Impact of Organizational Justice on Employee Productivity in Millat Tractors Limited

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Employee Productivity has a significant effect on the wellbeing of employees and it is a valuable factor in an organization’s functions. The main intention of current research is to explore the connection of organizational Justice with employee productivity and this has impact on employee productivity. In Industrial sector of Lahore (Pakistan) so Millat Tractor Company has been considered as target population. We are selected randomly for conducting the research. Overall, 220 questionnaires were distributed. 190 complete questionnaires were returned back and used for analysis. Results demonstrated the direct positive influence of organizational justice on employee productivity. Moreover, results showed that the positive relationship between organizational justice and employee productivity. These results will be very helpful in fostering the efforts of HR specialists towards formulating and embedding the employee’s voice mechanism in industrial sector.
1. **Introduction**

In terms of organisation and management, employee productivity is undoubtedly not a novel idea, and it has evolved into a multifaceted concept (Gajdzik & Wolniak, 2022). Employee productivity is seen as the organization's drive and is what makes it successful (Clack, 2021). The outcome of several tasks completed by management and staff to boost individual productivity is employee productivity (Zhenjing et al., 2022). An industry-wide comparison of input and output is also included. Employee productivity was influenced by numerous factors (Shu et al., 2022). This is due to the fact that raising employee productivity levels has several advantages for both a company and its workers (Kryscynski et al., 2021). Increased productivity, for instance, will lead to better profitability, a more sociable atmosphere, and rapid economic expansion (Zhenjing et al., 2022; Jolly et al., 2021). Furthermore, a number of factors affect employee productivity in order to meet organisational objectives (Nguyen et al., 2020). Previous study demonstrates that a variety of elements, including work environment, employee management, organisational support, technological advancement, and training and development, have an impact on employees' productivity (Rasool et al., 2021; Gajdzik & Wolniak, 2022). This research suggests organisational justice along with its implications for worker productivity at Pakistan's Millat Tractors Limited in Lahore.

Numerous studies demonstrate the impact that organisational justice has on employee productivity within the company. The most likely effect of technological advancements in organizations is on employee productivity (Riyanto et al., 2021). This paper attempts to review the relationship and effect of four independent variables towards employee productivity, as many academics have said that the justice has the greatest impact on employee productivity. This research is quantitative type and used the organizational justice as independent variable and employee productivity is acting as dependent variables.

Employees who have a favourable view regarding organisational justice are observed to exhibit positive behaviours, whilst those who have a low opinion are observed to exhibit behaviours like reduced effort and a shift in their degree of trust in the organisation (Ye et al., 2023). One crucial subject that focusses on organisational effectiveness is organisational fairness (Ohenewaa, 2023). Within this framework, research on organisational justice concentrated on the issues of how fair employees perceive their behaviour in the company and how these views impact crucial variables like satisfaction and productivity (Graso et al., 2020).

Employee inactivity had an adverse effect on production, which was largely responsible for the organization's inability to meet its objectives (Ab Wahab & Tatoglu, 2020). The issue with the research is that workers are having issues with organisational fairness and worker productivity. Employees who have a high opinion of organisational justice are observed to exhibit positive behaviours, whilst those who have a low opinion are observed to exhibit behaviours like reduced effort and a shift in their degree of trust in the organisation (Ye et al., 2023). One crucial subject that focusses on organisational effectiveness is organisational justice (Graso et al., 2020). The issue of employee productivity has gained more and more importance
for managers and organizations, with potential implications for both the firm's competitiveness and overall productivity (Chikán et al., 2022). According to Chumo (2022), 71% of Nigerian workers have trouble with worker productivity.

2. Literature Review

2.1 Organizational Justice

According to Greenberg (1990), research on organisational justice may be able to explain a wide range of organisational behaviour outcome variables. Fairness as it directly pertains to the workplace is referred to as organisational justice. Organisational justice focusses on how workers assess whether they have received fair treatment at work and how those assessments affect other work-related factors (Moorman, 1991). According to Alsalem and Alhaiani (2007), organisational justice may provide some insight to the reasons behind employee retaliation against unfair outcomes or improper interactions and procedures.

According to Gilliland & Chan (2001), organisational justice is a concept with a structure that can have a significant impact on workers and organisations in the workplace. It can be related to a number of topics, including personnel selection, performance evaluation, and organisational variety management. When characterising how fair and just an organization's management is, the phrase "organisational justice" is employed as a collective research subject where the field of organisational behaviour must be examined from significant and diverse points of view (Colquitt et al., 2001). To put it another way, organisational justice is when workers believe that their leaders are sincere and fair, that the processes and procedures are reasonable, and that their leaders' actions make sense (Dressler, 1999).

