

THE EFFECT OF ORGANIZATIONAL JUSTICE AND PSYCHOLOGICAL CAPITAL ON PERCEIVED JOB PERFORMANCE

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ABSTRACT

In this study, we investigated the effect of organizational justice and psychological capital on job performance. Our dependent variable is job performance and independent variables are organizational justice and psychological capital. According to result of the study, in which participated 117 employee on survey, it has seen that there is a significant effect of both psychological capital and organizational justice and their types on job performance. Also it has founded that psychological capital is more effective on job performance than organizational justice.

KEYWORDS: Organizational Justice, Psychological Capital, Job Performance.

INTRODUCTION & THEORETICAL FRAMEWORK

Job performance is the most analyzed work-related issue among researchers and practitioners. There have been used many antecedents of job performance in organizational research (Tett, 1991; Wright, Cropanzano, 2000; Devonish and Greenidge, 2010; Randall, 1999; Keller, 1997). Based on the equity perspective, organizational justice perceptions have been one of the more investigated organizational subjects in predicting job performance (Devonish and Greenidge, 2010). On the other hand, research on the effect of positive psychological states on employee behaviors and attitudes newly investigated in the organizational behavior field. Therefore, we propose a research model to test the interaction between psychological capital and job performance,

organizational justice and job performance.

Our paper is organized in two section. First we explain job performance and the effect of independent variables are discussed. Then current results of this study of 117 employees (employees are participated from automotive sector in Istanbul, Turkey) that tests the hypotheses and conclude by discussing the theoretical and managerial implications of our findings.

REVIEW OF LITERATURE

THE EFFECT OF PSYCHOLOGICAL CAPITAL ON JOB PERFORMANCE

Drawing from positive psychology, the positive organizational behavior approach includes state-like positive strengths and capacities (Luthans, F. 2005). Positive organizational behavior is defined as "the study of positive focused human resource strengths and capacities that can be measured, developed, and effectively organized for performance development" (Luthans, F. 2002b, p. 59). Positive organizational behavior consists of following criterias as strength-based field, theory and research focused, valid measures, state-like and open to development (Luthans, F. 2002a, Luthans, F. 2002b, Luthans, F. 2003).

Psychological capital has been defined as "an individual's positive psychological state of development and is characterized by: (1) having confidence (self-efficacy) to take on and put in the necessary effort to succeed at challenging tasks; (2) making a positive attribution (optimism) about succeeding now and in the future; (3) persevering toward goals and, when necessary, redirecting paths to goals (hope) in order to succeed; and (4) when beset by problems and adversity, sustaining and bouncing back and even beyond (resilience) to attain success" (Luthans et al., 2007, p. 3). As it was explained in that each of four components of psychological capital develops theoretical foundation for psychological capital (Luthans, F. 2007).

While we were analyzing at the individual level, psychological capital is a psychological resource that may create individual growth and performance also at organizational level, psychological capital may increase return on investment, and competitive advantage through developed employee performance. Psychological resources (i.e., strengths), can help

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individuals perform better at work. There have been some research explaining the role that individual positive psychological situations can have effect on employees' performances. Luthans et al. (2005; 2007; 2008), Peterson and Luthans, F. (2003) found that PsyCap was positively related to work performance. Consequently, psychological capital can play a role in predicting the employees' performances.

As a result, higher levels of PsyCap represent higher levels of job performance. Therefore, we stated the following hypothesis as:

Hypothesis 1: Employees' psychological capital will effect positively to their perceived job performance.

THE EFFECT OF ORGANIZATIONAL JUSTICE ON JOB PERFORMANCE

Employee perceptions about fairness and justice have been investigated as a valuable research area in the workplace (Devonish and Greenidge, 2010). Organizational justice describes employees' perceptions of the fairness of treatment in organizations (Lam, Schaubroeck and Aryee, 2002). Some different types of organizational justice have been suggested in the literature (Dusterhoff et al, 2014). According to Greenberg (1990), distributive justice are about employee evaluations of fairness of rewards obtained in exchange for contributions at work. Procedural justice are about employee evaluations about decisions that are based on fair (Folger & Greenberg, 1985; Ang, et.al, 2003). Interactional justice which is divided into informational justice (refers to the conditions of adequate information and social accounts) (Walumbwa, 2009) and interpersonal justice (issues of politeness and respect) is the extent of treatment to employees with consideration and respect (Dusterhoff et al., 2014).

Organizational justice perceptions found to be related to employees' work outcomes as satisfaction, commitment and performance (Greenberg, 1990, Folger and Konovsky, 1989). Also, dimensions of organizational justice have been investigated to relate to job performance in many studies (Colquitt et al., 2001, Colquitt et al., 2013; Li and Cropanzano, 2009; Aryee, 2015). As a result, high organizational justice perceptions predict high job performance. There, we hypothesized as:

Hypothesis 2: Employees' perceptions about organizational justice will effect positively to their perceived job performance.

