

Perception of Justice as an Antecedent of Organizational Citizenship Behavior: A Survey in Iran's Insurance Industry

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The present study was conducted in Babol, a City in north of Iran and aimed to analyze the relationship between perception of justice and organizational citizenship behavior. There were 300 employees in 47 branches of "Iran Insurance". According to Krejcie and Morgan (1970), the minimum number of sample size was determined as 169 employees. A total of 250 questionnaires were distributed among the employees and 174 usable questionnaires were returned. The factors analysis and the findings show that perception of justice has a significant positive influence on organizational citizenship behavior. This finding implied that the higher the level of justice, tended to increase the level of employees' organizational citizenship behavior.

Keywords: Service industry, insurance industry, organizational justice, Organizational citizenship behavior.

Introduction

Organizational citizenship behavior (OCB) is an important issue in the fields of management and psychology and research has paid great deal of attention to it (e.g. Bateman & Organ, 1983; Niehoff & Moorman, 1993; Organ & Ryan, 1995; Podsakoff et al., 2000, Davoudi, 2012). According to Organ (1988), OCB is an important factor that can contribute to the survival of an organization. Organ (1988) argued that OCB is held to be vital to the survival of an organization. Organ further elaborated that organizational citizenship behavior can maximize the efficiency and productivity of both the employee and the organization that ultimately contribute to the effective functioning of an organization. Prominent current organizational researchers supported Organ's position regarding the importance for effectiveness of those behaviors which he labeled as organizational citizenship behavior (George & Brief, 1992). Furthermore, it is widely accepted among contemporary organizational behavior theorists, that organizational citizenship behaviors have an

accumulative positive effect on organizational functioning (Wagner & Rush, 2000). Further, According to Podsakoff et al. (2000), organizational citizenship behavior helps maximize the organizational performance of firms. Since this is the main goal of all organizations, it benefits managers to understand how various variables influence organizational citizenship behavior (Davoudi, 2012).

In this paper, we also focus on perception of justice and its impact on OCB. It is important to note that most of the past studies in this field carried out in manufacturing companies. But, in service industry, as there is close interactions among employees and customers, the positive consequences of OCB will be observed sooner. Thus, it plays an important role in service industry. There is little attention given to research on the relationship between perception of justice and OCB in service industry, especially in insurance industry. Thus, this paper attempts to propose a framework on the mentioned topic among

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insuranceemployees in Iran.

Organizational Citizenship Behavior

Researchers have theorized that the effectiveness of organizations is likely to be increased when employees go above and beyond the call of duty to aid fellow workers in order to achieve organizational goals (Organ, 1988). Thus, Organ et al. (2005) defines OCB as behavior that is discretionary, not directly or explicitly recognized by a formal reward system and that in aggregate promotes the effective functioning of an organization. According to Organ (1988), OCBs are behaviors that employees are not explicitly rewarded for exhibiting nor punished for not exhibiting; and are behaviors for which employees do not receive training to perform. According to Schnake (1991), pro-social ethical behaviors such as helping new employees to understand the internal workings of the organization, assisting co-workers complete their jobs, attending meetings and volunteering to do things in excess of job prescriptions are some of the behaviors that can be associated with OCB. These non-traditional behaviors are on-the-job behaviors that are not usually captured by traditional job descriptions (Moorman, 1991).

Organizational Justice

Organizational justice refers to the fairness and ethical treatment of individuals within an organization (Cropanzano, 1993). According to Greenberg (1990), organizational justice is the term used by organizational psychologists to refer to the just and fair manner in which organizations treat their employees. Moreover, according to Coetzee (2004), the explanation of fairness in the workplace is known as organizational justice. Further, Rawls (1971) stated that justice is the primary virtue of social organization. The basic reasoning of justice theories is that justice perceptions are the major determinants of individuals' reactions to their decisions (Camgoz & Karapinar, 2011).

