

The Effect of Organizational Justice and Ethical Climate on Organizational Commitment: Conceptual Model Proposal

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The main research question of this study, we will put forward the mediator effect of ethical climate on the relation between organizational justice and organizational commitment.

Organizational justice refers to how an employee perceives the decisions and the behaviors of the manager. Organizational justice consists of how to regulate the wages, punishments and promotions and how these decisions are made or how these decisions are told to employees.

The aim of this research is to contribute to the literature by emphasizing the importance of the organizational justice and **ethical climate** concepts in the perspective of the internal environment of an organization.

For this purpose, alongside with a detailed definition of organizational justice, we investigated the effects of organizational justice and ethical climate on **organizational commitment**.

In the research, theories that explain organizational justice are included, and the dimensions of its are discussed according to these theories.

In the conclusion part, the results of the research will be explain.

ORGANIZATIONAL JUSTICE

The concept of organizational justice expresses the employees perceive the processes, interactions and outputs in the organization as righteous. The notion of organizational justice is directly related to organizational culture.

There are four dimensions of organizational justice. These are;

- ✓ **Procedural:** The concept of procedural justice is concerned with how decision-makers manage the distribution processes and whether they are being fair in their behaviors. Procedural justice can be defined as fairness of processes for determining the results.
- ✓ **Distributive:** Organizational distributive justice means justice in distributions of wages, rewards, social contributions for employees. Most of the studies of distribution justice are based on the Equity Theory developed by Adams (Adams, 1965).
- ✓ **Interpersonal:** Interpersonal justice can also be defined as sharing justice processes with the employees in a right and effective way. Thus, Greenberg approaches interpersonal justice as the social component of procedural justice (Greenberg J., 1990a).
- ✓ **Informational:** Informational justice focuses on explanations provided to people that convey information about why procedures were used in a certain way or why outcomes were distributed in a certain fashion (Colquitt et al., 2001).

ORGANIZATIONAL COMMITMENT

There are many definitions on organizational commitment. Schermerhorn defines it as "an individual having a positive relationship with the organization and feeling themselves as a part of the organization". Another definition suggests that individual concretizes with the organization and feeling powerful under that identity (Schermerhorn, Osborn, Bien&Hunt, 2012). There are 3 dimensions of organizational commitment. These are;

Affective Commitment: Affective Commitment is defined as the employee's positive emotional attachment to the organization. Meyer and Allen pegged AC as the "desire" component of organizational commitment. An employee who is affectively committed strongly identifies with the goals of the organization and desires to remain a part of the organization.

Continuance Commitment: Continuance Commitment is the "need" component or the gains versus losses of working in an organization. "Side bets," or investments, are the gains and losses that may occur should an individual stay or leave an organization.

Normative Commitment: Normative commitment is higher in organizations that value loyalty and systematically communicate the fact to employees with rewards, incentives and other strategies. Normative commitment in employees is also high where employees regularly see visible examples of the employer being committed to employee well-being.

