

## The Impact of Organizational Justice on Organizational Performance in View Point of Employee Voice

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### Abstract

Employee's voice has a significant effect on the wellbeing of employees and it is a valuable factor in an organization's functions. The main intention of current research is to explore the connection of employee voice with organizational justice and its ultimately impact on organizational performance. Banking sector of Lahore (Pakistan) has been considered as target population. 15 bank's branches were selected randomly for conducting the research. Overall 220 questionnaires were distributed. 190 questionnaires were returned back and used for analysis. Results demonstrated the direct positive influence of organizational justice on employee voice and organizational performance. Moreover, results showed that the employee voice partially mediates the relationship between organizational justice and organizational performance along with its two dimensions (sales growth and profitability). These results will be very helpful in fostering the efforts of HR specialists towards formulating and embedding the employee's voice mechanism in service sector.

**Keywords:** Employee Voice; Organizational Justice; Organizational Performance; Profitability, Sales Growth

### Introduction

Employee's voice is becoming an imperative feature in the organizational setting and for the betterment of employees & organizations. The term of voice is frequently used in the literature of Human Resource Management (HRM) and industrial relations (Sako, 1998; Benson, 2000; Roche, 2000). Employee Voice is the phenomenon which can bring tremendous changes not only in employee and organization productivity but can also benefits the organizations in increasing the level of innovation and change. During the last few years, the employee voice has become an emerging concept for fostering the organizational performance and organizational success (Dundon, et al., 2004; Royer, et al., 2008).

Early studies amazingly overlooked the phenomenon of employee's voice (Guest, 2011), still, the impact of direct voice is neglected in large part in the literature (Holland, et al., 2017). Harlos, (2001) had described that 70% respondents of his research agreed that employee voice has been ignored in their organizations. A number of previous studies have identified absence of any form of employee voice with the reasons and consequences for organizational performance (Arnold, 1995; Feuille & Chachere, 1995).

In today's organizations a number of studies have been undertaken to elaborate employee voice and its impact on various aspects of an organization's functions however from the best of researcher's knowledge, there are very few studies available which explore the relationship between employee voice and organizational justice. Some studies documented that employee's voice had a noteworthy effect on the performance of organizations (Sako, 1998; Morrison, 2011; Wilkinson, et al., 2004). Furthermore, employee voice is reflected as process of organizational justice theory and

shows a direct link with organizational performance (Anyango, et al., 2015; Arshad, et al., 2012; Doucouliagos, 1995; Levine & Tyson, 1990). In this regard, the organizational performance and organizational justice are considered as valuable factors to explore in this research.

Banking sector of Pakistan has recorded tremendous growth in recent years, where Banking Sector is found to have contributed about 85 to 90% of the financial sector (Shahid, et al., 2015). The same study further argued that banks had made an apparently strong effect on development and economic growth of Pakistan. So in this regard, current research selects the banking sector as the target population.

In current study, employee voice is used as mediating variable between organizational justice and organizational performance as well as its two dimensions (Profitability and Sales Growth). This study has taken organizational justice as a single variable instead of four-dimensional construct.

## **Literature Review**

### ***Employee Voice (EV)***

According to Van Dyne, et al., (2003), voice represented the intentional expression of employees about their work-related ideas, information, and opinions. Employee voice envisions a dynamic and flexible environment where employees freely communicate ideas, suggestions, and information to authorized persons who works with the intention to bring about improvement or change in the organizational processes (Detert & Burris, 2007; Morrison, 2011; Tangirala & Ramanujam, 2008a; Van Dyne & LePine, 1998 ; Knight & Haslam, 2010).

Employee voice can also be described as how employees suggest, express their concerns, solve problems and participate in the workplace (Pyman, et al., 2006). Employee voice has been further divided into two aspects, i.e. direct voice and indirect voice (Levine & Tyson, 1990). Direct Voice is the degree to which an employee or a group of employees are able to directly influence their teams, groups, employee and are able to make recommendations about day to day operations. An indirect form of employee voice is the degree to which employee or a group of employee is able to indirectly influence like using unions, work associations, and employee's representatives.

Previous researchers presented the relationship between voice and organizational performance and both variables showed mixed results. According to Doucouliagos, (1995); Levine & Tyson (1990), the direct voice had a strong relationship with performance and sometimes had an insignificant effect, but it never showed a negative outcome. Moreover, indirect voice, i.e., unions and work councils also showed mixed results. According to Addison & Belfield, (2004), indirect voice or union could affect the productivity on a small scale, but positive on average. Results indicate that direct voice had the most consequential impacts on individuals and organizations (Dachler & Wiplert, 1978). Due to above reasons, direct employee voice reflects key consideration of employees and for the organizations.

On the other hand, silence is another opposite term which can also explain the intensity of employee voice. Silence can be defined as withholding of potentially important input or to instances when an employee fails to share what is on his or her mind (Morrison & Milliken, 2000; Pinder & Harlos, 2001). Successive researches had reinforced the concept of Pinder & Harlos, (2001) and proved that silence acted as a key constituent of every perilous problem (Milliken, et al., 2003; Tangirala & Ramanujam 2008a). Organizations depend on their individuals by talking up and sharing thoughts, knowledge, and concerns for the accomplishment of goals. The top priority of organizations is that employees may contribute in expressing their ideas for improvement (Green & Uhl-Bien, 1995). Raising voice by minimizing silence played a significant contribution to achieving the objectives of the organizations (Morrison & Milliken, 2000; Pinder & Harlos, 2001).

