

# Impact of Organizational Justice and Perceived Creative Performance Mediating role of Employee Innovative Behavior

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**Abstract-** In today's competitive environment organization in developing countries like Pakistan strive for sustainability. The employees are the backbone of the organization. In telecommunication sector of Pakistan increasing trend of technology advancement, organization should provide justice and innovate climate. In current study researcher investigate the impact of organizational justice on perceived creative performance mediating role of employee innovative behavior in telecommunication sector of Pakistan. Data was collected 480 employees of four companies of the telecommunication sector. Results are exploited through Statistical Package of Social Sciences and Analysis of Moment Structures. Results indicate that all the variables are correlated. The organizational justice has significant impact on perceived creative performance and employee innovate behavior. It also shows that employee innovative behavior mediates the relationship of organizational justice and perceived creative performance. Practical implication and future guidelines are also discussed.

**Index Terms-** Organizational Justice (OJ) Perceived Creative Performance (PCP), Employee Innovative Behavior (EIB)

## I. INTRODUCTION

Organization in developing countries at crucial stage to compete and sustain competitive advantage to cope continuous challenges at workplace (Al-Swidi & Mahmood, 2011) explained that organization strive for gaining competitive advantage after upgrade the workplace environment. Perceived creative performance creates new procedures, ideas and unique products to implementing in organization (Amabile, 1996). Perceived creative performance is only applicable when the employee having innovate behavior (Sarros, Cooper, & Santora, 2008). The researcher exploited the results through structural equation model and describe the five dimension of employee innovative behavior. The dimension are generativity, championing, opportunity exploration, formative investigation and application (Kleysen & Street, 2001). (J. P. De Jong & Den Hartog, 2007) recommended that "one way for organizations to become more innovative is to capitalize on their employees' ability to be innovative". Therefore, it can be claimed that employees' innovative behavior is important for the existence of organizations, specifically in the present stormy global economic situation. In previous studies the findings shows that innovate climate has significant impact on employee innovative behavior (Lloréns Montes, Ruiz Moreno, & Miguel Molina Fernández,

2004; A. M. T. Suliman, 2001). In literature the team and groups innovation is more important (Amabile, 1983; Burningham & West, 1995; Nijhof, Krabbendam, & Looise, 2002; Michael A West & Anderson, 1996). Organization will grow to provide innovative climate in which employees feels no hesitation for sharing information (A. M. T. Suliman, 2001). The organizational justice has a significant impact on perceived creative performance (A. M. T. Suliman, 2001). A many studies are available to investigate the relationship between organizational justice and job satisfaction, job commitment and organization citizenship behavior but a fewer studies are available on organization justice and perceived creative performance in developing countries like Pakistan and in telecommunication sector. Employees are more creative and motivated in telecommunication sector. The researcher conduct this study to investigate the organizational justice effect on perceived creative performance. To identify the mediating role of employee innovate behavior between organizational justice and perceived creative performance. To examine the influence of organization justice on employee innovative behavior.

## II. LITERATURE REVIEW

### 2.1. ORGANIZATIONAL JUSTICE

Organizational justice is define as the perception of employees at work place. This perception is has four categories including procedural, distributive, interactional and informational. Distributive defined as the fairness of outcome. Distributed theory was presented by Aristotle. In his book Aristotle explained that the distributed justice is something proportionate, equity of ratio (Adams, 1965), and social exchange theory (R Cropanzano et al., 2007). Distributed justice has main concerns about the outcome which they receive from organization (R. G. Folger & Cropanzano, 1998). The organization normally distributed resources equally and fairly among employees. The theory of relational model of justice to maintain the relationship (T. R. Tyler, 1994). Procedural explained as reflection of work to achieve these outcomes. Procedural justice is explained as the polices and procedure determine on fairness (R. G. Folger & Cropanzano, 1998; Thibaut & Walker, 1975) it also promote fair decision and has empowerment to give suggestion in decision making process (Lind & Tyler, 1992). The studies show that "people are not only concerned about the outcomes of decision making but also the fairness of decision making procedure" (McFarlin & Sweeney, 1992). Previous studies shows that the procedural justice has a

significant impact on job commitment, job satisfaction and performance behavior (McFarlin & Sweeney, 1992)(Russell Cropanzano & Greenberg, 1997; R. G. Folger & Cropanzano, 1998). Interactional means that interpersonal interaction among individuals, teams, and groups. Interactional justice is a supportive element for procedural justice (T. R. Tyler & Bies, 1990). "Interactional justice denotes to the interactive treatment or the level of perceived justice in how employees are treated in the organization (Bies & Moag, 1986)". Interactional justice focused toward the manager interaction (Masterson, Lewis, Goldman, & Taylor, 2000)". Interactional justice is related with motivation of supervisor, innovate climate and subordinate relation (Byrne, 2005; Masterson et al., 2000). At last informational justice means that to produce fair information for justice related work (Russell Cropanzano & Greenberg, 1997).

