



Understanding the Mediator Role of Organizational Citizenship Behavior in the Relationship between Organizational Justice and Job Performance: Evidence from National Bank of Iran

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ABSTRACT: The current paper aims to explore the relationship between organizational justice and employees' job performance and also to explain the mediator role of organizational citizenship behavior in the above relation. Thus, in this paper organizational justice is treated as independent, organizational citizenship behavior as mediator and job performance as dependent constructs. In order to analyze the hypotheses, we gathered 190 questionnaires from National Bank of Iran's staff located in north of Tehran. Face validity and reliability of our measurement instrument was examined using experts' judgments and Cronbach's alpha, respectively. SPSS and Lisrel results show that organizational justice has a significant positive relationship with job performance all three dimensions (i.e., knowledge performance, skill performance, and ability). In addition, the mediator role of organizational citizenship behavior was also supported.

Keywords: Employees' Job Performance, Organizational Justice, Procedural Justice, Distributive Justice, Interactional Justice, Organizational Citizenship Behavior

INTRODUCTION

In an era of rapid environmental changes, the human resources of the organizations have gained great importance and utility and performance of the employees for improving the conditions of the organization has attracted much attention. In recent years, many managers and researches have tried to identify the factors improving the employees' performance¹.

This study tries to identify the factors effective in the employees' performance. After reviewing literature related to the organizational operation domain, it is quite clear that there have been few researches about the effects of two important organizational variables, i.e. the Organizational citizenship behavior and the organizational justice, on the employees' performance. The novelty of this research compared to the internal and external researches plays a moderating role in the organizational citizenship behavior regarding the independent variable

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(organizational justice) and the dependent variable (employees` performance). If an employee feels injustice towards the organization, his operation is affected accordingly. However this relationship is moderated if the organizational citizenship behavior exists. Thus we have investigated the effect of the organizational justice on the performance of the employees of the Melli Bank branches in Iran. Moreover this study discusses the role of the organizational citizenship behavior in the relationship between the organizational justice and the employees` performance and tries to find an answer to the question that what role the citizenship behavior of the employees plays in the relationship between the organizational justice and understanding equity, justice and occupational performance. This study was conducted in Melli bank branches in Iran and it is primarily addressed to the organizations, public and government institutions particularly banks and financial institutions which can utilize the results of this research to improve their operation.

Research Literature

This study discusses the effect of the organizational justice on the employee's performance and also the moderating role of the organizational citizenship behavior on the relationship between the organizational justice and the performance of the employees of different branches of Melli banks in Iran based in the administration office of the branches of the North of Tehran. The organizational justice is considered an independent variable, the employees` performance a dependent variable and the organizational citizenship behavior a moderating variable.

Management science experts have long been aware of the importance of justice as an essential and fundamental basis for effecting the actions and performance of the organizations ². Justice in the organizations is not an unexpected matter, since it is claimed that justice is the first indicator of welfare in social institutions ³. The organizational justice is generally expressed as a personal feeling and understanding of equality, equity and unintentionally of the organization`s actions. The organizational justice has a close relationship with Adam`s equality theory which states that employees compare their own ratio of outcome to income from the organization to the ratio of income to outcome of others and loses the feeling of equality or inequality towards them. The organizational justice is first coupled with titles like understood equity, equality, distributive justice and procedural justice. In researches related to the organizational justice, the organizational justice is known to have three dimensions of procedural justice, distributive justice ⁴ and interactional justice ⁵.

Hvmanz states that distributive justice can exist in an organization if the employees understand the fair salary and income, assigned responsibilities and distributed rewards. Interactional justice emphasizes on the personal decision making aspect, particularly equality in the behavior of the decision makers in decision processes. The second studied variable is the employees` performance. Evaluating the performance is a process in which managers and administrators

observe and investigate their employees` behavior to provide them with necessary feedbacks about the strengths and weaknesses of their behaviors ⁶. Performance evaluation is assessed in three domains of knowledge, skills and competency ⁷. Knowledge performance refers to the knowledge of experience and education in order to perform designated duties ⁷.