According to Greenberg (2009), the concept of organisational justice refers to how fair employees believe they are treated and how this belief influences outcomes like commitment and job satisfaction. Therefore, organisational justice is a crucial component of any organisation, but what matters most is how accurately people perceive justice within a company. Three aspects of organisational justice are related to employee perceptions: distributive justice, procedural justice, and interactional justice (informational and interpersonal justice).

2.2 Distributive Justice

The term "distributive justice" describes how fair people believe the results they obtain from organisations. Individuals assess the fairness of distribution by contrasting their experience with that of others. Results may be dispersed based on equality, necessity, or contribution (Amsalem & Alhaiani, 2007). Individuals are motivated to resolve tensions stemming from perceptions of an unfair distribution of work rewards relative to work inputs (Adams, 1965). Nevertheless, as it has become clear that the processes by which outcomes are determined can have a greater impact than the outcomes themselves, the focus has gradually shifted from distributive justice to procedural justice. Previously, distributive justice—which is the term typically used to describe outcomes perceived to be fair—was the emphasis of organisational justice.
It has its theoretical foundation stemmed from the equilibrium theories of the 1950s and 1960s (Bottoms & Tankebe, 2012). According to theory, distributive justice is the fairness of how resources are allocated and decisions are made. Pay or praise are examples of concrete or intangible resources or outcomes (Adams, 1965). Distributive justice may foresee personal results like pay satisfaction, but procedural justice is more essential in predicting outcomes because it is linked to assessing the supervisor's commitment and trust (McFarlin & Sweeney 1992).

2.3 Procedural Justice

Participants' opinions of the fairness of the rules and processes governing a process are referred to as procedural justice (Nabatchi, et al., 2007). Procedural justice implies that satisfaction is a function of procedure, as opposed to distributive justice, which says that satisfaction is a function of outcome. The impartiality, voice, or opportunity to be heard, and basis for decisions are some of the traditional concepts of procedural justice (Bayles, 1990). Enhancing views of procedural justice requires addressing procedural concerns including the process's neutrality (Tyler & Lind, 2001), how participants are treated (Tyler & Lind, 2001), and the reliability of the decision-making authority (Bies, 2001).

Theory of satisfaction based on procedural justice has a lot of support in the literature. Research generally indicates that respondents will be more satisfied, more ready to embrace the outcome of that process, and are more inclined to form favourable impressions about the organisation if they believe that organisational processes and procedures are fair (Bingham, 1997). The fairness of the methods by which choices are made is referred to as procedural justice (Greenberg & Tyler, 1987). Organisations that deal with consequences may be impacted by procedural justice (Greenberg & Tyler, 1987). Greenberg (2009) states that procedural justice is one type of organizational justice. According to Greenberg, the phrase "organizational justice" refers to the function of fairness in the workplace.

2.4 Interpersonal Justice

The concept of interactional justice, which is the standard of interpersonal treatment obtained during the implementation of organisational procedures, was formulated by researchers studying organisational justice (Bies, 2013). Research has distinguished two subcategories of interactional justice: informational justice and interpersonal justice. Interactional justice, in overall, expresses concerns about the equality of the non-procedurally prescribed components of interaction (Folger et al., 2013). Although there is a lot of overlap between these two categories of informational and interpersonal justice, research indicates that they should be viewed differently because of the differences in how each affects perceptions of justice (Colquitt et al., 2001).

Interactional justice encompasses a range of behaviours that demonstrate social awareness, including managers treating staff members with dignity and respect. According to Mikula (1990), a significant percentage of felt injustices had to do with how people were dealt
with interpersonally during contacts and encounters rather than distributional or procedural concerns in the strict sense.

2.5 Informational Justice

The concept of informational justice pertains to the degree to which individuals receive justifications for the decisions or procedures that were taken (Colquitt et al., 2001; Greenberg, 1993). In particular, informational justice modifies employees' response and receptivity to processes by providing information and explanations that enable those impacted to comprehend the underlying reasoning behind the procedures (Greenberg, 1993). A supervisor's definition of treatment includes decency, inspiration, encouragement, and respect. The explanations given to individuals explaining why particular methods were followed or why specific results were distributed are known as informational justice. The perceived level of informational fairness is higher in areas where explanations are more adequate (Muzumdar, 2012).

