studies. Drawing from the literature on trust, commitment and organizational Justice, the purpose of this paper is to conceptually develop a research framework that may help future researchers in studying the mediating effect of organizational trust in the predictive relationship between perceptions of procedural justice and affective organizational commitment. After a critical analysis and review of the pertinent literature, authors of the paper present research hypotheses addressing the probable gap that exists in the relevant body of knowledge.*

**Key words:** Trust, Commitment, Organizational Trust, Affective

commitment, Organizational Justice, Procedural Justice, Work outcomes, Work behaviors, Work attitudes, Organizational Behavior

## **Introduction**

### **Organizational Justice**

The performance of a business is usually related to the commitment of its workers to the collective values of the business and organization. Among the factors likely to improve organizational work outcomes, like commitment, the perception of justice is clearly one of the values to which employees respond most sensitively. Organizational justice research in the workplace has emphasized three aspects: distributive justice (DJ), procedural justice (PJ) and recently interactional justice (IJ). Distributive justice seeks to explain how individuals react to the amount and form of compensation they receive. Procedural justice, on the other hand, examines the reactions of individuals to the procedures used to determine compensation, and interactional justice analyses how workers perceive the treatment, interpersonal behavior and communication of coworkers and supervisors (Colquitt, Conlon, Wesson, Porter and Ng, 2001). Organizational commitment or organizational affective commitment (OC)<sup>2</sup>, in general, has been known to be positively affected by the employees' perception of fairness in the organization (Cohen-Charash and Spector 2001; Colquitt et al. 2001; Masterson, Lewis, Goldman and Taylor 2000). However, in particular, the construct of procedural justice has been empirically proven to be one of the most significant predictor of the behavioral and attitudinal reactions such as organizational commitment and job satisfaction (Cohen-Charash and Spector 2001; Colquitt et al. 2001; Folger and

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<sup>2</sup> In this study we have used the terminologies Organizational commitment and Organizational affective commitment alternatively. Please see relevant section for definition.

Konovsky 1989; Masterson et al. 2000; Skarlicki and Folger 1997; Viswesvaran and Ones 2002).

### **Organizational Trust and Commitment**

Rousseau, Sitkin, Burt and Camerer (1998, 395) proposed the following cross discipline conceptual definition of trust: “*a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behavior of another*”. From organizational trust (OT) perspective it can be defined as the workers’ belief that organizations are straightforward in their dealings with workers and follow through their commitments and that the organization’s actions will prove beneficial for the workers (Laschinger, Finegan and Shamian 2001; Tan and Tan 2000). However, Tan and Lim (2009, 46) gave a more accurate definition for organizational trust as “*employee’s willingness to be vulnerable to the actions of the organization, whose behavior and action he or she cannot control.*”

Organizational researchers agree that the construct of trust in general and organizational trust in particular are highly beneficial phenomena that make organizations effective in their working by bringing benefits such as better employee relationships, organizational commitment, cooperation, information sharing, positive attitude, organizational citizenship behavior, conscientiousness and better job performance etc to the organization (Chen, Ayree and Lee 2005; Dirks and Ferrin 2001; (Laschinger et al. 2001; Mayer, Davis and Schoorman 1995; Rousseau et al. 1998; Tan and Tan 2000; Tan and Lim 2009).

Researchers have investigated and concluded that there exists a significant positive relationship between organizational trust and affective commitment (Laschinger et al. 2001; Tan and Tan 2000; Tan and Lim 2009). The reason for this relationship is obviously that the higher the trust in the organization systems and work process, the better the

perception and sense of belongingness and reciprocity among workers and that will eventually create stronger affiliation and affection for the work group, colleagues and organization, which will lead to a more committed attitude among workers towards organizational responsibilities and duties.

### **Motivation and Scope of the Current study**

As stated earlier, the predictive effect of PJ on OC has been established beyond doubt in several studies. However, by looking closer into the current literature we will notice that one of the possible mechanisms and underlying transfer phenomena of organizational trust through which the benefits of having PJ in organizations effects the OC level of employees has not been thoroughly investigated. There are studies showing that PJ affects OC through perceived organizational support (POS) (Masterson, et al, 2000); PJ effect on OC without any mediator (Folger and Konovsky 1989); PJ effect OCB through Trust (Konovsky and Pugh (1994) as cited in Dirks and Ferrin 2001); leader behavior and OCB through trust (Pillai et al. (1999) as cited in Dirks and Ferrin 2001); leader behavior and commitment through trust (Pillai et al. (1999) as cited in Dirks and Ferrin 2001)

Over 43 studies that used mediation or main effect model were evaluated by Dirks and Ferrin (2001) and, none of the studies has been found to be done on what we propose in this study. We want to investigate the organizational trust as a mediator through which employees' perception of procedural fairness affects commitment attitude toward organization. In short, the main objective of this study is to understand how positive relationship between PJ and OC is mediated by OT. This may constitute a minor contribution to the existing literature on the topic.

