

ORGANIZATIONAL JUSTICE ON WORK OUTCOMES

Wahibur Rokhman

Sekolah Tinggi Agama Islam Negeri (STAIN) Kudus, Indonesia

e-mail: wahibur@gmail.com

Abstrak: Tujuan dari penelitian ini adalah untuk menguji apakah keadilan organisasi berpengaruh terhadap beberapa hasil kerja. Disini hasil kerja diukur dengan tiga variabel yaitu: komitmen organisasi, kepuasan kerja dan keinginan pindah. Studi ini dilakukan di lembaga keuangan mikro syariah di Jawa Tengah, Indonesia. Dalam studi ini keadilan organisasi diukur dengan menggunakan tiga dimensi yaitu: keadilan distributive, keadilan procedural dan keadilan interaksional. Menggunakan kuesioner dari 370 karyawan dari 60 lembaga keuangan mikro Islam. Menggunakan analisis SEM, hasilnya menunjukkan bahwa keadilan distributive, procedural dan interaksional memiliki pengaruh positif signifikan terhadap komitmen organisasi dan kepuasan organisasi. Sedangkan ketiga dimensi keadilan organisasi memiliki pengaruh negative terhadap keinginan keluar karyawan. Dalam penelitian ini juga dijelaskan implikasi penelitian, keterbatasan dan saran-saran untuk penelitian berikutnya.

Abstract: The purpose of this study is to investigate the effect of organizational justice on work outcomes. The work outcomes can be viewed from organizational commitment, job satisfaction and employees' turnover intention in Islamic microfinance institutions in Central Java, Indonesia. This study used three dimensions of organizational justice namely distributive, procedural, and interactional justice. Using self-administrated questionnaire 370 employees from 60 Islamic microfinance institutions were surveyed in order to test nine hypothesis of this study. SEM analysis of data indicates that distributive, procedural and interactional justice have positively significant effect on organizational commitment and job satisfaction. All three dimensions of justice

also had negative significant impacted on employees' turnover intention. Implication, limitation and suggestion for future research are discussed.

Keywords: *Distributive, procedural, and interactional justice, organizational commitment, job satisfaction, turnover intention and Islamic microfinance.*

Introduction

As a country with the biggest Muslim population in the world, Indonesia started up to develop Islamic microfinance before a formal legal system came in force in 1992. Some Muslims in Indonesia, who disagreed with the interest based system, sought an alternative financial system which would involve no interest in its operation. The condition results in growing up several Islamic micro finance institutions that are profit-sharing based. The institution established by Muslim community. In order to accommodate public's need for the availability of new banking system, the government allowed the establishment of Islamic bank through the issuance the Act no 7 of 1992 on banking. Following the issuance, the first Islamic bank in Indonesia was established, namely Bank Muamalat Indonesia (BMI). The establishment of BMI has marked as new milestone of Islamic financial system in Indonesia. This step was then followed by other financial institutions such as *takaful* (insurance) and Islamic capital market. According to Indonesian Central Bank Report by February, 2011, there are eleven Islamic commercial banks with 1.253 branches, 23 Islamic banking units with 1.280 branches and also 151 Islamic rural banks in operation (Bank Indonesia, 2011). According to Seibel (2007), Indonesia is probably the country with the greatest diversity of both conventional and Islamic microfinance comprising some 6,000 formal and 48,000 semiformal registered microfinance units serving about 45 million depositors and 32 million borrowers; 800,000 channelling groups; and millions of informal financial institutions and self-help groups (Seibel, 2007). The fastest growing among Islamic microfinance institutions in Indonesia is *baitul mal wal tamwil* (BMT). Small Business Incubation Centre on Indonesia (PINBUK) has succeeded in facilitating the birth of BMT in which 3872 BMT has operated by 2010. Essentially, BMT is a society-based Islamic institution which established by individual or group initiatives to help micro-entrepreneurs as a strategy for eradicating rural poverty. They dominantly operate in villages or traditional markets areas. BMT is very helpful for micro-entrepreneurs who

unable to access Islamic Banks.

