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