THE IMPACT OF ORGANIZATIONAL JUSTICE ON EMPLOYEE INTRINSIC AND EXTRINSIC PERFORMANCE: A CASE STUDY IN KOTA KINABALU POLYTECHNIC, MALAYSIA

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ABSTRACT

Purpose - This study aims to determine the effect of relationship between organization justice and job performance on the academic staff of Kota Kinabalu Polytechnic.

Design/methodology/approach - The researcher used quantitative methods to analyze the data obtained from the questionnaires distributed to the sample. SPSS was used to analyze the data. The framework developed by setting the organization justice (Distributive justice, Procedural justice, Interpersonal justice and Informational justice) as the independent variable and job performance (intrinsic and extrinsic performance) as the dependent variable. Population of the study comprised a total of 245 academic staff, while the sample consisted of those who responded to the questionnaires, which were a total of 231 respondents.

Findings - The result of this study shows that only Distributive justice and Informational justice have significant relationship with the extrinsic performance.

Originality/value - Employee dissatisfaction related to organization justice arises after management restructuring job design was made by the main administration. Performance is taken as the influenced factor by the administration, as the purpose of the restructuring aims to improve employee’s performance.

Practical implication - The results will provide the administration for improvements on the organization justice so that it is consistent with the goals of the organization to increase employee’s productivity and performance.

Key words: Organizational justice, Job performance

1.0 INTRODUCTION

Since 2nd of January 2008, the Department of Polytechnic and Community College (DPCC) has changed its main administration from the Ministry of Education to the Ministry of Higher Education. Furthermore, on the 16th September 2009, DPCC has undergone restructuring. This changes aim to produce innovative human resources and better quality work proficiency. Dato Haji Imran bin Idris, the former Director General of DPCC said that the organization needs to be committed in providing quality, efficient and customer friendly service to a high level of objectivity, integrity, confidentiality, and professionalism through interactive channels to improve their performance (BLPK, 2010). According to Wang et al. (2010), organizational justice is the fair treatment to employees and is divided into three types: distributive justice, procedural justice and interactional justice. Thus, the relationship between organizational justice and job performance is not only dependent on job tasks but also involves interpersonal elements and motivations which also contribute to job
performance. Good job performance will increase if management put efforts to improve ethical behaviour in the organization (Selvarajan & Cloninger, 2009). Therefore, organizational justice must exist in the organization to encourage good performance among the workers. Work should be consistent with the assessment of the organization management and organizational justice will reduce turnover (Rodwell, Noblet, & Allisey, 2011).

1.1 Problem Statement
Changes made by DPCC on the 2nd January 2008, has resulted in significant changes in job design of the teaching staff, which are the lecturers. The restructuring is an effort towards enhancing the employability of DPCC graduates and the quality of education provided by polytechnics’ to be consistent with the national needs. As a result of the restructuring, the teaching staff of polytechnics and community colleges experienced significant changes in their work. Those who were appointed before January 2nd, 2008 were given the option to remain under the Ministry of Education Malaysia (MOE) as trained teachers, under the salary scheme DG (Malaysian Educationist Training & Expertise Credentials). Those who accepted the restructuring would be subjected to the DH salary scheme (Scheme of Higher Education) and placed under the Ministry of Higher Education (MOHE). However, the restructuring has created dissatisfactions among the teaching staff (Pekeliling Perkhidmatan Bilangan 33, 2007) due to the additional work stated the job scope which was considered as a burden. According to the Pekeliling Perkhidmatan Bilangan 33, (2007), promotion in the service is based on the job scope and promotion guidelines. In the promotion guidelines, the teaching staffs has to be actively involved in research and development, innovation, presentation and external contributions such as charity works and involvement in society or association. Apart from the official duties, the teaching staffs were also tasked with ancillary work such as laboratory and workshop supervisors, lab technician, games and sports coach and clerical work.