Researchers explained that if the voice was inoperative inside an organization, both employee morale and employee performance might suffer at a great level (Detert, et al., 2010; Milliken, et al., 2003). Previous studies demonstrated that better suggestions explored when a relevant employee's raised their voice and management endorsed their ideas for the advancement of the organizations and in resolving the business related issues (Detert, et al., 2010; Milliken, et al., 2003; Ng & Feldmant, 2012). Employee voice played a vital part in the job settings and change process (LePine & Van, 1998; Morrison, et al., 2011). It was crucial for supervisors to check that how to advance employee' voice for accomplishing competitive edge (Hsiung, 2012).

Moreover, earlier researchers suggested that employee voice is deliberately muted in a large number of organizations and due to certain untold contracts employees are very careful in voice raising (Detert, et al., 2010; Milliken, et al., 2003). Researchers proved that impact of administrative involvement and effective union activities on employee voice was very obvious (Bender & Sloane, 1998; Elger & Smith, 1998). The term employee voice is considered as a main source in the organizational disciplines and can play a dominant role in the literature of procedural fairness (Bies & Shapiro, 1988; Folger, 1977). Organizational justice has been observed to impact employee voice in an organization (Anyango, et al., 2015). Due to these facts, current research has included organization justice along with employee voice.

#### ***Organizational Justice (OJ)***

Recently, Organizational justice has become an important factor in literature. Modern disciplines have been calling for study in organizational justice which could add the essential knowledge for the smooth function of human resources of the organization (Kevin, et al., 1999). Organizational justice is exhibited by management if it takes fairness as a serious issue when it engages in decision making regarding its employees. During the last few decades, the literature about organizational justice has described the important types of justice. This term is commonly divided into four dimensions i.e. Distributive Justice, procedural justice, interactional justice and informational justice (Greenberg, 1987). At the beginning of 1960s, justice research primarily focused on distributive justice.

- *Distributive justice* means to judge and equalizes the perceived ratio of outcomes to input (Adams, 1965).
- *Procedural justice* referred to the fairness of decision-making process (Leventhal, 1980).
- *Interactional justice* stated the impartial view of interpersonal treatment during decision-making procedures (Bies & Moag, 1986).
- *Informational justice* means the degree of truthfulness offered during procedures (Colquitt, 2001; Greenberg, 1993).

Interactional justice is further divided into two components, i.e., interpersonal and informational Justice. Interpersonal justice referred to the degree of propriety and admiration by the management, during the implementation of the procedures (Colquitt, 2001; Greenberg, 1993). The difference between procedural and distributive justice has been debated since long (Dulebohn, et al., 2009). A number of researchers indicated that coefficient of correlation of procedural and distributive justice variables was  $> 0.70$  (Sweeney, et al., 1997; Welbourne, et al., 1995; Conlon et al., 2004; Holbrook & Kulik, 2001; Martocchio & Judge, 1995). Similarly, the meta-analytical study of Colquitt, et al., (2001) confirmed that coefficient of correlation between these variables ranged from 0.34 to 0.77 and also confirmed that in most of instances the researchers found that value to be  $> 0.50$ . Meta-analysis of Cohen-Charash & Spector (2001); Viswesvaran & Ones, (2002), had explained that coefficient of correlation between these variables varies from 0.55 to 0.89. Furthermore, Greenberg, (1990); Bies & Moag, (1986), suggested that Interactional justice may be consi-

dered as the component of procedural justice. Likewise, informational justice and interpersonal justice are two popular kinds of interactional justice. Above debate confirms that all kinds of justice can gather under the umbrella of single construct named as organizational justice. By the concept of Colquitt, (2001); Foster, (2010), had also used the four-dimensional construct of organizational justice as a single variable. Additionally, Alvi & Abbasi, (2012) had also endorsed the debate about the difference and proved that these terms can be used as the single construct.

### ***Organizational performance (OP)***

Organizations of the modern age are facing a huge competition, and it is very difficult for those to survive in such complicated environment (Ainin, et al., 2015). On the other hand, it is very tough for today's organizations to achieve sustained growth in these chaos conditions. Organizational performance (OP) has played the role of a key indicator towards achieving the aims, objectives, and goals (Venkatraman & Ramanujam, 1986; Hamon, 2003; Ghalayini & Noble 1997; Bhatti et al. 2013). Hancott, (2005), further pointed out that there are number financial indicators that measured organizational performance. These named as profit growth rate, return on sales, return on net assets, net or total assets growth rate, growth in market share, shareholder return, number of new products, ratio of current assets over current liabilities, etc.

Organizational performance may be measured by using either subjective or objective approaches (Dess & Robinson, 1984). The subjective approach referred to the perception of stakeholders and objective approach is estimated by the financial data provided by the organization (Croteau & Bergeron, 2001). Current research focuses on subjective approach based upon the concept of Croteau & Bergeron, (2001) that uses a two-dimensional construct of organizational performance, i.e., sales growth and probability.

## **Methodology**

### ***Hypotheses***

Based upon the work of Anyango, et al., (2015), who proved that Organizational justice has an impact on employee voice. In this regard, following hypothesis is suggested.

