ORGANIZATIONAL JUSTICE AND SUPPORTIVE MANAGEMENT ON EMPLOYEES

Impact of Organizational Justice and Supportive Management on Employees' Customer Oriented Behavior in service sector of Pakistan

Muhammad Ashar

(University of the Punjab, Gujranwala Campus)

ashar.shakeel@gmail.com

Wahab Shahbaz

(Muhammad Ali Jinnah University, Islamabad)

ABSTRACT

Organizations especially service sectors are very much concerned with the customer satisfaction. Among several factors, one of the most important factors to satisfy organizational customer in service sector is better services. So the employees in the organizations play a central role in making organizational customers more satisfied. Organizations in Pakistan too are making efforts to identify the factors that make their employees more responsive and focused to customers. In this study the researcher studied the impact of Organizational Justice and Supportive Management on employees' Customer Oriented Behavior. For this purpose, the date has been collected from the employees working in the Telecom companies and Banks operating in Lahore. Out of 200 questionnaires distributed 142 were included in the study. The SPSS-16 was used to calculate the correlation and regression analysis. All the three variables were correlated. The results indicated that supportive management has significant impact on customer oriented behavior (β= .467) at 0.001 level of significance. The second variable of the study Organizational Justice has also significant impact on employees' customer oriented behavior (β=.429). It means that if the employees of an organization will perceive that there is Justice in the organization and the management is supportive the employees will pay in return that they will be exhibit voluntary behavior to satisfy the organizational customers. This study has implication for the managers working in service companies of Pakistan that by having Justice in their organization and supportive management they can make their employees more responsive towards the customers. Two limitations of the research were convenient sampling technique and data was collected from Lahore only.

Key words: Organizational Justice, Supportive Management, Customer Oriented Behavior.

INTRODUCTION

Organizations exist to meet the needs of customers. Organizations try to satisfy the needs of their customers by providing them solutions in the form of products and services. The aim of organizations is to satisfy their customers. That's why one of the criteria to measure organization's effectiveness is to assess the customer satisfaction. Especially in this severe competition, one of the most essential business canon is customer retention (Colgate & Danaher, 2000). From the past researches it has been found that it is less costly to keep current customers than obtaining new customers (Reichheld & Sasser Jr, 1990).

It has been seen that 'sovereign customers' are demanding more individual attention and flexibility in the delivery of goods and services (Du Gay, 1996; Sturdy, 1998). Thus quality has become an important construct for the organizational managers. If product quality exceeds the customer expectations, customers become delight. This is possible in manufacturing sectors. But what about service sectors, where there are no tangible products? Service quality is the factor which causes customers satisfaction in service firms. Where different organizational components are considered important for satisfying customers, among all 'employees' play the most important role in satisfying the organizational customers and retaining them. In service sector, customer retention and loyalty determine the profitability as well as performance of an organization (Hallowell, 1996).

A vast number of organizations are looking to differentiate them on the ground of superior customer service. The employees of the organization are the most important stakeholder in providing the good services to the customers. So one important issue for the organization managers is to ensure suitable behaviors of the employees who are in direct contact with the customers and provide them services (Bowen & Schneider, 1988).

One way to achieve this target of superior service quality is by increasing the traditional mechanism of employee control and strict supervision like in manufacturing sector. Managers can simplify jobs by clear scripts and rules, it can increase the reliability and efficiency of

employees by standardization, technological and personal controls (Levitt, 1972). But this approach does not fit in the current definition of service quality because it could increase efficiency but it could not bring the genuine concern of employees to bring quality in their service (Bowen & Schneider, 1988; Quinn, 1992; Schlesinger & Heskett, 1991; Zeithaml, Parasuraman, & Berry, 1985). Most of the organizational managers take the form of "organizational culture" and 'customer care' programs focusing the attitude, behavior and orientations of contact employees.