OBJECTIVE

The main purpose of this study is to examine the role of psychological capital and organizational justice on perceived job performance.

RESEARCH METHODOLOGY

RESEARCH MODEL

The research model is presented in Figure 1. In this research model, dependent variable is perceived job performance, independent variables are psychological capital and organizational justice. We have proposed that psychological capital and organizational justice have effect on perceived job performance.

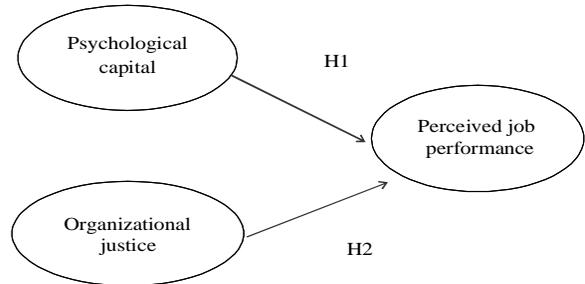


Figure 1: Research model

PARTICIPANTS

117 employees from automotive sector have participated to this research (Table 1). The sample consist of 62 women, 55 men. 104 employees have undergraduate and graduate degrees. 35 employees are between 26-30 ages. 53 of them are married. Convenience sampling method was selected to lead for convenience and accessibility of the participants. It is an acceptable data collecting way for representative sample (Altun1k et al, 2007, 132). Today's Turkish automotive industry is highly efficient and competitive sector, because of value-added production. The automotive industry is one of the main drivers of the manufacturing sector in our country and employs more than 400,000 people.

Table 1: Demographic Statistics

1. Gender	Men	Women			
	55	62			
2. Age	20-25	26-30	31-35	36-40	41 and above
	22	35	18	11	31
3. Marital status	Married	Unmarried			
	53	64			
4. Education level	High school	Undergraduate	Graduate		
	13	60	44		

MEASURES

Data were collected using a 47- item questionnaire via e-mail involving a web link to the automotive sector employees. The questionnaire was constructed to assess 3 variables (organizational justice, psychological capital and job performance) and demographic characteristics as age, gender, marital status and education level.

Organizational justice

Organizational justice was measured by 19 items with

three dimensions (distributive justice, procedural justice and interactional justice which is developed by Niehoff ve Moorman (1993). Responses were ranging from 1 (Strongly disagree) to 5 (Strongly agree).

Psychological Capital

Psychological Capital was measured by 24 items with four dimensions as resiliency, self-efficacy, hope and optimism. These items were selected from Luthans et.al's (2009) study. Responses were ranging from 1 (Strongly disagree) to 5 (Strongly agree) and negatively items were reversed.

Job Performance

Job performance was measured with 4 items. This scale was selected from Kirkman and Rosen (1999) and Sigler and Pearson (2000)'s studies. Responses were ranging from 1 (Strongly disagree) to 5 (Strongly agree)

The data was analyzed by using SPSS 18.0. Descriptive statistics as frequency distributions, means and standard deviations were used to show the demographic statistics of participants and to summarize the variables. Alpha coefficients were also computed to assess the reliability of variables. To better understand the effect of psychological capital and organizational justice on job performance, regression analysis was used.

RESULTS & ANALYSIS

The results are presented in following sections. Reliability analysis and descriptive statistics are showed in first section. The second section includes the correlation results of variables and simple regression analysis results. Cronbach alpha coefficient was used to test the reliability scores of variables. The cronbach alpha coefficient of the scale in this study is higher than the commonly accepted .60 as shown in Table 2.

Table 2: Reliability Analysis

Variables	Reliability scores
Organizational justice	.94
Distributive justice	.85
Procedural justice	.82
Interactional justice	.93
Psychological capital	.87
Self-efficacy	.80
Hope	.80
Optimism	.63
Resiliency	.60
Job performance	.76

The cronbach alpha value of organizational justice was found as .94; psychological capital was found as .87

and job performance was found as .76. Two items of psychological capital variable was omitted because of low reliability score.

Descriptive statistics about variables was showed in Tale 3.

Table 3: Descriptive statistics of variables

Variables	Item	Mean	sd
Organizational justice	19	3.17	.82
Distributive justice	5	2.94	.94
Procedural justice	6	3.09	.87
Interactional justice	8	3.33	.89
Psychological capital	24	3.89	.49
Self-efficacy	6	4.22	.53
Hope	6	3.80	.67
Optimism	6	3.60	.64
Resiliency	6	4.59	.61
Job performance	4	4.06	.62

According to the results of the descriptive statistics, mean and standard deviation for the organizational justice, psychological capital and job performance were found as 3.17 & .82, 3.89 & .49, and 4.06 & .62. Details about dimensions and sub dimensions were also presented in Table 3.