Research Hypothesis

H: Perception of justice in organizations has a significant positive influence on organizational citizenship behavior.

Methodology

Statistical Population

Statistical population in this research includes 300 employees of 47 branches of "Iran Insurance" in Babol, a city in north of Iran. Referring to the Krejcie and Morgan (1970), the minimum number of sample size was determined which was 169 employees; the authors used random sampling for this research. After the distribution of 250 questionnaires, 174 usable questionnaires were gathered. Table 1 illustrates the descriptive statistics of the respondents.

Table-1 Description of the respondents

Item	Description	Frequency	Percentage
Gender	Male	112	64%
	Female	62	36%
Age	Below 30	61	35%
	31-40	64	37%
	41-50	32	18%
	Above 51	17	10%
Education	Diploma	25	14%
	STP	34	20%
	Bachelor	102	59%
	Master & PhD	13	7%

Instrument

In order to collect the necessary data, a questionnaire was used to test the hypothesis of the study. The questionnaire consists of three sections. The first part includes 3 questions about demographic information of the respondents (table 1). In the second part, we used 10 questions to measure perception of justice. We extracted these 10 questions from the original scale developed by Niehoff and Moorman (1993) which

consists of 20 questions. Further, in the third part, we used 10 questions to measure organizational citizenship behavior. We extracted these 10 questions from the original scale developed by Podsakoff et al. (1990) which consists of 24 questions.

We used five-point Likert type scale for all the items. Response categories range from 1 (strongly disagree)

to 5 (strongly agree).

Reliability and Validity

The summary statistics of formal survey are shown in Table 2. For reliability evaluation we utilized Cronbach's alpha. The Cronbach's alpha reliability of two scales are more than 0.7 ($\alpha > 0.7$), which indicates the scales demonstrate good reliability.

Table-2 The summary statistics of formal survey

Item	Mean	Std. Deviation	α
JUS1	3.64	1.092	
JUS2	3.62	1.094	
JUS3	3.63	1.066	
JUS4	3.39	1.191	
JUS5	3.30	1.204	
JUS6	3.77	1.050	
JUS7	3.82	1.143	
JUS8	3.67	1.113	
JUS9	3.58	1.169	
JUS10	3.71	1.162	
Justice	3.613	0.947
OCB1	3.68	1.106	
OCB2	3.68	1.091	
OCB3	3.59	1.102	
OCB4	3.48	1.196	
OCB5	3.42	1.227	
OCB6	3.86	.982	
OCB7	3.88	1.119	
OCB8	3.74	1.057	
OCB9	3.59	1.113	
OCB10	3.61	1.166	
OCB	3.653	0.942

For evaluating the validity of the questionnaires, we used content validity and construct validity. Content validity deals with how representative and comprehensive the items were in creating the scale. It is assessed by examining the process by which scale items are generated (Moon & Kim, 2001). Content validity assured us that all aspects and parameters that impact on main content were evaluated. In order to test the content validity after devising a framework for the questionnaire, we asked 10 experts to modify it if needed. These experts evaluated all the implemented criteria in the questionnaire and modified it.

Construct validity determines the extent to which a scale measures a variable of interest (Moon & Kim, 2001). In this research we used factor analysis for considering the structure of research. Confirmatory factor analysis was used to investigate the construction of the questionnaire. Factor analysis depicted that all the mentioned criteria are measured in these questionnaires. Based on Joreskog & Sorbom (1989), Chi-Square/df ≤ 3 , RMSEA ≤ 0.10 , NFI, NNFI, CFI, and RFI > 0.9 , and $0 < IFI < 1$ show that the measurement model provides a reasonable fit to the data.