*H1: Organizational justice plays a significant role in shaping the employee voice.*

Researchers such as Doucouliagos, (1995); Levine & Tyson, (1990) proved that employee voice has a direct influence on organizational performance. So, research proposes the following hypothesis.

*H2: Employee voice has a positive influence on organizational performance.*

Arshad, et al., (2012) proved that organizational justice has a positive impact on organizational performance. That is why the current study has suggested the following hypothesis.

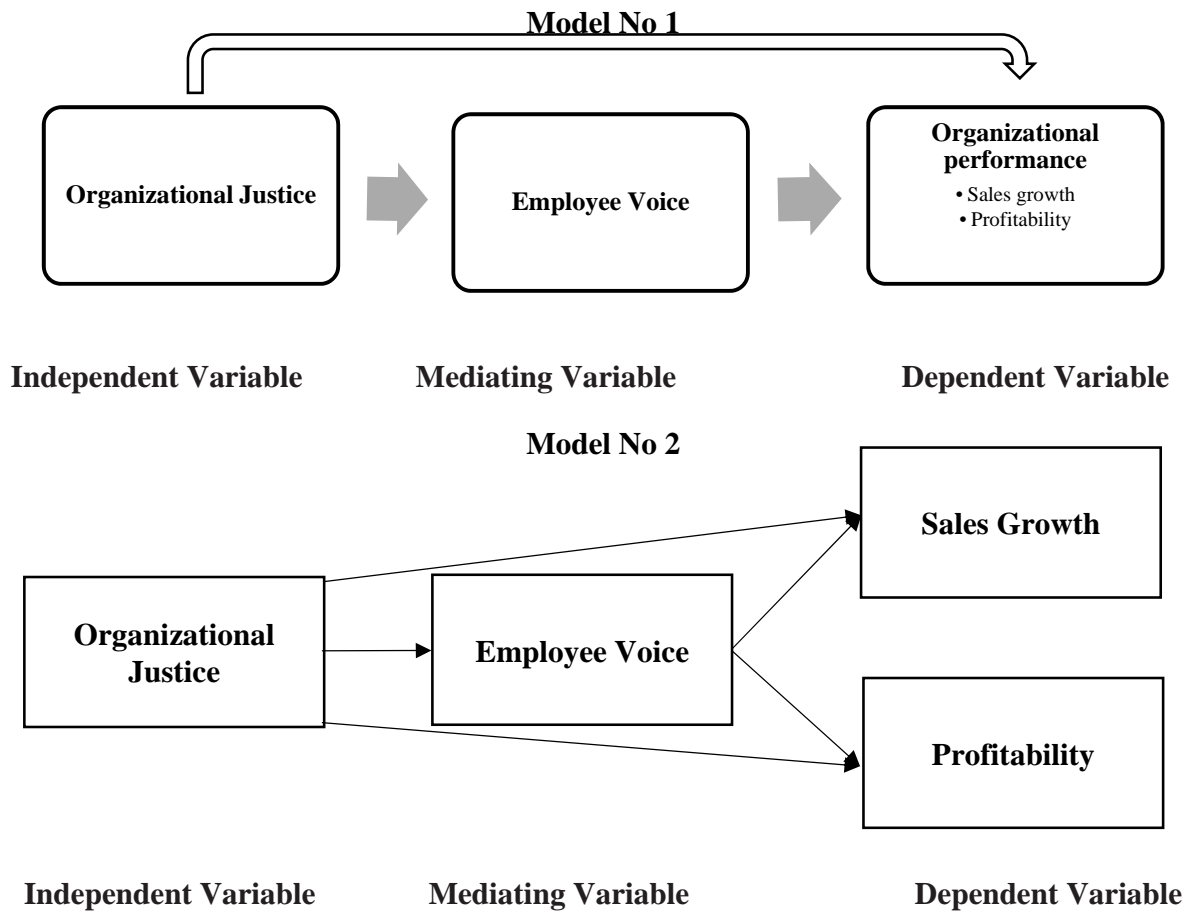
*H3: Organizational justice has a positive consequence on organizational performance.*

From the best of researcher knowledge, the relationship between organizational justice with organization performance and its two dimensions (sales growth and profitability) by using employee voice as mediator was not checked yet in pervious literature. In this regard, current study has supposed a set of three hypotheses.

*H4: Employee voice plays mediating role between organizational justice and organizational performance.*

*H5a: Employee voice mediates the relationship between Organizational Justice and sales growth.*

*H5b: Employee voice mediates the relationship between Organizational Justice and organizational profitability.*



**Figure 1. Theoretical framework**

**Research Instruments**

Based on the work of Colquitt & Rodell, (2011) researchers adopted 20 items scale of organizational justice which was assessed by 5 points Likert scale from very little extent to very great extent. By using the work of Venkatraman, (1989) researchers took the eight statements scale of organizational performance which was estimated on 5 points Likert scale from very dissatisfactory to very satisfactory. Based on the work of Van Dyne & LePine, (1998); Van Dyne, et al., (1994) modified employee’s voice scale of 6 objects which was accessed on 5 points Likert scale ranges from strongly disagree to strongly agree.

