

*Full Length Research Paper*

# Empirical analysis of organizational justice towards employee's customer oriented behavior: A case study of Medical Institutions in Pakistan

Mohsin Altaf<sup>1</sup>, Hasan Afzal<sup>2\*</sup>, Kashif Hamid<sup>3</sup> and Muhammad Jamil<sup>4</sup>

<sup>1</sup>Faculty of Management and Social Sciences, Mohammad Ali Jinnah University Islamabad, Pakistan.

<sup>2</sup>1903 Un Shing House, Un Chau Estate, Cheung Sha Wan, Kowloon, Hong Kong.

<sup>3</sup>Department of Business Management Sciences, University of Agriculture Faisalabad, Pakistan.

<sup>4</sup>Faculty of Management and Social Sciences, International Islamic University Islamabad, Pakistan.

Accepted 21 May, 2017

This study empirically investigates the relationship of distributive justice, procedural justice and customer oriented behavior in the health care sector of Pakistan. To examine the data, public as well as private hospitals in Islamabad and Rawalpindi areas of Pakistan were selected. Upper, middle and lower tiers of the management were targeted so as response received covers all segmented in the sample. Instrument was devised covering all essential elements of the variables. Elements in the particular were carefully fixed so as it spells out exact meaning to the query. The results indicate that employee customer oriented behavior has a significant positive relationship with procedural and distributive justice and in the environment of Pakistan; the distributive justice has more impact than distributive justice. There is strong positive correlation between customer oriented behavior (dependent variable) and distributive and procedural justice (independent variables) which shows perception of justice plays major role in employee customer oriented behavior. Organization inspiring involvement of employees in achieving organizational objectives is to ensure distributive justice in order to enhance their performance. It would engender great satisfaction among employees and loyalty towards organizational goals. Transparency in all manifestation would develop employee trust upon management and cohesiveness would develop team work in the organization.

**Key words:** Procedural justice, distributive justice, customer oriented behavior.

## INTRODUCTION

Literature suggests, there are number of job outcomes that are directly or indirectly related to the organizational performance. Organizational justice is one of the predictor that has also a relationship with these outcomes. When employee perceives that they are treated unfair, their behavior should be effected (Latham and Pinder, 2005). Most of the studies in different countries show the relationship of organizational justice with job satisfaction, Organizational citizenship behavior, workplace deviance, organizational commitment and intent to stay (Greenberg, 1993; Sweeney, 1993). This study revolves around the

Employee in the health care sector, to gain the insight that how employee perceive justice and what are the consequences of that justice on their customer oriented behavior. Profitability is the aim for every organization and only satisfied customers can satisfy organization's aim of profitability. In marketing theory and practice, customers are considered as the key for success. All the theory and practice revolve around the customers and considered as the cornerstone in marketing management theories as well as in practices. Customer orientation is also called customer oriented behavior, in which employee is more social and work in the favor of consumer. It's the belief in which the customer interest is considered primary and other stakeholder's interest is considered secondary, to make an organization profitable

\*Corresponding author. E-mail: [hasanmphil@gmail.com](mailto:hasanmphil@gmail.com).

Maxham, McKee, 2000). Kelley (1992) describes that this behavior is beneficial for both parties. In this behavior, Employees main concern is to build relationship with their customer which leads an organization towards better performance (Hartline et al., 2000). Under the present scenario, the study will provide HR managers of Health Care sector an insight of organization justice importance and its effect on the behavior of the frontline employees in the healthcare industry where intangibility, heterogeneity and inseparability are the factors to handle. In this sector the employee-customer contacts directly impact on the service quality and customer satisfaction (Bowen, Gilliland, Folger 1999). It will help HR managers to devise plans and strategies to promote employee's trust in management. In this paper, we first provide the literature and the model of the study, background of the study, generate hypothesis, method to conduct the research and present the result.