Service organizations prefer their employees to exhibit discretionary behavior in order to satisfy organizational customers. We refer to that discretionary behavior as Employees Customer Oriented Behavior. Employee's customer oriented behavior (COB) means employees discretionary or voluntary behavior to perform all the tasks irrespective of their job description in order to solve customer problems.

Customer orientation may be referred to the practices that puts the interest of customers at the top, but it does not mean to ignore or excluding the interest of other stakeholders (Hartline, Maxham Iii, & McKee, 2000). It may also be stated as the satisfaction of customer needs at the level of the employee-customer interaction (Saxe & Weitz, 1982). Customer-oriented behaviors demonstrated by employees having interaction with customers mean the employees' willingness to: help customers make satisfactory purchase decisions; assist customers assess their needs; offer services that will satisfy those needs; describe services accurately; and avoid the use of misleading or manipulative tactics (Hoffman and Ingham, 1992).

Customer orientation is important because employees who show a high degree of CO engage in behaviors that enhance the satisfaction of customers (Dunlap, Dotson, & Chambers, 1988). It is extensively recognized that a customer-oriented firm is more likely to create satisfied customers (Brady & Cronin Jr, 2001). While customer orientation is important for all types of organizations, it is most important for service sector especially due to unique characteristics of

service (Hartline et al., 2000). In service firms, customer perception of service quality depends upon the frontline employees, who directly interact with the customer (Kelly, 1992).

Employees will exhibit customer oriented behavior if they will perceive that their organization treats them fairly. There is substantial evidence that justice, or fairness, is an important dimension affecting employees' actions and reactions within organizations. The concepts of justice and fairness found in organizational settings are often referred to as organizational justice (Jin-wook, 2010). Organizational justice gets attention in research as it has impact on various behavioral and attitudinal consequences in the organizational setting (Johnston et al. 1990). This attention is primarily due to the importance of justice in understanding the behaviors of employers and frontline employees and the expected links between frontline employees and organizations as well as between employees and customers (Samad, 2007).

The major dimensions of organizational justice are distributive and procedural justice. Distributive justice refers to the perceived fairness of the amounts of compensation employees receive; procedural justice refers to the perceived fairness of the means used to determine those amounts (Seo, Liu and Kim, 2010).

Another perspective of customer oriented behavior in employees of service firms is, if the organizations want their employees to exhibit customer orientated behavior, they should create a climate in the organization which will encourage employees to demonstrate this voluntary behavior (George & Bettenhausen, 1990). Service organizations should create a climate which promote the service quality in order to retain the customers (Bowen & Schneider, 1988).

Among various components of service climate, (Employee Empowerment, Service Climate, and level of supportive management), in this study we are taking just one element which is supportive management. Supportive management means that the management encourages their employees to take initiatives to satisfy the organizational customers. The supportive

management has been reported to have an impact on employees' customer oriented behavior (Bowen & Schneider, 1988).

The rationale behind studying this specific area is while customer orientation is being considered as important predictor of customer satisfaction for all the business organizations, especially for service firms (Hartline et al., 2000; Kelly, 1992). It is because the employees in service firms who are in direct contact with the customers represent the organization and "produce" the service (Zeithaml et al., 1985). Moreover, due to the intangibility and inseparability of services employees' attitudes and behaviors influence the consumer satisfaction and perception of service quality (Barroso et al., 2004; Bowen and Schneider, 1985; Dean, 2004; Hartline and Ferrell, 1996). Thus Customer Oriented Behavior is of specific attention to managers in service firms to stimulate this voluntary behavior, enhancing positive organizational outcomes.

LITERATURE REVIEW

The past researches in the field of marketing and management have established the concept that the organizations that focus on their customers in the production of goods and delivery of services are more successful as compared to those organizations who are not customer driven (Donavan, Brown, & Mowen, 2004). Customer orientation has been found as a major component of economic success of the organizations in the past researches (Slater & Narver, 2000). Customer orientation is concerned with the overall policies, processes and employees of an organization. Especially in service firms due to intangibility of service, employees who deliver the services are the crucial part of customer orientation. Even in past literature employees' behavior has been a component of service quality (Dabholkar, Shepherd, & Thorpe, 2000).