**Population**

The present study focuses on the employees of banking sector of Pakistan as population. Due to shortage of time and capital, researchers selected the banks in Lahore as a sample for data collection. According to Israel, (1992) a good sample size, 200-500, is needed for simple and multiple regression which might be performed for more rigorous state impact evaluations. This research was carried out on the banking sector of Lahore, (Pakistan). 15 bank’s branches were selected randomly for conducting the research. An organized questionnaire was applied to gather the data. Overall 220 questionnaires distributed. 190 questionnaires were returned back and fully completed and the actual response rate was 86%.

## Results

### *Demographic information*

Table 1 provides the demographic information about the respondents who had contributed in the collection of primary data.

**Table 1. Demographics**

	<b>Demographics</b>	<b>No. of Respondents</b>	<b>%</b>
Gender	Male	144	75.8
	Female	46	24.2
Marital Status	Single	77	40.5
	Married	113	59.5
Age Group	25-30	74	38.9
	31-35	76	40.0
	36-40	18	9.5
	41-45	12	6.3
	46-50	7	3.7
	Above 50	3	1.6
Managerial Level	Top Level	21	11.1
	Middle Level	169	88.9
Qualification	Bachelors	54	28.4
	Masters	129	67.9
	M. Phil	5	2.6
	PhD	1	.5
	Others	1	.5
Total Work Experience	Less Than 1 Year	24	12.6
	1 to 5 Year	89	46.8
	6 to 10	32	16.8
	Above 10 Year	45	23.7
Stay in Organization	Less than 1 Year	45	23.7
	1 to 5 Year	92	48.4
	6 to 10 year	27	14.2
	Above 10 Year	26	13.7
Type of Bank	Public	38	20.0
	Private	152	80.0
Designation	Regional Head	4	2.1
	Area Manager	5	2.6
	Branch Manager	6	3.2
	Branch Service Officer (BSO)	33	17.4
	Business Development Officer (BDO)	16	8.4
	Credit Analyst	27	14.2
	Customer Service Officer (CSO)	28	14.7
	Finance Officer (FO)	24	12.6
	Human Resource Manager	3	1.6
Manager Audit	3	1.6	



	Demographics	No. of Respondents	%
	Manager Operation	10	5.3
	Marketing Manager	3	1.6
	Sales Executive	6	3.2
	Trade officer	6	3.2
	Others, OG-I,OG-II,OG-III	16	8.4

Respondent's Participation who have taken an active part in research

### Correlation Analysis

Table 2 indicates that organizational justice, employee voice, organizational performance, organizational performance (sales growth) and organizational performance (profitability) positively and significantly correlated with each other's.

**Table 2. Pearson's Correlation Analysis**

Va-riables		Mean	SD	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Gender	Pearson Correlation	1.24	.429	1													
	Sig. (2-tailed)																
Marital Status	Pearson Correlation	1.59	.492	-.134	1												
	Sig. (2-tailed)			.065													
Age Group	Pearson Correlation	2.01	1.152	-.152 (*)	.545 (**)	1											
	Sig. (2-tailed)			.036	.000												
Managerial Level	Pearson Correlation	1.89	.314	.121	-.188 (**)	-.261 (**)	1										
	Sig. (2-tailed)			.097	.009	.000											
Qualification	Pearson Correlation	1.77	.572	-.029	.229 (**)	.090	-.114	1									
	Sig. (2-tailed)			.691	.002	.216	.118										
Total Work Experience	Pearson Correlation	2.52	.991	-.183 (*)	.453 (**)	.558 (**)	-.309 (**)	.231 (**)	1								
	Sig. (2-tailed)			.011	.000	.000	.000	.001									
Stay in Organization	Pearson Correlation	2.18	.948	-.068	.394 (**)	.416 (**)	-.359 (**)	.174(*)	.741 (**)	1							
	Sig. (2-tailed)			.351	.000	.000	.000	.016	.000								
Type of Bank	Pearson Correlation	1.80	.401	-.117	-.118	-.169 (*)	-.050	.097	.115	-.017	1						
	Sig. (2-tailed)																

Variables		Mean	SD	1	2	3	4	5	6	7	8	9	10	11	12	13	14
	Sig. (2-tailed)			.109	.105	.019	.490	.184	.116	.819							
Designation	Pearson Correlation	7.36	3.680	-.180 (*)	-.021	-.260 (**)	.131	-.028	-.201 (**)	-.122	.143(*)	1					
	Sig. (2-tailed)			.013	.778	.000	.072	.704	.005	.094	.050						
Organizational Justice (OJ)	Pearson Correlation	3.52	.702	.098	.159(*)	.122	.040	.039	.052	.056	-.200 (**)	.005	1				
	Sig. (2-tailed)			.181	.028	.093	.582	.594	.473	.447	.006	.944					
Employee Voice (EV)	Pearson Correlation	3.79	.573	.031	.249 (**)	.250 (**)	.002	.113	.111	.111	-.276 (**)	-.100	.320 (**)	1			
	Sig. (2-tailed)			.673	.001	.001	.975	.121	.128	.127	.000	.169	.000				
Organizational Performance (OP)	Pearson Correlation	3.58	.601	.022	.216 (**)	.190 (**)	-.037	.029	.102	.102	-.166 (*)	.030	.599 (**)	.447 (**)	1		
	Sig. (2-tailed)			.762	.003	.009	.609	.687	.163	.161	.022	.684	.000	.000			
OP Sales Growth (OPSG)	Pearson Correlation	3.58	.683	.082	.213 (**)	.162(*)	-.035	.058	.070	.119	-.139	-.090	.545 (**)	.454 (**)	.832 (**)	1	
	Sig. (2-tailed)			.261	.003	.026	.628	.425	.339	.103	.056	.216	.000	.000	.000		
OP Profitability (OPP)	Pearson Correlation	3.57	.686	-.027	.172(*)	.170(*)	-.031	.002	.103	.068	-.150 (*)	.113	.510 (**)	.346 (**)	.910 (**)	.528 (**)	1
	Sig. (2-tailed)			.709	.018	.019	.673	.981	.156	.353	.039	.121	.000	.000	.000	.000	

