

# The Relationship between organisational justice and ethical behaviour: A Conceptual approach

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**Abstract** —Today many organisations face the hurdles of downsizing or many of them collapsed because of the unethical behavior. Organisational justice describes the perception of people towards the treatment that has been given to them from the organisation in which they are working, and make them realise that either they are getting fair treatment or not. Employees' perception of the fairness of treatment support to their behavioral reactions to such perception which can also decrease absenteeism and turnover, and increased employee job performance, job satisfaction and motivation. This study proposes to examine the relationship of distributive, procedural, informational and interpersonal justice factors with the ethical behavior of employees in a developing country. Although, many studies have given further insight towards the study of organisational justice which has enhance the scope of study in the past few years, whereas little work has focused on the relationship between justice perceptions and ethical behavior. This is a conceptual study which may contribute to the literature of organisational behavior, organisational development and employee development.

**Keywords** — organisational justice, distributive justice, procedural justice, interpersonal justice, informational justice, ethical behaviour.

## I. Introduction

In this competitive era, where business need organised efforts by individual to produce products and sell them for a profit. So that these goods and services can satisfy society's needs. Individual efforts working in the organisation are not satisfied for the rewards which they get from their organisations but perception of fairness in the workplace. Many of the organisation have face the hurdles of downsizing or many of them collapsed because of the unethical behavior of their

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individuals that include Arthur Anderson, British Petroleum, Enron, Toyota, Tyco and WorldCom (1). The role of organisational injustice prevailing dissatisfactions of those working there resulting to the unethical incidences which happen in the organisation in the shape of fraud, lie, stealing, betrayal and corruption (2). Organisational justice describes the perception of employees working in the organisation towards the fair treatment that has been given to them and about their behavior. In fact, "it was cited as the most popular topic of papers submitted to the Organisational Behavior Division of the Academy of Management for several years during the mid-late 1990" (3; p.167). Therefore, it focuses on employees' perception of fairness and is considered to be one of the core values that organisations covet (4, p.61-70). To this extent, it explains the human behaviour towards the fair treatment they achieve from the organisations (5). There are issues in organisational decision making when management deal with the employees against their perception of fair and, in fact, employees are embedded in work groups. Employees who feel fairly treated exhibit decreased absenteeism and turnover, and increased employee job performance, job satisfaction and motivation (6; 7; 8) and vice versa. Managers who use this knowledge to make and implement decisions in a manner that maximise employee perceptions of fairness can anticipate these positive outcomes.

As organisations increasingly rely on employees to face the complex issues and make critical decisions, it is quite imperative to understand the factors that affects to them. More specifically, what factors involve to fair treatment include organisational justice can determine whether it will act in an ethical manner? A review of literature, to date, provide little research to examine ethical behavior by distributive, procedural, informational, and interpersonal justice factors towards the ethical behavior, and few of the researchers has worked in Western culture (9; 10; 11).

In this study, the primary purpose is to investigate the influence of distributive, procedural, informational, and interpersonal justice factors towards the ethical behavior of employees working in the organisations because ethical behavior plays a vital role in the success of any organisation. This study may contribute to the literature of organisational behavior, organisational and employee development. The scope of this research is for general literature and particular for the literature of developing countries. However, this study may also contribute to the literature of educational studies.

## II. Literature Review

Organisational justice has the potential to create powerful benefits for organisations and employees alike. Additional attention has been given in recent years to the features of Organizational justice as it plays an important part in the efficiency of any organization (12). Organisational justice explores the observation of individuals' behaviour towards the justified treatment they entertain from the organization (13). From psychological perspective, it is an area of psychological inquiry that focus on the perception of fairness in the workplace, thus, the psychology of the justice applied on to the organisational justice (14; 15, p.5). Organisational justice research has focused on key dimensions such as distributive justice, procedural justice, interpersonal justice and informational justice.

Among the above four describe nature of justice, the distributive justice and procedural justice are mostly found in the recent empirical studies (16; 10). Theorist like (17), differentiated between procedural and distributive justice arguing that the former refers to the fairness of the means used to achieve the ends and distributive justice refers fairness of the ends achieved. However, (18) pointed out the differences between the procedural and distributive justice as formalist (outcome) and utilitarian (process) decision-making. Apart of these two major elements of organisational justice, other research have focused on another organisational justice elements, namely interpersonal and informational justice, which is related to the human side of organisational practices. Interpersonal justice reflects the degree to which those in authority treat employees with politeness, respect and sensitivity in the workplace. Researchers have focused this element as a fundamental construct for developing perception of fairness (5; 19). The element of informational justice has been defined as the communication process between the recipients of the justice and the source (20; 19).