In this paper we are taking the customer orientation of service firms' contact employees as a construct. The customer orientation of service firms' employees has been studied as a construct first time by Kelly (1992). He studied the construct and proposed the two sets of determinants of customer orientation. According to Kelly (1992), organizational constructs

(organizational climate and socialization) and personal construct (motivational effort and direction) are the major determinants of customer orientation in service firms' employees.

Customer Orientation of service employees:

The term customer orientation has been used for the organizations in which the customers needs and wants are the base of organizational policies and decisions. The past researches have showb that organizations with customer orientation have been more effective and successful than their competitors (Rodriguez Cano, Carrillat, & Jaramillo, 2004). Additionally, it has been argued that customer orientation is much more important in service firms than manufacturing.

Customer oriented behavior of service employees can be defined as "the extent to which the employees' behavior in personal interaction with customers meets those customer needs" (Hennig-Thurau, 2004). All the employers want their employees to be always willing to engage themselves in customer oriented behavior. As this behavior has an effect on the satisfaction, retention and loyalty of the customers which eventually increases the organizational performance (Jaworski & Kohli, 1996; Johnston, Parasuraman, Futrell, & Black, 1990). However, it is not something which is impossible for the employees to engage themselves in customer oriented behavior, but it is their unwillingness to do so. The employees' willingness to engage themselves in customer oriented behavior depends upon a number of organizational factors. Kim and Moon (2004) argued that organizational initiatives of employee empowerment and training help the employees to exhibit such behavior. Employee empowerment gives the employees the power to take decision and thus it provides them flexibility in doing whatever they want to satisfy the customer wants (Hartline et al., 2000). However in this study we have investigated the impact of Organizational Justice and Supportive Management on employee's Customer Oriented Behavior.

Supportive Management and Customer Oriented Behavior:

Employee performance, in general, refers to behaviors that are relevant to organizational goals and that are under the control of individual employees (Campbell, McCloy, Oppler, & Sager, 1993). In service organizations, customers have become an important factor to measure the employee performance (Bowan & Waldman, 1999). Bowen and Schneider (1988) noted three defining characteristics of service-intangibility, simultaneous production and consumption, and customer "coproduction"- all of which imply that "the consumer experience is as important as, if not more important than, the consumer good" (Bowen & Waldman, 1999: 164-165). Further, customer satisfaction is determined by the quality of interaction between employee and customers. Therefore, the behavior of the employee plays an important role in shaping the customer's perception of service quality. Basing performance standards explicitly on customer expectations encourages employees' engagement in behaviors that are particularly functional in achieving desirable customer outcomes (Bowen & Waldman, 1999). It is consistent with this customer driven approach to employee performance that in this study we defined employees' service performance as their behaviors of serving and helping customers. Employee service performance hence is distinguished from service effectiveness, which refers to the results of service performance, such as customer satisfaction and retention. Factors beyond employees' control influence variance in effectiveness measures, but the behavioral measure of service performance we employed in this study is less contaminated (Campbell et al., 1993). On the basis of the past literature, following hypothesis was developed:

H1: Supportive Management has a significant positive impact on Employees' Customer Oriented Behavior

Organizational Justice and Customer Oriented Behavior

As a subject of philosophical interest, the study of justice dates back to the times of Plato and Socrates (Ryan, 1993). However, Adams' work on equity theory (Adams, 1965) paved way for

research on organizational justice which has progressed steadily over time. Greenberg, (1990) explained organizational justice as a literature "grown around attempts to describe and explain the role of fairness as a consideration in the workplace" (P.400). Adams' work led to a research period concentrating on fairness of pay or outcomes at work place (Deutsch, 1985). In other words, the equity theory emphasized the supposed fairness of outcomes, i.e., distributive fairness. Equity theory is based on the notions of relative deprivation and social comparison (Werner & Ones, 2000). Individuals in organizations are expected to compare their own input to output ratio to the ratio of a referent who could be the self considered at another point of time or others in the past, present, or expected future to determine the level of fairness. According to equity theory, when compared ratios are not equal, the individuals may perceive inequity and so may involve in behaviors meant to restore the cognitive perception of equality (they may modify their perceptions of outcomes or inputs or amend their effort).