The two aspects that make up interactional justice are informational justice and interpersonal justice. While informational justice deals with the adequacy of explanations provided in terms of their specificity, timeliness, and honesty, interpersonal justice encompasses perceptions of respect, politeness, and dignity in one's treatment of others or while making decisions (Colquitt, 2001).

2.6 Employee Productivity

Since it has taken on multiple dimensions, the concept of employee productivity is not new in the realm of management (Ogundare, 2022). It is currently linked to a number of variables, including pay, work-life balance, internet usage, internet motivation, and service profit chains. These days, firms are growing increasingly focused on finding ways to boost worker productivity (Yunus & Ernawati, 2017). According to mainstream research, an organization's effectiveness is directly correlated with its employees' productivity; the more productive its workforce, the more successful the organization will be.

Employee productivity was defined by Yunus and Ernawati (2017) as the capacity to generate goods and services in order to meet organisational objectives. Employee productivity has been characterised by Iqbal et al. (2019) as impersonal trust; hence, a lack of trust between employers and employees can reduce employee productivity and impede the operation of the organisation. Furthermore, from its lower-level needs to higher-order requirements, which include physiological needs, safety or security needs, social needs, self-esteem needs, and self-actualization needs to be productive at work, Maslow's hierarchy of needs theory can motivate employees. In addition to these, there are a number of additional elements that affect employee productivity, the most significant of which is the workplace environment (Awan & Tahir, 2015). Employee productivity is a reflection of their level of efficiency, which shows how long a task takes to complete. When workers are productive, they do tasks more quickly and effectively; conversely, when they are ineffective at work, it takes longer and costs more money to complete the same tasks. Employee productivity, loyalty, and happiness all have an impact on
service quality, whether it is provided internally or outside, according to a different study by Adeina and Kassim (2019). It was shown that one mediating factor affecting the relationship between employee pleasure and loyalty was staff productivity. Sales per employee and value-added per employee inside the company were used by Yu and Park (2006) to introduce employee productivity. In summary, worker commitment, job happiness (Adeina & Kassim, 2019), worker wellness (Sharma et al., 2016), and worker engagement (Lee et al., 2017) all have a major impact on worker productivity.

Figure No 1: Conceptual Model

<table>
<thead>
<tr>
<th>Organizational justice</th>
<th>Employee Productivity</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Procedural justice</td>
<td></td>
</tr>
<tr>
<td>• Distributive justice</td>
<td></td>
</tr>
<tr>
<td>• Interpersonal Justice</td>
<td></td>
</tr>
<tr>
<td>• Informational Justice</td>
<td></td>
</tr>
</tbody>
</table>

2.7 Hypotheses Development

Employee productivity can be precisely predicted by organisational justice (Colquitt, 2001). The current study has put out the following theories in light of this fact (Sariturk & Celik, 2012). It has been demonstrated by Aryee et al. (2004) that there is a significant correlation between both distributive and procedural justice and employee productivity. Additionally, a strong positive correlation between employee perceptions of distributive justice and employee productivity was demonstrated by Johnson et al. (2009).

**H1: Procedural justice has positive effect on Employee Productivity.**

**H2: Distributive justice has positive effect on Employee Productivity.**

To the best of the researcher's knowledge, research was done to examine the connection between productivity and interpersonal justice. The current study has put out the following hypothesis in light of this finding.

**H3: Interpersonal justice has positive effect on Employee Productivity**

Schumacher et al., (2019) found that informational justice influences employee productivity and organisational justice is related to the productivity of the employee. The current study has put out the following theories in light of this fact.

**H4: Informational justice has positive effect on Employee Productivity.**
3. Methodology

3.1 Population

The current study focuses on the employees of Industrial sector of Pakistan as population. Due to shortage of time and capital, researcher selected the industry of Millat Tractors Limited Lahore as a sample for data collection.

3.2 Sample and Sampling Technique

The population under investigation in this study is Millat Tractors Limited personnel in Lahore, Pakistan. The present study uses the simple random sampling approach of probability to acquire data. Research uses SPSS for statistical evaluation. Middle level, first line, and high level managers provide the data. Officer-ranking staff members from three departments—Marketing, Finance, and Assembly Plant—were chosen at random and given 200 questionnaires. 180 full surveys were used in the final analysis. Primary data analysis was done using SPSS.

3.2 Measurement

Each of the four components in the Organisation Justice estimate was used (Colquitt, 2001). Nine items were used to assess employee productivity (Redfern et al., 2000). Scores ranging from 1 (strongly disagree) to 7 (strongly agree) have been allocated to the survey items. We employ seven Likert scales. Organizational justice and employee productivity have relative Chronbach's alphas of 0.72, 0.75, 0.730, and 0.807.