1.2 Purpose of Research
This paper reports the findings of a study that investigated the effects of organizational justice on job performance among lecturers in polytechnics and community colleges. In particular, this study reviewed the organization justice on job performance among academic staff of Kota Kinabalu Polytechnic (KKP). The main purpose of this study was to identify the significant relationship between organization justice and job performance, organization justice and intrinsic performance and organization justice and extrinsic performance.

2.0 SIGNIFICANCE OF THE RESEARCH
The Department of Polytechnic and Community College (DPCC) under the supervision of MOHE is still in the early stage of implementation to compete in the global market. Therefore, the results from this study would show the early effects of changes or restructuring of job design on motivating employees’ performance. However, this study focused on Kota Kinabalu Polytechnic (KKP). The research findings could provide ideas to DPCC and KKP to further improve the human resource management or job specification to achieve the mission and vision of DPCC of reaching a global stage. It is also necessary to note that there are factors other than organization justice that determine employees’ productivity such as job performance. The education sector has become bigger and more complex in the mid-twentieth century. Management began to improve methods for job design by using observation, measurement and analysis. Human resource management also needs to improvise in developing job design, and provide better economic incentives. The KKP management needs to study job design meticulously in order to identify the best way to do a specific job. In fact, the KKP management must not only be seen to be favoured by the employees, but must consider the
method used to increase production without disregarding the welfare of the employees and their compensation.

3.0 SCOPE OF RESEARCH
Population and samples in this study were academic staff at KKK which comprises of 245 lecturers (BLPK, 2010). These Higher Education Employees were those in the position of Grade DH29, DH31/32, DH33/34, DH41/42, DH43/44, and DH47/48. A total of seven departments were involved in the management of teaching and learning in KKP namely Department of Commerce, Department of Mechanical Engineering, Department of Electrical Engineering, Department of Civil Engineering, Department of Hospitality, Department of Mathematics and Computer Science and Department of General Studies. This research was completed within two years based on the research plan.

4.0 LITERATURE REVIEW
In the 1980s and 1990s, many research was carried out to investigate employees’ attitudes and behaviour inspired by the theory of organizational justice. Perceptions of organizational justice, workers justice as a whole in their organizations, were increasingly recognized as important determinants of employee motivation, attitudes, and behaviour (Robbin, Bergman, & Stagg, 1997). Ivancevich, Konopaske, and Matteson (2008) stated organizational justice is when an individual feels treated well at work, and it attracted a large amount of research attention. Because the theory of equality justice focused on the results of all employees to promote a high level of motivation, it was often referred to as the theory of distributional justice. Distribution of justice in organizations, such as pay, promotion, and working conditions and task requirement, is an important contributor to the perception of organizational justice. Job evaluation is not only measured, but must be consistent and appropriate as important organizational justice perception in shaping elements of employee performance (St-Onge, Morin, Bellehumeur, & Dupuis, 2009).

According to Wang, Lioa, Xia and Chong (2010) organizational justice is the fair treatment of employees. Justice is divided into three: “distributive justice” focuses on the reasonableness or fairness of an organization evaluate the work of the payment and promotions, “procedural justice” stressed the reasonableness or fairness of the decision process based on the work accomplished, and “interactional justice” describes the concerns of interpersonal behavior provided by the organization for the implementation of the circular. However, Colquitt (2001) subdivided interactional justice into two separate components: informational justice and interpersonal justice. Their study also explains the relationship justice organization’s performance, a performance that not only depends on the job duties but also involves interpersonal elements and motivations that contribute to performance. Interpersonal meaning is related to the fairness of justice felt by employees who receive services from the spread of results (usually their manager), when they are treated with the utmost attention, courtesy, dignity and respect to promote fairness without degrading the dignity of the worker (George & Jones, 2007). In addition there is another study done by (Hossam, 2010) organizational justice influence on the results of UAE workers, this study is to determine the effects of job satisfaction and organizational commitment in turnover decisions. Colquitt (2001) presented empirical support for the validity of this subdivision. Informational justice refers to fairness perceptions that the decision maker is truthful and provides adequate justifications for decisions. People believe that they are an important part of the organization when officials take the time to thoroughly explain the reasons behind justice decisions. Interpersonal justice refers to treating people with dignity and respect. People believe that they deserve to be treated well and feel that things are unfair when they are not treated well. If workers feel stress to many antecedent of stress such as overload, role
ambiguity, role conflict, responsibility for people, participation, lack of feedback and keeping up with rapid technological change one of the affected outcomes of stress is job performance (Usman Bashir & Muhammad Ismail Ramay, 2010).