## LITERATURE REVIEW

People reactions towards organizational encounter have been found to be heavily influenced by fairness considerations (Lind and Tyler, 1998). Because services are intangible so fairness issue is important because people interaction in services firm is high (Bowen et al., 1999). The power of the employment relationship, which affects employee psychology of working behavior, may be measured in several ways (Tsui, Pearce, Porter, Tripoli 1997). Employee judgment about the organization justice is such like a measure (Cropanzano and Randall, 1993). Employee perception about unfairness in an organization leads to the stress and sickness, which increases absenteeism and on the job accidents (Sashkin and Williams, 1990). Justice at workplace is the stronger forecaster of behavioral expression (Dailey and Kirk, 1992). Behavioral reactions reflect the employee perception of fair treatment in an organization (Greenberg, 1990). Moreover organizational justice has an impact on organization outcome. When employees perceive unfair treatment at workplace, their outcome will be in negative emotion and behavior (Latham and Pinder, 2005). Numbers of studies in these areas defined that an unfair treatment or injustice not only leads employees towards dissatisfaction but also decreases job performance (Greenberg, 1987), less co-operation with co-workers, decreases quality of work and degree of co-operations with workers (Pfeffer and Langton, 1993). A survey of 5000 people employed in the three sectors (Retail, Manufacturing, Hospitals) suggest when the employee are discouraged by the organization, they were more likely to engage to take step against the organization (Hollinger and Clark, 1983). Greenberg (1990) accomplished that employee theft was the reaction of inequity of payments. Distributive justice is the perception about equality and fairness of the method in which rewards are distributed in

an organization (Folger and Greenberg, 1985). Distributive justice is the perception of an employee about fairness in reward distribution (Folger, 1977). The concept of Distributive justice comes from the Adams theory of equity which discusses the issue of equality and fairness. Equity means that every output has an input and every input has a certain level of output. Adams, 1965 discussed this issue at organization level. In an organization, employees receive some input from organization, in the form of rewards, and in reaction pay some output in the form of perform Brain or Brawn activities. Adams, 1965 equity theory pointed out that every individual in an organization perceive about his input and output. After his perception, he develops an equity model in his mind and compares it with the same level job in other organizations. One rationale argues that distributive fairness involves a relatively more personal outcome, and therefore should be more related to job related satisfaction (Folger and Konovsky, 1989). Employee customer oriented behavior is a behavior of employee in which employee keep customer trust primary and other interest on secondary level and employee regards customer interest at heart (Hartline et al., 2000). Cohen-Charash and Spector (2001) concluded that distributive justice positively correlated with job and pay related satisfaction, Organizational citizenship behavior, confidence and satisfaction in management. An organization citizenship behavior is related construct with customer oriented behavior but not the same. The perception about fairness in procedures of distributing rewards is called the procedural justice (Folger and Greenberg, 1985). The concept of procedural justice was given in 1970 by Thibaut and Walker. Procedural justice is the trust base factor in which management generates the trust and justice regarding their procedure and removes their feeling of mistreatment (Lind, 1998). Procedural justice construct discussed that organization provides an opportunity to employees to challenge the decision if he feels mistreatment regarding reward distributing procedure (Greenberg, 1993). Procedural justice "the justice in the distribution of reward procedure" is strongly associated with the supervisor evaluation and distributive justice has a strong relationship with job satisfaction and negatively related to the employee switching intention (McFarlin and Sweeney, 1992). In procedural justice, employee perceive about the system through which the reward are distributed while in distributive justice, employee compares his input and output with others at same level (Folger and Mary A. Konovsky, 1989). McFarlin and Sweeney (1992) also found when employees perceived high levels of procedural justice, evaluations of supervision are higher across all levels of distributive justice. This moderating effect may indicate that without getting personal rewards, no one can judge the fair procedures (McFarlin and Sweeney, 1992). Distributive justice is more personally outcome so it should be more highly related to the personal outcome like job satisfaction and on

the other hand procedural justice provides a broader view of organizational outcome like organization commitment (Folger and Konovsky, 1989). This model states that people want to associate or to live in the group procedures. Because procedures represent how one individual in the group is treated as a group member (Lind and Tyler, 1988). Based on the discussed literature review, it can be hypothesized that:

H<sub>1</sub>: Distributive Justice has significant positive relationship with Customer Oriented Behavior.

