



IMPACT OF ORGANIZATIONAL JUSTICE ON LABOR PRODUCTIVITY IN  
DR. ABIDI PHARMACEUTICAL CO.

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*Abstract*

*The aim of this study was applied and descriptive-survey method of data collection was used. This study aim to identify the components of organizational justice to examine the impact of organizational justice on labor productivity in Dr. Abidi Pharmaceutical Co. This study examines the impact of the three components of organizational justice (procedural justice, interactional justice and distributive justice) on labor productivity. The validity of the questionnaire was tested based on theoretical models of Niehoff and Moverman and ACHIEVE. Cronbach's alpha was used to determine the reliability of the questionnaire. In this study, the alpha coefficients for organizational justice questionnaire was 0.828, and for labor productivity questionnaire was 0.869 and for overall questionnaire was 0.909. So we can say that these were of sufficient validity. Data from the questionnaires were collected from 218 employees of the company. To investigate the effect of organizational justice on labor productivity, Pearson correlation coefficient and stepwise regression were used. The results showed a positive and significant impact on labor productivity of organizational justice in Dr. Abidi Pharmaceutical Co. Managers should set Reward Regulations so that any person is reward for any work that he does proportionately.*

*Keywords: organizational justice, productivity*

**I. INTRODUCTION**

In the present age, attention to organizations and the organizational individuals is needed more than ever, according to research conducted, with more complex roles and organizational structures, employee behavior in organizations can be affected by their attitude. Today, according to all the experts and specialists, education of the necessary skills required in the areas of expertise is an inevitable social necessity and of special importance in the development and increased productivity. Factors that can be used to achieve the ultimate goals of efficiency include motivation, participation in decision-making, supply and job security, training, creation of favorable business environment, understanding the needs, appointing the right knowledgeable people to the top positions (Amirianzadeh et al., 2012, 22)

The role of justice is more and more evident. Especially when achieving dynamic stability is among the objectives of the executives, justice is one of the political exigencies of organizational behavior because justice increases the feeling of belonging, loyalty and trust of people to the organization and adds to organizational and social capital. (Golafshani et al., 2015, 165)

Today, organizations need effective and efficient personnel to be able to achieve their objectives for growth and all-round development and overall efficiency and effectiveness of the



organization depends of the efficiency and effectiveness of manpower, especially organization's managers. Hence the move to increase equity, commitment and satisfaction among the workforce is among the main tasks of the organization. (Hedayati et al., 2011, 109-110)

## II. CONCEPTUAL FOUNDATIONS

### **Organizational Justice**

A term used to describe the role of justice that is directly linked with employment opportunities. Especially in organizational justice the issue arises how to treat employees to make them feel they have been treated fairly. (Ahadinejad et al., 2015, 202)

### **Procedural justice**

Perceived fairness of the process used to determine the distribution of rewards. (Hedayati et al, 2011, 107)

### **Distributive justice**

The fairness of rewards employees receive. This type of organizational justice is rooted in the idea of equality of Adams. It looks at how people respond to unfair behavior intervention by managers and supervisors in organizations in the distribution of resources and rewards. (Hedayati et al, 2011, 107)

### **Interactional justice**

Including the way that organizational justice is transmitted by supervisors to subordinates. This kind of justice is related aspects of the communication process (such as courtesy, honesty and respect) between sender and receiver of justice. (Hedayati et al, 2011, 2011, 108)

### **Labor productivity**

From the perspective of Iran Productivity Center, it is a culture, a rational attitude to work and life, which aims to achieve a better life and smarter and more active activities (Hosseini et al., 2016, 71)

### **Productivity**

The ratio of actual returns achieved and standard output (expected) productivity, or the ratio of the amount of work done to the amount of work that must be done. (Ahmadi et al, 2011)

### **Effectiveness**

The degree of achievement of the objectives set. (Ahmadi et al, 2011)

## III. LITERATURE

In his study to investigate the relationship between organizational justice and individual and group productivity on 160 employees of a Research Institute it was concluded that in the business units with increased organizational justice, productivity and production organization, and staff viewing fairness in their organization showed commitment and loyalty to the organization and their duties.



Dehghanian and Sabur studied the relationship between the dimensions of organizational justice and organizational commitment on 295 employees of an insurance company. The results showed a positive and significant correlation existed between organizational justice and organizational commitment (Hosseini et al., 2016, 71).

The relationship between organizational justice and efficiency of research staff in teaching hospitals - Hospital of Tehran University of Medical Sciences was studied in 2015 by Mr. Bahman Ahadinejad and others. The researchers concluded that there was a significant positive relationship organizational justice and its dimensions with the efficiency of the staff.

Another study entitled relationship between organizational justice and employee productivity by Seyyed Pooria Hedayati and other at hospitals of Zabol city in 2010 showed that organizational justice generally has positive and significant correlation with labor productivity.

Another study, called the relationship between justice and organizational commitment and labor productivity among high school female teachers by Dr. Mojgan Amirianzadeh in 2012 showed significant relationship between organizational justice and organizational commitment and productivity.

#### IV. THEORETICAL FRAMEWORK

As for the independent variable, organizational justice, Niehoff and Moverman model was used. Niehoff and Moverman model includes three factors (procedural justice, distributive justice, interactional justice).