Table-3 The structural model fitness indices

Fitness Indices	Measure of Index
Chi-Square/df	2.2449
P-value	0.000
Root Mean Square Error of Approximation (RMSEA)	0.85
Normed Fit Index (NFI)	0.96
Non-Normed Fit Index (NNFI)	0.98
Comparative Fit Index (CFI)	0.98
Incremental Fit Index (IFI)	0.98
Relative Fit Index (RFI)	0.96

Results

This study tends to investigate the relationship between perception of justice and organizational citizenship behavior. The influence of perception of justice on organizational citizenship behavior was tested using the SEM technique that is explained below. For testing our hypothesis, we performed our structural model applying 10 questions of perception of justice and 10 questions of organizational citizenship behavior. (table on next page)

Table 4 (on next page) shows the status of employees' answers to each question. Also, it shows the factor loading of each question which indicates the significance of each question for employees. Further, Figure 1 shows the results of the SEM analysis which indicates the relationship of justice with OCB. Moreover, figure 2 shows the t-value of the analysis. Based on the results of SEM analysis, our Hypothesis is confirmed.

Table-4 Frequency and factor loading

Questions First part = Justice, Second part = OCB	Scale					Factor loading
	1	2	3	4	5	
1. My work schedule is fair.	7	22	37	68	40	0.77
2. I think my level of pay is fair.	8	24	29	78	35	0.80
3. I think my workload is fair.	7	20	40	70	37	0.77
4. Job decisions are made by manager in an unbiased manner.	17	21	43	63	30	0.83
5. My manager makes sure that all employees' concerns are heard before job decisions are made.	14	36	36	59	29	0.74
6. Employees are allowed to challenge or appeal job decisions made by the manager.	8	14	30	80	42	0.80
7. My manager explains very clearly any decision made about my job.	6	24	24	62	58	0.84
8. The manager offers adequate justification for decisions made about my job.	9	19	34	70	42	0.82
9. When decisions are made about my job, the manager discusses the implications of the decisions made about my job.	12	25	23	78	36	0.84
10. When decisions are made about my job, the manager treats me with respect and dignity.	10	19	32	63	50	0.80
Mean	9.8	22.4	32.8	69.1	39.9	
Percentage	5%	13%	19%	40%	23%	
1. I help new employees even though it is not required.	6	26	28	71	43	0.77
2. I help others, who have been absent.	7	23	29	75	40	0.84
3. I help others, who have heavy work load.	9	21	39	69	36	0.80
4. I attend at work above the norm.	14	23	40	60	37	0.80
5. I don't take extra break.	12	37	27	62	36	0.76
6. I don't abuse the right of others.	5	12	31	80	46	0.74
7. I try to avoid creating problems for my coworkers.	6	21	21	66	60	0.81
8. I attend meetings that are not mandatory, but are considered important.	6	18	35	71	44	0.81
9. I always focus on positive side rather than what is wrong.	12	20	26	86	30	0.80
10. I take steps to try to prevent problems with other coworkers.	12	20	32	69	41	0.75
Mean	8.9	22.1	30.8	70.9	41.3	
Percentage	5%	13%	17%	41%	24%	