Literature argues that, the organizational justice has persuade great impact on job satisfaction and self-perceived performance of employees, the author has focused on the two main groups of employees such that Arab and Asian (21). Findings of this study reveal that the dimensions of justice discussed above does not show any relationship with self-perceived performance, whereas for the foreign workers one of the dimension that is distributive justice played a role of preeminent interpreter of self- perceived performance, but on the same the procedural justice has shown unfavourable effects. (22) explore significant relationship of distributive justice and procedural justice towards the satisfaction of incentives which has great impact on the performance of employers working in the organisation, but again in this regard distributive justice has more influential impact on incentive satisfaction other than procedural justice. (23) have researched on high school coaches both male and female. Hence the results were that the environment can easily be improved by simple recognition and understanding of the cultural environment, resulting feeling of fairness and satisfaction. (24) consider that the distributive , procedural and interactional justice repeatedly showing the low organizational commitment in corporate mergers, the study scrutinize that what impact of

these three dimensions of organizational justice put on the effectiveness of commitment. Though, it reveals that all these three dimensions have positive impact on effective organizational commitment, whereas interactional justice has exclusive impact on it.

Hence, the researcher summarise that the different researches has been done in different fields like they different researchers have made the co-relation in between distributive justice and procedural justice towards incentive satisfaction (22), informational justice towards downsizing of organisations (16), ethics and justice (25), influence of distributive justice towards unethical behavior (26), role of organisational justice towards job satisfaction, self- perceived performance (23) organisational justice and employee willingness for organisational change (27). However, to the knowledge of the authors, ethical behavior factor has been largely neglected in the domain. There is therefore a need to investigate the organisational justice factors with employee ethical behaviour. In organisation, ethics has been related to the moral human behaviour (28) and how it becomes worth pursuing in the life of individual, it describes the difference between misleading and truthfulness (29). Ethical behavior refers to as just or right standards of behavior of individuals (30). Hence the author has concise the research gap that no any researcher has highlighted the influence of distributive, procedural, informational and interpersonal justice altogether with ethical behavior. The studies related to organizational justice till date is mostly represents the concepts of western researchers, their norms and perceptions (9; 11; 22; 16; 10).

### III. Conceptual Framework

Organisational justice has been conceptualised as equity in order to develop perception of fairness which can influence organisational results. Justice is an analysis of fairness and about their results(31) and also it shows the virtue of truth about the morality of the employers of organization expected all over the world, it also establish the rights of individuals working in the organization according to the universal standards.(11). Many researchers like (18); (32); (33); (34) argued that the perception of fairness underpins organisational justice and ethics. As indicated by (18, p-1192), both factors are having common roots and same patterns of development. However, employees' experience in an organisation also develops through organisational policies, procedures and decision making and this support their ethical behavior, which follows experience with fairness, justice and trust (35; 33). The logic behind the idea of fairness suggests that organisational justice practices enhance ethical behavior (36; 37; 18; 33). (38) defined ethical behavior as the behavior that directs people to believe is right or wrong from what is right or wrong. This aspect of ethical behavior is created when the circumstances within an organisation help to make it clear. Organisational justices highlight the views of employees towards the judgment done by the organization and about their attitude and behaviors which develop from these judgments (4). It elaborates the morality of decisions taken by