H<sub>2</sub>: Procedural Justice has significant positive relationship with Customer Oriented Behavior

### Research model

The research model is developed on the basis of previous research studies, we have included but we have to check it on Employee customer oriented behavior. The following Equation is tested:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e \quad (1)$$

$$ECOB = \alpha + \beta_1 (DJ) + \beta_2 (PJ) + e$$

Where: Y=ECOB= Employees Customer Oriented Behavior=Dependent variable, “α” is constant, “e” is common error or other variable.

X<sub>1</sub>=DJ= Distributive Justice

X<sub>2</sub>=PJ= Procedural Justice

### METHODOLOGY

#### Sample

The population of the study was frontline employees of health care sector in Rawalpindi/Islamabad. Health care sector includes public and private sector institute. Convenience sampling was used to collect the data. Questionnaire method was used to collect data from students and the all items of the questionnaire were close ended. The cover letter attached with the questionnaire communicates the research objective and purpose of the research. Out of the sample of 250 employees 231 were received back out of which 220 are included in the analysis while remaining 9 were incomplete with various aspects.

#### Measures

All items of questionnaire regarding procedural justice, distributive justice and employee customer oriented behavior were measured on seven point Likert scale from 1 (never) to 7 (always). To measure the distributive justice we have adopted the five item scale of Nieoff and Mooman's (1993). Example of item included were “My work schedule is fair” having α-reliability 0.844. To measure procedural justice we have used the six items scale of Nieoff and Mooman's (1993). Example include “Job decision are made by general manager in an unbiased manner” having α-reliability 0.942. To measure Employee customer oriented behavior, we choose the

appropriate items of Podsakoff and MacKenzie's (1994) organizational citizenship behavior scale. To identify the appropriate items, we discuss it with doctors, nurses, and paramedical staff as well as from patients. After this process we dropped those items which were not relevant or in surplus and finally selected four items. Example of item included were “I am always willing to help patients”.

### Procedure

To examine the data, public as well as private hospitals in Islamabad and Rawalpindi areas of Pakistan were selected. Upper, middle and lower tiers of the management were targeted so as response received covers all segmented in the sample. Instrument was devised covering all essential elements of the variables. Elements in the particular were carefully fixed so as it spells out exact meaning to the query. Questionnaires were mainly distributed in person in coordination with the administrative staff, however, in some cases these were dispatched through mail too. In certain cases interviews were conducted to clarify any doubts arising in the study. Personal relations facilitated in getting timely response. Likert scale was used in the questionnaire. Response received were entered in the SPSS by coding the elements as required.

### RESULTS

Data were collected from the general Hospitals of Islamabad Rawalpindi region including PIMS, Rawalpindi General Hospital and Holy Family Hospital. Questionnaires were completed by interviews from the respondents. Respondents were assisted in completing the questionnaires. Out of the sample of 250 employees, 231 were received back out of which 220 are included in the analysis while remaining 9 were incomplete with various aspects. Out of 220 respondents, 90 (32.8%) were male and 132 (67.2%) were female. Most of respondents were lie between the age group of 20 years to 35 S in the current job. Twenty three percent respondents were doctors while remaining were the nursing (Para medical) staff. Education of the respondent ranges from Below Metrics to Graduation respectively; 27.9% respondent were post graduated. 11.5% were graduated 34.4% were intermediate and remaining were matriculated or less. The reliability of measurement scales of distributive justice is Cronbach's α (0.687) and procedural justice Cronbach's α (0.641). Employee customer oriented behavior reliability is Cronbach's α (0.629).

