

The Influence of Organizational Justice and Demographic Variables on Employee Willingness to Engage in Customer Oriented Behavior

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ABSTRACT

The purpose of this study was to examine the relationship between organizational justice and demographic variables with employee willingness to engage in customer oriented behavior. Consequently, the study was to determine the influence of demographic variables and organizational justice on employee willingness to engage in customer oriented behavior. Regression analysis on a sample of 292 respondents derived from the selected cellular retail centers in Klang Valley indicated that all organizational justice dimensions and demographic variables were found to have significant relationships with employee willingness to engage in customer oriented behavior. The study also revealed that organizational justice dimensions and demographic variables had a positive effect on customer oriented behavior. It was found that procedural justice had more significant effect on customer oriented behavior than distributive justice and emerged as the most significant predictor on employee willingness to engage in customer oriented behavior. Implications of the findings and suggestions for future research are discussed.

Keywords: *Customer oriented behavior and organizational justice*

Introduction

One of the most widely researched topics in industrial organization is the concept and role of organizational justice. This construct has been linked with important behavioral outcomes such as performance and turnover (Hom & Griffeth, 1995). Organizational justice has also received a great attention of scholars due to its role as a mediator between antecedent variables and outcomes variables (Johnston et al. 1990). Therefore, organizations seek to measure accurately the justice of their employees and find ways to improve justice in the organization.

While organizational justice has received the most attention in the industrial organization, and management literature it is also important in marketing (eg. among salesperson and frontline employee). This attention is primarily due to the importance of justice in understanding the behaviors between employers and frontline employees and the links between frontline employees and organizations as well as employees and customers. Through the past several decades of empirical research in organizational behavior and other related fields, a great deal of literature has documented the antecedents and outcomes of organizational justice. Expanding on these studies numerous empirical studies in literature reviews have shown many different variables of organizational justice outcomes. This study narrowed these variables down to customer oriented behavior. The rationale of this study was due to most of research on organizational justice either in Eastern and Western, has been carried out in non marketing area/setting. Understanding the influence and relationship of organizational justice with behavioral construct across cultural and society and in marketing area becomes increasingly important (Hartline et al., 2000). Moreover, little is known about organizational justice outcomes among frontline employees in the cellular retail centers of Malaysian service sectors.

This paper highlights on an investigation of the relationship between organizational justice and employee willingness to engage in customer oriented behavior. Consequently, this paper reports the influence of organizational justice and demographic variables on the employee willingness to engage in customer oriented behavior among employees in the cellular retail centers of the selected service sectors in Malaysia.

Literature Review

Most employers expect their employees be willing to engage in customer oriented behaviors. However, it is not impossible for employees in organization to show their engagement in such behaviors but unwilling to do so or vice versa. According to Kim and Moon (2004), the ability of employee to be engaged in the customer oriented behaviors is a function of a number of organization initiatives such as employee empowerment and employee training. This is because employee empowerment would be able to give employee a control over job related situations and decisions (Conger & Kanungo, 1988). With this control employees are able to be flexible and adaptive in the face of changing customer needs and resulting in customer oriented behavior (Hartline et al., 2000).

A lot of research has been devoted on the factors that influence customer ability to engage in customer oriented behavior. However, no study has been done to explore on the factors that relate to employees' willingness to engage in customer oriented behavior in Malaysian context. Similarly, no study has documented the links between organizational justice and customer oriented behavior among cellular retail employees of the telecommunication industries in Malaysia. However, there is a strong rationale that suggest organizational justice may be of concern when it relates to employee willingness to engage in customer oriented behavior. A discussion of the theory of organizational justice helps clarify this issue.

Organizational Justice

Organizational justice is a complex concept in the organizational study and most scholars agree that this concept has significant influence on employees' perception and work related behaviors (Greenberg, 1996). According to Greenberg (1996) social scientists have long recognized the importance of the ideals of justice as a basic requirement for effective functioning of organizations and the personal satisfaction of individuals they employ. Lind (2001) found that perception of procedural justice is a significant mediator between employees' procedural knowledge and employees' attitudes.

Organizational justice is the term used to describe to the role of fairness in the workplace (Moorman, 1991). It concerns with the ways in which employees determine if they have been treated fairly in their

jobs and the ways in which those determinations influence other work related variables. In other word it refers to fairness in organizational settings. Greenberg (1996) classified organizational justice into two categories namely distributive justice and procedural justice. In the recent models (for example Niehoff & Moorman , 1993) have postulated organizational justice in three forms namely distributive, procedural and interactional justice.

