

## INTRODUCTION

Iqra Journal of Business & Management is a peer reviewed journal initiated by the Business Administration Department, Iqra National University, Peshawar, Pakistan in year 2017. The aim of the journal is to publish latest research related to the field of management, business administration, marketing, finance, entrepreneurship and so on. The main contributors of the journal are academics, researchers, practitioners, consultants, and undergraduate and postgraduate students. The journal has a diverse advisory board consist of experts from developed countries as well as well-known universities at national level. The journal provides a platform for sharing diverse research work in the field and aims to reduce the gap between the industry and academia. The journal is abstracted and indexed in high ranking abstracting and indexing agencies. The journal does not charge any fee to authors and is freely available to the readers through its web site.

### AIMS AND SCOPE

The Iqra Journal of Business & Management provides an excellent outlet for research and scholarship on management-related themes and topics. The journal contributions comes from all over the country as well as from abroad, and include empirical and methodological articles across the full range of business and management disciplines including;

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- Corporate Social Responsibility
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- Business Ethics
- Research methods

## CHIEF EDITOR MESSAGE

Pakistan is going through a transitional period having long lasting impact on its economy, politics, culture, and social structure of the society. Key drivers of the transition include CPEC project, changing International and national political dynamics, globalization, climate change, and new public management. The transitional period is also putting greater pressure on organizations across the diverse range of industries/sectors to adopt according to the changing needs of the environment. In this dynamic environment, there is urgent need for research and development of indigenous new methods, techniques, and tools for the growth of businesses and industry in Pakistan. It is a matter of great pride, enthusiasm, and anticipation that Iqra National University is launching its management science journal named 'Iqra Journal of Business & Management'. The journal aims to provide a platform to the researchers belongs to the management and administration discipline. The journal will disseminate the latest research to the research community, academics, industry, government and social sector. The aim of the journal is to provide industry and businesses within Pakistan the latest research and bridge the gap between the industry and academia. In current era, best scholarship requires the qualitative as well as quantitative methodology so the journal will publish research articles on both type of research along with insightful commentary, field reports on contemporary management practice, all of which will make the journal highly beneficial for its readers.

The development of journal required a lot of hard work and I appreciate the work of managing editor, co-managing editor and associate editors. On behalf of Iqra Journal of Business & Management, I am thankful to the university administration for its support of this effort. I am thankful to the Chancellor, INU Obaid ur Rehman, and all the academic and administrative staff in supporting this research endeavour.

**Prof. Dr. Farzand Ali Jan Chief Editor**

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## LETTER FROM THE EDITORS

*Warmly Welcome to Iqra Journal of Business & Management (IJBM) Volume 1, Issue 1, 2017, the official journal of the Iqra National University Management Science Department. This University providing Management Science, Engineerin, Allied Health Sciences, Fashion & Design & Mass Media Communication Discipline Bachelors, Masters & Ph.D degrees. A non- profit association of scholars whose ambitious to come up with challenging and encouragement ideas to support and transfer of knowledge throughout the world.*

*The editorial mission of the IJBM is to publish pragmatic and hypothetical research articles which improve and introduce the core values of Information System and Management Science. All research articles are double blind referred. The manuscript in this issue have a good enough acceptance rate, which is keeping with our editorial mission. Versatility of thoughts will always be welcomed.*

*Please explore the Iqra National University website at <https://www.inu.edu.pk/iqra-journal-of-business-management/> for on-going information about the university and Journal, and about Management Sciences academics and our collective conferences. Submission suggestion instructions and guidelines for publication are also provided on the provided website.*

**Prof. Dr. Farzand Ali Jan**

Vice Chancellor

Iqra National University, Peshawar

## **EMPLOYEE INVOLVEMENT AND GREEN ORGANIZATIONAL PERFORMANCE**

**Sanober Tariq**

Lecturer, COMSATS, Attock, Pakistan

**Dr. Muhammad Farooq Jan**

Assistant Professor, IQRA National University, Peshawar, Pakistan

**Amna Ali**

Lecturer Iqra National University, Peshawar, Pakistan

**Dr. Muhammad Faheem Jan**

Assistant Professor, University of SouthAsia. Lahore

### **ABSTRACT**

*Due to increase focus on social responsiveness of organization green management is the charm. This study basically checks the relationship of employees and green human resource practices at different educational institutes of Attock. Purposive sampling techniques were used with a sample size of 250 employees. Results showed shows the value of 0.710 changes is occurred in organizational performance through independent variables. Over all the findings shows that path for adoption of high-involvement green HR practices and establishment of employee relationship at workplace in order to get high organizational outcomes and better performance. **Keywords:** Employee involvement, Green Organizational Performance, Educational Institutes,*

### **INTRODUCTION**

Although Green management is not novel concept in this era but in twenty first century interest in this field has risen (Renwick, 2013). The concept of green management has been popularized to the extent that nowadays firms are going towards greening more diverse aspects of management i.e. marketing, human resource management, operations, book keeping and technology etc. (Renwick, 2013).

As employees of an organization are source of core strength of an organization, so there is dire need for greening this aspect of management. Green human resource management has two prominent aspects i.e. eco-protection and knowledge capital preservation (Dutta, 2012).

This study has been based on “Universalistic and Contingency approaches i.e. best practice approach” (U. Moideenkutty, Al-Lamki, & Murthy, 2011). Delery and Doty (1996) are considered as pioneer of the stated theory i.e. universalistic, contingency and configurationally approaches. Later on Thompson (1999) evolved these concepts into best

practice and best fit approach, respectively.

This cross-sectional study has been carried out in educational sector. Core objective of the study is to explore relationship of green high involvement human resource practices with organizational performance. The available literature suggests that many researchers have found significant impact of high involvement HR practices on organizational performance (Coelho, 2011; Moideenkutty, Al-Lamki, Murthy., and 2011; Ramus, 2000).

By further extending this idea the study is designed to go a step further and explore relationship of high-involvement green HR practices and relationship at work on green organizational/institutional performance. High-involvement green HR practices can have significant impact on motivation of employees because due to high involvement HR practices the involvement of employees in strategic decision making gets enhanced and which ultimately raises their motives for achieving organizational objectives (Guerrero, 2004).

The available literature suggests that green goals of an organization can be achieved more efficiently with supportive supervision and supportive co-workers. Furthermore, with involvement of satisfaction, employee dedication or commitment, their ownership to the institute, less burnout and turnover rate and better performance can be observed (Ingram, 1989; Leach, 2005; Liouville, 1998). And this paves the path for observing the stated relationship after inducing green concept to them for educational sector. As this type of study has not been carried out in Pakistan before, so the study will confirm the existence of same relationship in work environment of this country. Though a small portion of the country is taken for analysis, still the study can be generalized to other areas of the country.

### **Objective & Problem Statement**

Core objective of the study is to analyze impact of high involvement green HR practices and its relationship with organizational performance. In twenty first century there is dire need to incorporate green practices in organizations. This significance of the concept has prompted the idea for this study. To acknowledge the importance of green high involvement practices this study has been carried out in educational institutions of Pakistan.

### **Significance of the Research**

Following is significance of the research;

1. Although Green HRM is not a new concept but its importance has mounted in twenty first century.
2. Gaining fame worldwide in fresh recruits and customers.
3. There exists importance for developed countries.
4. There exists importance for developing countries like Pakistan.

5. Gap exists for conducting research in Pakistan scenario.

## LITERATURE REVIEW

As employees are the base for firm's functioning, greening them is really emphasized in today's competitive world, which resulted in popularity of concept of green HRM. In every sector, the concept of green is gaining fame for acceptance by the external world and to get competitive edge including educational sector.

This is because it not only builds company's image but also give economic benefits for its profitability. Socially responsive firms are thus favored more by the employees as well as by the customers and are considered to be more competitive (Faleye, 2011; Li, 2010; Peng, 2009). Green HRM is simply defined by involvement of green concept in the human resource practices in the organization (Renwick, 2013). Green HRM definition has two important aspects in broader terms i.e. eco-friendly practices and preservation of knowledge asset of the organization (Dutta, 2012).

Moreover, as the high-involvement HR practices are studied with respect to green in nature, this means that this aspect focuses on preservation, retention and development of knowledge asset of the firm, as only this aspect of green HRM can be studied for a service sector organization.

In terms of first aspect of green HRM i.e. eco-friendly practices, as there is no manufacturing involved here, so there is no waste material to be disposed of. But in this scenarios, conservation of resources being utilized in educational institutes can be focused. Together with conservation of resources, there is also need to avoid wastage of resources. These resources can include use of electricity, water, gas, classroom resources like board markers, chalks, multimedia, computers etc. so there is need of conservation as well as avoid wastage of these resources.

Along with these material resources, financial resources shall also be managed in efficient manner. In all this regard, employees are also resource of the institute and thus their management and preservation is also advisable. In fact, employees are the most important resource of the firm,

because without them all other resources are useless and with their help all other resources can be used efficiently (Renwick, 2013).

One more thing that can be seen is that in educational sector the concept of green is introduced in terms of its service quality improvement. The service quality is improved by recruiting the best fit person for the job, by involving employees in decision making and

problem solving, giving them assistance, help in their personal development that will help in their retention in the firm, and empower them so that they feel recognition and ownership to the organization (Coelho, 2011; Guerrero, 2004).

Employee empowerment has also shown to have positive impact on employee job performance and their motivation (Daily, 2012; Kamalian, 2010). Motivated employees will perform better and will thus result in better organizational outcomes (Mougbo, 2013).

In educational institutes, when the staff is allowed to design their course outlines, they can be seen to help their students in personality building in better ways. When they are allowed to participate in decision making process, brainstorming etc. they seem to get recognition and ownership feelings with the institute (Polonsky, 1998; Porter-O'Grady, 2003). So, in nutshell service quality is ensured when employees are empowered (Daily, 2012; Kamalian, 2010).

Available literature suggests that, along with high-involvement green HR practices, employee's relationships have also influence on organizational overall performance and same is true for practicing green tasks (Coelho, 2011). When employees have good relationships at work like supportive supervision and supportive co-workers, he/she will performance (Coelho, 2011; Ramus, 2000). Supervisor and co-worker assistance provide the employee with ease of problem solving, ease of decision making, ease of knowledge sharing, ease of reach to required resources, and ease of conflict resolution (Coelho, 2011; Ramus, 2000).