3.3 Correlation Analysis

<table>
<thead>
<tr>
<th></th>
<th>PJ</th>
<th>DJ</th>
<th>IPJ</th>
<th>IFJ</th>
<th>EP</th>
</tr>
</thead>
<tbody>
<tr>
<td>PJ</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DJ</td>
<td>0.421**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IPJ</td>
<td>0.345**</td>
<td>0.551**</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IFJ</td>
<td>0.525**</td>
<td>0.445**</td>
<td>0.625**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>EP</td>
<td>0.362**</td>
<td>0.384**</td>
<td>0.448**</td>
<td>0.296**</td>
<td>1</td>
</tr>
</tbody>
</table>

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

Above table explain about the relationship of all the variables. DJ is positively associated with PJ, “r” of this association is 0.421. IPJ is positively associated with PJ, “r” of this association is 0.345. IPJ is positively associated with DJ, “r” of this association is 0.551. IFJ is positively associated with PJ, “r” of this association is 0.525. IFJ is positively associated with PJ, “r” of this association is 0.445. IFJ is positively associated with IPJ, “r” of this association is 0.625. EP is positively associated with PJ, “r” of this association is 0.362. EP is positively associated with PJ, “r” of this association is 0.384. EP is positively associated with IPJ, “r” of this association is 0.448. EP is positively associated with IPJ, “r” of this association is 0.296.
### 3.4 Regression analysis

Regression analysis is used to demonstrate the link and impact of independent variables on dependent variables. The value of R is 0.739 and the value of R square is 0.545 in the link between procedural, distributive, interactional and informational justice and employee productivity. The square values should be above twenty-five percent.

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>F Value</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>.739(a)</td>
<td>.547</td>
<td>0.545</td>
<td>0.000</td>
<td>297.776</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), PJ, DJ, ITJ, IFJ

The Value of F defines the level of relationship between dependent variables and independent variables. Greater value of F denotes that there is strong relation between these variables. The value of F in results is equal to 297.776 and its significance value is equal to 0.000. This shows that there is strong relationship among dependent variables and independent variables.

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>0.412</td>
<td>.172</td>
</tr>
<tr>
<td>PJ</td>
<td>0.321</td>
<td>.042</td>
</tr>
<tr>
<td>DJ</td>
<td>0.281</td>
<td>.038</td>
</tr>
<tr>
<td>IPJ</td>
<td>0.223</td>
<td>.041</td>
</tr>
<tr>
<td>IFJ</td>
<td>0.196</td>
<td>.042</td>
</tr>
</tbody>
</table>

a. Dependent Variable: EP

The correlation coefficient ($\beta$) between PJ and EP is 0.321, meaning that a unit change in procedural justice might lead to a 32.1% change in employee productivity. The outcome here is identical to that of Colquitt (2001). Employee productivity has already been shown to benefit from procedural justice. In the case of the DJ and employee productivity link, the value of $\beta$ is 0.281, meaning that an increase of one unit in distributive justice may lead to a change in employee productivity of 28.1%. The outcome here is the same as that of Aryee et al. (2004). Employee productivity has already been shown to benefit from distributive justice.

In the case of the IPJ and employee productivity link, the value of $\beta$ is 0.223, meaning that an increase of one unit in distributive justice may lead to a change in employee productivity of 22.3%. This is the finding of current study. In the case of the INJ and employee productivity link, the value of $\beta$ is 0.196, meaning that an increase of one unit in distributive justice may lead
to a change in employee productivity of 19.6%. The outcome here is identical to that of Schumacher et al., (2019).

5. Conclusion

The results demonstrates that organizational justice has a favourable impact on employee productivity. All variable’s components and impacts have been examined in the literature compiled by different scholars. Techniques in each independent variable that an organization might apply to boost employee efficiency are enhanced by our findings. Employee productivity can only benefit the organization if it increases. The pertinent results for worker productivity are covered organizational justice. Overall, it can be said that dimensions and organizational justice are significant considerations to take into account while enhancing worker productivity.

5.1 Recommendations

In order to make the results more broadly applicable, it is advised to use a larger sample size and a broader research area that includes more companies and other sectors for different researchers. To increase employee productivity in terms of efficacy and efficiency, it is also advised that the industries sector enhance organizational justice and advance the concept of all organizational justice's dimensions.

6. Reference


