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## **Impact Of Informational Justice On Organization Commitment And Employee Motivation In Banking Sector Of Lahore Pakistan**

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**ABSTRACT:** The basic purpose of this research was to assess the effects of Informational justice on organization commitment and employee motivation in Banking Sector of Lahore (Pakistan). Data was collected through self-administrated questionnaire which was distributed among private and public banks holding positions of officer rank of employees. Sample size was 270. SPSS software was used for demographic and inferential analysis. Results conclude that both of Informational justice has positive impact on employee motivation on informational justice respectively. This study mainly focused on Banking Sector in Lahore. So, the results are limited to only banking sector. Current study is cross sectional. Data was collected from officers of one city that is Lahore it required to do similar research on other cities of Punjab.

**KeyWords:** Organization Commitment, Employee Motivation, Informational Justice

### **Introduction:**

Many researchers studied employees, organization commitment, motivation and predict the actual rates. This study focusses on how much important commitment and the motivation between employees and the senior level of the employee's relation and how identifying the stages for the monitoring and controlling the variables. Literature supports the influence of employees, organization commitment, motivation and also their informational justice on their intention to enhance their job. Further, this study was conducted on the private employees embracing permanent and annual contracted base. In the banking sector not good results between the employees and the senior staff mean 32% result founded that not good committed and the reason is lack of the provide information between employees and another staff. Employee motivation is one of the key policies of managers due to which they increase the level of job management amongst

Employees in organizations (Maduka & Okafor, 2014). Ulum(2012) found that only about 30 percent of line managers are able to adequately motivate the people who report to them. Organizational commitment was initially defined in terms of a psychological or affective attachment by Kantar (1990). Organizational commitment can be defined as “the willingness of social actors to give their energy and loyalty to social Systems, the attachment of personality systems to social relations that are seen as self-expressive” (Yuwidarma, 2021).

Informational justice focuses on the extent to which explanations are provided to people that Convey information about why procedures were used or why certain decisions were made (Colquitt Et al., 2001). Informational justice, in particular, changes the reaction and receptivity of employees to procedures because information and explanations help those affected to understand the underlying rationale for the procedures (Greenberg, 1993).

Organizational commitment is developing as very serious issue for the organizations and for the managers which may affect on organizational productivity and firm’s competition (Osa, & Amos, 2014). Kreisman, (I998) reported that 71% employees of Nigeria were facing the problem about organizational commitment. Yuwidarma, (2021) found that only about 30 % of line managers are able to adequately motivate the people aspects of organization justice. Nowadays, organizations are employing new technologies and downsizing the numbers of workers, outsourcing or employing temporary workers in order to save cost (Boldman & Deal, 2003). This situation can trigger a negative impact on employee motivation since they feel that companies turn out to be less loyal and dependable to them (Boldman & Deal, 2003). Current Research is design to check the impact of informational justice on organization commitment and employee motivation the in the banking sector.

## **Literature**

### **Organization commitment:**

Commitment to the organizations happens in mutual exchange process between individual and the organization. If individual gets certain rewards or outputs from organizations, he/she commits himself/herself to the organization. In other words, individuals expect rewards in Return of self-commitment to the organization (Balci, 2003). This means, organizational Commitment can appear from an obligation, a desire or a need for continuing organizational Membership (Meyer & Allen, 1991). Organizational commitment has an important place in the study of organizational behavior. This is in part due to the vast number of works that have found relationships among organizational commitment, attitudes, and behaviors in the workplace (Xanthopoulou, & Karampelas 2020).