Skills performance includes useful and applicable experience, the art of mixing the knowledge with responsibility, collecting, analysis and purifying data, working with complex systems of identifying and introducing application software and the ability to document ⁷.

Competency performance indicates using the learned knowledge and skills to perform tasks, perform designated duties in the best way and in complex circumstances ⁷.

The third variable of the study is the organizational citizenship behavior. In recent years, the organizational citizenship behavior has attracted the attention of many researchers and theorists of behavioral sciences and organizational theories. After introducing a specific type of the organizational behavior which Katz and Kahn⁸ call Extra-role Behavior, the organizational citizenship behavior first appeared in 1980s in the organizational literature and one of the pioneer researchers of this phenomenon is the behavioral sciences researcher, Dennis w. Organ. In 1988, organ presented a definition of the organizational citizenship behavior which until now, most theorists who have studied and researched this domain agrees upon. Organ defines the organizational citizenship behavior as follows: "the organizational citizenship behavior included optional behaviors of employees which do not belong to their formal duties and they are not considered directly was the organization`s formal reward system; however they increase the effectiveness of the organization".

Empirical studies

Wiewiora et al. ⁹ discussed the organizational culture and knowledge sharing in project-based organizations in Australia. They believe that there is a direct relationship between the organizational culture and knowledge sharing which is confirmed in many researches; however the type of the organizational culture, appropriate for information sharing is not determined properly.

In a research titles investigating the effect of the individual on the organizational citizenship behavior, Abbasi et al.⁷ showed that there is a positive meaningful relationship between the skills, knowledge, competency and the organizational citizenship behavior. In their research, performance measures are considered as independent variables and the organizational citizenship behavior is considered as a dependent variable.

In a research titled the effect of the organizational citizenship behavior on successful operation of integrated quality management and the organizational performance, Mohaqar stated that integrated quality management actions have a

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direct meaningful effect on the employees` performance and an indirect effect on the organizational performance.

Research Hypothesis

Primary Hypothesis: the organizational citizenship behavior plays a moderating role in the relationship between the organizational justice and the employees` performance.

First Hypothesis: the organizational justice has a positive and meaningful effect on the knowledge performance of the employees.

Second Hypothesis: the organizational justice has a positive and meaningful effect on the skills performance of the employees.

Third Hypothesis: the organizational justice has a positive and meaningful effect on the competency performance of the employees.

MATERIALS AND METHODS

Considering the data analysis, this study is a correlation descriptive research. The statistical population of this study is all the employees of the Melli Bank of Iran located in the administrative office of the North of Tehran. The number of the administrative personnel of the North of Tehran who are selected for this research is 1282 and the number of its branches is 102. In order to use proportional group sampling, considering the volume of the calculated sample (190 people) and also the volume of the considered population, the number of samples for each branch was specified and in the second stage, employees were randomly selected from each branch and the corresponding questionnaire was distributed among them. Results of this research were analyzed using SPSS and also Lisrel software. Correlation test and regression test were used in the inferential analysis to assess meaningfulness, type and intensity of the correlation among the variables.

Validity and Durability of the Questionnaire

In order to determine the durability of the questionnaire, 15 questionnaires were collected and distributed in the statistical population. The Krunbach alpha coefficient of 14 questions related to citizenship behavior was 0.85 and this coefficient for 17 questions related to the organizational justice was 0.93; while it was 0.92 for 30 questions related to occupational performance.

Moreover in order to test the validity of questions, content verification was used. In order to assess the credibility of the content of the questionnaire, we used the votes of experts, university professors and professional specialists. In this stage, after the interviews, necessary modifications were performed and it was ensured that the questionnaire is evaluating the target feature of the researchers.

Inferential Data Analysis

Normality Test

In order to examine the normality of research variables, we use the Kolmogorov – Smirnov test .

H0: corresponding variable is normal.
H1: corresponding variable is not normal.