According to Niehoff & Moorman (1993) distributive justice is the degree to which rewards are allocated in an equitable manner. Further, procedural justice refers to the degree to which those affected by allocation decisions perceive them to have been made according to fair methods and guidelines. Meanwhile, interactional justice refers to the degree to which those affected by allocation decisions perceive themselves to have been treated fairly in enactment of formal procedures or in the explanation of those procedures (Niehoff & Moorman, 1993). This study however focused on two important dimensions of organizational justice namely distributive and procedural justice with employees' willingness to engage with customer oriented behavior.

Although there is no lack of empirical studies on the influence of organizational justice on employees' behavior, however no research has been conducted to examine this construct with employee's willingness to engage with customer oriented behavior among frontline employees in telecommunication industries in Malaysia. Furthermore, there is a need to validate whether the findings of the study obtained from Western settings are similar in those found in Eastern settings, in particular Malaysia.

Customer Oriented Behavior

For the past couple of decade customer oriented behavior has become a focus of research and attention among organization managers. This topic has been a cornerstone of the theory and practice of marketing management (Brandy & Cronin, 2001). In the service organizations, it is critical to have employees who have high level of customer oriented behavior, as they are considered as the show windows to the customers. This is no exception in service sectors in Malaysia, in particular in telecommunication industries. Employees of the retail outlets in these service sectors play a crucial role in providing high quality of service to the customers. Employees' failure to portray positive behavior toward their customer may lead to customers' satisfaction related problems and

lower business performance. Therefore, according to Hartline et al. (2000) customer oriented behavior is an important aspect that needs to be given priority by most managers in all service industries. Frontline employees are the direct participants in implementing the marketing concept because the personal component of services is often the main important determinant of customer overall satisfaction (Rust et al. 1996). Jaworski & Kohli (1993) found this market orientation is to be positively related to employee's commitment and perceived organizational justice. These study results highlight the importance of understanding employees' willingness to engage in customer oriented behavior.

Customer oriented behavior is also attributed as an individual based construct. Despite of its importance in marketing research, little research has been conducted on this construct. Among those were studies conducted by Saxe & Weitz (1982); Michaels & Day (1985) and Tradepalli (1995) which focused on customer satisfaction, customer and selling orientation. Nevertheless, all of these constructs did not touch on the determinant of customer oriented behavior or customer orientation from the industrial organizational or organizational behavior perspective. This study attempts at linking organizational behavior construct with customer oriented behavior.

Organizational Justice and Customer Oriented Behavior

Distributive and procedural justice has been researched in a variety of context and has been classified in two dimensions namely reactive dimension and the proactive dimension (Greenberg, 1996). The reactive dimension highlights on people's attempts either to escape from or to avoid perceived unfair treatment. The proactive dimension focuses on behavior designed to promote justice. Further, Greenberg (1987) developed proactive dimensions based on the four taxonomies: a) reactive content; b) proactive content, c) reactive process and d) proactive process. The reactive content focuses on how individuals react to inequitable payments. The proactive content focuses on how individuals attempt to create fair payments. The reactive process focuses on how workers react to unfair policies and legal procedures. While proactive process focuses on how workers attempt to create fair policies or procedures.

The preceding discussions indicate that individuals' behavior and attitude could be influenced by how employees react towards fairness. Accordingly, if employees can be guaranteed of fair treatment, they may likely to be loyal a sign of organizational commitment and influence

job satisfaction (Johnston et al., 1990). Job satisfaction and employee commitment may lead to employees' intention to be willing to engage in positive attitude and behavior including customer oriented behavior (Brandy & Cronin, 2001). Positive attitude and behavior is important for employees who deal with customers (Hartline et al., 2000).

Trust based perspective has also been related to procedural justice resulting on employees' positive attitudes and behaviors (Lind, 2000). Accordingly, fair procedures generate employees' trust among their coworkers that could influence positive behaviors of individuals. According to (Lind, 2000) group value model which emphasizes on teamwork in organization is also related to procedural justice and employee positive behavior which ultimately induce employees to be more motivated and committed to their work. This is because procedural justice promotes group concerns that could influence an individual motivation which in turn induce positive employees' behavior towards customers' orientation (Niehoff & Moorman, 1993). Research has indicated that Motivated and committed employees are more likely to be proactive in their tasks and willing to exert extra miles for the sake of the organization success. These positive attitudes are important for those who are dealing with organizations' customers.