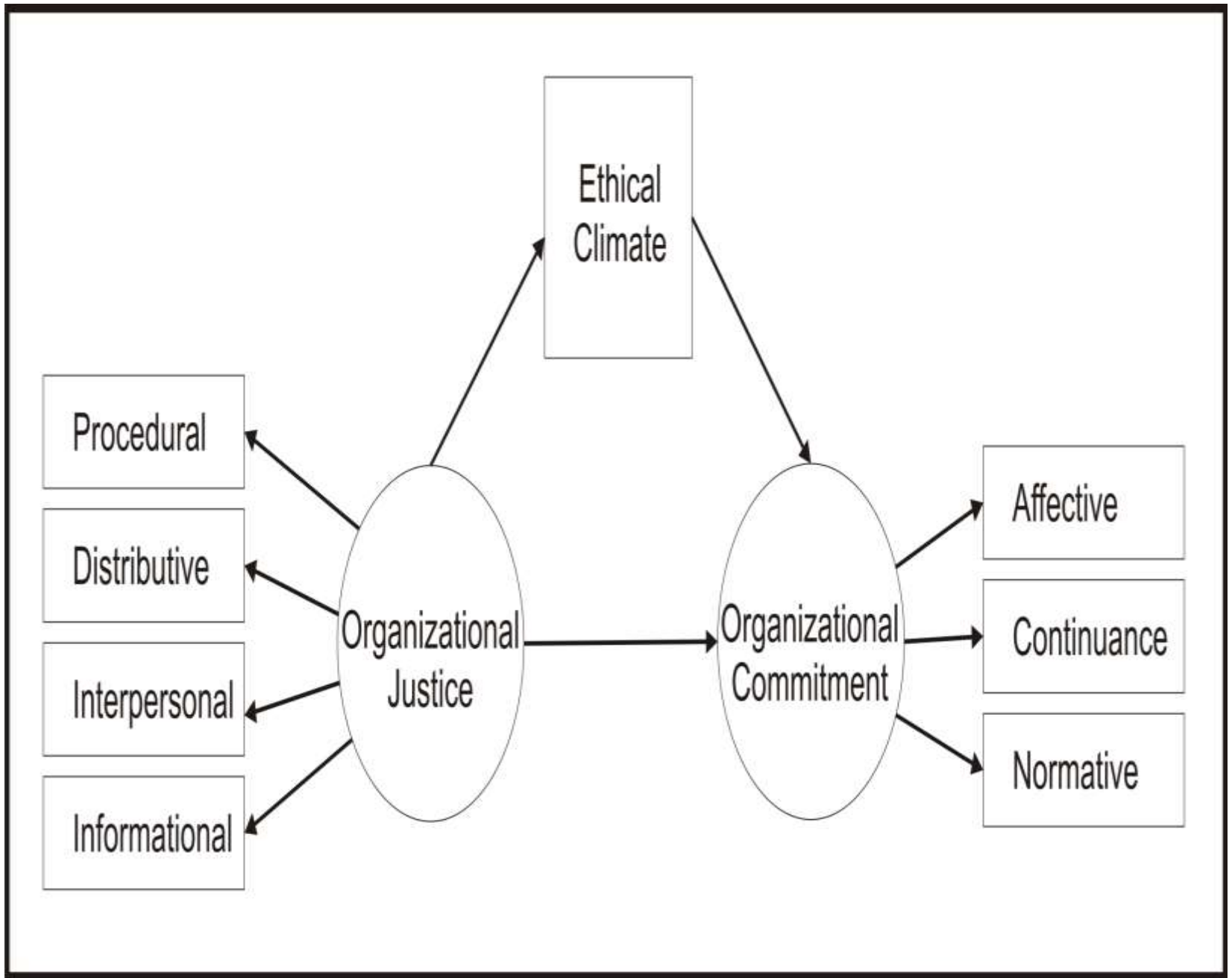
ETHICAL CLIMATE

Ethical climate implies that business and applications are done by taking account of ethical values in organization and there are several decisive factors play role on creating ethical climate. These factors are norm, culture, ethical standards and applications. Understanding, adopting, and applying the ethical values by the employees is a sign for that ethical value is accepted by the climate which adopted by employees. Acceptance of the ethical climate not only depends on ethical standards, but also it depends on various fixed factors such as individual's personal, cultural, moral and beliefs (Oğuzhan, 2015).

The ethical rules shared in organization should be the subject when it comes to organizational harmony. Personal behaviors should be influenced by ethical values (Schwepker, 2001).

The determinants of the ethical climate are quality of the organization and personal behaviors. The correct evaluation of the ethical perception by the employees of the organization affects them to search for the solution of the problem. Individuals understanding the operational processes in the workplace and feeling the ethical climate is a result of the climate. Ethical climate is not independent from the organizational culture (Schminke, Ambrose, & Neubaum, 2005).

Proposed Research Model



THE EFFECT OF ORGANIZATIONAL JUSTICE ON ETHICAL CLIMATE

There are some researches in literature that investigate the relation between organizational justice and ethical climate. A significant negative relationship between ethical climate and organizational justice has been discovered (Tziner et al., 2013).

In another research, the relation between ethical climate and organizational justice has been found significant (Lau and Wong, 2009).

H₁. *Ethical Climate is positively influenced by Organizational Justice.*

THE EFFECT OF ETHICAL CLIMATE ON ORGANIZATIONAL COMMITMENT

There are some researches in literature that investigate the relation between ethical climate and organizational commitment. Ethical climate indirectly affects organizational commitment (Deconinck, 2011).

In another research, ethical climate has positive influence on job satisfaction and affective organizational commitment (Neubert et al., 2009).