Table 1. Examining the status of the normality of the research variables

| Variable | Organization al Justice | Citizenshi p Behavior | Knowledge performanc e | Skill performanc e | Occupation al competency | Employee performanc e | |
|---|-------------------------|-----------------------|------------------------|--------------------|--------------------------|-----------------------|---------|
| Amount | 190 | 190 | 190 | 190 | 190 | 190 | |
| Normal Parameters | Mean | 2.3499 | 2.4727 | 2.5808 | 2.6534 | 2.5158 | 2.7148 |
| | Standar d deviatio n | 1.06993 | 1.23058 | 1.00379 | 1.0876 | 1.80611 | 1.08769 |
| Z Kolmogorov – Smirnov | 0.527 | 0.508 | 0.986 | 0.465 | 0.716 | 0.533 | |
| Meaningfulness coefficient (sig) | 0.944 | 0.958 | 0.285 | 0.982 | 0.684 | 0.939 | |

Reference: research findings

When meaningfulness number of the test is higher than the considered meaningfulness level (0.05), zero hypotheses is confirmed. According to the results of this test, all research variables have normal distributions and in the following, we use the tests with normal hypothesis for confirming rejecting the hypothesis.

Variables Correlation Test

In order to know more about the relationships between variables, their correlation is analyzed. Since the data used here is large, Pearson correlation coefficient is used and its meaningfulness is tested. Results of analyzing the correlation between variables show that there is a positive and meaningful relationship between the organizational justice and the organizational citizenship behavior ($r=0.327$). Moreover there is a positive and meaningful relationship between the organizational justice and the employees` performance ($r=0.270$). There are also meaningful and direct relationships between the organizational justice and three dimensions of the employees` performance, knowledge performance ($r=0.291$), skills performance ($r=0.510$) and occupational competency ($r=0.335$). Moreover the data analysis results show that the organizational citizenship behavior has also a meaningful and positive relationship with the three dimensions of the employees` performance. Correlation coefficient for the relationship of the organizational citizenship behavior with knowledge performance is 0.467, with skills performance is 0.694 and with occupational competency is 0.391. As the table below shows, the highest correlation coefficient is for the relationship between the organizational citizenship behavior and skills performance (0.694%).

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Table 2. Pearson correlation coefficient of the variables

| Organizational justice | 1 | | | | | |
|---------------------------------------|------------------------|----------------------|-----------------------|--------------------|-------------------------|------------------------|
| organizational Citizenship behavior** | 0.327 | 1 | | | | |
| Knowledge performance* | 0.291 | 0.467 | 1 | | | |
| Skills performance** | 0.510 | 0.694 | 0.321 | 1 | | |
| Occupational competency** | 0.335 | 0.391 | 0.301 | 0.510 | 1 | |
| Employees` performance** | 0.270 | 0.303 | 0.329 | 0.491 | 0.412 | 1 |
| | Organizational justice | Citizenship behavior | Knowledge performance | Skills performance | Occupational competency | Employees` performance |

**are meaningful in error level of 0.01 *are meaningful in error level of 0.05

Confirming or Rejecting the Hypothesis:

We use simple linear regression to investigate the effect of the organizational justice on the three dimensions of the employees` performance.

First Hypothesis (H₁): the understanding of the organizational justice has a positive meaningful effect on the employees` knowledge performance.

Results of the regression test shows that the organizational justice has a positive effect on the knowledge performance of the employees. Therefore the first hypothesis is confirmed. The table below presents the results from the regression test and the ANOVA table.