However, the focus of research shifted to procedural justice: the perceived fairness of the process by which outcomes were determined, (Cropanzano & Greenberg, 1997), because of incapacity of distributive justice and equity theory models (Crosby, 1976) to fully predict and elucidate reactions of people to perceived injustice. This shift lengthened the study of distributive justice, since research results revealed that distribution of rewards was not always as important to individuals as the process by which they were allocated (Ferris, JAI, Greenwich, Lind, & Tyler, 1988).

A study conducted in the Chinese service restaurant examined the relationship between organizational justice and employees' behaviors and attitude. The findings of the study revealed that Organizational Justice has a significant positive impact on employees' customer oriented behavior in the service restaurants of China (Jin-wook, 2010). The hypothesis was:

H2: Organizational Justice has a significant positive impact on Employees' Customer Oriented Behavior

THEORETICAL FRAMEWORK
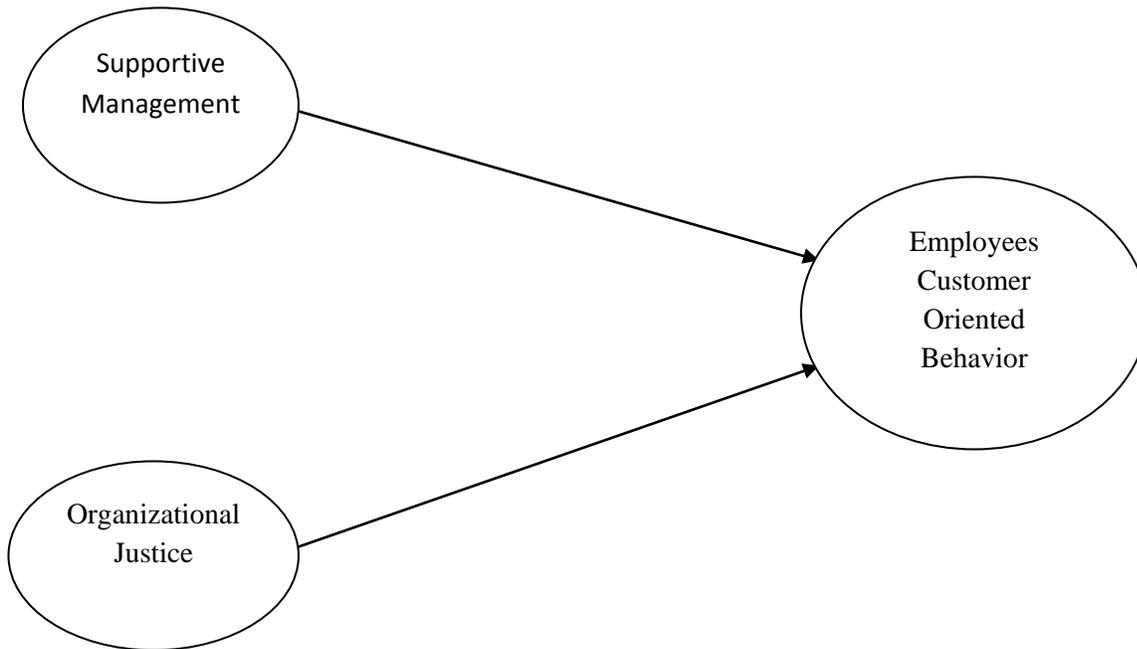
METHODOLOGY

For the purpose of research, data had been collected from the employees working in Telecom companies and Banks. All the employees working in Telecom and Banking sector in Lahore was considered as the population for this research. All the Telecom companies have their service centers and franchises operating in Lahore.