\*Correlation is significant at the 0.05 level (2-tailed);\*\* Correlation is significant at the 0.01 level (2-tailed).

### CFA model Fitness Ratios

CFA is providing the model fitness ratios of regression weights. First of all, we discuss the model fitness ratios. CMIN/DF ratio must be <5 and must be in range 2 and 5 (Marsh & Hocevar, 1985). This value is 2.85. According to Hair, et al., (2003) Values of CFI, NFI, and GFI must be closer to 1 which will provide the good fitness ratios. The value of (goodness of fit index) (GFI) is 0. The value of Normed Fit Index (NFI) is 0.581. The value of (Comparative Fit Index) (CFI) is equal to 0.677. Also, the value of Root Mean Square Error of Approximation (RMSEA) is equal to 0.099. Browne & Cudeck, (1993) described that the value of RMSEA must be < 1. This value is also less than 1. All the values are in the range. It proves that model is fit.

**Table 3.CFA Model Fitness Ratios**

	CMIN	DF	CMIN/DF	GFI	NFI	CFI	RMSEA
CFA Model	1492.203	524	2.848	0.660	0.581	0.677	0.099



**Regression Analysis***H<sub>1</sub>: Organizational justice plays a significant role in employee voice***Table 4. Regression Analysis**

	<b>B</b>	<b>Std. Error</b>	<b>t</b>	<b>p</b>
(Constant)	2.871	.202	14.181	0.000
Organizational Justice (OJ)	0.261	.056	4.623	0.000
R <sup>2</sup>	0.102			
F	21.376			0.000

\*\*\*Significant at the 0.01 level. \*\*Significant at the 0.05 level. \* Significant at the 0.10 level.

Dependent Variable: Employee Voice (EV); Independent Variable (Predictor): Organizational Justice (OJ)

For the relationship of organizational justice and employee voice, regression analysis provides the value of  $\beta=0.261$ , i.e., one unit change in organizational justice may result 26.1% change in employee voice. The table 4 also indicates that value of t is non-zero. The value of p equal to 0.000 which is less than 0.01. This means that hypothesis about the relationship of organizational justice and employee voice is accepted and this result is same as the results of Anyango et al., (2015).

*H<sub>2</sub>: Employee voice has positive impact on organizational performance***Table 5. Regression Analysis**

	<b>B</b>	<b>Std. Error</b>	<b>T</b>	<b>P</b>
(Constant)	1.799	.262	6.866	0.000
Employee Voice (EV)	0.469	.068	6.859	0.000
R <sup>2</sup>	0.200			
F	47.040			0.000

\*\*\*Significant at the 0.01 level. \*\*Significant at the 0.05 level. \* Significant at the 0.10 level.

Dependent Variable: Organizational Performance (OP); Independent Variable (Predictor): Employee Voice (EV)

Regression analysis gives the value of  $\beta=0.469$ , i.e., that one unit change in employee voice may result in 46.9% change in organizational performance. Also, the value of p is equal to 0.000 which is less than 0.01. Thus, hypothesis is also accepted, and this result is same as the results of Doucouliagos, (1995); Levine & Tyson, (1990).

*H<sub>3</sub>: Organizational justice has a positive impact on organizational performance.***Table 6. Regression Analysis**

	<b>B</b>	<b>Std. Error</b>	<b>T</b>	<b>P</b>
(Constant)	1.772	.179	9.882	0.000
Organizational justice (OJ)	.512	.050	10.251	0.000
R <sup>2</sup>	0.359			
F	105.091			0.000

\*\*\*Significant at the 0.01 level. \*\*Significant at the 0.05 level. \* Significant at the 0.10 level.

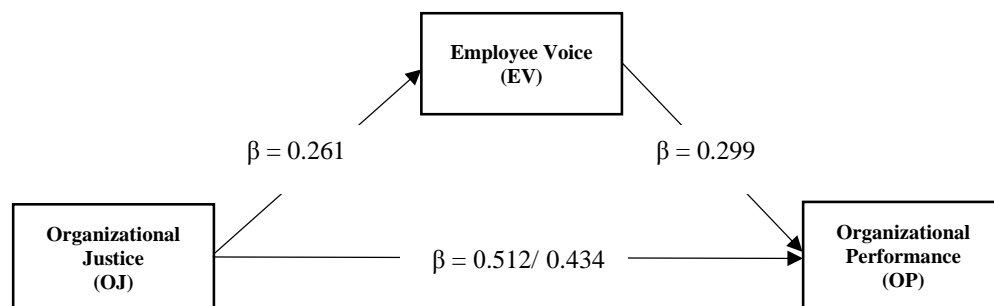
Dependent Variable: Organizational performance; Independent Variable (Predictor): Organizational Justice

Regression analysis provides the value of  $\beta=0.512$ , i.e., that one unit change in organizational justice may result 51.2% change in organizational performance. And the value of  $p$  for the relationship is equal to 0.000 which is less than 0.01. This means that a hypothesis is accepted, and this result is also same as the result of Arshad, et al., (2012).