All this will result in more job satisfaction and reduced turnover and burnout rates that will ultimately cause good organizational performance (Coelho, 2011; Ramus, 2000). It has also been noticed that organizational performance is accelerated when organizations have better managerial supportive staff for its employees because this will cause low rate of conflicts and more atmosphere of satisfaction will prevail throughout the organization (Bitner., 1990; Coelho, 2011; Ramus, 2000). Same is the case in educational institutes, when the executives are supportive, their subordinates face lesser problems and more satisfaction and dedication (Bitner., 1990).

The research on green HR practices is worthy for both developing as well as developed countries. In developing countries, it will help in improving firms' outcome (Li, 2010; Naeem, 2009). And, in developed countries, it will help the firm in getting competitive advantage over its competitors (Faleye, 2011; Li, 2010; Peng, 2009).

### Research Hypothesis

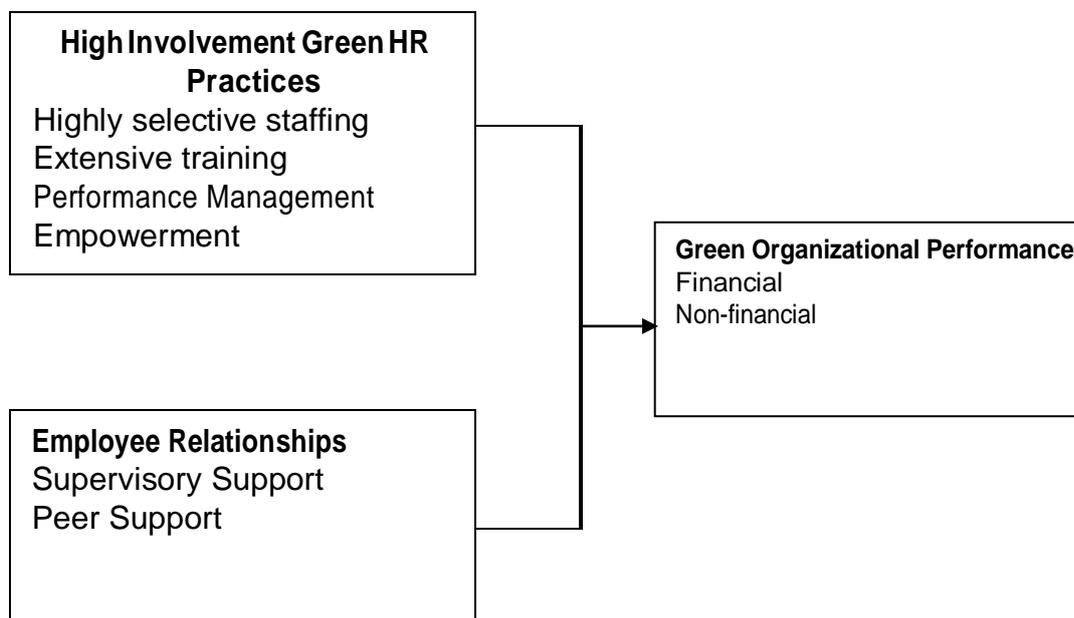
The research study is based on following hypothesis;

H1: There exists positive correlation between high-involvement green HR practices and organizational performance in educational sector of district Attock.

H2: There exists positive correlation between employee's relationship at work and organizational performance in educational sector of district Attock.

## RESEARCH METHODOLOGY

### Conceptual framework



*Fig 1: Conceptual framework*

### Sample Size and Sampling Method

For the research, a total sample of 250 employees were selected and analyzed for results. The approach which was used in this study is purposive sampling technique i.e. non-probability sampling technique. Through this technique, employees were selected conveniently. The sector which is being focused in this study is educational institutes. Data were collected from the staff of educational institutes situated in district Attock, Pakistan.

### Research Analysis

Data was analyzed through SPSS (Statistical Package for Social Sciences). Correlation and linear regressions technique has been used to test the relationship and hypothesis among variable.

### Reliability Analysis

The reliability analysis shows the values of Cronbach's alpha for all three variables i.e., highly selective staffing, extensive training, performance management, empowerment and supervisory support as shown in table 2. The values of all Cronbach alpha is above 0.7 justifying a good internal consistency among variables and reliable results. The reliability score shows that highest reliability is for performance management ( $\alpha=0.894$ ) and lowest reliability score were found for supervisory support ( $\alpha=0.704$ ). While the reliability score for other variables followed by highly selective training ( $\alpha=0.810$ ), extensive skill ( $\alpha=0.813$ ), empowerment ( $\alpha=0.884$ ), peer support ( $\alpha=0.876$ ), financial organizational performance ( $\alpha=0.879$ ) and non-financial organizational performance ( $\alpha=0.885$ ). Further details are given in table 1 below.

Table 1  
*Reliability Analysis*

Dimensions	Cronbach Alpha Score
Highly selective staffing	0.810
Extensive Training	0.813
Performance management	0.894
Empowerment	0.884
Supervisory support	0.704
Peer-support	0.876
Financial organizational performance	0.879
Non-financial organizational performance	0.885

### Correlation Analysis

The Correlation analysis details are given in table II. These results show that description in table 3, gives the following outcomes;

For correlation between high-involvement green HRM practices and organizational performance,  $r = .765$  i.e. there exists a positive relationship.

For correlation between employee's relationship at work and organizational performance,  $r =$

$.837$  i.e., there exists a positive relationship. Both correlations are significant at  $.000$  as shown in table II.

Table II: *Correlation Analysis*

Variables	1	2	3
1 Organizational Performance	1		
2 High Involvement Green HR practices	0.765***	1	
3 Employee relationships at work	0.837***	0.854***	1

### Regression Analysis

The regression analysis shows the results of R and R<sup>2</sup>. Table 3 shows regression analysis where R=.843 and R<sup>2</sup>=.710. R value shows correlation between dependent variable and all independent variables and R=.843 shows a strong correlation between organizational performance and both independent variables. R<sup>2</sup> shows the extent of variation in dependent variable explained by all independent variables and has a reasonable value of .710 showing quite a portion of dependent variable i.e. organizational performance is being explained by both independent variables. The outcome is significant at .000 as shown in table III.

Table III: *Model summary of variables*

Model	R	Rsquare	Adjusted Rsquare	Std. Error of the Estimate
1	.843	.710	.708	.20875

a. Predictor: (Constant), Employee Relationship at Work, High Involvement Green HR Practices  
 b. Dependent Variable: Organizational Performance

The table IV showing ANOVA also gives the regression and residual values that are significant at .000. Table 6 shows the values of coefficients i.e. beta value.

Table IV: *ANOVA*

Model	Sum of Squares	Df	Mean Square	F	Sig
Regression	26.339	2	13.169	302.204	.000
Residual	10.764	247	.044		
Total	37.103	249			

a. Predictor: (Constant), Employee Relationship at Work, High Involvement Green HR Practices  
 b. Dependent Variable: Organizational Performance

The standardized coefficient values shows b=.184 (sig .006) for high involvement green HR practices and b=.680 (sig .000) for employee relationship at work. This means that with unit change in high involvement green HR practices there will be .184 units change in organizational performance and with unit change in employee relationship at work there will be .680 units change in organizational performance. So, most of the portion is

explained by employee relationship at work. Both give significant results (sig <.05).

Table V  
*Coefficients*

Model	Unstandardized Coefficients		Coefficients <sup>a</sup>		t	Sig.
	B	Std. Error	Standardized Coefficients	Beta		
(Constant)	.057	.084			.676	.499
1 High Involvement Green Hr Practices	.178	.064	.184		2.794	.006
Employee Relationship at Work	.775	.075	.680		10.311	.000

a. Dependent Variable: Organizational Performance

## DISCUSSION

This research article puts forth following findings;

- High-involvement green HR practices are positively correlated to organizational performance as also supported by the literature. Hence H1 is accepted. It also implies that when there are more high-involvement green HR practices within the organization, the employees will be highly motivated. Due to all this the turn-over rate and stress level will decrease within organization.
- Employee's relationship at work is positively correlated to organizational performance as also supported by the literature. This results in acceptance of the second hypothesis H2. This also causes high motivation and satisfaction level and thus high organizational performance. So good relationship of employee at work will bring prosperity and mental satisfaction and good job performance that can ultimately result in good organizational output.

### Future Recommendations

Following are the recommendations for future research;

- Research can be extended with induction of mediating variables as residual terms show that there is room for further induction to cover "unexplained variance".
- This study can also be extended to other areas of country.

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# THE EFFECTS OF ORGANIZATIONAL JUSTICE ON EMPLOYEE PERFORMANCE IN THE HEALTHCARE SECTOR OF PAKISTAN: A SMART PLS-BASED STUDY

## Muhammad Tahir

Business Administration Department, Iqra National University, Peshawar, Pakistan  
 Email: tahirkhanzaee@gmail.com Ph: +923239256994  
 ORCID: <https://orcid.org/0000-0001-8195-513X>

## Raza Ahmed Khan

Business Administration Department, Iqra National University, Peshawar, Pakistan  
 Ph: 03459089053  
 Email: raza.ahmed@inu.edu.pk

## Zakir Rahim

Business Administration Department, Iqra National University, Peshawar, Pakistan  
 Ph: 03239350143  
 Email: zakir.rahim@inu.edu.pk

## ABSTRACT

*The aim of the study was to investigate the problem of low level of employee's performance in the healthcare sector in Pakistan. The objective was to measure the effects of organizational justice dimensions on employee performance. The research design of the study was cross-sectional and explanatory. Quantitative approach was adopted and the survey method was used for data collection. Through sampling, we collected data from 131 participants belonged to the various hospitals in three cities of Pakistan. We used Smart PLS for analyzing convergent validity, discriminant validity, and reliability and found satisfactory results. Furthermore, path coefficients based on bootstrapping shows that there are positive and significant effects of distributive justice ( $\beta=.373$ ,  $P<.05$ ); procedural justice ( $\beta=.346$ ,  $P<.05$ ); and interactional justice ( $\beta=.346$ ,  $P<.05$ ) on employee performance. Our results imply that the healthcare sector in Pakistan needs to give attention to the organizational justice aspects.*

**Keywords:** *Organizational Justice, Distributive Justice, Interactional Justice, Employee Performance, Healthcare Sector, Pakistan, Smart PLS.*

## INTRODUCTION

Organizational justice is about employee's perception of fairness in treatment received by a worker from his/her employer (Cropanzano & Greenberg, 1997). The concept of organizational justice has its roots from ancient human civilization (Erdogan, 2017). Previously, the concept of justice was based on society level justice and there was not much focus on organizational justice; however, later, the concept was used to understand several

organizational level problems (Greenberg & Colquitt, 2013). Previously, the sole focus of organizational justice was on distributive justice; however, later, the concept of organizational justice included the other dimensions namely the procedural justice and the interactional justice (Cropanzano & Greenberg, 1997). The concept of organizational justice is found to be associated with several employee-related favorable outcomes such as job performance, work commitment, employee engagement, turnover intention and so on (Berger, Zeldtich, Anderson, & Cohen, 2015; Greenberg, 2017; Khan, Abbas, Gul, & Raja, 2015; Tornblom & Vermunt, 2016; Xu, Loi, & Ngo, 2016).