**H1a:** Organizational justice plays a significant role in influencing the employee innovative behavior.

**H1b:** Organizational justice plays a significant role in influencing the perceived creative performance.

## 2.2. EMPLOYEE INNOVATIVE BEHAVIOR

Employees' innovative behavior denotes to the introduction and improvement of valuable and unique ideas and applying these ideas into new and better products, services or methods of undertaking things (Scott & Bruce, 1994). Employee innovative behavior is one of the most important tools for obtaining competitive advantage in today's competition. Employees are more innovative due to provide creative climate and with different dimensions to perform the work (Birkinshaw, Hamel, & Mol, 2008). Employees are encouraged to take initiative and discover new ideas and innovative approaches (Martins & Terblanche, 2003). According to (Kesting & Parm Ulhøi, 2010) Innovative support means to provide time, resources, funding and management support to boost up the employees creative behavior. The research finding of suggest that the creative personalities have more creative and gives valuable idea without controlling by supervisor (Oldham & Cummings, 1996).

**H2:** Employee innovative behavior plays a significant role in influencing the perceived creative performance

## 2.3. PERCEIVED EMPLOYEE CREATIVE PERFORMANCE

Creative performance is explained as "the production of novel and useful ideas by an individual" (Woodman, Sawyer, & Griffin, 1993). Perceived employee creative performance means how the employees of the organization rate their creative performance. With the help of innovate climate the employees behavior is more thinking, and participative in decision making activities. Innovate climate bring change in the workplace, behavior, attitudes and feeling of the employees (Göran Ekvall, 1996). Supportive innovate climate endorses employee innovative behavior with positive emotional setting (Torokoff, 2015). Employee creative performance is more important for organization "creativity is related to thinking contrary to the conventional that results in uncommon contributory outputs for both the individual and the organization" (Perry-Smith & Shalley, 2003). It was recommended that the "socio emotional

support" and resources delivered by the organization helped employees to encounter challenges (Witt & Carlson, 2006).

**H3:** Employee innovative behavior mediates the relationship between organizational justice and perceived creative performance.

## III. METHODOLOGY

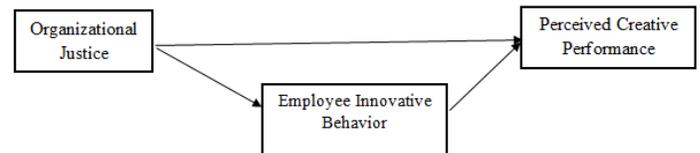


FIGURE.1 THEORETICAL FRAMEWORK

In above diagram the organizational justice is independent variable, perceived creative performance is dependent variable and employee innovate behavior is mediating variable.

## 3.1 RESEARCH DESIGN

Quantitative research method used in current study because a literature is available on this topic. Hypothesis are tested on ordinal scale. Current study is a descriptive because current situation is describe and explanatory because the current finding are compare with previous findings. Current study is a causal and effect. Non-contrived research is in natural environment with minimum interference of the researcher. Individual unit of analysis is used.

## 3.2 INSTRUMENT DEVELOPMENT

Organizational Justice was measured with three dimensions: distributive, procedural, and interactional justice. In this construct fifteen items are includes and five point Likert scale was used to collect the date (Niehoff & Moorman, 1993). Employee innovative behavior consist 5 items and Likert scale adapted from (Pierce & Delbecq, 1977). Perceived Creative Performance comprises 6 items Likert scale, adapted from (Pace, 2005).

## 3.3 SAMPLE SIZE & DATA COLLECTION INSTRUMENT

In current study a telecommunication sector is selected for target population. In this sector most of the tasks and work done on project and team basis. The questionnaire was distributed into four telecommunication companies namely (Warid, Zong, Mobilink, and Telenor). The Z formula is used to sample size. 480 questionnaires was distributed in above companies. The response rate is 80 percent.

## 3.4 PROCEDURE AND STATISTICAL METHODS

A cross sectional study is done with self-administrative questionnaire. Results are exploited with SPSS version 16 and Amos version 21. To describe the results a descriptive analysis is applied. To test the validity and reliability the Cronback, Alpha technique is applied. The correlation, Confirmatory analysis, and structural Equation model and Sobel test is used.

IV. FINDING AND RESULTS

4.1 DESCRIPTIVE STATISTICS

In current study 280 participants are male and 108 participants are female. The 252 respondents are married and 135 are unmarried. The respondents are belong to Mobilink are 112, employee belong to warid are 59, Zong are 100, and respondents belongs to Telenor are 116. Majority of the respondents working experience is up to 2 years which is N=231, in current study 116

employee has working experience is 3 to 6 year and remaining are above 7 years.