Spearman's correlation coefficient was used to predict the association between “Employee Customer Oriented Behavior, Perception Distributive Justice and Procedural Justice. To assess the overall association between three variables, two-tailed non-parametric statistic, Spearman's correlation coefficient of association, was computed for analyzing association between dependent and independent variables. Two variables are said to be correlated if they tend to simultaneously vary in same direction. There is significant positive correlation between Employee Customer Oriented Behavior (dependent variable) and Perception of Distributive Justice and Procedural Justice (independent variables)

**Table 1.** Correlation analyses of customer oriented behavior and organizational justice.

Variable		ECOB	DJ	PJ
ECOB	Correlation	1	0.299**	0.323**
	Sig. (2-tailed)	.000	0.000	0.000
	N	220	220	220
DJ	Correlation	0.299**	1	0.380**
	Sig. (2-tailed)	0.000	0.000	0.000
	N	220	220	220
PJ	Correlation	0.323**	0.380**	1
	Sig. (2-tailed)	0.000	0.000	0.000
	N	220	220	220

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

**Table 2.** Regression analysis of customer oriented behavior.

Variable	Coefficient $\alpha$	Std. error	Standardized coefficient	t-Value	Sig.
Constant	4.411	0.290		15.231	0.000
Distributive Justice	0.201	0.055	0.327	3.627	0.000
Procedural Justice	0.160	0.069	0.209	2.316	0.022
R <sup>2</sup>	0.205				
F-Statistic	0.88467				
Significant	0.000				

Dependent variable: Customers oriented behavior.

but with little variation. Results show positive association between dependent and independent variables. According to the Table 1 Distributive justice has a significant positive relationship with Employee customer oriented behavior having the value i.e. ( $r = 0.299$   $p < 0.01$ ). Similarly procedural justice has also significant correlated with Employee customer oriented behavior having the value i.e. ( $0.323$   $p < 0.01$ ). Comparing intra-independent variable association between Perception about Distributive Justice and Procedural Justice, Distributive Justice has significant positive association with Procedural Justice i.e. ( $r = 0.380$   $p < 0.01$ ).

The regression line suggests

$$ECOB = 4.411 + 0.327 (DJ) + 0.209 (PJ) + e \text{ (Equation 2)}$$

Regression results shows that one unit increase in distributive justice, will increase Employees customer oriented behavior by ( $\beta = 0.327$ ,  $p < .01$ ) units which means that this variable has a strong impact on Employee customer oriented behavior. This result is significant at 0.01 level of significant. Similarly, Table 2 shows that one unit increase in procedural justice will increase the

Employee customer oriented behavior by ( $\beta = 0.209$ ,  $p < 0.01$ ) units, having the level of significance at 0.01.

## DISCUSSION

It is concluded that Perceptions of distributive justice positively determine employee's customer oriented behavior.

H<sub>1</sub>: Distributive justice has significant positive relationship with Employee customer oriented behavior.

The result is supported and implies that Employee perception about distributive justice is positively determines their customer oriented behavior with the value of correlation (0.299).

H<sub>2</sub>: Procedural justice has significant positive relationship with Employee customer oriented behavior.

The result is supported and implies that Employee perception about Procedural justice is positively determines their customer oriented behavior with the value of

correlation (0.323). Findings of the research show that distributive justice has more impact than procedural justice on employee customer oriented behavior in Pakistani Hospital.

This study empirically investigates the relationship of distributive justice, procedural justice and employee customer oriented behavior in the health care sector of Pakistan. The results indicate that employee customer oriented behavior has a significant positive relationship with procedural and distributive justice and in the environment of Pakistan; the distributive justice has more impact than procedural justice. Cross culture dimensions research in the field of organizational justice and outcomes may explain the variation and role of cultural dimensions. There is a high correlation amongst the independent and dependent variables. There is strong positive correlation between COB (dependent variable) and Distributive and Procedural Justice (independent variables) which shows perception of justice plays major role in employee customer oriented behavior.

This research shows the importance of culture wise importance of distributive and procedural justice. It varies culture to culture. Konovsky et al. (1995) suggests that distributive justice is the predictor of trust and citizenship behavior in Mexico but give reverse results in USA. Pillai et al. (2001) concluded that procedural justice has an important role in predicting satisfaction in employees and commitment than distributive justice in American workplace whereas the results shows that in India, distributive justice predict employee satisfaction and commitment. This difference indicates why procedural justice was less powerful results than distributive justice in predicting Employees customer oriented behavior.