### **Problem Statement**

The problem this study is addressing is the lower work performance of the healthcare employees in the private sector hospitals in Pakistan. The lower performance is based on several factors including higher work pressure, lack of technology, lack of adequate facilities, and inadequate human resource management practices. One aspect which is also ignored in the healthcare sector is the lack of organizational justice which also adds to the problem. In the current study, we investigate the employee performance issue from the organizational justice framework. The main problem is as under.

‘Investigation of the effects of perceived organizational justice on employee performance in the healthcare sector of Pakistan’

### **Significance of the Study**

The significance of the study is as under.

#### **Significance for Managers**

The significance of the study for the managers is that managers can use the study for diagnosing the lack of organizational justice and its influence on staff performance in the healthcare sector. The findings can be used by the managers to devise suitable practices for improving staff work performance.

#### **Significance for the Healthcare Sector**

The significance of the study for the healthcare sector is that it can be used to improve the work performance of the employees of the healthcare sector. The healthcare sector can take benefit from the findings of the study in terms of improving its performance.

#### **Significance for the Society**

The societal significance of the study is that it can be used to improve the performance of the healthcare sector which has a greater benefit for the society. Pakistani society lacks adequate healthcare facilities and service quality, so any incremental improvement in the healthcare

sector is very significant for the society.

## LITERATURE REVIEW

### **Organizational Justice**

Organizational justice refers to the worker's perception of fairness in various work-related aspects (Greenberg & Colquitt, 2013; Greenberg, 2017). According to the Greenberg & Colquitt, 2013), organizational justice perception is important from employer and employee point of view, since it influences employee's behavior and attitudes. Three main types of dimensions of organizational justice are distributive justice, procedural justice, and interactional justice.

### **Distributive Justice**

According to Greenberg & Colquitt, 2013), distributive justice refers to the employee's perceived fairness about how an organization makes decisions regarding allocation such as pay allocation. According to Berger, et al., (2015) distributive justice is highly important from employee perspective since factors such as pay, promotion, increments, incentives, and bonuses are highly important to the workers. Employee's perception regarding the distributive aspect is based on various HR practices of the organization including pay, increment setting, and promotion and so on. If these practices are perceived as fair by employees, so employees will form a positive perception of distributive justice. On the other hand, if employees perceive that these practices are not fair, so employees will form a negative perception regarding organizational distributive justice. Distributive justice is also associated with the equity theory proposed by Adams (1965). According to this theory, workers compare their input (efforts) and output (reward) internally as well as externally. By this, it means that a worker compares his/her own efforts and reward with others in the organization as well as in other organizations. If workers perceive that his/her efforts and reward are similar to the others whether internal to the organization or external, so employees feel a perceived distributive justice. On the other hand, if employees perceive that his/her reward is not equal to his/her efforts or is in mismatch while comparing with other employees, so employees feel a perceived lack of distributive justice.

The importance of distributive justice is established in previous studies which found a positive association of employee-related outcomes with distributive justice such as employee engagement, job satisfaction, and work commitment (Fatt, Khin, & Heng, 2010; Haynie,

Mossholder, & Harris, 2016; Ouyang, Sang, & Peng, 2015; Xu, et al., 2016).

### **Procedural Justice**

Procedural justice refers to the employee perception regarding fairness in procedures used by the organization for making various decisions (Greenberg, 2017). Mostly, employees develop procedural justice perception based on procedures adapted for decisions regarding pay rise, promotion, bonus division, disciplinary procedure, and employee termination (Tornblom & Vermunt, 2016). Various HR practices such as training, career development, pay rise, appraisal, selection, and voice opportunities also shape employee's procedural justice perception (Greenberg, 2017). Previous studies shows that procedural justice is important as it is found to be associated with employee-related outcomes including employee commitment, reduced stress, trust development, and job satisfaction (Haynie, et al., 2016; Khan, et al., 2015; Ouyang, et al., 2015; Xu, et al., 2016).

### **Interactional Justice**

Interactional justice refers to the employee perception regarding the quality of interpersonal connection with supervisor (Tornblom & Vermunt, 2016). In other words, interactional justice is based on the employee's perception about how supervisor treats workers (Greenberg, 2017). Previous studies show that besides the distributive and procedural aspects, interactional justice is also very important. For example, studies show that interactional justice is associated with employee commitment, higher trust, and job satisfaction (Xu, et al., 2016; Nix & Wolfe, 2016).

### **Employee Performance**

According to Suliman (2007), employee performance refers to the employee's dedication to work, management of interpersonal work-based relationships, performance in different contexts, and completing tasks according to the organizational norms. Accordingly, dedication is about the amount of physical and psychological investment of the workers in the work. Contextual performance is about performance in different contexts or according to the situation (Van Scotter & Motowildo, 1996). Task performance is about performing the assigned duties and responsibilities. Overall, the concept of job performance is an umbrella term and contains several dimensions (Taylor & Beh, 2013).

### **The Effects of Organizational Justice on Employee Performance**

Organizational justice is found to be associated with several employee-related outcomes. For example, a study conducted by Zhang, Lepine, Buckman, and Wei, (2014) showed that organizational justice dimensions including distributive, procedural, and interactional justice

are associated with job satisfaction. A study conducted by Nasrudin and Khuan (2011) showed that organizational justice dimensions are associated with employee work performance. Similarly, a study conducted by Griffeth, Hom, and Geatner (2013) showed that organizational justice dimensions have a significant negative influence on staff turnover intention. Other studies also found similar results including Radzi, Siti, Zahari, Salehuddin, and Zulhan, (2017); Fulford (2015); Nadiri and Tanova (2010); and Devonish and Greeidge (2010). Overall, literature is consistent in terms of favorable employee outcomes including work performance.

### **Theoretical Framework of the Study**

The theoretical framework of the study is based on the equity theory proposed by Adams (1965). According to this theory, workers compare their input and output internally as well as externally. If employees perceive that their reward is matching with their efforts and is similar to the other employees within the organization as well as employees of other organization, so employees perceive a sense of justice. On the other hand, if there is some mismatch, so employees perceive injustice. One aspect of perceived injustice is that employees may decrease their work efforts in order to correct the injustice. The equity theory provides useful support to our model since if employees perceive justice, so employees will perform well. On the other hand, perceived injustice will negatively affect workers performance.

The second theory we used for developing our theoretical model is social exchange theory (Blau, 1968). According to this theory, social relationships are based on reciprocal exchange means that if one party performs some good act, so the other party feels obliged to do something good in return to the first party. The theory is applicable to our model since if the employer takes care of the employees and creates a sense of justice, so employees will also put efforts to do something good in return for the organization which can be in the form of improved work performance. Based on the equity theory, social exchange theory, and organizational justice theory, we proposed the following hypotheses.

H0: Distributive justice has insignificant effects on employee's performance  
H1: Distributive justice has significant effects on employee's performance

H0: Procedural justice has insignificant effects on employee's performance  
H2: Procedural justice has significant effects on employee's performance  
H0: Interactional justice has insignificant effects on employee's performance  
H3: Interactional justice has significant effects on employee's performance

## RESEARCH METHODOLOGY

### Research Design

According to Sekaran and Bougie (2016), good research needs to have a sound research design. There are various designs such as descriptive, explanatory, and exploratory. In the current study, the design of the study is explanatory since we intend to explain the relationship between organizational justice and employee performance. In terms of time frame, the design of the study is cross-sectional since data is collected single time from the participants.

### Research Approach

According to the Zikmund, Babin, Carr, and Griffin (2013), the three main research approaches in social sciences include quantitative, qualitative, and mixed method approach. The quantitative approach is more objective in nature and is suitable for the explanatory type of study. Our chosen research approach is quantitative since it is suitable for the nature of the study.

### Research Population

Population refers to all units which can be used for data collection (Sekaran & Bougie, 2016). The population of the study is private sector hospitals in the city of Peshawar. The population is large and relatively unknown.

### Sampling

Two main types of sampling include random and non-random sampling (Sekaran & Bougie, 2016). When all sample units possess equal chance of being selected, it is called random sampling; while, if units do not possess equal chance of being selected, so it is called non-random sampling. We used non-random sampling and our required sample size is 119 based on sample size table developed by Bartlett, Kotrlik, and Higgins (2001).

### Survey Measure

The primary data is collected using the survey approach. The survey is based on previously developed measures. Measure for organizational justice is adapted from Niehoff and Moorman (1993). This measure consists of 5 items for distributive justice, 6 items for procedural justice, and 9 items for interactional justice. The employee performance is measured by 14 items adapted from Fielder (1993). Data is collected using a survey approach which was physically distributed in the selected private sector hospitals in the city of Peshawar, Lahore, and Islamabad.

## Data Analysis

Data is analyzed using statistical methods. SPSS version 20 for frequency analysis and descriptive statistics. Smart PLS Version 3 is used for establishing reliability, validity, and hypothesis testing (Ringle, Wende, & Becker, 2015).

## Ethical Issues

In social sciences research, there are several ethical issues arises due to the primary data collection from a human subject. These ethical issues need to be addressed by a researcher. In our study, we addressed these ethical issues including no harm to the participants, no force for data collection, and maintenance of privacy of the participants are addressed adequately.

## RESULTS

### Demographic Information

The demographic information of the participants is as under.

Table 1 *Demographic Information of the Participants*

	Frequency	Percentage
<b>Gender</b>		
Male	100	76.3
Female	31	23.7
<b>Age</b>		
18 to 25 Years	41	31.3
25 to 40 Years	78	59.5
40 to 60 Years	12	9.2
<b>Qualification</b>		
Bachelors	19	14.5
Masters	101	77.1
Others	11	8.4
<b>Job Role</b>		
Doctors	50	38.2
Nurses	41	31.3
Administrative Staff	33	25.2
Support Staff	7	5.3

A total of 131 employees from selected healthcare sector organizations participated in our survey. based on gender, 100 participants were male and 31 were female. In terms of age, 41 belonged to the age group of 18 to 25 years of age; 78 belonged to the age group of 25 to 40 years of age, and 12 belonged to the 40 to 60 years of age. In terms of qualification, 19 had bachelor level of qualification; 101 had a master level qualification, and 11 had others level of qualification. Based on the job role, 50 were doctors, 41 were nurses, 33 were administrative staff, and 7 were support staff.