## Literature Review and Hypotheses

### **Procedural Justice and Affective commitment (PJ→OC)**

Procedural justice may be defined as the fairness of the processes/procedures in an organization by which outcomes are determined (Cohen-Charash and Spector 2001; Colquitt et al. 2001; Folger and Konovsky 1989). The fairness is perceived to occur when there exist certain organization-wide norms that are followed while implementing and designing the procedures of outcome distribution. Leventhal (1980) as cited in many studies including Cohen-Charash and Spector (2001); Colquitt et al. (2001); Folger and Konovsky (1989); Masterson et al. (2000) presented six essential rules to be followed in order to make the procedures fair for everyone in the organization. The six rules are: consistency, bias, accuracy, correctability, representativeness, and compatibility with prevailing moral and ethical standards. These six rules imply that procedures are applied consistently with people, are free of vested interests, accurate information is collected and used in the decisions, mechanism to correct flawed decisions are available, opinions of those affected are considered, and the prevailing moral standards are satisfied. When organizations follow and implement these rules across their organizational procedures then employee's perception of fairness increases thereby increasing their affective commitment towards the organization. In short, the six rules focus on procedural justice and outcomes associated with it (Cohen-Charash and Spector 2001; Colquitt et al. 2001; Folger and Konovsky 1989; Masterson et al. 2000).

Procedural justice effects occur because individuals feel that control and/or fairness in organizational processes increases the chances of securing a fairer outcome. The perception of fairer processes make employees believe in the fairness of the organization in treating them thereby increasing their affective/emotional and cognitive commitments toward

their work groups, departments and supervisors and eventually towards overall organization. Organizational commitment is generally measured by affective commitment. Affective commitment refers to the employee's emotional attachment to, identification with, and involvement in the organization (Allen and Mayer 1990).

The positive relationship between PJ and Affective commitment has been established in previous studies. From the discussion above and in the beginning of the study, we hypothesize H1:

*H1: Employee's perception of procedural justice will be positively related to the affective commitment.*

### **Procedural Justice and Organizational Trust (PJ→OT)**

In previous empirical studies, PJ has been found to be positively related to OT. According to Folger and Konovsky (1989), in order to increase organizational trust among employees, the procedural justice should be taken into account. This will eventually increase commitment to the organization. Konovsky and Pugh (1994) believe that procedural justice is a source of trust because it shows respect for the workers and valuable relationship; it also indicates the organization's leader's and management's tendency to be fair with workers. They emphasize on having fair procedures to improve the trust among employees. Dirk and Ferrin (2002) found out that the higher level of PJ, this may increase trust among organizational employees. Cohen-Charash and Spector (2001) in their meta-analysis found out that employees perceive that organizations can be trusted when organizations act fairly as a rule. Colquitt et al. (2001) also found out the positive relationship between PJ and OT.

We will define OT as an "employee's willingness to be vulnerable to the actions of the organization, whose behavior and action he or she cannot control" (Tan and Lim 2009, 46).

We will hypothesize the relation between PJ and OT as:

**H2:** *There will be a positive relationship between PJ and OT.*

### **Organizational Trust and OC (OT→OC)**

There is a wide body of research on organizational commitment, and much of the research has been reported on affective organizational commitment (Mathieu and Zajac 1990). In general, organizational commitment means the attachment of employees' to their organization. In particular, affective organizational commitment is defined as an individual's emotional attachment, identification with, and involvement in a particular organization (Allen and Meyer 1990). Employees having strong affective commitment work in their respective organizations because they like to work there and are emotionally attached to their organizations. In organizational theory and research, attempts to predict the behavior of individual workers in organizations have focused on organizational commitment as a crucial behavioral factor and outcome (Allen and Meyer 1990; Mathieu and Zajac 1990)

Previous studies have concluded that there is a significant positive relationship between organization trust and organizational affective commitment. (Laschinger et al. 2001; Tan and Tan 2000; Tan and Lim 2009) One of the reasons lies in our understanding of the concept of reciprocity from social exchange theory. When employees have higher trust because of better and expected procedures, systems and management practices of their organization, then they tend to reciprocate it by having to commit more towards their work responsibility in particular and organizations in general. Having said this we would like to hypothesize that:

**H3:** *There will be a positive relationship between OT and OC.*

### **Organizational Trust as a mediator between PJ and OC**

There is overwhelming evidence from the literature on trust

being used as a mediator in organizational research (Dirks and Ferrin 2001). Especially, researchers have proven that trust is an important transfer mechanism between justice and behavioral, cognitive and attitudinal outcomes at an individual and organization level (Dirks and Ferrin 2001; Folger and Konovsky 1989; Konovsky and Pugh 1994).