In comparing to Islamic microfinance institution, conventional microfinance institution tends to follow a modern management system in which the interest rate can be calculated in advance and easier to be understood. Islamic microfinance institution relies on profit and loss sharing which is quite confusing in their calculation. Nevertheless, we need to improve level of competitiveness of Islamic microfinance institutions by improving the quality of human resources. Employees' behaviour and attitudes in Islamic microfinance institution can be viewed as important factor determining the growth of the microfinance industry. Attempts to explore employees' behaviours have been an interesting theme in human behaviour studies. These attempts are grounded on the important role of human resources in an organisation, as a determinant of firm success. In financial service organisations, such as BMT, customer satisfaction and perceptions of service quality are directly affected by the attitudes and behaviours of employees (Schneider and Bowen 1993). Therefore, organisational success can be influenced by the ways managers manage employee behaviour and retain employees.

Increased employee turnover or intention to leave an organisation is likely to be stimulated by work-related perceptions (i.e. organisational justice) and attitudinal factors (i.e. job satisfaction and organisational commitment). Work-related perceptions and attitudinal factors, such as organisational justice, job satisfaction and organisational commitment, can be deemed to be contributory factors to organizational competitiveness.

The Justice issue is a dominant theme in organizational life and has been demonstrated to have an immense impact on a variety of organizational outcomes (Colquitt 2001). Organizational justice theory explains that feelings of fairness in the work place are mostly determined by the decision processes and the outcome of these decisions (Greenberg, 1990). Employees will judge whether the decisional processes and mechanism and the consequences of these decisions are fair or not. They attempt to compare between themselves and their co-workers with regards to their organizational rewards. These comparisons are more likely to influence their assessment of the fairness of rewards in their organization (Ngo et al., 2003).

Furthermore, previous studies have also identified that organizational justice has an important impact on organizational effectiveness, such as,

satisfaction, commitment, turnover intent, organizational citizenship behavior, and trust on leadership (e.g. Ortiz, 1999; Pillai et al., 1999b; Masterson, Lewis, Goldman, and Taylor, 2000; Hassan, 2002; Hassan, and Chandaran, 2005; Jahangir, Akbar, and Begum, 2006; Hashim, 2008). As such, perception of an overall organizational justice will encourage workers' decision to have good relationships with the organization (Trevino and Weaver, 2001). Studies have found that the employees tend to be less satisfied and committed when they perceived unfairness in organization (Cropanzano and Greenberg, 1997). As a result, their unfair perception leads to poor performance (Pfeffer and Langton, 1993), turnover and absenteeism (Ones and Viswesvaran 2002). Aryee, Budhwar, and Chen (2002) found that distributive, procedural, and interactional justice was positively significant to job satisfaction and organizational commitment, but negatively related to turnover intention.

Though there are many previous studies has investigated relationships justice and work outcomes, few of them conducted in small organization. To date, there is lack of evidence regarding the nature, significance and strength of relationships between these variable in micro organizational context. Therefore, the current study is intended to investigate the effect of distributive, procedural, and interactional justice on job satisfaction, organizational commitment, and turnover intention in Islamic microfinance in Central Java Indonesia (Figure 1).

Figure 1. Theoretical model of the research



Theoretical Background And Hypotheses

Organizational justice

Organizational justice theory provides a useful framework toward understanding individuals' attitudes toward work, work behaviors, and job performance. This is based on employees' perception of fairness (justice) in the workplace (Colquitt 2001; Cropanzano, Bowen, and Gilliland 2007), which has become one of the central interest of leaders on providing equal opportunities to employees, fair labor practices and fair payment (Coetzee, 2005). The concept of justice has a long history as a key explanatory variable in many different social sciences (Colquitt, 2004). In the organizational context, justice refers to the fairness toward organizational resources including selections, pay, rewards, promotions and other resources. Justice in organization has been of great concern to both employers and employees (Skarlicki and Folger, 1997). Some studies also supported that employees' perceptions of organizational justice are a significant factor influencing various work outcomes such as organizational commitment, job satisfaction, organizational citizenship behavior, turnover intention and intention to leave (Colquitt et al. 2001; Hassan 2002; Cropanzano et al., 2007).

According to Colquitt and Greenberg (2005) there are three sub-domains in the organizational justice research which focuses on: Firstly, *distributive justice*, which is related to the fairness of the outcomes the employee receives. Secondly, *procedural justice*, which describes the fairness used to determine those outcomes. Thirdly, *interactional justice*, which refers to the quality of the interpersonal interaction between the individuals in an organization.