This study focuses on the employees' perception of justice in the organization and their behavior towards the customers. So in order to carry on research a sample of 200 employees was chosen from different organizations including Mobilink, Telenor, Warid Telecom, Zong and Ufone and Banks including ABL, HBL, UBL of Lahore. Questionnaires were personally distributed among the employees working in the front offices having direct interaction with the customers. Out of 200 questionnaires distributed 142 questionnaires were used for the analysis. Remaining questionnaires were either incomplete or not returned, thus excluded from the analysis.

Out of 142 respondents 110 (77.5%) were male and 32 (22.5%) were female employees. The academic qualification of respondent varies from Matriculation to Post Masters. The largest group was Master qualified (78 forming 54.9%) and the second group was Graduated employees (44 respondents 31%). The time spend by the respondent in the current organization (Tenure) was also recorded. 33 respondents (23.2%) were those who were having less than 1 year of time in the current organization. 46 respondents (32.4%) were from 1 to 3 years and 33 respondents (23.2%) were from 3 to 5 years and 30 respondents (21.1%) had been in the organization from more than 5 years. 72 respondents (50.7%) belong to Telecommunication sector and 70 respondents (49.3%) belong to banking sector.

Questionnaires were used to collect the data for the research. All the variables were measured on five point likert scale. Two dimensions of Organizational Justice: Distributive Justice and Procedural Justice were considered for the research excluding the Interpersonal Justice. Distributive Justice was measured using three items five point likert scale developed by Niehoff and Moorman (1993). Example item was, "My work schedule is fair". In order to measure the Procedural Justice a five items likert scale was taken from Lambert, Hogan, and Griffin (2007).

Example item was, "The standards used to evaluate my performance at this organization have been fair and objective". The chronbach's alpha of this scale was 0.732. To measure the contact employees' perception of supportive management a five item likert scale developed by Brown and Leigh (1996) and used by Yoon and Beatty (2001) was used in this research. Example item was, "My supervisor is supportive of my ideas and ways of getting things done". The reliability analysis was conducted for this measure. The chronbach's alpha of this scale was 0.624. In order to measure the employees' customer oriented behavior six items likert scale were taken from the Peccei and Rosenthal (1997) study. Example item was, "I am always working to improve the service I give to customers". The chronbach's alpha was 0.810.

RESULTS

The Means (M), Standard Deviation (SD) and chronbach's alpha were calculated for the purpose of analysis. The mean and standard deviation of Organizational Justice were (M=3.43 and SD=0.629) and of Supportive Management were (M=3.61 and SD=0.629) and Employees' Customer Oriented Behavior were (M=3.92 and SD=0.669). The Pearson correlation was calculated to find the relationship among the variables. All the values were entered in SPSS to calculate the Pearson's correlation. The results are shown in the following table:

Table 1: Mean, Standard Deviation, Reliabilities and Correlation

	Variables	M	SD	α	1	2	3	4	5	6	7
1.	Gender	1.23	.419								
2.	Education	3.54	.804		-.070						
3.	Tenure	2.42	1.069		.039	-..128					
4.	Organization Type	1.49	.501		-.094	.247**	-.034				
5.	Organizational Justice	3.43	.629	.732	.016	.168**	.034	.261**			
6.	Supportive Management	3.62	.677	.624	.079	.124	.074	.002	.515**		
7.	Customer Oriented Behavior	3.92	.669	.810	.025	.185*	.138	.113	.429**	.476**	

** Correlation is significant at 0.01 level (2-tailed).

* Correlation is significant at 0.05 level (2-tailed).

The Pearson Correlation Matrix obtained for different variables including the dependent (Employees' Customer Oriented Behavior) and the two independent variables i.e. Supportive Management and Organizational Justice. The table shows that all the three main variables of the study have correlation with each other. Results revealed that Organizational Justice has significant direct relationship with the dependent variable customer oriented Behavior (.429) and the value is significant at 0.01 level. Whereas our second relationship was between

Supportive Management and employees' customer oriented behavior and the findings showed that this relationship was too significant (.476) at 0.01 level of significance.