## Measurement Model

We used Smart PLS version 3 for testing the reliability, validity, and path coefficients for our proposed model. For reliability, we used the Cronbach alpha and Composite reliability as proposed based on Fornell & Larckers (1981) and Cronbach (1951) criteria. For validity, we used the convergent validity and discriminant validity which are part of construct validity. The convergent validity is about the degree to which a scale items truly represent the latent construct (Carmines & Zeller, 1979). For establishing convergent validity, we used the Fornell and Larcker's (1981) criteria of average variance extracted (AVE). The initial model consisted of some individual items having less than 0.50 loadings which we removed and re-run the model. In total, we deleted 2 items from procedural justice (PJ2, and PJ6); and 1 item from interactional justice (IJ1). Results for reliability and convergent validity for the revised model are given below.

Table 2: *Reliability and Convergent Validity*

Latent Variable	Indicator	Loadings	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Distributive Justice	DJ1	0.705	0.845	0.887	0.613
	DJ2	0.839			
	DJ3	0.650			
	DJ4	0.847			
	DJ5	0.851			
Procedural Justice	PJ1	0.749	0.924	0.934	0.507
	PJ3	0.700			
	PJ4	0.766			
	PJ5	0.645			
	IJ2	0.737			
Interactional Justice	IJ3	0.831	0.898	0.914	0.573
	IJ4	0.694			
	IJ5	0.714			
	IJ6	0.810			
	IJ7	0.773			
	IJ8	0.715			
	IJ9	0.770			
	IJ9	0.770			
Employee Performance	EP1	0.677	0.740	0.808	0.514
	EP2	0.569			
	EP3	0.670			
	EP4	0.764			
	EP5	0.709			
	EP6	0.734			
	EP7	0.762			
	EP8	0.743			
	EP9	0.884			
	EP10	0.835			
	EP11	0.602			
	EP12	0.646			
	EP13	0.659			
	EP14	0.640			

The Cronbach Alpha and composite reliability for each variable are above 0.70 so it shows that our variables had good reliability (based on a suggestion by Hair, Sarstedt, Ringle, & Mena, 2012). The convergent validity is also established for our variables based on Fornell

and Larcker's (1981) criteria of AVE of above 0.50 for all variables. The discriminant validity is established using the comparison of squared AVE and individual loadings (Hair, Hult, Ringle, & Sarstedt, 2014).

Table 3: *Discriminant Validity*

	1	2	3	4
Distributive Justice	<b>0.783</b>			
Procedural Justice	0.605	<b>0.712</b>		
Interactional Justice	0.403	0.399	<b>0.757</b>	
Employee Performance	0.462	0.554	0.200	<b>0.717</b>

The diagonal bold values are squared AVE and other values are a respective correlation. Our results indicate that all squared AVE is greater than other values in its column so it shows that our variables had good discriminant validity. Our revised model is given below.

### Assessment of Inner Structural Model

We have established the reliability and validity of our measures for variables, now in the next step, we assessed the inner structural model for hypothesis testing. For the inner structural model, the criterion checked are Multicollinearity assessment, t-statistics and path coefficients ( $\beta$  value).

Multicollinearity for our structural model is tested using the variance inflation factor for which the cut of value is less than 10 (Henseler, et al., 2009).

Table 4: *Multicollinearity Assessment*

Variables	VIF
Distributive Justice	1.458
Interactional Justice	1.195
Procedural Justice	1.272

The VIF for all variables are less than 10 so it indicates that multicollinearity is not a problem in our data.

IN PLS path models, structural models and significance of the hypothesis are evaluated using the individual path coefficients or beta values. We used the Bootstrapping procedure for assessing significance (Chin, 1998) based on 500 sub-samples. Next figure and table provide details about path coefficients and t-statistics (bootstrap) values for our hypothesized model.

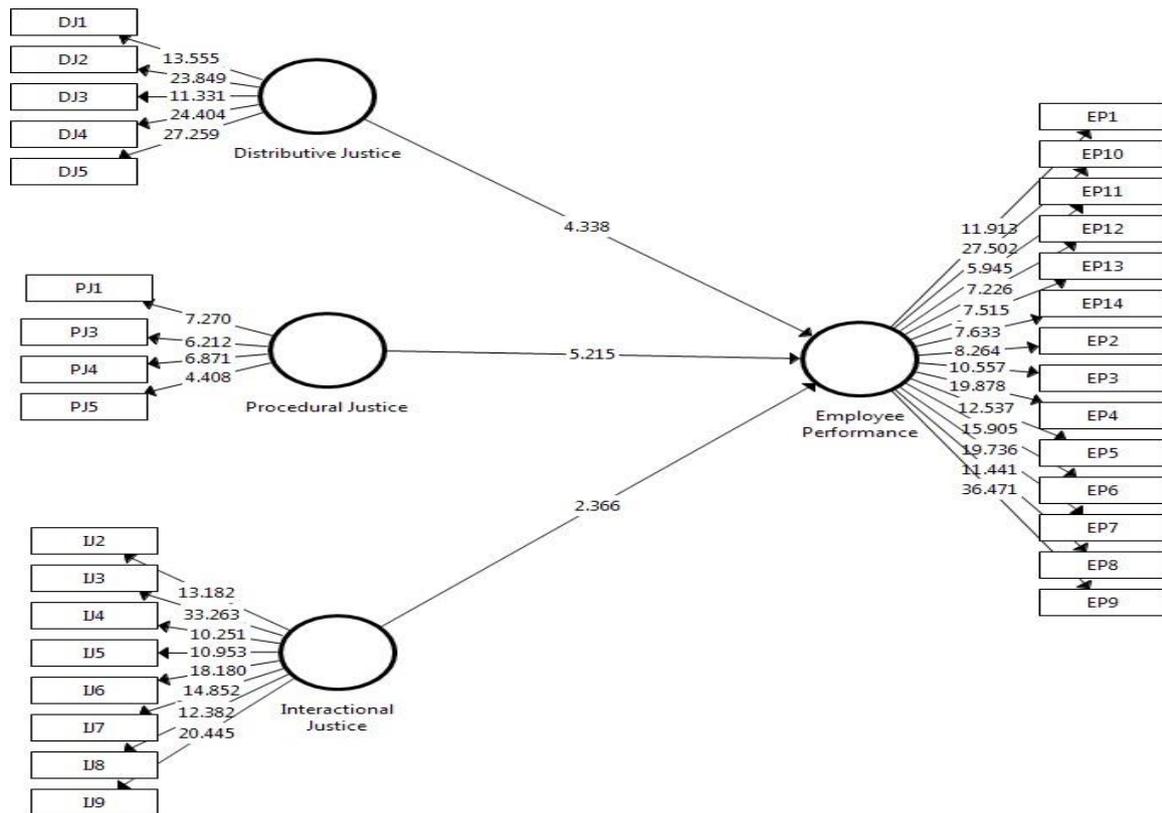


Table 5: Path Coefficients

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics	P Values	Inference
Dist Jus -> Emp Perf	0.373	0.376	0.086	4.338	0.000	Significant
Intr Jus -> Emp Perf	0.179	0.178	0.076	2.366	0.018	Significant
Proce Jus -> Emp Perf	0.346	0.361	0.066	5.215	0.000	Significant

The path coefficient indicate that distributive justice has positive and significant effects on employee performance ( $\beta=.373$ ,  $P<.05$ ); interactional justice has positive and significant effects ( $\beta=.179$ ,  $P<.05$ ); and procedural justice has positive and significant effects on employee performance ( $\beta=.346$ ,  $P<.05$ ). Overall, we accept all three hypotheses.

## CONCLUSION

The aim of the study was to investigate the problem of low performance in the healthcare sector of Pakistan. We investigated the problem from the organizational justice perspective. Data is collected from the selected healthcare sector organizations (hospitals). Our results indicate that there is a low level of perceived organizational justice in selected healthcare organizations. Furthermore, results indicate that three dimensions of organizational justice

have positive and significant effects on employee performance. These results are consistent with the findings of previous studies including Zhang, et al., (2014); Suliman (2007); Nasrudin and Khuan (2011); and Griffeth, et al., (2013). Our conclusion is that there is a low level of organizational justice exist in the private sector healthcare sector organizations in Pakistan. Furthermore, it can also be concluded that organizational justice dimensions including distributive justice, procedural, and interactional justice are important predictors of employee performance.

### **Recommendations**

The recommendations of the study are as under.

- The healthcare sector organizations in Pakistan need to give attention to human resource issues.
- The healthcare sector organizations in Pakistan should focus on improving distributive justice, procedural justice, and interactional justice perception of the staff. In this regard, the pay and promotion related policies and procedural aspects/decisions need to be made more transparent.
- Employees involvement in the distributive, procedural, and interactional aspects will also be helpful since it will lead to the
- People in leadership roles such as administrators or supervisors need to be trained in order to handle employee's relationship properly.
- Healthcare sector organizations need to improve compensation and relevant policies and practices.

### **Limitations of the Study**

The limitations of the study include cross-sectional design, a small sample drawn from three cities, a sole focus on a single sector and making use of a quantitative approach and survey- based data collection.

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**HEALTH CARE CONSULTANTS “GYNECOLOGISTS”  
PRESCRIPTIONS PREFERANCES FOR MULTI-NATIONAL AND  
NATIONAL BRANDS IN PHARMA INDUSTRIES; A CASE STUDY  
OF PESHAWAR, KP\***

**Shafaat Ullah**

Scholar, Bacha Khan University Charsadda

**Dr. Syed Asim Shah**

Assistant Professor, COMSATS, Attock

**Dr. Muhammad Faheem Jan**

CEO, Deniz Enterprises

**Adil Adnan**

IQRA National University, Peshawar

**Amna Ali**

IQRA National University, Peshawar

**ABSTRACT**

*The objective of the study was to test the gynecologists prescriptions for multi-national and national brands in pharma industries. The study was conducted in the public sector hospitals in the city of Peshawar. Data is collected using pre-developed survey measure for the variables of price, product, promotion, place, and prescribing behavior. Our results shows that consultants mostly prescribe drugs which are not costly. Furthermore, promotion made by the pharmaceutical companies sales representatives influence gynecologist prescriptions preference. Additionally, medicine country of origin, social factors, and availability of resources also influence drugs prescription.*

**Keywords:** Prescription, Pharmaceutical Industry, Pakistan.

**INTRODUCTION**

**Background of the study**

The field of prescribing drug therapy is highly specialized in developed countries and the state has direct control over it but in countries like Pakistan mainly educated population dependent on the advice of a healthcare consultant (Azhar and Ibrahim, 2018). Though there is trend of self-medication yet due to awareness programs by the government and social media the general public in general and educated in particular depend on specialized health care consultant (Sayeed,1996).