Distributive justice and work outcomes

Historically, research on organizational justice was started by focusing on distributive justice (Colquitt et al., 2005). It refers to the perceived meaning of fairness of the outcomes of allocation decision. Distributive justice is based on Adam's equity theory (1965), which used a social exchange theory framework as a tool to evaluate fairness (Colquitt et al., 2001; Cropanzano et al., 2007). According to Adam, based on the social exchange relationships, people will compare the ratio of their own inputs and outcomes with those of their cohorts, and judge that people who have greater contributions should receive higher

outcomes (Cohen and Spector, 2001).

Individuals will measure their perceived “input” and their “outcomes” as a ratio in comparison. The inputs in social exchange are qualities and characteristics, which include age, seniority, social status, education, effort, ability or skill, etc. In contrast, the outcome is feedback from social exchange such as pay, rewards, money, increased status, authority or good work, and prestige (Ortiz, 1999; Greenberg and Baron, 2008). Allocation of resources is an important issue among individuals in a group or organization as it will affect individual performance in the organization.

Distributive justice theory suggests that individuals will evaluate the resource allocations with respect to one of the three main distributive rules: equity, equality, and need (Cropanzano et al., 2007). Equity suggests that outcomes should be allocated according to the contributions of individuals. That is, the more contribution, the greater the outcome. Next is equality. This norm suggests that every individual in an organization should be rewarded equally without looking at the contribution such individual makes. Lastly, the norm of need suggests that resource allocation should be based on the individual’s need. In other words, the greater the need the greater the outcomes (Greenberg and Baron, 2008).

Cropanzano et al. (2007) suggested a combination among the three allocation rules. First, an organization needs to choose its strategic goal. Equity gives reward to high performance, while equality will develop esprit de corp. Strategic goals will decide whether emphasize should be on individual performance or team work building. Second, an organization can be balanced by mixing the equity and equality together. Third, different reward should be based on different rules, such as social emotional reward: parking space or personal office (Cropanzano et al., 2007).

The relationship between distributive justice and work outcomes, such as, job satisfaction, organizational commitment and turnover intent can be explained by the social exchange theory of Blau (1964) and the equity theory of Adam (1965). These theories explain that people tend to feel obligated to repay favorable benefits and treatment offered by an organization. If they perceive a higher level of organizational justice, they would have a high commitment and most satisfaction, and also less likely to harbor an intention to leave the

organization. The study conducted by Lee (2000), and Hassan and Chandaran, (2005) supported that both distributive and procedural justices had a direct positive effect on job satisfaction and organizational commitment and had negative effect on turnover intention.

The relationship between distributive justice and job satisfaction has been investigated in several studies. The work of Folger and Konovsky (1989) and McFarlin and Sweeney (1992) indicate that procedural justice strongly associates with evaluations of the supervisor and organisational commitment. On the contrary, distributive justice is more related to job satisfaction and intention to stay. The correlation between job satisfaction, intention to stay and distributive justice can be stronger because with recent recognition of rewards, and the rewards will affect their outcomes (Folger and Konovsky 1989). Brockner and Adsit (1986) and Sweeney and McFarlin (1997) also found that distributive justice has a greater impact on job satisfaction for men than it does for women. Lee (2000) also found that distributive justice played a more vital role in the employees' work related outcomes than procedural justice, and that the quality of interpersonal working relationship promoted the employees' perception of fairness. Based on this argument above, the following hypotheses are proposed:

- H1a. Distributive justice will be positively related to organizational commitment.
- H1b. Distributive justice will be positively related to job satisfaction.
- H1c. Distributive justice will be negatively related to turnover intention.

Procedural justice and work outcomes

In the early 1970s, researchers began to claim that an individual's evaluations of allocation decisions were affected not only by what the rewards were, but also by how they are made (Cropanzano et al., 2007). This refers to procedural justice. It reflects the perceived fairness of the policies and procedures used to make decisions in the work place (Greenberg, 1990). The early work on procedural justice in organizations was based on Thibaut and Walker's (1975) studies. They explained that even when individuals received unfavorable outcomes, they perceive themselves as fairly treated as long as they had opportunity to contribute in decision making process.

Procedural justice refers to the issues of fairness that are related with method, mechanism, and processes used to determine outcome (Folger and Cropanzano, 1998; Lee, 2007). It is determined by: how much influence or input one has in decision making process, how much respect is paid to a person during decision making process, whether decision is based on job related criteria and finally, whether feedback is provided and is timely.