Hypothesis Testing:

Linear regression analysis was conducted to test the hypothesis of the study. Our first hypothesis was employees' perception of Supportive Management of their supervisors has a significant impact on their Customer Oriented Behavior in the service firms of Pakistan. The values are shown in following table:

Table-2

Model Summary

Model	R	R Square	Adjusted R Square	B	F	Std. Error of the Estimate	Sig.
1	.476[a]	.226	.221	.467	40.913	.271	.000

a. Predictors: (Constant), Organizational Justice

Customer Oriented Behavior was regressed on Supportive Management. The value of R^2 indicated the goodness of fitness of the model. Value in this study is .226 which is acceptable in qualitative data. Adjusted R^2 is a modification of R^2 which is adjusted with the number of explanatory variables entered. Unlike R^2, the adjusted R^2 increases only if the new term improves the model more than would be expected by chance. There is minute difference in this study regarding R^2 and Adjusted R^2. It means there would be minor change in the results even if the population was used instead of sample. The results showed that Supportive Management has a significant impact on employees' Customer Oriented Behavior (β=.467, p<.001) explaining 22.6% (R^2=.226, F=40.913, p<.001) variance in customer oriented behavior. F value is higher that the acceptable value and the model is significant at 0.001 level of significance. Thus the

analysis showed that Supportive Management has significant impact on Customer Oriented Behavior and as the value of β was positive so the impact was positive.

The second hypothesis was: Organizational Justice has significant impact on employees' Customer Oriented Behavior. The regression analysis was conducted to test this hypothesis. The value of R square was .184 and the value of adjusted R square was almost the same. The values are shown in the table:

Table-3

Model Summary

Model	R	R Square	Adjusted R Square	B	F	Std. Error of the Estimate	Sig.
1	.429[a]	.184	.178	.429	31.590	.283	.000

a. Predictors: (Constant), Organizational Justice

The analysis revealed that Organizational Justice has significant impact (β=.429, p<.001) on employees' Customer Oriented Behavior explaining 18.4% (R^2=.184, F=31.59, p<.001) variance in Customer Oriented Behavior. The beta value was positive which mean that Organizational Justice has a significant positive impact on Employees' Customer Oriented Behavior.

Discussion, Conclusion and Recommendations:

The aim of the study was to investigate the impact of employees' perception of Supportive management and Justice (Distributive and Procedural) on the employees' behavior towards the customer. We developed two hypotheses to test the impact of independent variables on dependent variables. The first hypothesis was about the impact of employees' perception of supportive management on their customer oriented behavior. This means that if employees will perceive that their management is supportive and they support their ideas to perform the job

they will be more committed with their services. The employees will not only perform their job duties well but they will take initiatives to make their services more effective. These initiatives play a vital role in making the customers more satisfied. The second hypothesis was developed to test the impact of Organizational Justice on customer orientation. This means that if employees will perceive that their management is fair in the distribution of rewards in the organization, the employees will be more encouraged to do best on their part to satisfy the organizational customers. The findings of this study also supported this argument that customer oriented behavior depend on Organizational Justice.

This research has implications for both the organizational members as it will help them to understand the predictors of employees' customer oriented behavior. This study identified that by having fairness and supportive management the managers in service firms can encourage their employees to exhibit customer oriented behavior.

This study does have some limitations in terms of sample size and sampling technique. Future research can be conducted with more sample size and more geographically dispersed sample. Some other variables can be studied to have impact on Customer Orientation.

References

Adams, J. (1965). inequity in social exchange. advances in experimental Psychology, 2.

Bowen, D. E., & Schneider, B. (1988). Services marketing and management: Implications for organizational behavior. Research in organizational behavior, 10, 43-80.

Brady, M. K., & Cronin Jr, J. J. (2001). Some new thoughts on conceptualizing perceived service quality: a hierarchical approach. The Journal of Marketing, 34-49.