According to Rochon and Gurwitz (1998), healthcare consultant`s writing of a prescription is the most frequent medical intervention and that healthcare consultant has the authority to

prescribe whatever medicines are needed. All these medicines are chemically poisons so great care is taken with caution while giving prescriptions. The healthcare consultants and pharmaceutical companies both equally contribute in the promotion of these drugs to the end user. Some of the major factors in this regard remain very influential for health care consultants during setting their preferences for multinational and national/local pharmaceutical brands (Birn, Pilly and Holtz, 2017). These are prices of the medicinal brand, services accompanied with medicinal brand, availability of the medicinal brand in the market, regular follow up visits of the pharmaceutical representatives, government policies efficacy and safety of the medicinal brand.

### **Statement Problem**

Literature so far suggest that pharmaceutical promotional mix predict how consultant prescribe drugs in the developing countries. Today the doctor's community is under the great criticism by the public, society, and press that their prescriptions are based on financial motives provided to the doctors by the pharmaceutical companies. To find out the respective association used in formulating pharmaceutical strategies for the achievement of their long term organizational objectives. In the light of the above mentioned statement of problem following are the research questions.

### **Objectives of the Study**

- To find the healthcare consultant's price preferences (i.e. Price) while prescribing brands of either multinational or National companies.
- To study the role of drug quality in prescribing the formula.
- To check availability of drugs at market prescribed by consultants and its substitutes if there is a chance of non-availability of drugs
- To investigate Physicians prescription preferences of different drugs with different country of origins.

### **Significance of the Study**

The study conducted may be mostly having significant importance for the pharmaceutical product producer, pharmaceutical product prescriber and pharmaceutical product payers. This study may also contribute in significant manner during policy making by the regulatory authorities.

The study results are unique because of the fact that specifically the health care consultant's

preferences medical colleges teaching institutions of Peshawar remained ignored and no considerable attention has given, at the time of revision of regulatory health policies. This research has identified the association between health care consultant's preferences with different options influential upon their preferences. Furthermore, which option may be of more importance while achieving the organizations objectives by pharmaceutical companies? Based on conclusion of this study suggestion are given for the achievements of organizational objectives, and other related requirements.

## **REVIEW OF LITERATURE**

### **Physician's Prescribing Behavior**

In organizational context, autonomy is given for various reasons however, usually autonomy is assigned because of complicated nature of work and expanded size of tasks. Sometimes principal delegate authority to its agent but it can create conflict of interest as interest of principal and agent may clash for various reasons. A situation can arise where agent may adopt opportunistic behavior and may damage the wellbeing of the principal. So there are various problems related to the agency relationship between principal and agent. The relationship between hospital administration and doctor is of that of principal agent. Sheikh (1996) commented that without logic and low quality prescribing practices has been identified in Pakistan. While Sayecd (1996) further explain that without logic means treatment irrelevant to diagnosis, less know how about the medication as per guidelines for the management of various diseases, inappropriate dosage and prescribing medicines for non-specified duration, have already been reported in different parts of Pakistan.

As Chetley A (1993) argued above that the information provided by the pharmaceutical companies in form of highlighting prices, services, availability of the drug, efficacy and safety of their brands, government interventions, and ensuring regular follow up through sales representatives to healthcare consultants are very often the primary sources of setting healthcare consultant preferences for prescribing any specific brand. The healthcare consultants and pharmaceutical industry interaction appears to affect prescribing behavior. Pharmaceutical companies sponsored academic events advocate the sponsor's drugs compared with other academic events. The increased prescriptions rates are directly related with attending such type of academic events. Similarly accepting cash in form of donations for travel or lodging for academic events like international or local level symposia is also related with the prescription preferences of the health care consultants. According to Jones et al (1996) approximately 88% of the medications are prescribed by their brand names in Pakistan by the health care consultants.

Apart from the above mentioned factors influencing healthcare consultants prescribing preferences social factors, availability of resources, training opportunities, personal and professional development of healthcare consultants are also important factors to consider relationship between healthcare consultants and pharmaceutical industry. It is important to mention that all of the above mentioned factors are questioned as

What means majority of healthcare consultants use to continue their prescribing preferences with prices, quality, availability, efficacy, safety, regular follow up or government interventions? The moral and ethical obligations apply on the both sides being specialized in their own fields. Managerial, Educational and regulatory intervention to vindicate the prescribing exercise is the duty of professional bodies and government authorities. The main importance is on the safety of a patient which should not be conceded just for the sake of industrial growth or for personal growth.

## **RESEARCH METHODOLOGY**

### **Universe of the Study**

All doctors working in the hospitals at Peshawar are the universe of the study. In this study we focused on only public sector doctors. Due to limited time period, and keeping in view the hospitals policy constraints only eight hospitals Lady Reading Hospital (LRH), Khyber Teaching Hospital (KTH), Hayatabad Medical Complex (HMC), Naseer Teaching Hospital (NTH), Moulvi Gee Hospital (MGH), Government Maternity Home Hospital (GMH), Kulsoom Maternity Home (KMH) and Health Care Center (HCC) Peshawar have been chosen on the basis of non-probability sampling approach. These hospitals were selected for this study because they are the major institutes that give the services of healthcare in KP province. The sampling units were all the gynecologists working in the Gynae wards for the study in hand. The gynecologists were considered because they are heads and the key opinion leaders in these major hospitals, they are also considered as the competent authorities in their specialties.

A list of all gynecologists was retrieved from the concerned Gynae wards which were composed of all house officers, trainee medical officers, senior registrars, assistant professors, associate professors and even some of the professors of gynecology wards who are providing services in these major hospitals. The total number of the sample size was 390 gynecologists from whom the data was collected for this study. This study used convenient sampling technique for getting information, and those doctors whose availability is provided at these hospitals in morning, evening and night shifts for data collection purposes because of

the busy schedule of these doctors in different surgery and delivery cases, it was difficult to get information precisely, therefore, morning, evening and nights shifts were considered to be the most suitable to collect the precise data.

Questionnaire was distributed among 390 respondents in which 311 were returned and 297 were found correct for analysis, so the final sample size on which the analysis were done is 297. For the purpose of getting required sampling, the method which has been used in this study that was a proportional allocation method which is given as:

$$n_i = (n/N) \times N_i \quad (\text{for } i = 1, 2, 3) \text{ Where,}$$

$n$  = required sample size

$n_i$  = number of sampled respondents from the each hospital

$N$  = total number of healthcare consultants working in the selected hospitals (size of population)

$N_i$  = total number of healthcare consultants in the each hospital

Detailed information about the number of healthcare consultants and the sampled staff is given in.

Primary data is utilized in this study and collected using the survey questionnaire. The questionnaire was adapted from the mentioned authros (Sayandhan, Kodithuwakku & Gunaratne, 2008; Kalaskar et al., 2012; Cenguz et al., 2007; Yoo et al., 2000; Bradley, 2001).

Table 1: *Reliability analysis*

Variables	No of Items	Source	Chronbachs Aplha
Price	5	Sayandhan, Kodithuwakku, and Gunaratne (2008)	0.712
Product	7	Sayandhan, Kodithuwakku, and Gunaratne (2008)	0.769
Promotion	10	Sayandhan, Kodithuwakku, and Gunaratne (2008)	0.711
Place	4	Sayandhan, Kodithuwakku, and Gunaratne (2008)	0.78
Prescribing behavior	22	Theodorou et al. (2009)	0.823

## RESULTS

Frequency distribution of gynecologist's preferences regarding different category of medicinal products by national and multinational companies are displayed in Table 4.1. It is evident that majority of the gynecologist's preferred national companies both in iron therapy and calcium. Similarly, in case of antibiotic and multivitamins the gynecologist's multinational companies.

Table 2: *Frequency distribution of gynecologist's preferences regarding different category of medicinal products*

<u>Company</u>	<u>Iron Therapy</u>	<u>Antibiotic</u>	<u>Multivitamin</u>	<u>Calcium</u>
MNC	101 (34)	148 (49)	109 (36.6)	140 (47)
NC	196 (66)	149 (50)	188 (63.4)	157 (53)
Total	297 (100)	297 (100)	297 (100)	297 (100)

MNC = multinational company, NC = national company; the values in parentheses indicate the percentage while without parentheses are the counts.

Table 4.3 shows that the gynecologist's preferences for multinational brands are low as compared to the national companies manufactured iron therapy. Almost 66 % of health care consultants prefer national companies manufactured iron therapy while almost 34 % of gynecologist's prefer multinational company's iron therapy.

However in case of prescribing antibiotic therapy 49 % of gynecologist's are preferring multinational companies products while the remaining almost 51 % prefer nationally manufactured antibiotic therapy

Similarly in case of prescribing multivitamins more 36.6 % gynecologist's prefer multinational companies' brands while only 63.4 % gynecologist's prefer national brands.

Unlike the above mentioned two classes i.e. antibiotic and multivitamins the gynecologist's prefer national companies in prescribing calcium class.

Table 3: Frequency distribution of gynecologist's preferences for multinational and national companies in terms of different attributes

<b>Variable</b>	<b>Iron therapy</b>	<b>Antibiotic</b>	<b>Multivitamins</b>	<b>Calcium</b>
Efficacy	180 (66.6)	185 (62.2)	140 (47.1)	145 (48.8)
Safety	25 (8.4)	30 (10.1)	24 (8)	40 (13.4)
Price	20 (6.7)	46 (15.4)	90 (30.3)	40 (13.4)
Regularity of Services	2(0.6)	2(6)	6 (2)	20 (6.5)
Influentially of Seniors	35 (11.7)	7(2.3)	23 (7.7)	26 (8.7)
Any Other	31 (10.4)	23 (7.7)	10 (3.3)	26 (8.7)
Total	4(1.3)	4(1.3)	4(1.3)	0
Total	297 (100)	297 (100)	297 (100)	297 (100)

The table shows that during prescribing iron therapeutic class more than 66% of the gynecologist's prefer efficacy as their major priority along service as their second priority with 25 % response. While the rest of various options are negligible. Which means that there association is not as in case of price and efficacy and safety.