Leventhal (1980) identified six rules for the procedure of fair treatment in organizations. The rules are: (1) *consistency*. Procedure should be consistent across people and time; (2) *biased suppression*. Procedure should be unbiased by self interest or blind allegations; (3) *accuracy*. Procedure should be based on accurate information; (4) *correctable*. Procedure should have possibility to correct or modify; (5) *representativeness*. Procedure should reflect representativeness of all groups concerned; (6) *ethicality*. Procedure should follow the ethical values held by the individuals in the organization

Aryee, Budhwar, and Chen (2002) studied the relationship between procedural justice and work outcomes. Their study considered trust as a mediating variable in the model. This study revealed that procedural justice is positively significant to job satisfaction and organizational commitment, and negatively related to turnover intention. Trust in organizations partially mediated the relationship between procedural justice and work attitude. In addition, Robinson (2004), examined the role of procedural justice on job satisfaction, organizational commitment, motivation and performance, found that procedural justice accounted for the most variance in organizational commitment, motivation and performance.

Developing body of the literature can be basis to propose the following hypothesis:

- H2a. Procedural justice will be positively related to organizational commitment.
- H2b. Procedural justice will be positively related to job satisfaction.
- H2c. Procedural justice will be negatively related turnover intention.

Interactional justice and work outcomes

Interactional justice relates to the employee perceptions of whether organizational

leaders implement procedure fairly, by treating individuals respectfully and by adequately explaining decision (Cropanzano, 1998). Bies, Shapiro, and Cummings (1988) suggested that employees show much concern for the treatment they receive from authority figure and the adequacy with which formal decision making procedures are explained. Perceptions of interactional justice are important over time and are unaffected by the individual's self-interest (Ladebo, Awotunde, and Abdul Salaam-Saghir, 2008).

Interactional justice refers to how fairly employees are treated both interpersonally and informationally at work (Bies, 2005; Lee, 2007). Interactions are deemed interpersonally fair when an employee is treated with dignity and respect and prejudicial statements and personal attacks are refrained from. Informational justice is served when communications with employees are truthful and decisions are justified (Colquitt, 2001).

Bies and Moag (1986) argued that perceptions of interactional justice are influenced by factors that go beyond the formal procedures used to arrive at outcomes. Interpersonal treatment that an individual receives during the implementation of procedures affects the individual's perception of organizational justice as well. Positive organizational justice perceptions can also be fostered when the individuals are treated with courtesy, dignity and respect (Cropanzano et al., 2007).

Furthermore, the explanation for interactional justice in the workplace is grounded in social exchange theory and norm of reciprocity (Cropanzano and Mitchell 2006). From the social exchange perspective, employees expect fair, honest, courteous, and truthful treatments from the organization and/or its agents. Based on the norm of reciprocity, employees who perceive fair treatments by authorities are more likely to evidence positive actions through greater commitments to the values and goals of the organizations; exhibit increased job satisfaction, organizational citizenship behaviors, improved job performances and reduced withdrawal behaviors (Cohen-Charash and Spector, 2001; Colquitt 2001).

The first attempt to investigate principles of interactional fairness was done in a study by Bies and Shapiro (1987) in which MBA job candidates were asked for their reactions to corporate recruiting focus practices. The job candidates were asked prior to their interview to define a set of fairness criteria that they

expected recruiters to follow during interviews and callbacks. The candidates identified the following communication criteria as important: truthfulness (34%), respect (19%), propriety of questions (13%), and justification (2%). A laboratory experiment conducted by Rupp and Spencer (2006) found that participants who were subjected to interactionally injustice customer expressed more anger, engaged in higher level of emotional labor, and vice versa.

Furthermore, Aryee et al. (2002) examined the relationship between interactional justice and work outcome. Their model also assessed the trust as mediating variable. The findings of the study supported that interactional justice is positively significant to job satisfaction and organizational commitment. Furthermore, interactional justice is negatively related to turnover intent. Trust in organization fully mediated the relationship between interactional justice and work attitudes.

Based on the above discussion, the following hypotheses are discernable:

H3a. Interactional justice will be positively related to organizational commitment.

H3b. Interactional justice will be positively related to job satisfaction.

H3c. Interactional justice will be negatively related to turnover intention.