Colgate, M. R., & Danaher, P. J. (2000). Implementing a customer relationship strategy: The asymmetric impact of poor versus excellent execution. Journal of the Academy of Marketing Science, 28(3), 375-387.

Cropanzano, R., & Greenberg, J. (1997). Progress in organizational justice: Tunneling through the maze. International review of industrial and organizational psychology, 12, 317-372.

Dabholkar, P. A., Shepherd, C. D., & Thorpe, D. I. (2000). A comprehensive framework for service quality: an investigation of critical conceptual and measurement issues through a longitudinal study. Journal of Retailing, 76(2), 139-173.

Donavan, D. T., Brown, T. J., & Mowen, J. C. (2004). Internal benefits of service-worker customer orientation: Job satisfaction, commitment, and organizational citizenship behaviors. Journal of marketing, 128-146.

Du Gay, P. (1996). Consumption and identity at work: Sage Publications Ltd.

Dunlap, B. J., Dotson, M. J., & Chambers, T. M. (1988). Perceptions of real-estate brokers and buyers: A sales-orientation, customer-orientation approach. Journal of Business research, 17(2), 175-187.

George, J. M., & Bettenhausen, K. (1990). Understanding prosocial behavior, sales performance, and turnover: A group-level analysis in a service context. journal of applied psychology, 75(6), 698.

Hallowell, R. (1996). The relationships of customer satisfaction, customer loyalty, and profitability: an empirical study. International Journal of Service Industry Management, 7(4), 27-42.

Hartline, M. D., Maxham Iii, J. G., & McKee, D. O. (2000). Corridors of influence in the dissemination of customer-oriented strategy to customer contact service employees. The Journal of Marketing, 35-50.

Hennig-Thurau, T. (2004). Customer orientation of service employees: Its impact on customer satisfaction, commitment, and retention. International Journal of Service Industry Management, 15(5), 460-478.

Jaworski, B. J., & Kohli, A. K. (1996). Market orientation: review, refinement, and roadmap. Journal of Market-Focused Management, 1(2), 119-135.

Jin-wook, s. L., Liu; Moon-Sun, Kim. (2010). The Effect of Organizational Justice on Employees' Turnover Intention and Customer-Oriented Behavior in Chinese Full-Service Restaurants: The Mediating Role of Organizational Affective Commitment. International Journal of Contents, 16(2).

Johnston, M. W., Parasuraman, A., Futrell, C. M., & Black, W. C. (1990). A longitudinal assessment of the impact of selected organizational influences on salespeople's organizational commitment during early employment. Journal of marketing research, 333-344.

Kelly, G. A. (1992). The psychology of personal constructs (Vol. 2): Psychology Press.

Levitt, T. (1972). Production-line approach to service. Harvard business review, 50(5), 41-52.

Quinn, J. B. (1992). Intelligent enterprise: A knowledge and service based paradigm for industry: Free Pr.

Reichheld, F. F., & Sasser Jr, W. E. (1990). Quality Gomes to Services. Harvard business review, 3(4), 106.

Rodriguez Cano, C., Carrillat, F. A., & Jaramillo, F. (2004). A meta-analysis of the relationship between market orientation and business performance: evidence from five continents. International Journal of research in Marketing, 21(2), 179-200.

Saxe, R., & Weitz, B. A. (1982). The SOCO scale: a measure of the customer orientation of salespeople. Journal of marketing research, 343-351.

Schlesinger, L. A., & Heskett, J. L. (1991). The service-driven service company. Harvard business review, 69(5), 71.

Slater, S. F., & Narver, J. C. (2000). The positive effect of a market orientation on business profitability: a balanced replication. Journal of Business research, 48(1), 69-73.

Sturdy, A. (1998). Customer care in a consumer society: smiling and sometimes meaning it? Organization, 5(1), 27-53.

Zeithaml, V. A., Parasuraman, A., & Berry, L. L. (1985). Problems and strategies in services marketing. The Journal of Marketing, 33-46.