Buttner, Lowe, and Bilings-Harris, (2010) in their study stated three important aspects: Impact on the working environment of diversity of professionals, organizational commitment and desire appointed stop, Investigate factors involved simplification of procedural justice and interactional justice in the relationship between the diversity of the work, and Exploiting interactive influence of racial awareness and diversity of the work reported in the psychological contract offense. Results from this study show that the diversity of the work influence organizational commitment and turnover intention. Procedural justice and interactional justice is moderating factor between diverse work environment and diversity work. Analysis done by the researchers indicated that both low and high turnover depends on procedural justice. In practical if fair diversity of work environment in organization, employee’s responds will be low if there is a breach of contract. The conclusions derived from this study is organizational justice is moderating factor to the work of diverse work environment. To support this research according to Simon, Schaubrock, and Aryee (2002) individual differences that are affected by social culture moderate the effects of procedural and distributive justice perceptions on key individual work outcomes of job satisfaction, performance and absenteeism.

However, DPCC recognized staff commitment and excellence of staff to give recognition to staff that provide excellent service through : Outstanding service awards every year, Staff awards example once every 2 months, and Expand the industrial attachment program for lecturers once every 3 years. Even management does not ignore the social activities by implementing community activities through a registered association (alumni, cooperatives, sports clubs and welfare of staff and every year PUSPANITA society will carry out five activities, the activities undertaken is a sport, a collaborative, foster school programs, tours and charity work (Pela Strategik, 2010). The management also transparently inform all employees HEE promotion guidelines are distributed and explained in the gathering is open to all staff. These guidelines explain scores to assess the reasonableness of the staff, the excellence criteria evaluated for promotion and the conditions for promotion (Garis Panduan Kenaikan Pangkat, 2010).

Job performance will be obtained if the management's efforts to improve the ethical behavior in the organization (Selvarajan & Cloninger, 2009). This evidence clearly shows that justice organization must exist in the organization so that good performance can be established among workers. Supports this prediction work predicted by the employee must work in accordance with a fair assessment by the organization in order to reduce turnover (Rodwell et al., 2011). Performance of work includes a number of results or findings in the performance (Ivancevich et al., 2008). Matters to be discussed here is the result of performance has value to the organization and individual. In Hackman-Oldham Job Characteristics Model describes that high job performance will produce if workers respond to a good job scope (Pooja & Renu, 2005).

Work outcome consists of two of the performance, including intrinsic and extrinsic performance (Ivancevich et al., 2008). This statement also supported by Syarifah Hanum Ali and Arsiah Bahron, (2013) who referred to their research mention there are intrinsic and extrinsic factor in job performance. It is important to understand the difference between the intrinsic and extrinsic performance because it explain a person's reaction to their work. In general, the intrinsic performance is an object or event from their own efforts and not requires the involvement of other employees. In effect, this is a clear result relating to actions on the part of employees. Job design theory defines intrinsic motivation in the case of
"empowerment" (empowerment) employees to achieve results from the implementation of individual ability and talent (George & Jones, 2007). Results are usually regarded merely in the range of professional and technical jobs, but all jobs have the potential to have an opportunity to obtain an intrinsic result. The result involves feelings of responsibility, challenge, and recognition as a result of job characteristics such as variety, autonomy, identity, and significant (Pooja & Renu, 2005). Extrinsic performance is an object or event that follows from its own workers attempt to factors or other individuals not directly involved in the work itself (Ivancevich et al., 2008). Wages, working conditions, further oversight objects colleagues at work employment potential to yield the bottom part of the job (Dessler & Chwee, 2009). Dealing with others and friendship interaction is the result of extrinsic sources (Andreu, Canos, Juana, Manresa, Rienda & Tari, 2006).