organization for its employees and employer's reaction towards those decisions. (5). Thus the elements of organisational justice such as procedural, distributive, interpersonal and informational are entrenched to the concept of fairness and that certainly involves making decisions about what is correct and what is wrong. As (39) explains, justice can be easily clarify as it is an realization of individual attitudes towards the rewards achieve by them (distributive justice),the procedures that are adopted by the organization in the distribution of such rewards (procedural justice), and the methodology that has been adopted by the organization in the distribution of rewards (interactional and informational justice). Thus if the individuals will receive such rewards according to their potential it will be known as distributive justice. It shows the appropriate decision in allocation of rewards to the employers, these rewards may include pay, promotion and selection etc. (3). Procedural justice concerns with the fair measures that are adopted in the distribution of resources among the employers. Hence the procedural justice shows the transparency of the decisions that are approved by the authorities. It can be encourage only when the procedures and measures taken by organization in distribution of resource will be transparent, fair, unbiased and should based on truth (40; 41). Interactional justice relates to the interpersonal treatment one receives during the process. It can be promoted further by adopting venerable and courteous management of organization (42; 43). Informational justice narrates about the appropriate conveying of information between the groups of people working in the organization. Informational justice can be explain as the imparting and exchanging of organizational information according proper way. It should be adopt proper communication process, that should be based on sincere and truthful information42; 43).

This concept of fair treatment provides us the thought of Ethics. Ethics is what people feel about it. It has been referred to as just or right standards of behavior between parties in the situation (29). Synthesizing different definitions (44) define *business ethics* can be explain as the set of principles of morality, dignity and prestige that make a guideline for an individual to react honestly and sincerely in any situation. Ethics is a philosophical term derived from the Greek word "ethos" meaning character or custom. Hence, Ethical behavior is that which is morally accepted as "good" and "right" as opposed to "bad" or "wrong" in a particular setting.

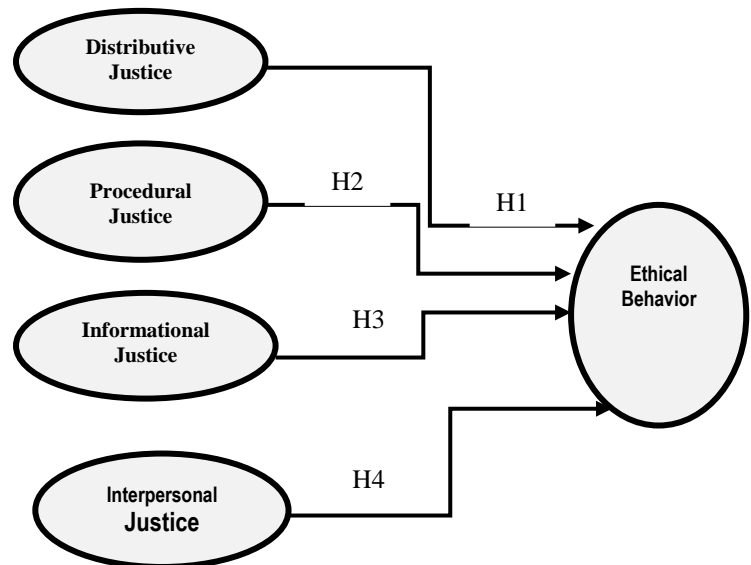
In this research, the authors would like to highlight that how by interacting all these four elements of organisational justice with ethical behavior, satisfy the employees working in different public sector organisations (see Figure 1). The authors conceptualised that organisational justice refers to the fair distribution of incentives among the employees which give them the job satisfaction and encourage their decision making ethically. Therefore, this research will seize this opportunity and propose the following hypotheses:

H1: Distributive justice is positively and significantly related to employee's ethical behavior.

H2: To find the impact of procedural justice towards ethical behavior.

H3: To investigate the role of informational justice towards the ethical behavior.

H4: To examine employees' ethical behavior towards interpersonal justice.



## VI. Conclusions

Ethical behavior is an essential issue to be discussed by the researchers now a day. All the business organisations are focusing on this issue, as now it has been observed that because of the organisational injustice the employees working in the organisations behave unethically. Many researchers have discussed that organisational justice factors like, distributive, procedural, informational, and interpersonal justice have a great influence on the factors like job satisfaction, commitment, stress, and downsizing. However, ethical behavior factor has been largely neglected in the domain. In this study researchers conceptualised to investigate the influence of all these four factors of organisational justice on ethical behavior. We believe that the major implications of our research may assist to the employers working in the organisation significantly. This research may help the employers in motivating their peers, so that their efforts can be utilized effectively for the achievement of organisational goals. Moreover, the research implication can also be helpful in reduction of organisational injustice that prevails dissatisfactions among employers of the organisation, which can result the unethical incidences like fraud, lie, stealing, betrayal and corruption. However, this study may contribute to the literature of organisational behavior, organisational and employee development.

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