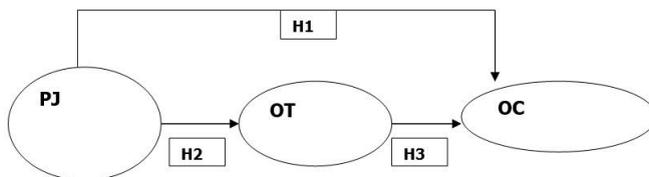
Despite all this evidence we still need to find a rationale to justify why trust should mediate between procedural justice and affective commitment. For this purpose we have to borrow and integrate concepts from justice and social exchange theory.

Procedural justice has been defined earlier as feelings of fairness regarding the procedures used in an organization. By following the Leventhal's (1980) [as cited in Cohen-Charash and Spector 2001; Colquitt et al. 2001; Folger and Konovsky 1989; Masterson et al. 2000] six rules across organizational procedures like determining promotions, terminations, performance ratings, bonuses, or anything else of value that the organization provides, organizations tend to reduce the element of risk and variation in procedures thus creating a sense of fairness among employees. Less variation and more consistency in organizational procedures and systems signal employees that the procedures being followed are fair to them, standardized, equal for all and predictable. This reduces the perception of risk inherent in developing a reciprocal trust based relationship as mentioned in trust literature. Mayer et al. (1995) explains that individuals' beliefs about another's ability, benevolence and integrity, lead to willingness to risk, which in turn leads to risk-taking in a relationship, as manifested in a variety of behaviors. A higher level of trust in a work colleague increases the probability that one will take a risk with a partner. Risk-taking behavior, in turn, is expected to lead to positive outcomes (e.g., individual performance and from organizational perspective increased commitment.). The concept of reciprocity comes from social exchange theory. In social exchange theory, the reciprocal acts of benefit which are not negotiated embody risk and

uncertainty because the exchange partner (individual or an organization) might never, inconsistently, or only minimally reciprocate benefits received. Due to this, trust becomes an essential condition for the establishment of reciprocal relationship in social exchange (Roch and Shanock 2006). From this discussion of relevant concepts and their interconnections we can assume that in our particular case, when employees perceive fairness in Procedures, their trust in organization increases and they tend to reciprocate by having more affective commitment with their organization. So our mediation hypothesis will be:

**H4:** *The direct relationship between PJ and OC will be mediated by OT.*

Figure 1 of the intended framework is given below. It shows the relationships and their direction in the model.



**Figure 1:** OT mediates the relationship between PJ and OC. All relationships have positive signs.

## Conclusion and Future Research

Evident earlier in the study was the fact that a strong positive relationship between organizational justice and workers' affective commitment to the organization have been empirically proven by the academic researchers. However, specifically, the explanation of how the effect of predictor variable, PJ in our case, is transferred to the outcome variable OC needed further investigations and was identified as a possible gap in the

literature. The main objective of this study was to review the relevant literature and provide a possible explanation of the transfer mechanism or explanation for the strength between predicting effects of PJ on OC. To this end, drawing from the literature on trust, commitment and organizational Justice, researchers of the current study conclude that intervening effect of OT can have one possible explanation. The mediating effect of OT seems quite evident and logical; however a more critical empirical investigation and analysis of the proposed research hypotheses is required.

Furthermore, to facilitate the future researchers, we suggest to test the mediation influences of OT; thus Baron and Kenny's (1986) four step model may be used. According to Barron and Kenny (1986), to test the hypothesized mediating role of OT, the following conditions need to be assessed: (a) the PJ-independent variable must be significantly related to OC-dependent variable in a simple direct model with no mediating variable. (b) the independent variable (PJ) must be related to the mediator (OT); (c) the mediator (OT) must be related to the dependent variable (OC); and (d) the independent variable must have no effect on the dependent variable when the mediator is held constant (full mediation) or should become significantly smaller (partial mediation). Future researchers may want to compare four partially mediated models with the hypothesized fully mediated model to examine the fourth condition of mediation.

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