According to Borman and Motowidlo (1993) divided performance into task and contextual performance. Task performance was defined as the effectiveness with which job incumbents perform activities that contribute to the organization’s technical core (Borman & Motowidlo, 1997). Contextual performance was defined as performance that is not formally required as part of the job but that helps shape the social and psychological context of the organization (Borman & Motowidlo, 1993). Contextual performance has been further suggested to have two facets: interpersonal facilitation and job dedication. (1) Interpersonal facilitation includes “cooperative, considerate, and helpful acts that assist co-workers’ performance”. On the other hand, (2) job dedication, includes “self-disciplined, motivated acts such as working hard, taking initiative, and following rules to support organizational objectives” (Van Scotter & Motowidlo, 1996: p.525). Contextual performance and related elements of performance, such as organizational citizenship behavior (Organ et al., 1989), prosocial organizational behavior (Brief & Motowidlo, 1986), and extra-role performance (Van Dyne, Cummings & Park, 1995), contribute to organizational effectiveness.

4.0 RESEARCH DESIGN

In this study the research design was developed by choosing the organization justice (Distributive justice, Procedural justice, Interpersonal justice and Informational justice) as independent variable. Meanwhile, job performance (intrinsic and extrinsic performance) variable is taken as dependent variable.

Figure 1: Research Design Illustration.
The research design was based on the previous research literature. According to Wang et al. (2010) organizational justice is the fair treatment of employees. Justice is divided into three: Distributive justice focuses on the reasonableness or fairness of an organization evaluate the work of the payment and promotions, Procedural justice stressed the reasonableness or fairness of the decision process based on the work accomplished, and Interactional justice describes the concerns of interpersonal behaviour provided by the organization for the implementation of the circular. However, Colquitt (2001) subdivided interactional justice into two separate components: informational justice and interpersonal justice. Therefore, organization justice was selected which is composed of four items, namely Distributive justice, Procedural justice, Interpersonal justice and Informational justice as an independent variable. Job performance was the dependent variable according to St-Onge et al. (2009) highlighted the evaluation of the employee's work is not only measured, but must be seen to the extent of performance circular and the feedback is considered fair, consistent and appropriate as important to the organizational justice perception in shaping elements of employee performance.

Questionnaire was used to collect data and it is adapted from the previous researches. It was divided into five sections, which are section A for demography, section B for organization justice, and section C for performance with a total of 88 questions. The questionnaire reliability value using Cronbach’s Alpha for section B and C was 0.872 and 0.887 respectively and are above 0.6 is consider as highly reliable (Zaidatun Tasir & Mohd. Salleh, 2003). Factor analysis was used to measure the validity of the questionnaire using Kaise-Meyer Olkin (KMO) and Bartlett’s test value. The KMO value for section B and C was 0.866, and 0.881, respectively while the Bartlett’s test value is 0.000 for each section. This results was supported by Coakes, Steed and Price (2008) assumption that the KMO value must be above 0.6 and the significant value for Bartlett’s test must be at least 0.05.

5.0 RESEARCH HYPOTHESIS

Based on the conceptual framework of the research design on the relationship variables and summarized as follows:

Hypothesis 1 Organization justice has positive relationship in intrinsic performance employees.
   H1a: Procedural justice has a positive relationship in intrinsic performance employees.
   H1b: Distributive justice has a positive relationship in intrinsic performance employees.
   H1c: Interpersonal justice has a positive relationship in intrinsic performance employees.
   H1d: Informational justice has a positive relationship in intrinsic performance employees.