*H<sub>4</sub>: Employee voice plays mediating role between organizational justice and organizational performance.*

**Table 7. Testing mediator effect of (EV) on OJ (IV) and OP (DV)**

Testing Steps of Mediation	B	SE	F	R <sup>2</sup>	Decision	$\beta$
Step 1 (Path c) Outcome: OP Predictor: OJ	.512	.050	105.091	0.359	.000<.05	.512
Step 2 (Path a) Outcome: EV Predictor: OJ	.261	0.056	21.376	0.102	.000<.05	.261
Step 3 (Paths b and c' Outcome: OP Mediator: EV(Path b) Predictor: OJ(Path c')	0.299 0.434	.244 0.061 0.050	70.988	.432	.000<.05 .000<.05 .000<.05	0.299 0.434



**Figure 2. Mediator effect of EV on OJ and OP**

For the mediation analysis, it was established that the predictor (Organizational Justice) was related to the outcome (organizational performance) which is (Step 1). The standardized regression coefficient ( $\beta = 0.512$ ) associated with the organizational justice on organizational performance was significant ( $p < 0.01$ ). Therefore, Path c was significant, and hence condition of mediation in step 1 was met. To ascertain that organizational justice was related to employee voice (the hypothesized mediator), the regression coefficient ( $\beta = 0.261$ ) was significant at the ( $p < 0.01$ ) and hence the condition of step 2 was achieved (significant Path a).

Now to test whether employee voice was related to organizational performance; organizational performance regressed simultaneously on both of employee voice and organizational justice (Step 3). The coefficient, with the relation between employee voice and organizational performance (controlling for organizational justice), was also significant ( $\beta = 0.469$ ,  $p < 0.01$ ). Hence, the condition for Step 3 was met (Significant Path b). The third regression analysis also provided an estimate of Path c', the relation between organizational justice and organizational performance, controlling for employee voice. When path c' is zero i.e. independent variable becomes insignificant then there can be a complete mediation. Nevertheless, path c' was ( $\beta = 0.434$ ) also significant ( $p < 0.01$ ), though

it was smaller than path c which was 0.512. Since, after controlling for employee voice, the effect of organizational justice appeared to be significant and smaller i.e. from ( $\beta = 0.512$ ) to ( $\beta = 0.434$ ) and hence reduced by  $0.512 - 0.434 = 0.078$  which supported particle mediation.

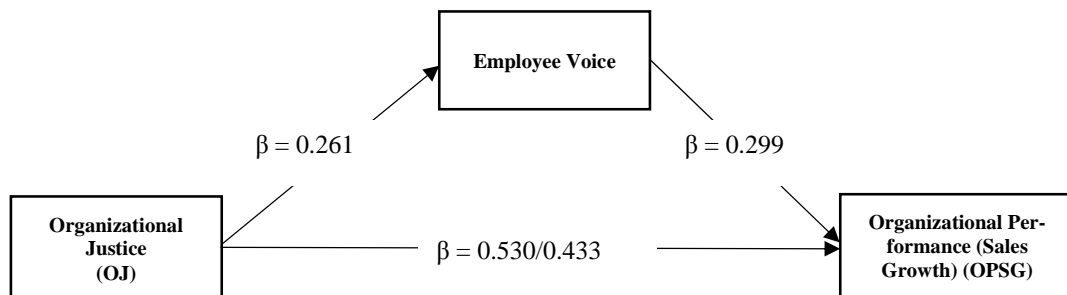
For the existence of complete mediation, the value of p must be insignificant for the relationship of the independent variable and dependent variable in combined effect of independent variable and mediator on dependent variable collectively. For the existence of partial mediation, the value of p must be significant for the relationships of the independent variable with dependent variable directly. In combine effect of organizational justice and employee voice with organizational performance ( $\beta = 0.434$ ) for the relationship of organizational justice with an organizational performance that was also significant ( $p < 0.01$ ). That value was not insignificant, but it was less than the value of ( $\beta = 0.512$ ) which was about the direct effect of organizational justice on organizational performance. Hence it is proved that employee voice is partially mediating the relationship between organizational justice and organizational performance.

Sobel test also performed which eventually determined the significance of partial mediation. The results of Sobel test indicated that indirect effect = 0.068 was statistically significant ( $z = 3.89, p < .01$ ). Hence, it establish that employee voice partially mediates the positive relationship between organizational justice and organizational performance and hypothesis was accepted. It is important to know the amount of mediation. It was calculated from the standard of (Shrout & Bolger, 2002) which is  $ab/c$  ( $0.078/0.512 = 0.15$ ) and it was obtained from unstandardized coefficients. Thus about 15.23% of the total effect of organizational justice on organizational performance is mediated employee voice.