Similarly in response to the above mentioned question in case of antibiotics again the gynecologist's declared the efficacy as their top priority with 62.2 % while price in terms of economy as their second priority with 15.4 %. However a few of them also mentioned safety of the product as their priority which means efficacy of the product. Influentiality of their

seniors also account for their 7.7 % preferences.

In case of prescribing multivitamins 47.1 % of the gynecologist's preferred the efficacy of the product as their main priority for prescribing any brand of either company majorly. While % of the gynecologist's prefer price in term of affordability as their second priority. However influentiality of the senior most gynecologist's account for 3.3 % of their preferences.

The response of gynecologist's in case of prescribing calcium remained the same as in case of the above mentioned segment. They preferred effectiveness of a product as preliminary and economical prices as their secondary priority. As in case of other classes the remaining variables did not contribute to a great extent in their mind set.

Table 4: *Frequency distribution of gynecologist's preferences decisions in advance about multinational and national companies*

Scale	Frequency
Always Often Occasionally Seldom	100 (33.6)
Never	70 (23.5)
Total	50 (16.8)
	37 (11.7)
	40 (13.4)
	297 (100)

As far as the gynecologist's in advance pre mindset is concerned more than 32% set in advance. While more than 40% opposed to pre-setting. However 23.5 % healthcare consultants often set their minds in advance before prescribing any brand of a specific company and 16.8 % make up their priorities on the spot for prescribing any specific brand of a specific company.

Table 5: *If the brand of the preferred company is not available do you prescribe another brand?*

Iron Therapy	Antibiotic	Multivitamin	Calcium
No	18 (6)	57 (19.2)	17 (5.7)
Yes	279 (94)	240 (80.8)	280 (97.3)
Total	297 (100)	297 (100)	297 (100)

Almost 94 % gynecologist's switch their minds to another brand if the already prescribed brand by them is not available outside in the market. Thus non availability of the preferred brand is changing their preferences to the available brand.

Similarly in case of antibiotics the gynecologist's change their preferences only if their preferred brand is not available outside in the market. 80.8 % prefer changing their priorities and only 19.2 do not change their priorities.

The gynecologist's change their preferences in case of multivitamins as well if the prescribed multivitamins are not available in the market. As 97.3 % of gynecologist's prefer the availability of the brand while only 5.7 % of the gynecologist's do not change their priorities even if the prescribed brand is not available

In case of prescribing calcium the 83.6 % gynecologist's change their minds to those companies' brands which are freely available outside in the market. While only 16.4 % still do not change their preferred brands of either multinational or national company.

Table 6: *When you prescribe the above-mentioned products, you decide in advance about the specific brand?*

	Frequency	Percent
Always	76	24.6
Often	96	31.1
Occasionally	52	16.8
Seldom	24	7.8
Never	61	19.7
Total	309	100.0

Most often majority of the gynecologist's have their own preferences for a specific brand of either MNC,s or national companies in advance i.e. 23.5 % of gynecologist's decide in advance that whether a MNC's brand or NC,s brand . Always gynecologist's keep on prescribing their preferred brands as long as these brands remain available in the market i.e. while occasionally 16.8 % of gynecologist's decide in advance about their specific priorities.

However some of them i.e. 13.4 % of the gynecologist's never decide in advance about their specific brand they will prescribe.

Table 7: *If (the formula) of your preferred brand manufactured by your preferred company is not available do you prescribe the same (formula) manufactured by other company?*

	Iron Therapy		Antibiotic		Multivitamin		Calcium	
	Frequency	%age	Frequency	%age	Frequency	%age	Frequency	%age
No	37	12.4	52	17.5	48	16.2	43	14.6
Yes	260	87.3	245	82.5	249	83.8	254	85.4
Total	297	100.0	297	100.0	297	100.0	297	100.0

In case of iron therapy majority of the gynecologist's change their preferences to the company whom products are available instead of i.e. 87.3 % of health care consultants switch their priorities to another brand.

Similarly is the case with antibiotics, multivitamins, and calcium. If the gynecologist's prescription is not reflecting in the market, soon they change their priorities to the competitors who are manufacturing the same formula with a specific brand name. This can be

true in case of both MNC,s and NC,s.

Table 8: *If you come to know that the brand that you prefer is produce by another country, which is under developed, will you still prescribe it?*

	Frequency	Percent
No	137	46.1
Yes	160	53.9
Total	297	100.0

The health care consultants also consider country of origin branding in their prescription for multinational brands and national brands. As the table show that 53.9 of gynecologist's do consider that whether the brand they are prescribing is produced by developed country or not. However 46.1 % of them do not consider that whether country of origin is developed or under developed.

Table 9: *Will you switch to another company if the prices of products manufactured by your preferred company are significantly increased in the following categories?*

	Iron Therapy		Antibiotic		Multivitamin		Calcium	
	Frequency	%age	Frequency	%age	Frequency	%age	Frequency	%age
Don't Switch	63	21.2	112	37.7	80	27.1	100	33.7
Switch	234	78.8	185	62.3	217	72.9	197	66.3
Total	297	100	297	100	297	100	297	100

The gynecologist's significantly change their prescribing priorities in case of price increase. They immediately start switching to the brands which are not costly as compared to the one they were previously prescribing in case of all classes i.e. iron therapy, antibiotic, multivitamins ,and calcium drugs. This may be true in case of both multinational and national companies.

Table 10: *Will you switch to another company if the prices of products manufactured by your preferred company are significantly reduced in the following categories?*

	Iron Therapy		Antibiotic		Multivitami n		Calcium	
	Frequency	%age	Frequency	%age	Frequency	%age	Frequency	%age
No	122	41.1	175	58.9	127	42.7	155	52.1
Yes	175	58.9	122	41.1	170	57.3	142	47.9
Total	297	100	297	100	297	100	297	100

The gynecologist's prefer those companies who reduce their prices in 58.9 % cases while only 41.1 % gynecologist's do not prefer even if the prices are decreased in case of

prescribing iron therapy.

In case of antibiotics 58.9 % gynecologist's do not prefer to switch to other companies brands who reduce their prices while 41.1 % do consider price decrease as a major factor while switching to the brands of either multinational or national companies. The reason in this case may be the efficacy of the antibiotic which is being preferred by the gynecologist's over the price of a brand.

Again in case of multivitamins 57.3 % gynecologist's prefer price of a brand over the efficacy like iron therapy. While only 42.7 % health care consultants do not prefer price of the brand over efficacy of the brand of either a multinational company or of a national company.

In case of prescribing the calcium drugs 52.1 % gynecologist's prefer quality over the prices of the brands. While 47.9 % gynecologist's prefer prices over the efficacy of the brand.

Table 11: *If you switch then which other company will you prefer for the purchase of the following products?*

Companies	Therapy		Antibiotic		Multivitamin	
	<u>quency</u>	<u>Percentage</u>	<u>Frequency</u>	<u>Percentage</u>	<u>Frequency</u>	<u>Percentage</u>
MNC	168	54.4	181	58.6	154	49.8
NC	141	45.6	128	41.4	155	50.2
Total	309	100.0	309	100.0	309	100.0

MNC = multinational company, NC = national company

Table 12: *When you don't decide in advance about the brand or company you prefer, you enquire about which of the factor from sales representatives?*

<b>Attribute</b>	<b>Frequency</b>	<b>Percent</b>
Efficacy	146	49.2
Safety	30	10.4
Price	81	27.5
Regularity of Rep's	65	1.9
Company Services (Acad./Personalized)	21	.6
Influentially	24	6.5
Govt. Policies	21	.6
Any other	9	3.2
Total	297	100.0

This table again validates the previous analysis of the gynecologist's that in 49.2 % cases efficacy is their major priority, in 27.5 % cases prices of the brands are their major priority. In 10.4 % case the gynecologist's prefer safety of the drug which is related to the efficacy of

the drug. However influentially of the senior health care consultants also matter in 6.5 % cases. The rest of other variables do not contribute to a great extent in setting health care consultants priorities for any specific brand.

Table 13: *During prescribing the following brands, indicate the importance you attach to each of the following factors by ranking them, assigning 1 t highly important factor and 3 to the least important factor.*

Companies	Iron Therapy		Antibiotic		Multivitamin		Calcium	
	Frequency	%age	Frequency	%age	Frequency	%age	Frequency	%age
Price	118	39.8	92	31.1	137	46.0	114	38.5
Brand Name	151	50.8	187	63.1	135	45.6	65	55.4
Country of Origin	28	9.4	18	5.8	25	8.4	18	6.1
Total	297	100.0	297	100.0	297	100.0	297	100.0

In case of iron therapy prescriptions 50.8 % gynecologist's are brand conscious 39.8 % health care consultants are price conscious while only 9.4 % health care consultants are interested in country of origin like factor. It means that branding of the iron therapy is highly important followed by price as second important factor while country of origin is least important for the gynecologist's in setting their priorities for a specific brand of either a multinational or national company.

In case of antibiotic prescriptions 63.1 % gynecologist's are brand conscious 31.1 % gynecologist's are price conscious while only 5.8 % gynecologist's are interested in country of origin like factor. It means that branding of the antibiotics is highly important followed by price as second important factor while country of origin is least important for the gynecologist's in setting their priorities for a specific brand of either a multinational or national company.

In case of multivitamins which is not in fact a treatment but instead is a food supplement, again brand name of the product account for setting gynecologist's preferences in 45.6 % cases which is almost equal to the 46 % contribution of the price of the product.

In case of calcium prescriptions 54.7 % gynecologist's are brand conscious 38.5 % gynecologist's are price conscious while only 6.1 % gynecologist's are interested in country of origin like factor. It means that branding of the calcium is highly important followed by price as second important factor while country of origin is least important for the gynecologist's in setting their priorities for a specific brand of either a multinational or

national company.

## CONCLUSIONS

Based upon findings of the present study, the following conclusions are drawn:

- Most often the drugs are prescribed when these are not costly.
- More costly products are prescribed only when the quality of economical products is questioned.
- Gynecologist's prescription preferences are influenced by promotional claims made by sales representatives in their regular visits.
- Country of origin and culture are also the important factors for influencing the prescribing preferences of gynecologist's.
- Social factors, availability of resources, training opportunities, personal and professional development of gynecologist's are also important factors for influencing prescribing preferences
- The increased prescriptions rates are directly related with attending various type of academic (Pharmaceutical companies sponsored) events.
- Similarly accepting cash in form of donations for travel or lodging for academic events like international or local level symposia is also related with the prescription preferences of the gynecologist's

There is no proper knowledge reassessment related to drugs promotional tactics at the level of all practicing gynecologist's in Pakistan as per international standards which is compulsory.\

### Managerial Implication

The managerial implication is that pharmaceutical firms should properly focus on marketing mix in order to get more market share. The findings implies that pharmaceutical industry need to revisit their existing prescription and marketing mix practices.