Figure-1 Structural equation model for core competencies

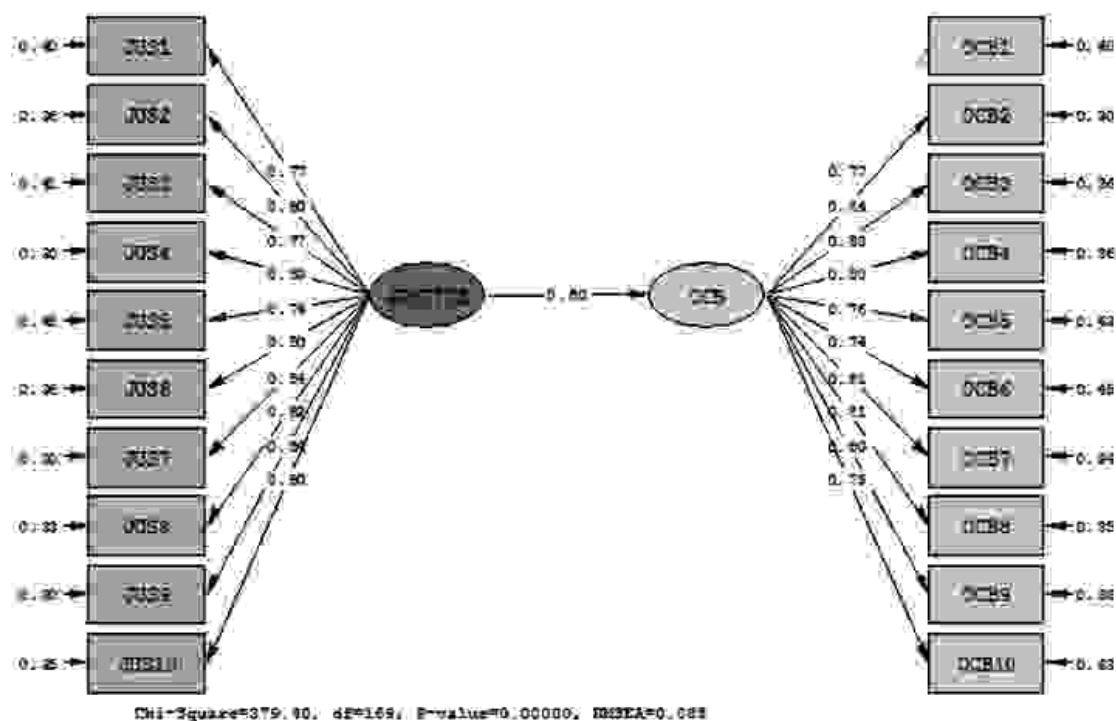


Figure-2 T-value test

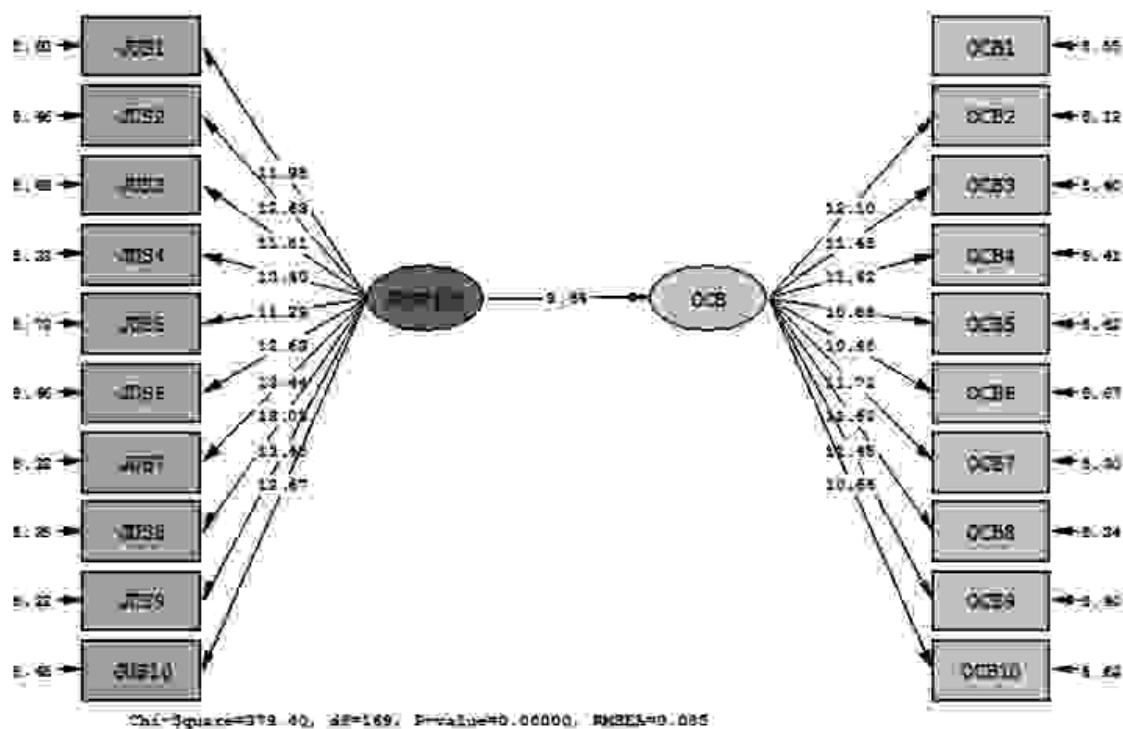


Table 5 summarizes the hypothesis test result in terms of path coefficient (standardized) and t-value in significance level of 0.05.

Table-5 The result of the hypothesis test

No	Hypothesis	Path coefficient	t-value	Result
H	Perception of Justice —> Organizational Citizenship Behavior	0.80	9.64	Accept

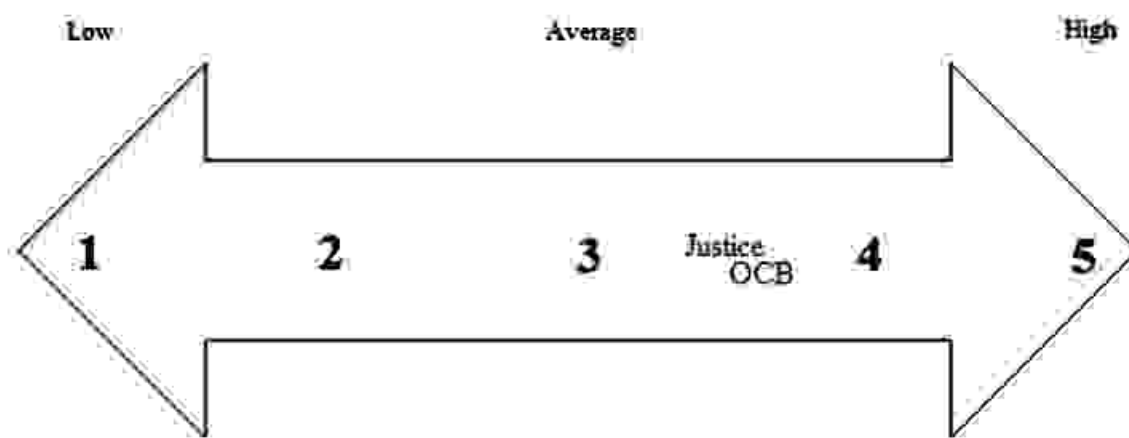
Discussion

The aim of the present study is to investigate the relationship between perception of justice and organizational citizenship behavior of Iran Insurance employees in Babol, a city in north of Iran. Many previous studies have examined the relationship between justice and OCB in manufacturing companies; however, lack of sufficient research, studying the relationship between these two factors in service industry, especially in insurance industry, was the reason this research was carried out. Further, because of the positive consequences of OCB, examining factors lead to improving the level of OCB is an important issue for managers of organizations which were another reason

this research was carried out.

The findings show that perception of justice has a significant positive influence on OCB. This study confirms the findings of the previous studies (e.g. Organ & Konovsky, 1989; Podsakoff et al., 1990; Niehoff & Moorman, 1993; Guanf, 2011). The results also show that the Iran Insurance enjoy a tolerable level of Justice which leads to approximately the same level of OCB. The following figure contributes to better understanding of the status of these two variables. The position of justice is 3.613 and that of OCB is 3.653, which are the Means of each variable derived from table 2.

Figure-3 Status of Justice and OCB



The results of the current study suggest that, as perception of justice increases so will organizational citizenship behavior increases. Thus, managers of organizations should provide appropriate workplace for employees to develop employees' perception about the existence of fairness and justice in organizations which contributes to developing the OCB of employees.

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