TABLE.1 DESCRIPTIVE STATISTICS

Variables	Mean	Median	Std. Deviation	Skewness	Kurtosis
Organizational Justice	3.3	3.2	.78	-0.877	2.013
Employee Innovative Behavior	3.7	3.1	.66	-.765	1.023
Perceived Creative Performance	3.5	3.6	.69	-.942	2.138

In table 1 descriptive statistics are shown. Overall values of means, Skewness and kurtosis assert that data are normally distributed. Organizational justice has 3.3, 3.2, .78, -.0877, 2.013 values of mean, median, std. deviation, Skewness and kurtosis respectively. The values of Employee innovative behavior and perceived creative performance are shown normal values of data normality.

4.2 RELIABILITY AND PERSON CORRELATION ANALYSIS

In Table II the factor wise reliability and person correlation are shown. The organizational justices reliability is 0.792, employee innovate climate is 0.738, and employee perceived creative performance is 0.902. All the reliability values shows that the reliability of the scale is fine with hypothesized model.

TABLE.2 RELIABILITY AND PERSON CORRELATION

Table II also shown the correlational values of all the variables.

Variables	Reliability	Organizational Justice	Employee Innovate Climate	Perceived Creative Performance
Organizational Justice	0.792	1		
Employee Innovate Climate	0.738	.274**	1	
Perceived Creative Performance	0.902	.343 **	.179 **	1

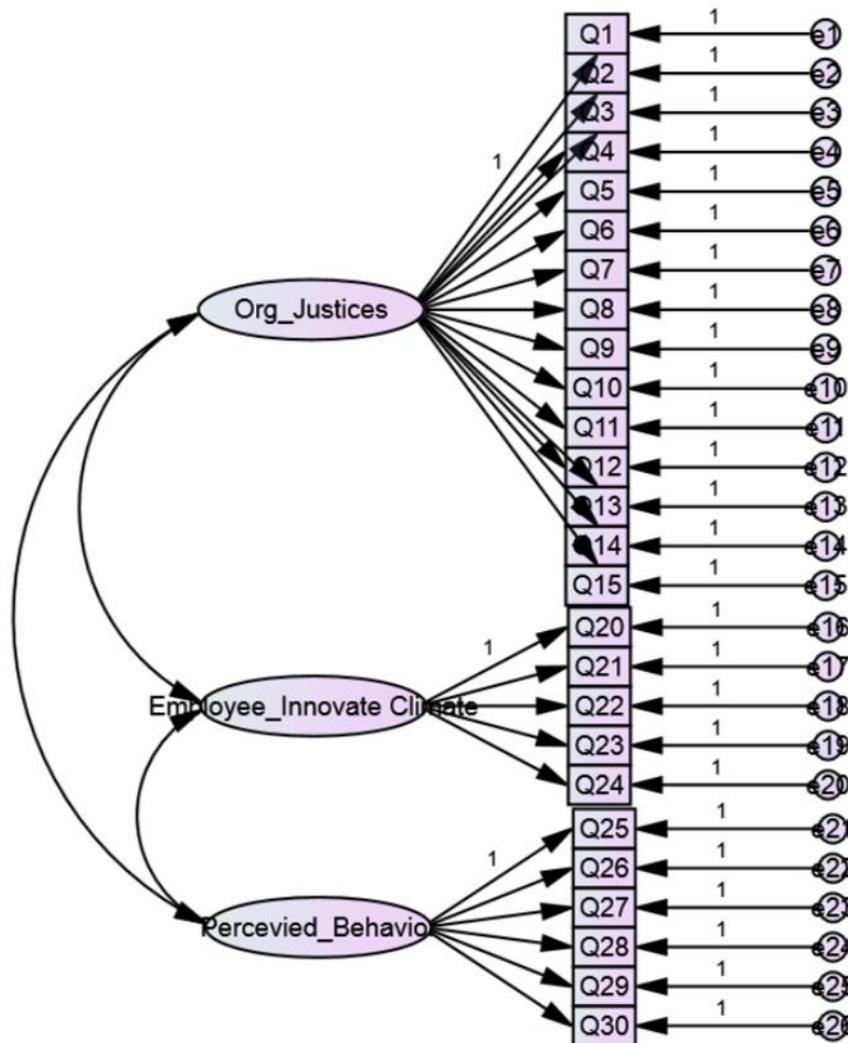
OJ is strongly correlated with employee innovate climate .274\*\*, Organizational justice is strongly associated with perceived behavior performance is .343\*\*. Employee innovate climate is correlated with perceived behavior performance is .179\*\*.

Confirmatory factory analysis is the statistical tool for testing the fitness of instrument. It consist of chi-Square/df, CMIND/DF, Goodness of fit index, Adjusted Goodness fit index, comparative Fitness Index, RMSEA. All these values are plotted in Table III shown below as model fit indices.