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# THE INFLUENCE OF ORGANIZATIONAL JUSTICE ON EMPLOYEE ORGANIZATIONAL COMMITMENT IN THE INFORMATION TECHNOLOGY SECTOR, PAKISTAN

## Muhammad Tahir

Business Administration Department, Iqra National University, Peshawar, Pakistan

Email: [tahirkhanaeze@gmail.com](mailto:tahirkhanaeze@gmail.com) Ph: +923239256994

ORCID: <https://orcid.org/0000-0001-8195-513X>

## Raza Ahmed Khan

Business Administration Department, Iqra National University, Peshawar, Pakistan

Ph: 03459089053

Email: [raza.ahmed@inu.edu.pk](mailto:raza.ahmed@inu.edu.pk)

## Zakir Rahim

Business Administration Department, Iqra National University, Peshawar, Pakistan

Ph: 03239350143

Email: [zakir.rahim@inu.edu.pk](mailto:zakir.rahim@inu.edu.pk)

## ABSTRACT

*The present study is conducted in the Information Technology sector of the Pakistan. The objective was to test the influence of organizational justice dimensions on employee commitment. We used sampling approach and collected data from 165 IT professionals working in various IT sector organizations. The measurement model results using the confirmatory factor analysis (CFA) shows that our variables had good convergent validity, divergent validity, and reliability. Our structural model results shows that organizational justice dimensions including distributive and interactional justice are significantly positively associated with employee affective, normative, and continuance commitment. Our results have implications for the management of the IT sector.*

**Keywords:** Justice, Commitment, CFA, Information Technology, Pakistan

## INTRODUCTION

The Information Technology (IT) industry in Pakistan is a promising industry as it showed positive growth for last consecutive four years. Similarly, in the year 2016-17, Pakistan IT exports were US\$3.3 billion which is expected to reach US\$ 5 billion in present financial years. The government of Pakistan has also adopted the policy of promoting IT industry and took different measures. For example, government is giving 3 years tax exemption to IT industry start-ups, have established national business incubation centers geared towards IT sector, and facilitating IT industry in obtaining ISO9001 and other relevant certificates.

Furthermore, the Pakistan software export board (PSEB) is also playing positive role in boosting Pakistan IT industry by participating in different International trade fairs and promoting Pakistan software exports. The result is continuance growth in the IT sector as the contribution of software exports is almost 3.5% of total exports of Pakistan and sector is expected to add another 18000 jobs in the upcoming year (The News, 2018). Despite such growth, we are not in a favorable competitive position as compare to our rival neighbor. One reason for low competitiveness of IT industry in Pakistan is poor attention given to the human resource or staff issues. The present study is conducted in the Information Technology (IT) sector of Pakistan and investigate the influence of organizational justice on employee commitment. The rationale of conducting this study is that it not only fills the literature gap but also provide useful managerial insight about predictors of organizational commitment among IT sector staff.

### **Objectives**

The study objective is to assess the influence of organizational justice dimensions including distributive, procedural, and informational on employee commitment dimensions.

### **Significance of the Study**

The present study's theoretical significance is that it fills the literature gap by testing the organizational justice and commitment relationship in the IT sector, which is something very scarce in the literature. The practical significance of the study is that its findings can be used for diagnosis purpose by the management of IT sector. The findings can also be used to improve staff commitment among the IT sector staff and thus can help in reducing turnover and improving sector competitiveness. The benefit to the society is that if IT sector improve its HR function, it can improve IT sector general performance and in return there is greater revenue and greater employment opportunities for the society.

## **LITERATURE REVIEW**

### **Organizational Justice**

Organizational justice is degree to which workers in an organization perceive various events being fair (Colquitt & Greenberg, 2003). The role of organizational justice is that it works as a predictor of employee behavior, attitude, and work performance (Greenberg, 2017). The concept of justice can be traced to early human civilization (Erdogan, 2017). Initially, the concept of justice was a society level constructs which later applied in organizational context

and known as organizational justice (Greenberg & Colquitt, 2013). It is a perceptual process and is based on employee perception regarding justice and its related aspects in organizational context. There are different proposed dimensions of organizational justice dimensions; however, in this study, we focus on three dimensions model. The three dimensions include distributive justice, procedural justice, and interactional justice. Details are as follows.

### **Distributive Justice**

Distributive justice is the extent to which employees perceive fairness in organizational decision making (Greenberg & Colquitt, 2013). According to Berger, Zelditch, Anderson, and Cohen (2015), distributive justice is conceptually based on decisions related to employee wages, salaries, general pay, promotion, increments, and bonuses. In short, we can say that distributive justice is based on financial relationship between employer and employee. The concept of distributive justice is based on employee perception regarding fairness in pay and related decisions and is found to be associated with favorable employee outcomes (Lamont, 2017). Several HR practices such as promotion, increment setting, pay practices also influence employees perception regarding distributive justice. If employees perceive that there is lack of justice in terms of distributive justice, so it may lead to negative employee outcomes such as lack of satisfaction and higher turnover (Kenny & McIntyre, 2005).

### **Procedural Justice**

Procedural justice is degree of perceptual fairness in organizational decision making and the related process (Greenberg, 2017). Different criteria such as ethical standards, employee voice, bias suppression, and consistency are key criteria for judging the appropriateness of decision which relates with the procedural justice (Tornblom & Vermunt, 2016). Accordingly, employee perception of procedural justice is influenced by various HR decisions including selection, training, pay increments, promotion, career development, employee appraisal and performance management. Previous studies findings indicate that procedural justice is significant predictor of employee workplace behaviors including commitment, stress level, turnover, job satisfaction, and trust in management (Fulford, 2015; Greenberg, 2017; Nadiri & Tanova, 2010).

### **Interactional Justice**

Interactional justice is the employee perception of interpersonal relationship and behavior

received from his/her supervisor (Tornblom & Vermunt, 2016). According to Rupp, Shapiro, Folger, Skarlicki, & Shao, (2017) interactional justice is based on informal individual and collective relationship with supervisor and other official. Research suggest that besides the distributive and procedural justice which are formal in nature and relates with pay and related decisions, the interactional justice is also significantly important for the workers (Greenberg, 2017). For example, a lot of studies related to this topic shows that employee perception of interactional justice can strongly predict employee behavior at workplace including employee commitment, job satisfaction, and turnover behavior (Fulford, 2015; Nix & Wolfe, 2016; Xu, Loi, & Ngo, 2016).

### **Organizational Commitment**

Organizational commitment refers to the extent to which an individual worker identifies with their respective firm and willing to voluntary leave it (Greenberg & Colquitt, 2013). It is also referred as employee's psychological strength and attachment and involvement towards the organization (Meyer & Morin, 2016). Organizational commitment is a multidimensional concept and its dimensions include affective, continuance and normative commitment as proposed by famous three dimensions model by Allen and Meyer (1990). Their details are as follows.

#### **Affective Commitment**

Affective commitment is the degree of employee's emotional attachment with organization which leads to continuity with organization. According to Greenberg and Colquitt, (2013), affective commitment is about how emotionally attached an employee is towards organizational goals, values, customs, processes and so on. From organizational point of view, affective commitment is the most desirable commitment among all three dimensions since it is not based on any force but based on intrinsic attachment towards the organization by the employee (Meyer & Morin, 2016).

#### **Continuance Commitment**

According to Allen (2017), employee's feeling of obligation to stay with organization refers to normative commitment. Accordingly, employees while thinking about leaving the organization makes their calculations in terms of labor market conditions, alternative job choices, alternative salaries, unemployment period while searching for new job and so on. Based on these different factors and relevant calculations, employee decides whether they need to stay with the organization or not. If alternative choices are suitable so cost of leaving

the current employer is low and employer may switch easily; while, if cost of leaving the current employer is high so employees will develop continuance commitment and tend to stay with the firm.

### **Normative Commitment**

According to Allen (2017), normative commitment refers to the employee's obligation to stay with organization since they feel that this is their moral duty. This situation occurs when employees feel that employer did something good with them or employees have active socialization at workplace which works as a glue for employees to stay with organization (Sow, Anthony, & Berete, 2016). Employees who score high on normative commitment tends to continue working with organization and not leave it since they want to avoid disappointing the employer (Greenberg & Colquitt, 2013).

### **Relationship between Organizational Justice and Employee Commitment**

The previous studies shows that organizational justice dimensions are significant predictor of employees workplace behavior and attitudes including organizational citizenship behavior, turnover, absenteeism, productivity, trust on management, and so on (Berger, et al., 2015; Greenberg, 2017; Khan, Abbas, Gul, & Raja, 2015; Tornblom & Vermunt, 2016; Xu, et al., 2016). Studies also reports that organizational justice dimensions are found to be associated with employee commitment (e.g. Fulford, 2015; Nadiri & Tanova, 2010). For example, study by Wang, Liao, Xia, and Chang (2010) tested the influence of justice dimensions on employees' job satisfaction and work performance and organizational commitment works as a mediator in this relationship. A study by Suliman & Al-Kathairi (2012) showed that in the UAE context, the procedural and interactional justice dimensions are associated with employee affective and continuance commitment. Study by Khan, et al., (2015) showed that organizational justice is related with employee related outcomes including commitment while Islamic work ethics works as a moderator in this relationship. Study by Chen, Wu, Chang, Lin, Kung, Weng, and Lee (2015) showed that justice has significant influence on employee commitment level among the nursing staff. Overall, literature shows support for the hypothesized relationship.

## RESEARCH METHODOLOGY

The design of the present study is cross-sectional means single time data collection. The design is also descriptive and explanatory since it is attempted to map the current justice perception and commitment level and their interrelationship as well.

### Research Approach

The research approach utilized in this study is quantitative since it is suitable for the topic under investigation.

### Population of the Study

The study population consist of all IT sector employees in the Pakistan which relatively unknown. Because of large population, sampling approach is utilized.

### Sampling

Convenience sampling approach is used as it was easier to utilize. Based on the sample size calculator developed by Bartlett, Kotrlik, and Higgins (2001), 119 is our required sample size.