Table 4: Correlation results

	1	2	3	4	5	6	7	8	9	10
1. Organizational justice	1	.83**	.91**	.95**	.50**	.38**	.43**	.48**	.35**	.22*
		.00	.00	.00	.00	.00	.00	.00	.00	.01
2. Distributive justice		1	.65**	.68**	.48**	.33**	.41**	.47**	.36**	.27**
			.00	.00	.00	.00	.00	.00	.00	.00
3. Procedural justice			1	.84**	.38**	.27**	.30**	.45**	.20**	.11
				.00	.00	.00	.00	.00	.02	.20
4. Interactional justice				1	.48**	.39**	.43**	.41**	.36**	.22*
					.00	.00	.00	.00	.00	.01
5. Psychological capital					1	.85**	.89**	.69**	.77**	.59**
						.00	.00	.00	.00	.00
6. Self-efficacy						1	.69**	.42**	.66**	.58**
							.00	.00	.00	.00
7. Hope							1	.49**	.61**	.55**
								.00	.00	.00
8. Optimism								1	.36**	.22*
									.00	.01
9. Resiliency									1	.54**
										.00
10. Job performance										1

** . Correlation is significant at the 0.01 level (2-tailed).

In Table 4. correlation results between variables were presented. The highest correlations can be seen between organizational justice and interactional justice (r=. 95). Organizational justice is correlated with job performance (r=. 22) and psychological capital is also correlated with job performance (r=. 59). The lowest correlation score can be seen between organizational justice. interactional justice and job performance (r=.22).

Test of Hypothesized Model

Table 5 and 6 present the regression analysis results in order to test the hypotheses. In Table 5, the effect of organizational justice and psychological capital on job performance was presented.

Table 5: Regression Analysis Results

	β	t value	p value
<u>Dependent variable:</u>			
Job performance			
<u>Independent variables:</u>			
Organizational justice	-.09	-1.12	.26
Psychological capital	.64	7.43	.00
R=.602; R ² =.36; F value=32.34; p value=0.00			

The results of simple regression analysis shows that organizational justice has no effect on job performance ($p=.264$). On the other hand, psychological capital has effect on job performance ($p=.00$; $\beta =.640$). Also, the effects of sub dimensions of psychological capital were analyzed in Table 6. According to results of regression analysis, self-efficacy, hope and resiliency have effect on job performance ($p=0.00$, $\beta = .300$; $p=0.01$, $\beta = .260$; $p=0.03$, $\beta = .210$).

$$JP = 1.551 + 0.64 PC$$

*JP= Job Performance, PC= Psychological Capital

Table 6: Regression Analysis Results with sub dimensions

	β	t value	p value
<u>Dependent variable:</u>			
Job performance			
<u>Independent variables:</u>			
Self-efficacy	.30	2.71	.00
Hope	.26	2.38	.01
Optimism	-.10	-1.28	.20
Resiliency	.21	2.13	.03
R=.645; R ² =.41; F value=19.91; p value=0.00			

$$JP = 1.362 + 0.30 SE + 0.26 H + 0.21 R$$

JP = Job Performance, SE= Self Efficacy, H=Hope, R=Resiliency

Briefly, both organizational justice and psychological capital are correlated with job performance. Psychological capital has effect mostly than organizational justice on perceived job performance.

As a result, H1 and H2 hypotheses are accepted.

DISCUSSION & CONCLUSION

The main aim of this study is to determine the interactions between psychological capital and job performance, organizational justice and job performance. Therefore, this study tested the effect of overall psychological capital, dimension of psychological capital and organizational justice and its dimensions on job performance.

In our study, when we analyze the effect of psychological capital and organizational justice on job performance, organizational justice has no effect, but the direct effect of organizational justice has been appeared. Distributive justice is important predictor among other dimensions of organizational justice in this study. This study demonstrates that distributive factors-outcome fairness- influence job performance.

On the other hand overall PsyCap and dimensions of psychological capital as self-efficacy, hope and resiliency have effect on job performance. The results of this study reveal that high self-efficacy employees are more task-oriented, by this way they can evaluate their capacities to perform successfully. Hope involves assessing expected future positive feelings over future negatives. It is one of the major psychological strengths that have been linked to job performance. This finding is also supported in this study. Becoming more resilient to adverse situation is needed in automotive sector. Findings show that high resilient employees creates high job performance. From the overall perspectives, more optimistic, hopeful, efficacious and resilient employees will more likely to perform better at job than their colleagues with employees who have low psychological capital.

Limitations and future directions

Several limitations can be considered in developing the contributions of this study. One of the most important limitation is that job performance is based on self-report data. In further studies, job performance can measure supervisor' evaluations. Also, the role of variables in research model can change in other investigated models.

There are also several implications of the present research. These findings highlight the potential importance of psychological states in workplace. Future research needs to analyze these variables as moderator between interactions among variables.

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