Research Method

Sample

Participants for this study were employees from sixty Islamic microfinance institutions in the Central Java, Indonesia. The target respondents were employees who for the Islamic microfinance institution with length of service at least one year in current institution. It is considered sufficient time to understand business ethic on the basis of Islamic rules. A purposive sampling procedure was used based on tenure. Every institution agreed to accept survey questionnaires range between eight to ten personals. A total of 550 fulltime employees were requested to complete the questionnaires of which 419 were returned. The effective response rate is 76.2 per cent, which is rather high. A total of 49 respondents excluded from analysis due to non-fulfillment of the requirement to be used as samples and excessive missing data. Therefore, the final sample size was 370 respondents. In order to reduce non-response bias, the respondents

were reminded by calling their manager or owners. The difference between late respondents and timely respondents would be considered an estimate of non-response bias. We did not find any differences, therefore it can be concluded that non-response bias did not occur in the samples.

Table 1. The Characteristics of Respondents

Demographic Variables	Frequency	Percentage
Gender		
Male	192	52 %
Female	178	48 %
Total	370	
Age		
18-24	96	26 %
25-29	139	37 %
30-34	77	21%
35-39	43	12 %
40 – above	15	4 %
Total	370	
Education Level		
Junior high school	4	1%
Senior high school	121	33%
Diploma	104	28%
Undergraduate	137	37%
Postgraduate	4	1%
Total	370	
Length of Employment (years)		
1 - 4	223	60%
5 – 9	118	32%
10- above	29	8%
Total	370	

Length of Managerial Tenure (years)		
1 - 4	132	36%
5 - 9	83	22%
10- above	155	42%
Total	370	

Measurement

Measurement variable of distributive justice, procedural justice, interactional justice, job satisfaction, organizational commitment and turnover intention were adopted and developed on the basis of established existing variables from previous studies. All variables were measured with 5-point Likert type scaled.

Distributive Justice Scale. Perception of distributive justice was measured by items developed by Niehoff and Moorman (1993). These items is used to measure respondent perceptions of the fairness of the rewards that they receive for their contributions to their organizations. Each item asks for the degree to which the respondent believes that he or she is fairly rewarded on the basis of some comparison with the responsibilities, training, reward, and performance measurement. For instance: my work schedule is fair; I think that my level of pay is fair. This scale has reported reliabilities above .90.

Procedural Justice Scale. Employees’ perceptions of procedural justice was measured using a five-item procedural justice scale developed by Niehoff and Moorman (1993). This scale measures the respondents’ perceptions of the fairness of the formal procedure in their organizations. For instance: Job decisions are made by my supervisor in an unbiased manner. This scale has reported reliabilities above .90.

Interaction Justice Scale. This scale used three items taken from Folger and Konovsky (1989) which measure global perception of interactional fairness. The sample item of interactional questionnaire is “my supervisor showed a real interest in trying to be fair”. The Cronbach’s alpha of this scale is 0.89.

Organizational Commitment. This commitment was measured with a three-item version of the organizational commitment questioners (OCQ) adapted from Bozeman and Perrewe, (2001). This has been used by Luna-Arocas, and Camp, (2008). This scale has reported reliabilities above 0.88.

Job Satisfaction was measured by the 3 item scale used by Dubinsky and Harley (1986). One characteristic example of

job satisfaction scale is “generally speaking, I am satisfied with this job”. This scale had a coefficient alpha of 0.89. *Turnover Intention* was measured using the two items adapted from the previous research (Hom and Griffeth, 1991; Luna-Arocas, and Camp, 2008). For example: “I consider taking another job”. This scale has reported reliabilities above 0.80.

Analysis

Data analysis was conducted in two stages. Firstly, checking for data entry includes validity and reliability of variables, identification outliers and normality of the data. Validity of instruments was assessed by Confirmatory Factor Analysis (CFA). Secondly, testing of a fit model was conducted by using Structural Equation Modeling (SEM). AMOS 18.0 computer program was utilized to run data from questionnaires. ‘Goodness-of-fit’ model were assessed by three criteria: absolute fit measure, incremental fit measure and parsimonious fit measure (Table 2).