Literature on the consequences of procedural and distributive justice shows that reactions to organizational justice would determine strongly on how people perceive, value, and react to organizations. Therefore it is important to include components of organizational justice in studying employees' willingness to engage in customer oriented behavior. Moreover, recent research findings seem to indicate that both procedural and distributive justice has a significant influence on specific aspects of employees' attitudes and behaviors, in particular customer orientation (Johnston et al., 1990).

Based on the above findings and discussions the following hypotheses were developed:

- H1: There is a positive and significant relationship between procedural and distributive justice as well as demographic variables with employee willingness to engage in customer oriented behavior;
- H2: Demographic variables will have a positive influence on employee willingness to engage in customer oriented behavior;
- H3: Distributive justice and procedural justice will have a positive influence on employee willingness to engage in customer oriented behavior and

H4: Procedural justice will have more effect on employee willingness to engage in customer oriented behavior than distributive justice.

Methodology

Sample and Procedure

Participants in the study consisted of frontline employees in cellular retail centers of the selected telecommunication firms in Malaysia. 350 questionnaires were distributed to the front line employees of the company and 292 useable questionnaires were used in the statistical analysis represented a response rate of 83% from the sample. The selection of the respondents was based on the stratified random sampling. In terms of age the average age of the respondents was 34.04 years, while the mean age of their experience in organization was 10.3 years and experience with the current job was 5.6 years. Regarding gender, 38% of respondents were male while female respondents were 62%. Majority of the respondents (69%) were married while 31% were not married.

Measures

Independent Variables

Independent variables of the study were demographic variables and organizational justice (procedural and distributive justice). The procedural justice and distributive justice consisted of 6 and 5 items respectively were measured based on the instrument developed by (Niehoff and Moorman, 1993). The reliability coefficient for procedural justice was .93 and distributive justice was .89. Each item was based on 7-point Likert scale ranged from 1 for strongly disagree and 7 for strongly agree. The demographic variables include income, age, gender, marital status, tenure in the present job and tenure in the organization.

Dependent variable

Employee willingness to engage in customer oriented behavior was measured based on 6 items developed by Michaels and Day (1985). This construct is based on the customer orientation scale and issues on accurate representations of what the product and /or service will do for

the customers, customers' product/service related needs and the salesperson's influence through information rather than pressure. The response options for each of this item was based on 7 point Likert-scale ranging from 1= strongly disagree to 7 = strongly agree. The reliability coefficient of this dependent variable in this study was .95.

Results

The Relationship between Independent Variables and Customer Oriented Behavior (H1)

Table 1 presents the results of correlations analysis between the dependent and independent variables. The results indicate positive (ranging from .20 to .70) and significant relationship between independent variables and dependent variable.

Table 1: Correlation Coefficients of the main Variables

	1	2	3	4	5	6	7	8
1	1.0							
2	.27*	1.0						
3	.20*	.27*	1.0					
4	.29*	.27*	.32*	1.0				
5	.48*	.29*	.56*	.20*	1.0			
6	.43*	.54*	.29*	.31*	.58*	1.0		
7	.30*	.34*	.44*	.25*	.48*	.66*	1.0	
8	.70*	.39*	.20*	.38*	.30*	.65*	.58*	1.0

*p = 0.05, 1. gender 2. age 3. marital status 4. salary 5. tenure in the organization 6. tenure in the job 7. distributive justice 8. procedural justice

The study found that procedural, distributive justice and the selected demographic variables indicated significant and positive relationship with customer oriented behavior. This finding implies that the higher the level of procedural and distributive justice as well as the selected demographic variables such as tenure in the organization, tenure in the present job and salary tends to lead to the higher level of employee willingness in customer oriented behavior. The data revealed in the study supported the first hypothesis of the study and therefore the first (H1) hypothesis of the study was accepted.

The Influence of Organizational Justice and Demographic Variables on Customer Oriented Behavior (H2, H3 and H4)

Table 2 presents the hierarchical regression results predicting customer oriented behavior from the independent variables of distributive justice, procedural justice and demographic variables. This analysis was employed to test the second (H2), third (H3) and fourth (H4) hypothesis of the study. Three steps were included in the regression analysis. The first step involved all aspects of demographic variables. While in the second and third step distributive justice and procedural justice were entered as independent variables respectively. The dependent variable of the study was the score of customer oriented behavior dimensions.