4.3 CONFIRMATORY FACTOR ANALYSIS

TABLE.3 MODEL FIT INDICES

Index of Fit	Chi-Square /(df)	CMIN/DF	GFI	AGFI	CFI	RMSEA
Value	382.234/ 156	2.62	0.89	0.878	0.90	0.0734



**FIGURE.2 CONFIRMATORY FACTOR ANALYSIS**

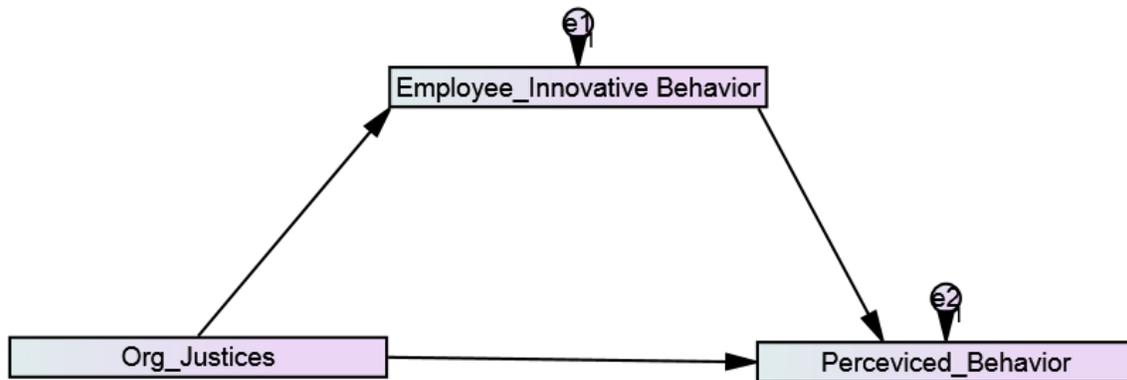
SEM is used to test the model fitness, regression analysis, correlation and covariance of the variable. The Table IV and Fig III shown the model fitness. Researcher conclude that the hypothesized model is good fit.

**4.4 STRUCTURAL EQUATION MODEL**

**TABLE.4 STRUCTURAL EQUATION MODEL**

Index of Fit	Chi-Square / (df)	CMIN/DF	GFI	AGFI	CFI	RMSEA
Value	372.284/ 168	2.51	0.90	0.88	0.86	0.0830

**FIGURE.3 STRUCTURAL EQUATION MODEL**



**4.4 MEDIATING TESTING**

In current study employee innovative behavior is a mediator between organizational justice and perceived creative performance. Mediation analysis are done through online Sobel Test Calculator. In first step organizational justice is regress on perceived creative performance and produce significant relationship between OJ and PCP. The beta value is 0.343 and standard error is .035. In second step Employee innovative behavior regress on perceived creative performance and results

shows significant relationship between EIB and PCP. The beta value is 0.179 and standard error is 0.028. Online Sobel Calculator indicate the t statistics = 5.35433667 and two tailed probability is p=0.00009. The results indicate that the employee innovate climate partially mediates the relationship of organizational justice and perceived creative performance.

**4.5 SOBLE TEST STATISTICS**

Variable	Sobel Test Value	Direct $\beta$	P-value Two Tailed	Observed Mediation
Employee Innovate Climate	5.35433667	0.99	0.00000009	Partially mediation

0.00009. Organization management should provide justice in procedures, pays, increment, polices and to promote employee creative performance.

**V. CONCLUSION OF THE STUDY**

In this study researcher investigate the impact of organizational justice on perceived creative performance with a mediating role of employee innovative behavior in telecommunication companies. All the variables are positive correlated. Hypothesis I is accepted and researcher fail to accept the null hypothesis, so researcher assert that organizational justice has significant relationship with employee innovate behavior and perceived creative performance just like the findings of (A. Suliman, 2013) also support this hypothesis. The Model fit indices of confirmatory analysis and structural equation model shows that the hypothesized model is good fit. The employees of telecommunication sector are motivated and encouraged after organizational justice. Hypothesis II indicate the Employee innovative behavior significant relationship with perceived creative performance. The finding suggest that P=0.000 level of significant the findings of (Jiun-Lan & Wang, 2015) and (A. Suliman, 2013). Hypothesis III assert that the employee innovative behavior partially mediate the relationship between organizational justice and perceived creative performance. The value of Online Sobel Calculator results indicate the t statistics= 5.3543367 and tow tailed probability is

**VI. LIMITATION AND FUTURE RECOMMENDATIONS**

This study is done through self-administrative questionnaire and due to time and money constrain the non-probability convenience sampling was used to collect the data. The future researcher will used mixed method and also conduct comparative study in industry.

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