In the other research, a significant relation between ethical climate and organizational commitment has been detected (Bulutlar, 2009).

H₂. *Organizational Commitment is positively influenced by Ethical Climate.*

THE EFFECT OF ORGANIZATIONAL JUSTICE ON ORGANIZATIONAL COMMITMENT

Organizational commitment is also associated with organizational justice in the literature (Meyer&Herscovitch, 2001), (Carmon, Miller, Raile&Roers, 2010) (Lambert, Hogan&Griffin, 2007), (Paolillo, Platania, Magnano&Ramaci, 2015) (Gumusluoglu, Karakitapoğlu-Aygün&Hirst, 2013).

In Greenberg's opinion, it is important to determine the effect of justice perception of the employees on their commitment because employees cannot feel committed to an organization without justice; they cannot identify themselves with the organization. Low commitment addresses possible problems like employees ready to leave the organization at any moment.

This situation results in more circulation of employees in the organization, hence a decrease in productivity (Greenberg J., Stres Fairness to Fare No Stres: Managing Workplace Stres by, 2004). Because fair practices in an organization has an effect of increasing the commitment of employees, organizational justice has the power of promoting positive behaviors (Greenberg J., The Quest for Justice on the Job: Essays and Experiments, 1996).

H₃. *Organizational Commitment is positively influenced by Organizational Justice.*

Effect of 'Organizational Justice' on Ethical Climate ?

The first hypothesis is related to the Organizational Justice. Organizational Justice means how an employee perceives the decisions and the behaviors of the manager. Organizational justice consists of how to regulate the wages, punishments and promotions and how these decisions are made or how these decisions are told to employees.

H₁. *Ethical Climate is positively influenced by Organizational Justice.*

Effect of 'Ethical Climate' on Organizational Commitment ?

The second hypothesis is related to the Ethical Climate. Ethical Climate means that business and applications are done by taking account of ethical values in organization and there are several decisive factors play role on creating ethical climate. These factors are norm, culture, ethical standards and applications.

H₂. *Organizational Commitment is positively influenced by Ethical Climate.*

Effect of 'Organizational Justice' on Organizational Commitment?

The third hypothesis is related Organizational Commitment. Organizational Commitment is an individual having a positive relationship with the organization and feeling themselves as a part of the organization.

H₃. *Organizational Commitment is positively influenced by Organizational Justice.*

Mediator Effect of 'Ethical Climate' on the relation between Organizational Justice and Organizational Commitment?

The third hypothesis is related to the mediating effect. Mediating effect can be defined as a role of a third variable in the relation of two variables.

H₄. *Ethical Climate has mediator effect on the relation between Organizational Justice and Organizational Commitment.*

- ✓ The research data sample consists of 254 valid observation taken from 32 companies in service sector.
- ✓ Organizational Commitment scale of Allen & Meyer is used (Meyer, 1993). This scale has 3 dimensions. These are Affective Commitment, Continuous Commitment and Normative Commitment. These 3 dimensions is measured by 17 questions.
- ✓ Ethical Climate scale of Schwepker is used (Schwepker, 2001). These scale is measured by 7 questions.
- ✓ Organizational Justice scale of Colquitt is used (Colquitt, 2001). This scale has 4 dimensions. These are Procedural Justice, Distributive Justice, Interpersonal Justice and Informational Justice. These 3 dimensions is measured by 21 questions.
- ✓ The main research question of this study, we will put forward the mediator effect of ethical climate on the relation between organizational justice and organizational commitment by using Baron & Kenny approach.

In this research the relations between following three concepts will investigate;

- ✓ Organizational Justice
- ✓ Ethical Climate
- ✓ Organizational Commitment

As the main research question of this study, we will put forward the mediator effect of ethical climate on the relation between organizational justice and organizational commitment by using Baron & Kenny approach. And other alternative models and relations will be examined.

Summary of Baron & Kenny Approach

Model 1: $OC = \beta_0 + \beta_1.OJ + \varepsilon$ (Hypothesis 3)

Model 2: $EC = \beta_0 + \beta_2.OJ + \varepsilon$ (Hypothesis 1)

Model 3: $OC = \beta_0 + \beta_1.OJ + \beta_2.EC + \varepsilon$ (Hypothesis 2 and 4)



THANKS FOR YOUR INTEREST 😊