

THE EFFECT OF PROCEDURAL JUSTICE ON SERVICE-ORIENTED ORGANIZATIONAL CITIZENSHIP BEHAVIOR: TESTING A MULTILEVEL AND CROSS-LEVEL MODEL

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ABSTRACT

This study examines the effect of perceived procedural justice and procedural justice climate on service-oriented organizational citizenship behavior (S-O OCB). Perceived procedural justice is all members of a group who are treated individually with procedural justice, testing its influence on S-O OCB through multi-level. The procedural justice climate is members who are given procedural justice treatment as a group, testing its effect on S-O OCB through cross-level. A study of 425 front-line employees from 56 hotels in the Special Region of Yogyakarta Province showed that the procedural justice climate affected S-O OCB positively and significantly by controlling perceived procedural justice. Implications of the findings are discussed.

Keywords: service-oriented organizational citizenship behavior, climate of procedural justice, perceived procedural justice

INTRODUCTION

Smith, Organ, and Near (1983) published the first research article using the term organizational citizenship behavior (OCB). They refer to the opinion of Barnard (1938: 84) about the concern of someone to contribute their efforts to the cooperative system, namely working together to achieve organizational goals. OCB is behavior that contributes to organizational effectiveness and is not explicitly rewarded, such as helping co-workers, promoting organizations outside the workplace, and voluntarily doing extra activities (Organ & Ryan, 1995). The concept of OCB was introduced by Bateman and Organ (1983), then developed and deepened by several researchers such as Moorman (1991), Podsakoff and Mackenzie (1993), Konovsky and Pugh (1994), and Organ and Ryan (1995). The OCB is a type of work behavior that is not considered a job qualification but supports the organization through social and psychological contexts (Blakely et al., 2005).

In various companies, especially service companies, employee contact with customers is a source of differentiation and competitive advantage (Pfeffer, 1994; Bettencourt & Brown, 1997). Company excellence is also based on the opinion that states, customer satisfaction, perceived service quality, and the customer's decision to be loyal to the product are significantly influenced by the attitudes and behaviors of HR representing the organization (Bitner, Jo, Booms, & Tetreault, 1990; Keaveney, 1995; Parasuraman et al., 1990; Bettencourt & Brown, 1997). This shows that the role of HR in maintaining the image and maintaining the survival of the organization is very much needed, therefore employee care is needed as a form of loyalty both to the organization and customers.

Service orientation citizenship behavior (S-O OCB) is a form of OCB development that is tailored to the service sector (Bettencourt & Brown, 1997; Bettencourt et al., 2001). Service-oriented organizational behavior is defined as loyal behavior towards organizations that actively participate in various activities and offer perfect services (Bettencourt et al., 2001). Based on this definition, S-O OCB is a three-dimensional which directs employees to be "loyal" to the organization, "actively participates" in various activities, and offers perfect "service" (Bettencourt et al., 2001; Sun, Aryee, & Law, 2007; Tang & Tang, 2012; Wang, 2009a). Loyalty is the behavior of acting as a customer advisor

not only to products and services but also to its image. Participation in the behavior of customer contact employees in taking initiatives individually, especially in communication, improving service through organizations, coworkers, and himself - is the basis of a company's ability to meet the changing needs of its customers. Meanwhile, service delivery is a behavior that exceeds the normal requirements expected in activities around the service to customers.

This study refers to the social exchange theory introduced by Blau (1964) which explains that a person expects reciprocity from another party. This is shown by the relationship between organizational justice and OCB which leads to the attention of the reciprocal relationship between subordinates and supervisors in response to benefits offered by supervisors (Deluga, 1994; Wayne & Green, 1993). The purpose of this study is to explore the impact of cross-level procedural justice on S-O OCB which can benefit from a correct understanding of how S-O OCB is influenced by procedural justice both at the individual and organizational levels.

METHODS

Procedural Justice and S-O OCB at Individual Level

The social exchange theory was introduced by Blau (1964) who explained that one expects reciprocity from the other party. The basic concept of social exchange theory is strengthening compensation. When one party (supervisor) provides benefits for the other party (subordinate), the subordinate is obliged to provide compensation or reciprocity. As a follow-up to social exchange theory, Moorman (1991) states that the perception of justice influences the decision of employees to act or conduct OCB.

Cohen-Charash and Spector (2001) state that among the various outcomes of organizational justice, OCB is one and constitutes most of the study of organizational justice correlations. Besides, organizational justice is considered the most robust predictor of OCB (Fassina, Jones, & Uggerslev, 2008; Organ & Ryan, 1995). The Organ Statement (1988) shows that when employees feel treated unfairly, they reciprocate this treatment through a reduction in citizenship behavior or extra-roles.