Table 2. Evaluation of SEM with Goodness-of-fit Measures

Types Measures	Goodness-of-fit Measures	Level of Acceptable
Absolute fit measure	Goodness of fit index (GFI)	Greater than .90
	Root mean square error of approximation (RMSEA)	Under .08
	Adjusted goodness-of-fit index (AGFI)	Greater than .90
Incremental fit measure	Tucker Lewis index (TLI)	Greater than .90
	Normed fit index (NFI)	Greater than .90
	Comparative fit index (CFI)	Greater than .90
Parsimonious fit measure	Normed-chi-square (χ^2/df)	Lower limit 1.0 Upper limit 2.00/3.00 or 5.00

Source: Adopted from Tabachnick and Fidell (2001); Hair et al. (2006); Byrne (2001)

Results

Table 3 presents means and standard deviations and correlations among the variables. The correlations among some of the study variables provided initial support for the hypotheses. In support of hypothesis, the results shown that distributive justice was significant correlated with organizational commitment, job satisfaction and turnover intention ($r = .387, .388$ and $-.167, p < 0.01$). In addition, procedural justice was positively correlated with job satisfaction ($r = .345, p < 0.01$), organizational commitment ($r = .348, p < 0.01$) and negatively correlated with turnover intention ($r = -.173, p < 0.01$). In addition, interactional justice was positively correlated with organizational commitment and job satisfaction ($r = .340$ and $.377, p < 0.01$) and negatively correlated with turnover intention ($r = -.137, p < 0.01$). These results are consistent with the extent literature.

Table 3 Means, Standard Deviations, and Correlations between Variables

Variable	Mean	SD	1	2	3	4	5
1. Distributive Justice	3.78	0.61	1.00				
2. Procedural Justice	3.79	0.52	.560**	1.00			
3. Interactional justice	3.85	0.57	.554**	.608**	1.00		
4. Organizational commitment	4.03	0.55	.387**	.348**	.340**	1.00	
5. Job Satisfaction	3.79	0.62	.388**	.345**	.377**	.409**	1.00
6. Turnover Intention	2.00	0.79	-.167**	-.173**	-.137**	-.245**	-.134**

Notes: $n=370$. ** $p < 0.01$, * $p < 0.05$

Test statistic for parameter estimates is assessed by critical ratio (c.r.). It represents the parameter estimate divided by its standard error. Critical ratio values are larger than 1.96 prove the path coefficient to be statistically significant at level $p < .05$. The chi-square of the theoretical model was 497.118 with 197 degree of freedom (df). It was statistically significant at level $p < .001$. A nonsignificant chi-square shows support for believing that the differences of the predicted and actual matrices are nonsignificant and it indicates an acceptable fit

(Hair et al 1998), therefore a nonsignificant chi-square is desired. The result of the structural equations test of the theoretical model indicated that it achieved an acceptable fit to the data, ($\chi^2/df = 3.72$; GFI = .98; RMSEA = .09 ; AGFI = .94; TLI = .87; NFI = .92; CFI = .94; RMR = .027), which is above the cutoffs for good fit. The results of the test of the structural model are presented in table 4.

Table 4. Structural Equation Model Results

Path	Standardize Regression Weighth	Critical Value
Distributive Justice → Organizational Commitment	.172*	2.685
Distributive Justice → Job satisfaction	.225*	2.665
Distributive Justice → Turnover Intention	-.167*	-1.999
Procedural Justice → Organizational Commitment	.347*	2.770
Procedural Justice → Job satisfaction	.205*	2.661
Procedural Justice → Turnover Intention	-.578*	-2.240
Interactional Justice → Organizational Commitment	.148*	2.333
Interactional Justice → Job satisfaction	.304*	1.986
Interactional Justice → Turnover Intention	-.324*	-2.040

Notes: n=370; * p < 0.05

The regression results have shown in table 4. As hypothesized the relationship between between distributive justice and organizational commitment and job satisfaction were positively significant ($\beta = .387$, $\beta = .388$; $P < 0.01$) and negatively significant to turnover intention ($\beta = -.167$, $P < 0.05$), thus, this results were supported the hypotheses 1a, 1b and 1c. Furthermore, procedural justice had significant positive impact on organizational commitment ($\beta = .348$, $P < 0.01$) and job satisfaction ($\beta = .345$, $P < 0.01$) (hypothesis 2a and 2b). Regarding to hypothesis 2c, procedural justice had significant negative relationship with

turnover intentions ($\beta = -.173$, $P < 0.05$). Finally, the relationship between interactional justice and organizational commitment and job satisfaction were positively significant ($\beta = .340$, $\beta = .377$; $P < 0.01$) and negatively significant to turnover intention ($\beta = -.137$, $P < 0.01$), thus, this results were supported the hypotheses 3a, 3b and 3c.