Table 3. Results of the Regression test for the first hypothesis

| Model | Sum of Squares | Df | Mean Square | F | Sig. | |
|---|-------------------------------|------------|---------------------------|--------|--------------------|-------|
| Regression | 14.147 | 1 | 14.147 | 24.280 | 0.000 ^a | |
| Residual | 142.171 | 188 | 0.583 | | | |
| Total | 156.318 | 190 | | | | |
| a. Predictors: (Constant), justice | | | | | | |
| knowledge | b. Dependent Variable: | | | | | |
| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | |
| | B | Std. Error | Beta | | | |
| 1 | (Constant) | 2.350 | 0.261 | | 8.995 | 0.000 |
| | justice | 0.288 | 0.097 | 0.265 | 4.927 | 0.000 |
| a. Dependent Variable: knowledge | | | | | | |

According to the table above, the understanding of the organizational justice has a positive effect on the employees` occupational performance. The coefficient of the regression line equation here is 0.288 which according to the resulting meaningfulness level (sig) which is below 0.05; we can say that the understanding of the organizational justice has a positive and meaningful effect on improving the employees` knowledge performance. The equation for the regression line is:

$$y=2.35+0.288x$$

Second Hypothesis (H₂): the understanding of the organizational justice has a positive meaningful effect on the employee's skills performance.

Results of data analysis confirm this hypothesis and shows that the organizational justice has a direct and positive effect on the skills performance of

the employees. Variance and Regression analysis were used to test this hypothesis. The results are presented below and a summary is represented by two tables. As we can see from the tables below, the meaningful number (sig) for both cases is less than 0.05 which proves our hypothesis.

Table 4. Results of the Regression test for the second hypothesis

| Model | Sum of Squares | Df | Mean Square | F | Sig. |
|---|-----------------------------|------------|---------------------------|-------|--------------------|
| 1 | | | | | |
| Regression | 28.594 | 1 | 28.594 | 30.83 | 0.000 ^a |
| Residual | 226.304 | 189 | 0.927 | | |
| Total | 254.898 | 190 | | | |
| justice a. Predictors: (Constant), | | | | | |
| b. Dependent Variable: maharati | | | | | |
| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| | B | Std. Error | Beta | | |
| (Constant) | 0.765 | 0.330 | | 2.32 | 0.021 |
| justice | 0.493 | 0.122 | 0.385 | 5.55 | 0.000 |
| a. Dependent Variable: maharat | | | | | |

According to the table above, the regression coefficient is 0.492. These coefficients show that the understanding of the organizational justice has a positive effect on the employees` skills performance. Therefore we can say that in assurance level 0.95 our second hypothesis in confirmed. The equation for the regression line is:

$$y=0.765+0.493x$$

Third Hypothesis (H₃): the understanding of the organizational justice has a positive meaningful effect on the employees` ability to work.

Results of the regression test shows that the organizational justice has a positive effect on the occupational skills of the employees. Therefore the third hypothesis is confirmed. The table below presents the results from the regression test.

According to the tables below, the understanding of the organizational justice has a positive effect on the employees` occupational skills. The coefficient of the regression line equation here is 0.324 which according to the resulting meaningfulness level (sig) which is below 0.05; we can say that our third hypothesis is confirmed in assurance level of 0.95. The equation for the regression line is:

$$y=2.221+0.324x$$

Table 5. Results of the Regression test for the third hypothesis

| Model | Sum of Squares | Df | Mean Square | F | Sig. |
|---|----------------|-----|-------------|--------|--------------------|
| 1 | | | | | |
| Regression | 17.506 | 1 | 17.506 | 44.073 | 0.000 ^a |
| Residual | 96.915 | 189 | 0.397 | | |
| Total | 114.420 | 190 | | | |
| a. Predictors: (Constant), justice | | | | | |

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| b. Dependent Variable: tavanaei | | | | | | |
|---------------------------------|------------|-----------------------------|------------|--------------|--------|-------|
| Model | | Unstandardized Coefficients | | Standardized | t | Sig. |
| | | B | Std. Error | Coefficients | | |
| 1 | (Constant) | 2.221 | 0.216 | | 10.295 | 0.000 |
| | Justice | 0.324 | 0.080 | 0.312 | 6.639 | 0.000 |
| a. Dependent Variable: tavanaei | | | | | | |

Main Hypothesis of the Research: the organizational citizenship behavior has a moderating role in the relationship between the organizational justice and the employees` performance:

Since this study has a moderating variable and our goal is to express its role in the relationship between the independent and dependent variable, Moderated Multiple Regression and subgroup regression analysis can be used to examine the effect of the moderating variable. In this study the moderating effect on the organizational citizenship behavior is investigated. The organizational citizenship behavior is categorized in two subgroups of low citizenship behavior and high citizenship behavior, such that the median value is calculated for the organizational citizenship behavior variable and values higher than median (med=3.25) are considered high behavior and lower values are considered low behavior.