### Survey Measures

Organizational justice dimensions are measure by instrument developed by Niehoff and Moorman (1993). In this scale, there is 9 items for interactional justice, 6 items for procedural justice, and 5 items for distributive justice. Organizational commitment dimensions are measured by instrument developed by Allen and Meyer (1990) consist of 7 items each for all three dimensions including affective, continuance, and normative commitment.

## RESULTS

Table 1: Demographics

		Gender	Frequency
Gender	Male	121	73.3
	Female	44	26.7
Age	18-25	55	33.3
	25-40	97	58.8
	40-60	13	7.9
Qualification	Bachelors	32	19.4
	Masters	121	73.3
	Others	12	7.3

A total of 165 IT professionals participated in the survey. There were 121 male (73.3%) and 44 female (26.7%). Based on age category, 55 (33.3%) were in the age group of 18 to 25 years; 97 (58.8%) were in age group of 25 to 40 years; and 13 (7.9%) were in age group of 40

to 60 years. Based on qualification, 32 (19.4%) had bachelor level qualification; 121 (73.3%) had master level qualification and 12 (7.3%) had others level qualification.

### Measurement Model

Initially, we used the confirmatory factor analysis for testing the measurement model. The initial model did not give adequate fitness and we used the model modification indices for improving the model. After we applied modification (creating covariance between error term of the same variables based MI >15), model fitness was achieved in the revised model. The construct reliability as assessed using the composite reliability and Cronbach alpha and we used the criteria of value of 0.70 or above as per the guidelines. For validity, we assessed the construct validity using the content, convergent, and discriminant validity. Content validity was assessed by comparing the literature and the questionnaire item and found satisfactory. For convergent validity, we used the comparison of factor loading of individual items and used 0.60 or above as standard criteria. The AVE of 0.050 and above is used for establishing the convergent validity; while, for discriminant validity, we used the Fornell and Larkcer criteria. The criteria is that square root of AVE should be greater than correlation between the constructs. The results of the revised model are shown below.

Table 2: *Results of the Measurement Model*

Construct	Item	Factor Loading	AVE	CR	Cronbach Alpha
Distributive Justice	DJ1	1.004	0.929	0.984	.924
	DJ2	.787			
	DJ3	1.000			
	DJ4	1.011			
	DJ5	.999			
Procedural Justice	PJ1	.705	.869	.975	.949
	PJ2	.984			
	PJ3	.871			
	PJ4	1.000			
	PJ5	.997			
	PJ6	1.000			
Interactional Justice	IJ1	.691	0.936	0.992	.902
	IJ2	.739			
	IJ3	.812			
	IJ4	1.000			
	IJ5	1.022			
	IJ6	1.000			
	IJ7	1.281			
	IJ8	1.194			
	IJ9	.798			
Affective Commitment	Ac1	.991	0.980	.997	0.949
	Ac2	.987			
	Ac3	.958			
	Ac4	1.000			
	Ac5	1.105			

	Ac6	.832			
	Ac7	1.038			
Normative Commitment	Nc1	1.106			
	Nc2	1.156			
	Nc3	1.110			
	Nc4	1.000	1.006	1.000	.953
	Nc5	1.058			
	Nc6	.752			
	Nc7	.753			
Continuance commitment	Cc 1	1.052			
	Cc 2	1.000			
	Cc 3	1.187			
	Cc 4	.830	0.958	0.993	.957
	Cc 5	1.220			
	Cc 6	.786			
	Cc 7	.629			

Measurement model results show that all conditions for convergent validity and reliability are fulfilled i.e. factor loading are above 0.60; AVE is above 0.50; CR and Cronbach alpha are above 0.60.

Table 3: *Correlation and the Square Root of AVE*

	DJ	PJ	IJ	AC	NC	CC
Distributive justice	<b>.964</b>					
Procedural Justice	.776	<b>.932</b>				
Interactional Justice	.443	.255	<b>.967</b>			
Affective Commitment	.735	.564	.530	<b>.990</b>		
Normative Commitment	.798	.586	.452	.876	<b>1.003</b>	
Continuance Commitment	<u>.730</u>	<u>.777</u>	<u>.185</u>	<u>.575</u>	<u>.604</u>	<b><u>.978</u></b>

The values in the bold diagonal are square root of the AVE while other values are inter-variable correlation. The requirement is that each square root of AVE of individual variable must be bigger than other values in its rows and column and this requirement is fulfilled in our data so indicating good discriminant validity.

Table 4: *Measurement Model Fitness Indices*

Fit Indices	Recommended Value	Value Indices
X <sup>2</sup> /df	<3.00	2.735
GFI	>0.90	0.901
CFI	>0.90	0.932
RMSEA	<0.08	0.77

Model fitness indices indicate that our revised measurement model achieved the model fitness criteria e.g. RMSEA of less than 0.08 and CFI of above 0.90

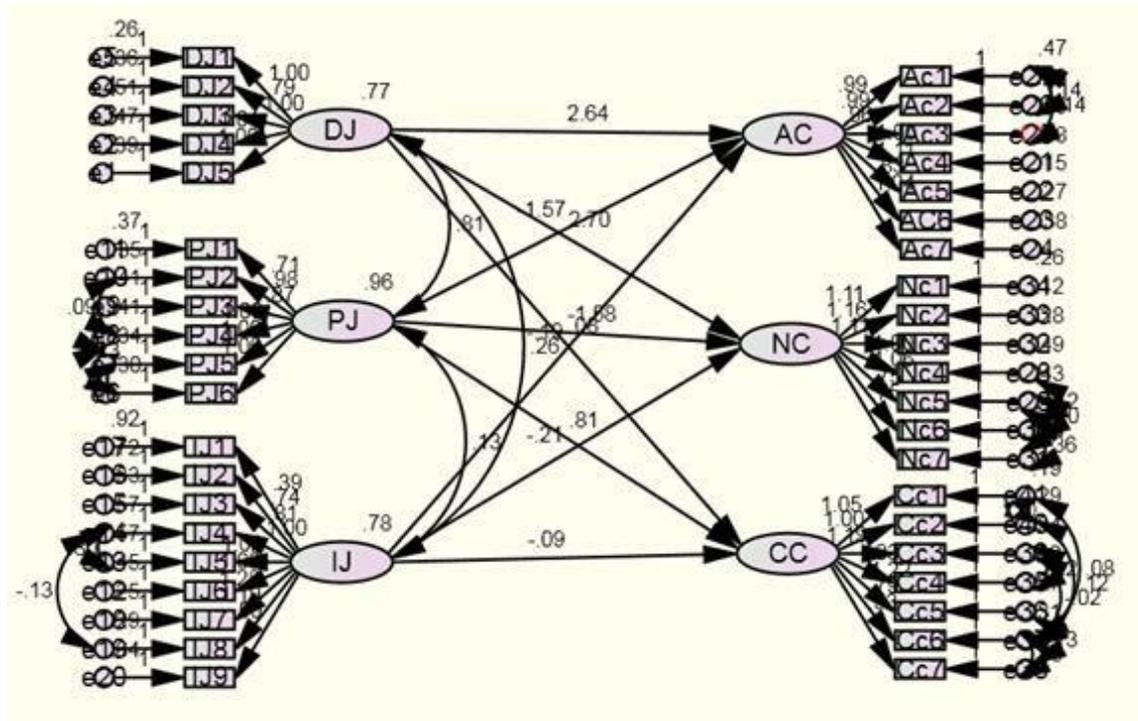


Table 5: Results of the Structural Model

		Estimate	S.E.	t-values	P
AC	<--- DJ	1.399	.140	10.013	***
NC	<--- DJ	1.535	.152	10.089	***
CC	<--- DJ	.203	.035	5.733	***
AC	<--- PJ	-.253	.036	-6.943	***
NC	<--- PJ	-.278	.038	-7.262	***
CC	<--- PJ	.772	.048	15.948	***
AC	<--- IJ	.099	.039	2.560	**
NC	<--- IJ	.041	.040	1.030	.303
CC	<--- IJ	-.075	.026	-2.909	**

The results of the structural model indicate that distributive justice has positive and significant effects on affective commitment ( $\beta=1.399$ ,  $P<.05$ ); normative commitment ( $\beta=1.535$ ,  $P<.05$ ); and continuance commitment ( $\beta=.203$ ,  $P<.05$ ). Similarly, procedural justice has negative and significant effects on affective commitment ( $\beta=-.253$ ,  $P<.05$ ); and normative commitment ( $\beta=-.278$ ,  $P<.05$ ); and positive and significant effects on continuance commitment ( $\beta=.772$ ,  $P<.05$ ). The interactional justice has positive and significant effects on affective commitment ( $\beta=.099$ ,  $P<.05$ ); and continuance commitment ( $\beta=-.075$ ,  $P<.05$ ); while insignificant effects on normative commitment ( $\beta=.041$ ,  $P>.05$ ). Overall, our results indicate that justice dimensions mostly have positive and significant effects on employee commitment with the exception of procedural justice which is found to be negatively associated with commitment dimensions.

## Discussion

The objective of the study was to test the influence of employee perceived organizational justice and employee commitment. Our results show that organizational justice dimensions including distributive and interactional has significant positive influence on staff affective, normative, and distributive justice dimensions. These results are consistent with the findings of the previous studies which also found positive influence of perceived organizational justice on employees (e.g. Berger, et al., 2015; Fulford, 2015; Khan, et al., 2015; Suliman & Al-Kathairi, 2012; Tornblom & Vermunt, 2016; Xu, , et al., 2016). Overall, our results are consistent with previous studies results.

## CONCLUSION

The study concludes that in the context of IT sector, the organizational justice dimensions have positive effects on employees including organizational commitment. Therefore, the IT sector in Pakistan needs to give greater attention to the employee's issues including organizational justice. It can also be concluded that the current perceived organizational justice is low which is causing low organizational commitment among the workforce along with other unfavorable outcomes.

## Recommendations

- The IT sector in Pakistan needs to improve the staff perception of organizational justice.
- The IT sector in Pakistan needs to give greater attention to staff salaries and related benefits. The concept of distributive justice must be followed while devising pay related policies and practices.
- The IT sector needs to improve staff perception of procedural justice by devising suitable practices which are transparent in nature.
- The IT sector need to give attention to the HR practices including recruitment, training, performance management, employee grievance and so on. By giving attention to the HR practices, staff perception of organizational justice can be improved.

## Limitations

The limitations of the study include small sample size and focus on single services sector. Furthermore, use of quantitative approach and single method of data collection is also its limitations.

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