*H<sub>5a</sub>: Employee voice mediates the relationship between Organizational Justice and sales growth.*

**Table 8. Testing mediator effect of (EV) on OJ (IV) and OPSG (DV)**

Testing Steps of Mediation	$\beta$	SE	F	R <sup>2</sup>	Decision	$\beta$
Step 1 (Path c) Outcome: OPSG Predictor: OJ	.530	0.059	79.575	0.297	.000<.05	.512
Step 2 (Path a) Outcome: EV Predictor: OJ	0.261	0.056	21.376	0.102	.000<.05	.261
Step 3 (Paths b and c) Outcome: OPSG Mediator: EV(Path b) Predictor: OJ(Path c)	0.372 0.433	0.288 0.072 0.059	58.497	0.385	.000<.05 .000<.05 .000<.05	0.299 0.434



**Figure 3. Mediator effect of EV on OJ and OPSG**

For the mediation analysis, it was established that the predictor (Organizational Justice) was related to the outcome (organizational performance sales growth) which is (Step 1). The standardized regression coefficient ( $\beta = 0.530$ ) associated with the organizational justice on organizational performance sales growth was significant ( $p < 0.01$ ). Therefore, Path c was significant, and hence condition of mediation in step 1 was met. To ascertain that organizational justice was related to employee voice (the hypothesized mediator), the regression coefficient ( $\beta = 0.261$ ) was significant at the ( $p < 0.01$ ) and hence the condition of step 2 was achieved (significant Path a). Now to test whether employee voice was related to organizational performance sales growth; organizational performance sales growth regressed simultaneously on both of employee voice and organizational justice (Step 3). The coefficient, with the relation between employee voice and organizational performance sales growth (controlling for organizational justice), was also significant ( $\beta = 0.542$ ,  $p < 0.01$ ). Hence, the condition for Step 3 was met (Significant Path b). The third regression analysis also provided an estimate of Path  $c'$ , the relation between organizational justice and organizational performance sales growth, controlling for employee voice. When path  $c'$  is zero i.e. independent variable becomes insignificant then there can be a complete mediation. Nevertheless, path  $c'$  was ( $\beta = 0.433$ ) also significant ( $p < 0.01$ ), though it was smaller than path c which was 0.530. Since, after controlling for employee voice, the effect of organizational justice appeared to be significant and smaller i.e. from ( $\beta = 0.530$ ) to ( $\beta = 0.433$ ) and hence reduced by  $0.530 - 0.433 = 0.097$  which supported partial mediation. For the existence of complete mediation, the value of p must be insignificant for the relationship of the independent variable and dependent variable in combined effect of independent variable and mediator on dependent variable collectively. For the existence of partial mediation, the value of p must be significant for the relationships of the independent variable with dependent variable directly. In combine effect of organizational justice and employee voice with organizational performance sales growth ( $\beta = 0.433$ ) for the relationship of organizational justice with an organizational performance sales growth that was also significant ( $p < 0.01$ ). That value was not insignificant, but it was less than the value of ( $\beta = 0.530$ ) which was about the direct effect of organizational justice on organizational performance sales growth. Hence it is proved that employee voice is partially mediating the relationship between organizational justice and organizational performance sales growth.

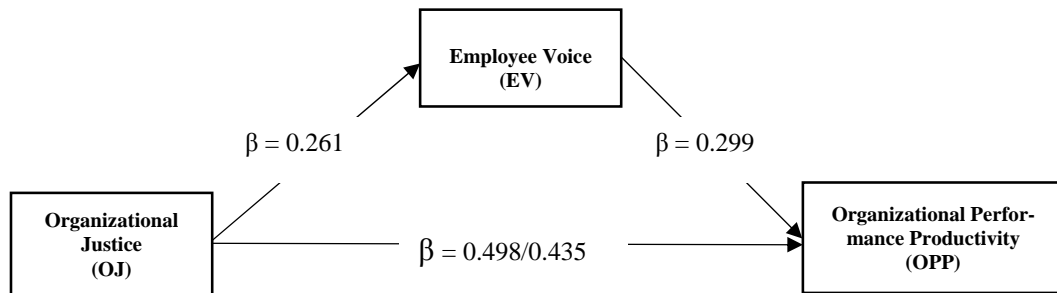
Sobel test also performed which eventually determined the significance of partial mediation. The results of Sobel test indicated that indirect effect = 0.077 was statistically significant ( $z = 3.91$ ,  $p < 0.01$ ). Hence, it establishes that organizational voice partially mediates the positive relationship between organizational justice and organizational performance sales growth and hypothesis was accepted. It is important to know the amount of mediation. It was calculated from the standard of (Shrout & Bolger, 2002) which is  $ab/c$  ( $0.097/0.530 = 0.15$ ) and it was obtained from unstandardized coefficients. Thus about 15.23% of the total effect of organizational justice on organizational performance is mediated employee voice.