Organization inspiring involvement of employees in achieving organizational objectives is to ensure distributive justice in order to enhance their performance. It would engender great satisfaction among employees and loyalty towards organizational goals. Organizations not paying attention to this essential element are to accord priority to attain willing cooperation of the employees. Transparency in all manifestation would develop employee trust upon management and cohesiveness would develop team work in the organization.

## CONCLUSION AND RECOMMENDATIONS

Customers have attained significant importance in the market due to the intense competitive forces ready to serve their purposes. It becomes imperative for the organization to impart quality education to their employees who could serve customers in most befitting manner. Service sector due to abundance of production and qualitative measures has become necessary to attract customers to the product being offered. This is era where marketing cannot be solely left out to the marketer rather each member in the organization has to serve role of marketer. Management need to be well versed the

touch point of the customers and remain updated about their preferences and design / produce product accordingly. These objectives could be achieved through dispensing justice in the organization at all tiers of management so as employees display their trust upon employers and concentrate their energy and resources towards core business activities. It is also essential that customers have firm opinion and faith over the organization and their employees and develop aura of team work. To develop harmony among employees and customer to a level of family member could be possible through employee's orientation towards customers. It therefore calls upon those procedural as well distributive justice concept remains on first level priority of the management. Result accrued from this study of all variable are the testimony of this relevant concept supported by many scholars. Market has develop insight of the customers and made them sensitive towards choosing their product; therefore, any dichotomy prevalent among the organizational and customer is likely to adversely affect on the business. It therefore becomes paramount for the organization to ensure high degree of justice in all its manifestation so as employee can stay focused towards yielding high quality work whereby customer and the organization get benefitted equally.

Based on results, management of service firm is well advised to manage trust in management and how to control employee's customer oriented behaviors through organizational justice and what is the value of workplace fairness. According to the research that employee customer oriented behavior is powerful predictor so the management can control employee customer oriented behavior through paying more attention on distributive justice but not to underestimate procedural justice because it has also impact on Employee customer oriented behavior. Because it does vary culture to culture so the management should not skip this aspect.

Organizational justice is relevant in most of the organizational and cultural settings, that's why; our results can be generalized in organizational settings from where we have to collect data. Future research will investigate the role on organizational justice in different cultures and organizational settings. Organizational justice is only the one aspect to control the employees customer oriented behavior in healthcare sector. There may be other variables that explicate employee customer oriented behavior. Future research will determine those aspects.

## REFERENCES

- Adams JS (1965). "Inequity in Social Exchange" *Adv. Experimental Soc. Psychol.*, 2:267-299.
- Bowen DE, Gilliland SW, Folger R (1999). HRM and service fairness: how being fair with employees spills over to customers. *Organ. Dynamics*, 27: 7-23.
- Cohen-Charash Y, Spector PE (2001). "The role of justice in organizations: a meta-analysis", *Organ. Behav. Hum. Decis. Processes*, 86(2): 278-321.
- Cropanzano R, Randall M (1993). Injustice and work behaviour: a