As for the dependent variable, labor productivity, ACHIEVE model (Hersey and Goldsmith) is used. Models consist of factors of ability, transparency, help, motivation, evaluation, reliability and the environment.

#### V. HYPOTHESES

Organizational justice and labor productivity have a significant positive relationship.

Procedural justice has a significant positive correlation with labor productivity.

Distributive justice has a significant positive correlation with labor productivity.

Interactional justice and labor productivity has a significant positive relationship.

#### VI. METHODOLOGY

On the basis of purpose, this was an applied research, which was a descriptive survey in terms of method (for use of the questionnaire). In this study, simple randomized sampling is used. Statistical population comprised the staff of Dr. Abidi Pharmaceutical Co. (n=500) of whom more than 218 people were chosen using randomized sampling (n= 218) who responded to the questionnaire.

In this study, the alpha coefficients for organizational justice questionnaire was 0.828, and for labor productivity questionnaire was 0.869 and for overall questionnaire was 0.909. So we can say that these were of sufficient validity.

Given the questionnaire assessment tool was based on theoretical models of Niehoff and Moverman and ACHIEVE. So it can be said that its validity is confirmed. But to ensure that the items be understandable to the subjects, content validity was used.



## VII. ANALYSIS OF RESULTS

Table 1 - Descriptive statistics

	Mean	SD
Organizational Justice	66.29	11.323
Distributive justice	29.39	5.708
Procedural justice	15.67	3.908
Interactional justice	21.24	4.825
Labor productivity	88	13.623

Correlation coefficients between factors of organizational justice and labor productivity presented.

Table 2 - Correlation coefficients

Factors	Manpower productivity	
	Correlation coefficient	Sig.
Organizational Justice	0.673	0
Distributive justice	0.522	0
Procedural justice	0.602	0
Interactional justice	0.475	0

As Table 2 indicates, organizational justice ( $r = 0.673$ ), distributive justice ( $r = 0.522$ ), procedural justice ( $r = 0.602$ ), interactional justice ( $r = 0.475$ ) have positive and significant correlation. The results of the regression analysis of organizational justice and labor productivity are presented in the table.

Table 3 - Regression Analysis

Variable statistical indices	Multiple Correlation Coefficient	Square multiple correlation coefficient	Adjusted Correlation Coefficient	Estimated standard error
Procedural justice	0.602	0.362	0.359	10.905
Interactional justice	0.667	0.445	0.440	10.196
Distributive justice	0.695	0.483	0.476	9.862

As seen in Table 3, the stepwise regression analysis, a total of 3 steps, 3 factors of procedural justice, interactional justice and distributive justice had multiple correlation with labor productivity. Based on stepwise regression analysis of the variables in order of importance, the first step procedural justice with labor productivity has multiple correlation coefficient of 0.602. In the second step with the addition of variable of interactional justice, multiple correlation coefficients reached to 0.667. The multiple correlation coefficient of 0.065 was added to



interactional justice. In the third step, with the addition of variable of distributive justice, multiple correlation coefficients reached to 0.695. Added multiple correlation coefficient was 0.028. The analysis of variance table of employee performance regression is as follows:

Table 4: Analysis of variance of employee performance regression

Source of changes	Sum of squares	DF	Mean squares	F ratio	Sig.
Regression	14586.903	1	14586.903	122.660	0
Residue	25687.097	216	118.922		
Total	40274	217			
Regression	17922.168	2	8961.084	86.196	0
Residue	22351.832	215	103.962		
Total	40274	217			
Regression	19460.133	3	6486.711	66.694	0
Residue	20813.867	214	97.261		
Total	40274	217			

As can be seen in Table 4, analysis of variance confirms validity of stepwise regression analysis to predict labor productivity (level of significance was zero and F ration = 66.694).

Table regression coefficients, standard and non-standard, for employee performance is as follows:

Table 5 - standard and nonstandard regression coefficients of employee performance

Statistical indicators of variables	Non-standard beta factors	Standard error	Standard beta factors	t-value	Sig.
Constant 1	55.126	3.059		18.022	0
Procedural justice	2.098	0.189	0.602	11.075	0
Constant 2	42.456	3.631		11.693	0
Procedural justice	1.736	0.188	0.498	9.216	0
Interactional justice	0.864	0.153	0.306	5.664	0
Constant 3	34.971	3.984		8.777	0
Procedural justice	1.462	0.195	0.419	7.511	0
Interactional justice	0.650	0.157	0.230	4.136	0
Distributive justice	0.555	0.140	0.233	3.977	0



As can be seen in Table 5, the stepwise regression analysis during the final step 3 variables of procedural justice, interactional justice and distributive justice have been entered into the regression to predict labor productivity. Standard beta coefficient procedural justice, interactional justice and distributive justice can predict labor productivity at were 0.419, 0.230, 0.233, respectively.

#### VIII. CONCLUSION

This study aimed to determine the impact of organizational justice on labor productivity in Dr. Abidi Pharmaceutical Co. As the results showed, from the perspective of staff, all organizational justice components had a significant positive impact on labor productivity.

Since the rise of organizational justice increases labor productivity, managers should set regulations on reward so that any person is rewarded for any work that does proportionately.

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