Hypothesis 2 Organization justice has positive relationship in extrinsic performance employees.
   H2a: Procedural justice has a positive relationship in extrinsic performance employees.
   H2b: Distributive justice has a positive relationship in extrinsic performance employees.
   H2c: Interpersonal justice has a positive relationship in extrinsic performance employees.
   H2d: Informational justice has a positive relationship in extrinsic performance employees.
6.0 POPULATION
In accordance with the scope of this research, the researchers choose Kota Kinabalu Polytechnic academic staff (KKP) as the study population. The population in this study is 245 lecturers (BLPK, 2010). HEE staffs are among those elected to the position of Grade DH29, DH31/32, DH33/34, DH41/42, DH43/44, and DH47/48. Kota Kinabalu Polytechnic has seven departments, the Department of Commerce, Department of Mechanical Engineering, Department of Electrical Engineering, Department of Civil Engineering, Department of Hospitality, Department of Mathematics and Computer Science, and General Studies Department which is involved in the management of teaching and learning. Study population as described by Sekaran and Bougie, (2009), refers to a group of people or things that lead to the topic of the research questions. Therefore, the study population in this paper focussed on the academic staff of KKP only. In this study population, 56 employees from the Department of Mechanical Engineering, 39 from the Department of Electrical Engineering, 40 from Civil Engineering Department, 40 from Commerce Department, 15 from Department of Hospitality, 25 from Department of Mathematics, 25 from Computer Science and 30 from Department of Commerce.

6.1 Samples
Sampling is an important aspect of research, inappropriate use of samples will reduce the validity and reliability of the research. Sampling is the process of selecting a number of related subjects from a population to be used as respondents (Chua, 2006). Based on the total population of 245 people the sample size that can be used based on the sample size tables by Krejcie and Morgan (1970) is between 140 to 148 (Sekaran&Bougie, 2009). The sample size were obtain using the probability sampling method by selecting a random sample of subjects, whereby the subject in the sample has all the features found in the population. Since the KKP HEE staff comprises from seven departments cluster sampling method is used. The number of respondents is as follows: 53 from For the Department of Mechanical Engineering, 36 from Department of Electrical Engineering, 38 from Department of Civil Engineering, 38 from Department of Commerce, 14 from Department of Hospitality, 24 from the Department of Computer Science Mathematics and 28 from Department of General Studies. Krejcie and Morgan (1970) stated that the number of respondents is more than the sample size. The detail for the number of respondents in this research is more than 90 percent of the size of the population. This indicates that the sample has a high reliability. According to Sekaran and Bougie, (2009) if the sample size is high, it reflects the population more accurately.

7.0 FINDINGS
The researchers use SPSS to analyse the data from questionnaires. The relationship for each variable was based on the hypothesis using correlation analysis for each variable. Table 1 shows the correlation analysis and the relationship between two variables. The result shows that Distributive justice, Procedural justice, Interpersonal justice and Informational justice has a positive relationship. This clearly shows that organization justice significantly influences the job performance of an employee. If the organization justice increases it will also boost/increases the employee job performance.
Table 1. Pearson correlation analysis

<table>
<thead>
<tr>
<th></th>
<th>Distributive justice</th>
<th>Procedural justice</th>
<th>Interpersonal justice</th>
<th>Informational justice</th>
<th>Intrinsic performance</th>
<th>Extrinsic performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distributive justice</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Procedural justice</td>
<td>.680**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interpersonal justice</td>
<td>.675**</td>
<td>.520**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Informational justice</td>
<td>.562**</td>
<td>.491**</td>
<td>.556**</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intrinsic performance</td>
<td>.668**</td>
<td>.741**</td>
<td>.572**</td>
<td>.544**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Extrinsic performance</td>
<td>.499**</td>
<td>.516**</td>
<td>.433**</td>
<td>.529**</td>
<td>.506**</td>
<td>1</td>
</tr>
</tbody>
</table>

Note: ** Correlation is significant at the 0.01 level (1-tailed).
* Correlation is significant at the 0.05 level (2-tailed).

Multiple regressions were performed to determine the relationship of the variables. Table 2 shows the results for multiple regressions between motivation and performance. The result shows that the organization justice has slightly low impact on intrinsic performance due to the beta value 0.174 to 0.491 and a significant value 0.000 which is less than 0.05. Therefore, all hypotheses 1 is accepted.