1) Specifying the subgroups:

First subgroup: employees with low citizenship behavior (83 people).

Second Subgroup: employees with high citizenship behavior (107 people).

The hypothesis of test is:

$$\text{Test Hypothesis: } \begin{cases} r_{1(s1)} = r_{1(s2)} & H_0 \\ \text{there is no meaningful relationship} \\ r_{1(s1)} \neq r_{1(s2)} & H_a \\ \text{there is a meaningful relationship} \end{cases}$$

2) Calculating the regression coefficients:

First subgroup: regression coefficient calculated for the relationship between the organizational justice and the employees` performance among employees with lower citizenship behavior shows (r=0.153).

Second subgroup: regression coefficient calculated for the organizational justice and the employees` performance among employees with higher citizenship behavior shows (r=0.122).

3) Calculating z0, z1 and z2:

$$Z_1 = \frac{1}{2} \ln \frac{1+r}{1-r} = \frac{1}{2} \ln \frac{1+(0.153)}{1-(0.153)} = 0.153$$

$$Z_2 = \frac{1}{2} \ln \frac{1+r}{1-r} = \frac{1}{2} \ln \frac{1+(0.122)}{1-(0.122)} = 0.122$$

$$Z_{0, \text{AttitSCR}} = \frac{N_{s1} \times Z_{r1s1} + N_{s2} \times Z_{r1s2}}{N_{s1} + N_{s2}} = \frac{83 \times 0.153 + 107 \times 0.122}{190} = 0.135$$

4) Calculating statistic U0 and comparing it with chi-square (2χ):

In the end the observed U0 is compared with the value above. If the observed value is higher, there is a moderating effect.

The value of chi-square with freedom degree of k-1=1 and alpha=0.05 equals:

$$U_{observed} = \sum_{k=1}^K (N_k - 3)(Z_k - Z_0)^2 = \sum_{k=1}^2 (N_k - 3)(Z_k - Z_0)^2$$

$$= (83 - 3)(0.153 + 0.135)^2 + (107 - 3)(0.122 + 0.135)^2 = 13.50$$

$\chi_{0.05,1} = 3.84$

As we can see, the observed value U0 shows a value more than 384. This means that the organizational citizenship behavior has a moderating effect on two variables of the organizational justice and the employees` performance. Thus we can ensure that 95% of the primary hypothesis of this research is verified.

DISCUSSION

In the recent two decades, the organizational citizenship behavior and the organizational justice has attracted much attention due to its effect on the organizational effectiveness and the employees` performance. In this study, in addition to discussing the theories of the organizational citizenship behavior and the organizational justice literature, the relationship between the organizational justice and three dimensions of the employees` performance, knowledge performance, skills performance and competency performance is investigated in a framework of three hypotheses. Results of the analysis showed that the organizational citizenship behavior has also a positive and meaningful relationship with the three dimensions of the employees` performance. According to the correlation analysis, the highest correlation coefficient belongs to the relationship between the organizational citizenship behavior and skills performance (Pearson correlation coefficient of 0.694%). Results of the study also verified the primary hypothesis of this research and the organizational citizenship behavior moderates the relationship between the organizational justice and the employees` performance. In other words when employees feel injustice, this feeling mitigates their performance; but if the organizational citizenship behavior exists, this effect is moderated and the employees` performance is less affected by the felling of injustice, thus the organizational citizenship behavior plays a moderating role. On the other hand, the organizational citizenship behavior multiplies this positive effect and more performance improvement is accomplished.

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