- historical review. In *Justice in the Workplace*, Cropanzano R (ed.). Lawrence Erlbaum: Hillsdale, NJ.
- Dailey RC, Krik DJ (1992). "Distributive and procedural justice as antecedents of job dissatisfaction and intent to turnover". *Hum. Relat.*, 45(3): 305-317.
- Folger R (1977). "Distributive and procedural justice: combined impact of 'voice' and improvement on experienced inequity". *J. Pers. Soc. Psychol.*, 35(2): 108-19.
- Folger R, Greenberg J (1985). Procedural justice: an interpretive analysis of personnel systems. In: Rowland K, Ferris G (eds.). *Research in Personnel and Human Resources Management*, JAI: Greenwich, CT: JAI. 3: 141-183.
- Folger R, Konovsky MA (1989). "Effects of procedural and distributive justice on reactions to pay raise decisions". *Acad. Manage. J.*, 32(1): 115-30.
- Greenberg J (1987). "Reactions to procedural injustice in payment distributions: Do the means justify the ends?" *J. Appl. Psychol.*, 72: 55-71.
- Greenberg J (1990). "Organizational justice: yesterday, today, and tomorrow". *J. Manage.*, 16: 399-432.
- Greenberg J (1993). "The social side of fairness: interpersonal and informational classes of organizational justice" In: Cropanzano, R. (Ed.), *Justice in the Workplace: Approaching Fairness in Human Resource Management*, Lawrence Erlbaum Associates, Inc., England, Hillsdale, NJ. pp. 79-103.
- Hartline MD, Maxham JG III, McKee DO (2000). "Corridors of influence in the determination of customer oriented strategy to customer contact service employees". *J. Mark.*, 64: 35-50.
- Hollinger RC, Clark JP (1983). *Theft by Employees*, D.C. Heath and Company, Lexington, MA.
- Kelley SW (1992). "Developing customer orientation among service employees". *J. Acad. Mark. Sci.*, 20: 27-36.
- Konovsky MA, Elliot J, Pugh SD (1995). "Citizenship behavior and its determinants in Mexico", paper presented at the National Academy of Management Meetings, Vancouver, CA.
- Latham G, Pinder C (2005). "Work motivation theory and research at the dawn of the twenty-first century". *Annual Rev. Psychol.*, 56: 485.
- Lind EA, Tyler TR (1998). *The Social Psychology of Procedural Justice*. Plenum Press: New York.
- McFarlin DB, Sweeney PD (1992). Distributive and procedural justice as predictors of satisfaction with personal and organizational outcomes. *Acad. Manage. J.*, 35: 626-637
- Niehoff BP, Moorman RH (1993). "Justice as a mediator of the relationship between methods of monitoring and organizational citizenship behavior". *Acad. Manage. J.*, 36(3): 527-56.
- Pfeffer J, Langton N (1993). "The effect of wage dispersion on satisfaction, productivity and working collaboratively: evidence from college and university faculty". *Adm. Sci. Q.*, 38(3): 382-407.
- Pillai R, Williams ES, Tan JJ (2001). "Are the scales tipped in favor of procedural or distributive justice? An investigation of the US, India, Germany, and Hong Kong (China)". *Int. J. Conflict Manage.*, 12(4): 312-332.
- Podsakoff PM, MacKenzie SB (1994). Organizational citizenship behaviors and sales unit effectiveness. *J. Mark. Res.*, 3: 351-363.
- Sashkin M, Williams RL (1990). Does fairness make a difference? *Organ. Dynam.*, 19 (2): 56-71
- Sweeney PD, McFarlin DB (1993). Workers' evaluations of the 'ends' and the 'means': An examination of four models of distributive and procedural justice. *Organ. Behav. Hum. Decis. Processes*, 55: 23-40.
- Tsui AS, Pearce JL, Porter LW, Tripoli AM (1997). Alternative approaches to the employee-organization relationship: does investment in employees pay off? *Acad. Manage. J.*, 40(5): 1089-1121.

**Appendix.** Results of factor analysis.

<b>Items</b>	<b>Factor loading</b>
<b>Employees Customer-oriented behavior (<math>\alpha=0.629</math>)</b>	
I am always willing to help patients	0.824
I am keen to cheer up patients when they are down	0.589
All the time willing to resolve patients' complaints	0.794
I am willing to consider the things not requested by patients and/or their Guardians.	0.627
<b>Distributive justice (<math>\alpha=0.687</math>)</b>	
My work schedule is fair	0.794
I think that my level of pay is fair	0.715
I consider my work load to be quite fair	0.847
<b>Procedural justice (<math>\alpha=0.641</math>)</b>	
All job decisions in our hospitals are made in unbiased manner.	0.531
When decisions are made about my job, our hospital is sensitive to my personal needs.	0.678
When decisions are made about my job, our hospital shows concern for my right as an employee.	0.833
When decisions are made about my job, our hospital offers explanations that make sense to me.	0.780