

EFFECT OF ORGANIZATIONAL JUSTICE ON JOB  
SATISFACTION AND ORGANIZATIONAL  
COMMITMENT: THE MEDIATION OF QUALITY OF  
WORK LIFE AND PSYCHOLOGICAL CAPITAL



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## ABSTRACT

'Looking fair' is the desired goal of individuals and organizations. Fairness perceptions of organizational actions, by employees, translate into various favorable work outcomes. For instance, perceptions of fairness, defined as organizational justice, significantly influences attitudinal variables as job satisfaction and organizational commitment. However, the existing literature does not offer complete picture of this influence. In other words, the 'underlying mechanism' governing the influence of organizational justice on job satisfaction and organizational commitment is not fully understood.

On basis of extant literature review and arguments grounded in the social exchange theory, equity theory, broaden and build theory of positive emotions, and conservation of resources theory, this study identifies that quality of work life (QWL) and psychological capital (PsyCap) act as explanatory mechanisms for the influence of organizational justice on job satisfaction and organizational commitment. Hence using social exchange theory, that views social relations in terms of exchange processes, this study contends that employees and organizations are the two parties involved in a continuous exchange process. In such a process, organizational membership followed by expectation of fairness by an employee is the first step. With the availability of fairness, employee reciprocates it with performing the assigned organizational job/role. Since this is a continuous process, performing of job in a fair perceived organization results in job satisfaction; simultaneously, the employee reciprocates this fairness with his/her commitment towards the organization. The influence of justice on satisfaction and commitment is not direct; in this process the employee makes an assessment of the fairness conditions on basis of his/her QWL, and opportunities available for development of PsyCap capacities. Thus, QWL and PsyCap act as bridge or carriers for the influence of organizational justice; and therefore mediate its effect on job satisfaction and organizational commitment.

Main objective of this study was to test a theoretical and structural model that hypothesizes mediation of QWL and PsyCap in the influence of organizational justice on job satisfaction and organizational commitment. In addition, this study also identified eight direct relations between the study variables; of these the influence of organizational justice on QWL is an important hypothesis, because there is almost no literature available in this context.

A survey based methodology was used to test the model; standardized scales were used as measures for the five study variables. A pilot study was conducted to test the scale properties. Since, job satisfaction and organizational commitment can significantly explain other outcome variables; and because of the specific reason that, the service sector in India faces a greater degree of such issues, it was therefore proposed to sample from Indian service sector industry. A sample of 440 was thus drawn. Two-step process of analysis, with AMOS 16, was employed to test the structural model. The scales were rechecked with the main sample for reliability and validity. Besides examining the significance of indirect effects using the bias-corrected confidence intervals with two-thousand bootstrap samples, the study also applies alternative/nested structural equation models to test the mediation hypotheses. Results were found to be consistent with the stated hypotheses; and thus confirm the mediation of QWL and PsyCap in the influence of organizational justice on job satisfaction and

organizational commitment. The study also reports organizational justice as an antecedent of QWL.

The findings of this study advance available knowledge on job satisfaction and organizational commitment; and provide impetus to research in this domain by identifying QWL and PsyCap as an intervening variables. The study thus extends the application of PsyCap as an organizational variable capable of translating the effect of justice on satisfaction and commitment. Similarly, because of the positive explanatory attribute of QWL, the study contends it to be a significant POB variable, as it is capable of performance improvement and is open to development.

From a managerial perspective, given the 'open to control' nature of the two intervening variables, it renders a significant tool in the hands of managers to control the satisfaction and commitment of their employees'. Moreover, controlling QWL and PsyCap is much easier as compared to directly controlling justice perceptions. Conclusively, this study extends significant contributions to the organizational behavior literature; at the same time by identifying the applications of the intervening variables it also contributes to human resource management.

**Keywords:** Organizational justice, job satisfaction, organizational commitment, quality of work life (QWL), psychological capital (PsyCap).

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