At least two studies on the relationship between organizational justice and S-O OCB (Bettencourt & Brown, 1997; Bettencourt, Brown, & MacKenzie, 2005). The results of Bettencourt and Brown's (1997) research show that justice in job supervision, wages, promotion rules, and administrative supervisors are key predictors of employee direct customer service prosocial service behavior. Bettencourt et al. (2005) found on 281 frontline employees of a national bank branch office in America showed that procedural justice indirectly affected employee behavior beyond customer-oriented boundaries. Based on the description above, the hypothesis can be taken as follows:

Hypothesis 1: Perceived procedural justice influences S-O OCB positively.

Procedural Justice Climate and S-O OCB at Group Level

The procedural justice climate is defined as group-level cognition about how a working group as a whole is treated by the organization, especially concerning organizational procedures or policies (Naumann & Bennet, 2000). Social justice demands will force members to discuss and interpret the treatment of the organization at all times (DeGoey, 2000), and the impact of the social information process will increase agreement on justice from the collective experience of members (Yang, Mossholder, & Peng, 2007).

The procedural justice climate is an integration of the concepts of justice and organizational climate. To explain the existence of an organizational climate of justice, this research will integrate social information processing theory (Salancik & Pfeffer, 1978), interaction theory and social construction (Colquitt, 2001; Kulik & Ambrose, 1992), and ASA perspective (Schneider, 1987). Following social information processing theory, individuals use information from the work environment immediately to interpret events, develop appropriate attitudes, and understand expectations regarding behavior and its consequences. When individuals assess the similarity of perceptions with other coworkers

about the treatment of supervisors in the application of decision-making procedures, then the same perception makes individuals improve S-O OCB.

The perspective of interaction and social construction explains that perceptions of justice are interactions of individuals with other individuals, sharing information and experiences. At the group level, the consequence of the process is to form consensus and shared perceptions among members in the group. The ASA perspective explains that in work units there is a tendency to form inter-personal homogeneity, so that similarity in terms of demographic characteristics is also related to the similarity of perceptions among individuals. Homogeneity among group members will give rise to an agreement on the perception of a climate of justice.

The relationship between the procedural justice climate and OCB has been developed by several researchers using cross-level analysis. Liao and Rupp (2005) state that the procedural justice climate that focuses on organizations influences OCB. Research by Walumbwa, Wu, and Orwa (2008) also shows the same results, which support a positive relationship between the procedural justice climate and OCB. Yang, Mossholder, and Peng's (2007) research also found that the procedural justice climate (group level) influences organizational commitment and OCB (individual level), higher than the influence of perceptions of procedural justice (individual level) on organizational commitment and OCB (individual level). Finding Yang et al. (2007) following the results of research Mossholder et al. (1998) and Naumann and Bennet (2000) state that the influence of the context of procedural justice at the group level has greater explanatory variance compared to the perception of individual-level procedural justice. Based on this the following hypotheses can be taken:

Hypothesis 2: The procedural justice climate influences S-O OCB positively.

Measurement

This study uses a survey research design with a questionnaire as an instrument. This study uses primary data obtained directly from respondents of 425 employees in direct contact with hotel customers (in this case front-line employees) from 56 hotels in the Special Province of Yogyakarta.

This study uses three variables: perceived procedural justice variables (individual level), procedural justice climate (organizational level) (both derived from 6 questions with 5-point Niehoff and Moorman scale scales (1993), as well as service-oriented organizational citizenship behavior (16) items with 7-point Likert scale from Bettencourt et al., 2001). Cross-level analysis and hypothesis testing using Hierarchical Linear Modeling (HLM).

The purposive sampling method uses selects respondents with certain criteria to fit the research objectives. The criteria used are operational employees who have direct contact with customers who have worked for at least 2 years with the consideration that the employee has been established in dealing with colleagues, supervisors/leaders, and customers. Other criteria are employees working in units with a minimum of 5 members with one supervisor or supervisor.

Table 1. Descriptive Statistics and Correlations

No.	Variable	N	M	SD	1	2	3
1	Perceived Procedural Justice	425	4.059	0.499	-		
2	Service Oriented Organizational Citizenship Behavior	425	5.612	0.734	0.352	-	
3	Procedural Justice Climate	56	4.07	0.201	-	-	-

FINDINGS AND DISCUSSIONS

The validity of the research indicators was carried out using the exploratory factor analysis method with principal component analysis and varimax rotation techniques. The size of the level of validity is expressed by the loading factor score. According to Hair, Black, Babin, Anderson, & Tatham (2006: 779), an indicator is declared valid if it has a loading factor score ≥ 0.5 . The reliability test shows that all variables are more than 0.8 and are called good (Sekaran & Bougie, 2016: 290) so that all variables can be used for further analysis.