## **Employee Motivation:**

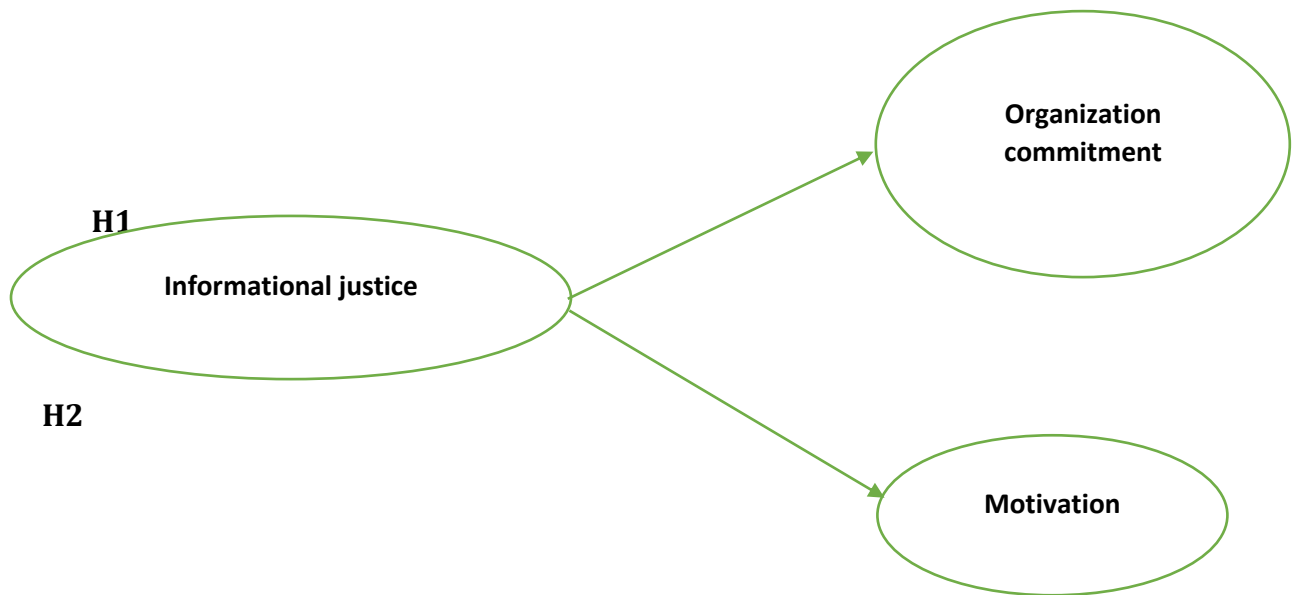
Motivation refers to “the reasons underlying behavior” (Guay et al., 2010, p. 712). Paraphrasing Habtamu, (2016) broadly define motivation as “the attribute that moves us to do or not to do something” Intrinsic motivation is motivation that is animated by personal enjoyment, interest, or pleasure. As Deci et al. (1999) observe, “Intrinsic motivation energizes and sustains activities through the spontaneous satisfactions inherent in effective volitional action. It is manifest in behaviors such as play, exploration, and challenge seeking that people often do for external rewards” Researchers often contrast intrinsic motivation with extrinsic motivation, which is motivation governed by reinforcement contingencies.

## **Informational justice**

Informational justice focuses on the extent to which explanations are provided to people that convey information about why procedures were used or why certain decisions were made (Colquitt Et al., 2001; Greenberg, 1993). Informational justice, In particular, changes the reaction and receptivity of employees to procedures because information and explanations help those affected to understand the underlying rationale for the procedures (Greenberg, 1993).

Treatment by a supervisor is defined as respect, dignity, motivation, encouragement etc. Informational justice is defined as the explanations provided to people that convey information about why procedures were used in a certain way or why outcomes were distributed in a certain fashion. Where more adequacy of explanation is prevalent, the perceived level of informational justice is higher (Muzumdar, 2012). Interactional justice is further broken down into two constituents: interpersonal and informational justice. Perceptions of respect, politeness, dignity in one’s treatment or when taking decisions are a part of Interpersonal justice while the sufficiency of the explanations given in terms of their specificity, timeliness, and truthfulness comes under informational justice (Colquitt, 2001).

## Research model:



Organizational justice has positive effect on organization commitment (Bakhshi, et al,2009). Organizational justice has positive effect on Motivation (Deschamps et al,2016).

On the basis of these facts current research proposes the following hypotheses.

H1: Informational justice has positive effect on organization commitment

H2: Informational justice has positive effect on Motivation

## Population

The current study focuses on the employees of banking sector of Pakistan as population. According to Credit rating report of banks, issued by SBP in July 2020, there are 5 public banks; 16 private banks; 6 Islamic banks; 2 specialized banks; 4 foreign banks; 8 development finance institutions and 10 micro finance banks working in Pakistan. Due to shortage of time and capital, researcher selected the banks of Lahore as a sample for data collection. According to State bank of Pakistan, there are 694 branches of above-mentioned banks working in Lahore.

## Sample Size and Sampling Technique

Simple random sampling technique of probability is used in this research study for data collection. Probability sampling techniques are mostly used in quantitatively oriented studies and its aim is to select relatively large number of units from a population in random manners as well as achieve representative of entire population (Tashakkori & Teddlie, 2003).

As researcher discussed above, there are 694 banks (branches) working in Lahore. It was very difficult to collect data from each bank. Thus, by using MS excel, researcher made two excel sheets. 1st sheet was without simple random sampling and second was with simple random sampling by using RAND formula, with the help of simple random sampling list, researcher distributed 300 questionnaires in different banks that were mentioned in simple random sampling list.