Discussion

The result of this study reveals that distributive justice has a direct positive influence on the organizational commitment and job satisfaction and is negatively related to the turnover intentions, as hypothesized. Distributive justice, procedural justice and interactional justice have a significant positive effect on the organizational commitment and job satisfaction and negatively significant to the turnover intention. Thus, this finding supports the hypotheses. The part of the model supports that distributive justice, procedural justice, and interactional justice are significant antecedents of organizational commitment, job satisfaction, and turnover intention

The results of this study supports findings from previous research (e.g. Folger and Konovsky 1989; Lee 2000; Hassan 2002; Aryee, Budhwar, and Chen 2002; Robinson 2004; Hassan and Chandaran 2005; Yusuf and Shamsuri 2006; Hashim 2008; Elanain 2010). A study conducted in Malaysia by Hassan and Chandaran (2005) found that procedural and distributive justices were positively related to job satisfaction and organizational commitment and negatively related to turnover intention. Perception of distributive justice is related to cognition decision which stimulates whether individuals exhibit emotional positive (e.g., satisfaction) or negative (e.g., dissatisfaction) outcomes. Feeling satisfaction in regarding employees' outcome is likely to be occurring when there is a belief that the rewards received are equitable and they perceive proportional rewards relative to comparison other (Martin 1981). In other words, feeling satisfaction with outcomes of employees who receive fairly content of rewards is higher in compared with those perceive unfair (Cropanzano and Greenberg, 1997). In addition, Aryee et al. (2002) studied on the relationship between the three dimensions of organizational justice (distributive, procedural, and interactional) and work outcomes (Job satisfaction, organizational commitment and turnover intention).

Procedural justice is also a significant antecedent of job satisfaction. The model demonstrated that the procedural justice contributes more effect on the job satisfaction. Individuals will consider that the procedure to make the decision is more important than the amounts of reward when they perceive the content of the reward is unfair. Employees are more accepting of the decisions as consequence of a fair procedure than the decision as result of unfair procedures. The findings are identical with the work of Alexander and Ruderman (1987) and Yoon (1996) who pointed out that both distributive and procedural justice can explain level of satisfaction. Employees were more receptive on decisions that resulted from fair procedures than with decisions that result from unfair processes.

Moreover, employees may compare the adequacy of the rewards they receive to their expectation or to a standard reference. As a result, if the employees feel satisfied with the outcome they will improve their commitment towards the organization and be more satisfied with their jobs. However, if they feel discontented with what they receive to meet their expectation, they will more likely quit (Folger and Konovsky, 1989). Employees also may compare whether the decision processes and mechanisms and the consequences of these decisions are fair or otherwise. They make comparison between themselves and their co-workers with regards to their organizational rewards. These comparisons are more likely to influence their assessment of the fairness in the procedure of the decision making in their organization (Ngo et al., 2003), which in turn affects their level of job satisfaction, organizational commitment and turnover intention.

Implications, Limitations and Suggestions for Future Research

The present study examined the relationship between organizational justice and work outcomes. The results of this study provide practical implications, especially for Islamic microfinance institutions in the Central Java context. The findings of this study provide managers in the microfinance institutions with insights into the formations of employees' fairness perceptions, and with some guidelines for managing employees by documenting organizational justice to draw positive attitudinal and behavioral responses from employees. The results of this study reveal that organizational justice dimensions can explain employees' attitudes (i.e. Satisfaction and commitment) and behavioral intention (i.e. turnover intention) in the Islamic microfinance institutions. The results advocate that the organization

is preferable to build organizational commitment and satisfaction concerning in justice perceptions. Justice perception is also can mitigate employee's intention to leave the current organization. The effect of procedural justice and distributive justice on peoples' attitudes might be different. Managers must be aware that impact of justice perceptions in managing rewards, which include the contents and the processes, did not only enhance job satisfaction but also can strengthen organizational commitment

Overall, the contribution of this study should be re viewed in light of three limitations. The design for this study was cross-sectional, not longitudinal. Cross-sectional data are not adequate to make inferences of causality or reverse causality among the investigated variables. Thus, a longitudinal research design would provide additional and stronger support for the effects tested in this study. The next limitation, the study was focus only on three outcomes (organizational commitment, job satisfaction and turnover intention). There are some variables that might be including in the study. For example: organizational performance, organizational citizenship behavior, employee engagement, etc. Future studies could include those variables, so it can explain better understanding effect organizational justice.

In conclusion, this study has shown the importance of organizational justice on employee organizational commitment, job satisfaction and turnover intention. The results have important implications to manager and Islamic microfinance institution to improve the fairness among employees because may lead positive attitudinal and behavioral responses in organization.

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