Table 2. Validity and Reliability Testing

Variable	Number of Items	Valid Items	Reliability
Procedural Justice	6	6	0.811
S-O OCB	16	16	0.925

Before testing hypotheses, a justification of procedural justice aggregation is needed which is individual perception data to become unit-level variables. Two indicators used to justify aggregation are interrater agreement (IRA) and intraclass correlation (ICC). The inter-rater agreement is a measure of consensus or individual opportunity within a work unit indicated by the r_{wg} index. ICC test results to determine the level of variance within and between the front office work units (FO) of each hotel. ICC (1) and ICC (2) values for procedural justice climate are 0.429 and 0.818; $r_{wg} = 0.8909$. The test results showed exceeding the minimum threshold of the ICC median value (1) which is 0.12 (James, 1982), and the minimum limit of ICC (2) is 0.6 (Glick, 1985), the minimum limit of r_{wg} is 0.7; so that procedural justice variables can be aggregated into group level.

Table 3. Unit Level Testing

Variable	r_{wg} (mean)	r_{wg} (median)	ICC(1)	ICC(2)
Procedural Justice	0.8909	0.9094	0.429	0.818

Note: r_{wg} = Interrater Agreement, ICC = Intraclass Correlation Coefficient

The first stage of hypothesis testing is testing the unconstrained (null), dependent variable model. This test is to determine the variance of the dependent variable between hotels (between-group variance) which is a requirement that must be met before cross-level testing. The null model testing was carried out on the variables that became a consequence of the procedural justice climate, namely S-O OCB.

Unconstrained model testing is done by entering the individual-level variables (level 1) as an output variable without the presence of individual-level predictor variables (level 1) or unit level predictors (level 2). The unconstrained model test is a different test with a one-way ANOVA approach that is used to determine differences between groups. Indicators in the unconstrained model test include chi-square (χ^2) which is used to determine the significance of the difference in variance between the front office units of each hotel and is equipped with the ICC which is also to know the significance of the difference in variance between the front office units of each hotel.

The unconstrained tests of the S-O OCB model are shown in Table 4. that is a significant chi-square value for S-O OCB ($\chi^2 = 161.90977$; $p < 0.001$). These results indicate that there are differences in outcome variables (outcomes) between the front office work units of each hotel, so cross-level hypothesis testing using HLM analysis tools can be done.

Table 4. Unconstrained Testing (Null Model)

Variable	Chi-Square (χ^2)	σ^2 and τ	ICC = $\tau / (\tau + \sigma^2)$	Note
Service-Oriented Organizational Citizenship Behavior	161.90977	0.75407 and 0.20341	0.2124	The results of the unconstrained model showed significant chi-square and ICC viz there is a difference in variance between the front office units of each hotel on each dependent variable so that HLM analysis can be continued.

Hypothesis testing shows that the direct effect of perceived procedural justice on S-O OCB is positive ($\gamma = 0.610$; $SE = 0.197$), hypothesis 1 is supported. The influence of cross-level procedural justice climate on S-O OCB was positive ($\gamma = 0.789$; $SE = 0.257$; $p < 0.003$), hypothesis 2 was supported.

Table 5. Hierarchical Linear Modelling Analyses of Outcomes

Variable	S-O OCB	
	γ	S.E
Perceived Procedural Justice	0.610*	0.197
Procedural Justice Climate	0.789*	0.257

Note: * $p < 0.003$

Both hypotheses are supported and show that individual and aggregate procedural justice influences S-O OCB positively. This finding shows the influence of procedural justice on various organizational and individual levels of S-O OCB is consistent with the opinion of Salancik and Pfeffer (1978) that employees are influenced by the social context in the surrounding environment (Graso et al., 2014). Individuals who feel justice will reciprocate by behaving citizenship. Likewise, individuals will behave citizenship based on information and agreements about justice obtained from the surrounding environment. The practical implications of this study reaffirm that a social condition can predict S-O OCB employees effectively compared to individual perception.

CONCLUSION

In general, concerning procedural justice, understanding of the context of group work is better than individual understanding. The contribution of this research is to improve S-O OCB employees through the justice approach. The limitation of this study is that it is only carried out in the Special Province of Yogyakarta so that further research can be carried out throughout Indonesia.

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