According to Glenn, (1992) a good sample size i.e., 200-500, is needed for simple and multiple regression which might be performed for more rigorous state impact evaluations. Therefore, 300 questionnaires were distributed among different banks of Lahore. The questionnaires were distributed among the banks until it completed. 25 banks were included in data collection process. In data collection process, 270 complete questionnaires were used for final analysis. Response rate of return was 84%. Data was collected from first line, top level managers and middle level managers. The sampling method of this research is same like the technique of previous researches (For e.g., Ahmad et al., 2021; Saeed et al., 2014; Nadeem et al., 2021; Chiahti et al., 2021; Khan et al., 2021; Alvi et al., 2014; Khan, et al., 2019)

### **Measurement**

3 items used for organizational commitment which was adopted from the scale of Meyer et al., (2009). 3 items of employee motivation was adopted from Lynne et al., (1988). 5 items used for informational Justice (dimension) which was adopted from the scale of (Bies & Moag's 1986).

### **Analysis:**

Simple linear regression is the method which is used for the analysis. This method is the same like the researchers (i.e. Malik et al., 2015; Shah et al., 2020; Jamil et al., 2014; Ullah et al., 2021; Alvi et al., 2014; Alvi, et al., 2017).

### **Correlations Table**

	IJ	OC	EM
IJ	1		
OC	.730(**)	1	
EM	.748(**)	.852(**)	1

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

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

Above table describe the correlation of all the variables. Results indicates that all the variables has positive correlations with each other's.

### Regression analysis

The detail of regression analysis is described below. The relationship and effect of independent variables on dependent variable are shown with the help of regression analysis. The value of R Square illustrates the extent of effect that independent variable have on dependent variables. The value of R Square is accepted when it is greater than 25%. After that p-value illustrates the actual level of relationship. In the regression analysis if the value of p is less than 0.01, 0.05 or 0.10, then the hypothesis is accepted. The value of F illustrates the extent of association among dependent and independent variables. Greater the value of F, greater will be the association among variables.

Model	R	R Square	Adjusted R Square	F	p-value
1	.730(a)	.534	.532	283.748	.000

a Predictors: (Constant), IP

The Value of F defines the level of relationship between dependent variables and independent variables. Greater value of F denotes that there is strong relation between

these variables. The value of F in results is equal to 283.748 and its significance value is equal to 0.000. This shows that there is strong relationship among dependent variables and independent variables

**Coefficients (a)**

Model	Unstandardized Coefficients		Standardized Coefficients	t	p-value
	B	Std. Error	$\beta$		
(Constant)	1.001	.195		5.134	.000
IP	.701	.042	.730	16.845	.000

a Dependent Variable: OC

For the relationship of informational justice (IJ) and organizational commitment (OC) the value of  $\beta$  is 0.730 i.e. that one unit change in distributive justice May results 73% change in OC within banking sector of Pakistan..This is the findings of current research proved that informational justice has positive effect on organization commitment.

The relationship between informational justice and employee engagement the value of R is 0.813 and the value of R square is 0.661 and the value of R square should greater than 25 %i.e. 0.25.

The relationship between informational justice and employee motivation the value of R is 0.748 and the value of R square is 0.559 and the value of R square should greater than 25 %i.e. 0.25

**Table 4.4.3.4: Model Summary**

Model	R	R Square	Adjusted R Square	Fp-value
	.748(a)	.559	.557	314.288 .000

a Predictors: (Constant), IJ

The Value of F defines the level of relationship between dependent variables and independent variables. Greater value of F denotes that there is strong relation between these variables. The value of F in results is equal to 314.288 and its significance value is

equal to 0.000. This shows that there is strong relationship among dependent variables and independent variables

**Coefficients (a)**

Model	Unstandardized Coefficients		Standardized Coefficients	t	p-value
	B	Std. Error	$\beta$		
(Constant)	1.033	.188		5.484	.000
IJ	.713	.040	.748	17.728	.000

a Dependent Variable: EM

For the relationship of IJ and Employee motivation the value of  $\beta$  is 0.748 i.e., that one unit change in interpersonal justice 74.8% may results change in EM within banking sector of Pakistan.

**Conclusion**

Results reveal that all the components of organizational justice have positive significant impact on organizational commitment. Among all the components of organizational justice informal justice is the stronger predictor of organizational commitment (Lamber et al., 2007). For the relationship of organizational justice (Procedural justice, distributive justice, interpersonal justice informational justice) with the fourth component of employee reactions i.e. employee motivation.. Results reveal that all the components of organizational justice have positive significant impact on. Among all the components of organizational justice informal justice is the stronger predictor of employee motivation(Colquitt et al 2006).

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