Table 2. Multiple Regression Analysis between Organization Justice and Intrinsic Performance

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Independent Variable</th>
<th>Std. Coefficients Beta (β)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intrinsic Performance</td>
<td>Procedural justice</td>
<td>0.174*</td>
</tr>
<tr>
<td></td>
<td>Distributive justice</td>
<td>0.491*</td>
</tr>
<tr>
<td></td>
<td>Interpersonal justice</td>
<td>0.121*</td>
</tr>
<tr>
<td></td>
<td>Informational justice</td>
<td>0.140*</td>
</tr>
</tbody>
</table>

Note: The level of significance: * p < 0.05

Table 3 shows the results of multiple regressions for organization justice and extrinsic performance. The results shows that the distributive justice and the informational justice with the beta value of 0.260 and 0.311 respectively is considered as significant since the significant value is 0.000 while the other variables having value exceeding 0.05 is rejected. Therefore, hypothesis H2a and H12 is rejected and only H2a and H2d are accepted.

Table 3. Multiple Regression Analysis between Organization Justice and (Extrinsic Performance)
8.0 DISCUSSION

This research focused on the effect of organizational justice on job performance for lecturers in KKP. The result showed intrinsic performance has a significant relationship between organizational justices. The intrinsic performance is an object or event from their own efforts and not requires the involvement of other employees (George & Jones, 2007). The finding showed that the employee’s feel responsibility, challenge, and recognition as a result of job characteristics such as variety, autonomy, identity, and significant (Pooja & Renu, 2005). This finding also support by Borman and Motowidlo (1993) contextual performance in job dedication which includes self-disciplined, motivated acts such as working hard, taking initiative, and following rules to support organizational objectives. The study’s finding indicate that organizational member lecturers in KKP then to show positive feeling towards distributive, procedural justice, Interpersonal justice and Informational justice are likely to report higher report of job performance.

The relationship between Procedural justice and Interpersonal justice with Extrinsic Performance is positive but very weak and is no significant effect. Extrinsic performance is an object or event that follows from its own workers attempt to factors or other individuals not directly involved in the work itself (Ivancevich et al., 2008). Dealing with others and friendship interaction is the result of extrinsic sources (Andreu et al., 2006). Others extrinsic factor are wages, working conditions, further oversight objects colleagues at work employment potential to yield the bottom part of the job (Dessler & Chwee, 2009). Contextual performance also part of extrinsic performance especially in interpersonal facilitation which includes cooperative, considerate, and helpful acts that assist co-workers’ performance (Van Scotter & Motowidlo, 1996). The study’s finding indicate that organizational member lecturers in KKP then to show very weak positive feeling towards Procedural justice and Interpersonal justice but there no significant relationship towards extrinsic performance. There must be some mediating factor effect the finding such as working environment of diversity of professionals, organizational commitment and desire appointed stop, and exploiting interactive influence of racial awareness and diversity of the work reported in the psychological contract offense. (Buttner et al., 2010). To support this research finding according to Simon et al. (2002) individual differences that are affected by social culture moderate the effects of procedural justice perceptions on key individual work outcomes of job satisfaction, performance and absenteeism. This paper result also showed workers feel stress to many antecedent of stress such as overload, role ambiguity, role conflict, responsibility for people, participation, lack of feedback and keeping up with rapid technological change one of the affected outcomes of stress is job performance (Usman Bashir & Muhammad Ismail Ramay, 2010).
9.0 CONCLUSIONS AND RECOMMENDATIONS

On the whole, this study has answered the research question whether organization justice effect on job performance. The finding of this research is that the relationship between Procedural justice and Interpersonal justice with Extrinsic Performance is positive but very weak. In fact, there is no significant effect. This clearly shows that only organization justice has significant effect on intrinsic performance. As a suggestion for future study the researchers can look at the factors that exist in Procedural justice and Interpersonal justice that reduce the percentage of influence on employees’ extrinsic performance. The previous researcher’s believe that they are an important part of the organization when officials take the time to thoroughly explain the reasons behind justice decisions.

REFERENCES