*H<sub>5b</sub>: Employee voice mediates the relationship between Organizational Justice and organizational performance profitability.*

**Table 9. Testing mediator effect of (EV) on OJ (IV) and OPP (DV)**

Testing Steps of Mediation	$\beta$	SE	F	$R^2$	Decision	$\beta$
Step 1 (Path c) Outcome: OPP Predictor: OJ	0.498	0.061	66.094	0.260	0.000 < .05	0.498

Testing Steps of Mediation	$\beta$	SE	F	R <sup>2</sup>	Decision	$\beta$
Step 2 (Path a) Outcome: EV Predictor: OJ	0.261	0.056	21.376	0.102	.000<.05	0.261
Step 3 (Paths b and c' Outcome: OPP Mediator: EV(Path b) Predictor: OJ(Path c')	0.414 0.435	0.082 0.063	39.575	0.297	.000<.05 .000<.05 .000<.05	0.414 0.435



**Figure 4. Mediator effect of EV on OJ and OP**

For the mediation analysis, it was established that the predictor (organizational justice) was related to the outcome (organizational performance profitability) which is the (Step 1). The standardized regression coefficient ( $\beta = 0.498$ ) associated with the organizational justice on organizational performance profitability was significant ( $p < .05$ ). Therefore Path c was significant, and hence condition of mediation in Step 1 was met. To ascertain that organizational justice was related to employee voice (the hypothesized mediator), the regression coefficient ( $\beta = 0.261$ ) was significant at the ( $p < .05$ ) and hence the condition of Step 2 was met (significant Path a). Now to test whether employee voice was related to organizational performance profitability; organizational performance profitability regressed simultaneously on both of employee voice and the organizational justice (Step 3). The coefficient, with the relation between employee voice and organizational performance profitability (controlling for organizational justice), was also significant ( $\beta = 0.414$ ,  $p < .05$ ). Hence, the condition for Step 3 was met (significant Path b). The third regression analysis also provided an estimate of Path c', the relation between organizational justice and organizational performance profitability, controlling for employee voice. When path c' is zero i.e. independent variable becomes insignificant then there can be a complete mediation. Nevertheless, Path c' was ( $\beta = .435$ ,  $p < .05$ ), though it was smaller than Path c which was .498. Since, after controlling for employee voice, the effect of organizational justice appeared to be significant and smaller i.e. from ( $\beta = .498$ ) to ( $\beta = .435$ ) and hence reduced by  $0.498 - 0.435 = .063$  which supported partial mediation. To check the significance of indirect effect, Sobel test was performed which eventually determined the significance of partial mediation. The results of Sobel test indicated that indirect effect = 0.082 was statistically significant ( $z = 3.46$ ,  $p < .01$ ). Hence, it is established that employee voice partially mediates the positive relationship of organizational justice and organizational performance profitability and hypothesis was accepted. It is important to know the amount of mediation. It was calculated from the standard of (Shrout & Bolger, 2002) which is  $ab/c$  ( $0.063/0.498 = .126$ ) and it was obtained from unstandardized coefficients. Thus about 12.65% of the total effect of organizational justice on organizational performance profitability is mediated by employee voice.

### **Conclusion**

The analysis of the collected data and their statistical results shows a positive link between the organizational justice and organizational performance. The previous studies and their results proposed the same positive relationship between these variables (Arshad, et al., 2012). The current study also indicates a positive relationship between organizational justice and employee voice which is similar to the results of Anyango, et al., (2015). Doucouliagos, (1995) and Levine & Tyson, (1990) studied the same kind of positive impact of employee voice on organizational performance as concluded in this study. Results also confirm that organizational justice is a predictor of employee voice as well as organizational performance while employee voice is a good antecedent of organizational performance. This research has further proved that employee voice partially mediates the relationship between organizational justice and organizational performance (i.e., sales growth and profitability). Thus, it concludes that if service sectors, specifically banks provide justice and voice facility to their employees then they will be able to improve their organizational performance in term of sales growth and profitability within the banking industry of Pakistan.

### **Recommendations**

It is recommended that bigger sample size, with a wider area of research including more banks and other sectors for various researches can be applied to make the results more generalized. It is also recommended that banking sectors should improve organizational justice, promote the concept of employee's voice to improve organizational performance in term of sales growth and probability.

### **Contribution of Study**

In this study the organizational justice is considered as one variable and its dimensions i.e. procedural justice, distributive justice, informational justice and interpersonal justice are collectively studied under one variable with its relationship with employee voice and organizational performance. Previously, in few researches (Foster, 2010) dimensions of justice are treated as single variable i.e. organizational justice. Employee voice has been studied between the variables of organizational justice and organizational performance which can open new horizons of studies for academicians and practitioners. The dimensions of organizational performances i.e. sales growth and profitability are also studied separately along with organizational justice and employee voice which haven't been studied earlier. Thus the current study provides its major contribution in this regard.

### **Limitations and Future Researches**

This article examines the effects of employee voice which is a comprehensive topic. However, due to a shortage of budget, the sample of the paper is kept low, and only a few banks were taken into account, and the numbers of the questionnaire were limited. The target population of the study is only banking sector and all other sectors like textile sector, the education sector, and telecommunication sector remain unexplored. So, the ability of generalization of this research paper is limited. This is cross-sectional study data is collected from respondents at a specific point in time.

This study can be applied to various areas where employee voice is considered as an effective input for organizational production, i.e. telecommunications, educational institutions, industrial sector, hospitality sectors. Variables of this research can also be testified through a longitudinal process which can produce multiple prospects of researches in future. The sample size and population of the study can be increased in future. Likewise, the relationship of employee voice can be checked with multiple variables like knowledge management, organizational socialization and four kinds of justice individually. Similarly, variables of organizational justice with organizational performance can also be incorporated with moderator variables; age, gender, qualification, tenure.



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