From Table 2, when the six control variables were entered in the equation in the first model, the R^2 value for customer oriented behavior was found to be .11 indicating that 11 percent of the variance in employee willingness to engage in customer oriented behavior is explained by the demographic variables. Specifically, age ($\beta = .19$); income ($\beta = .18$); organization tenure ($\beta = .61$); and job tenure ($\beta = .25$); had a significant and positive effect on customer oriented behavior. However gender and marital status did not provide an impact on customer oriented behavior. In this model among the four of the control variables tenure in organization had the most significant impact on employee willingness to engage in customer oriented behavior.

In step 2, by adding independent variable of distributive justice, R^2 increased to 14.3 percent. This R^2 change (.034) is significant at 0.05. This implies that the additional 3.4 percent of variance in customer oriented behavior is explained by the organizational justice dimension of distributive justice. Further in step 3, the R^2 also indicated an increase of 46.7 percent by adding organizational justice dimension of procedural justice. This R^2 change (.324) is significant at 0.05.

The results in this study showed that for the control variables in the second step, four variables out of six variables were found to have an impact on customer oriented behavior. The four variables were age ($\beta = .26$); income ($\beta = .25$); organization tenure ($\beta = .31$) and job tenure ($\beta = .24$). Marital status and gender however, had no effect on customer oriented behavior. In the third step, only three control variables have an impact on customer oriented behavior. They were organizational tenure ($\beta = .20$), age ($\beta = .18$) and income ($\beta = .23$). Gender, marital status and tenure in the job had no effect on customer oriented behavior. These results provide partial support for the second (H2) hypothesis of the study.

Table 2: Results of Hierarchical Regression Analysis

	Std Beta (Model 1)	Std Beta (Model 2)	Std Beta (Model 3)
Control variables:			
Gender (1= Male)	.03	.06	.02
Age	.19*	.26*	.18*
Marital status (1= single)	.07	.13*	.01
Job tenure	.25*	.24*	.08
Organizational tenure	.61*	.31*	.20*
Income	.18*	.25*	.23*
Model variable:			
Distributive Justice (PJ)		.20*	
Procedural Justice (DJ)			.64*
R ²	.109	.143	.467
Adj. R ²	.091	.121	.454
R ² Change	.109	.034	.324
Sig. F Change	.000	.000	.000

* Significant at the .05 level

For organizational justice dimensions both distributive justice ($\beta = .20$) and procedural justice ($\beta = .64$) variables were found to have an effect on customer oriented behavior. These results provided support for the third (H3) hypothesis of the study and therefore the third hypothesis was accepted. The results also revealed that procedural justice contributed higher variance 46.7 percent on customer oriented behavior than distributive justice with 14.3 percent variance. It was indicated also that procedural justice had higher impact ($\beta = .64$) on customer oriented behavior than distributive justice ($\beta = .20$). This data provided support for the fourth (H4) hypothesis of the study that procedural justice will have higher effect on customer oriented behavior than distributive justice. Thus, the fourth (H4) hypothesis of the study was accepted.

Conclusion, Implications and Suggestions

The objective of this study was to determine the relationship of organizational justice (procedural and distributive justice) and demographic variables with customer oriented behavior. The correlation analysis of the selected demographic variables, procedural justice and

distributive justice on customer oriented behavior indicated a positive and significant relationship. This implied that the higher the level of perception on procedural justice, distributive justice and the selected demographic variables tend to increase the high level of employees' willingness to engage in customer oriented behavior. The other important issue in this study was to assess the influence or effects of the selected demographic variables, procedural justice and distributive justice on customer oriented behavior.

The hierarchical regression results indicated that procedural and distributive justice led to foster positive relationship towards employees' willingness to engage in customer oriented behavior. These findings were consistent with those of previous research (Jaworski & Kohli, 1993). Further, the findings of the study indicated that age, income, organizational tenure, procedural justice and distributive justice were the important controllable determinant or influence of employees' willingness to engage in customer oriented behavior. The findings also proved that procedural justice has more effect or influence on customer oriented behavior than distributive justice. The results closely parallel earlier findings (Hartline et al., 2000) lending some support to the construct validity of these measures. Therefore this study validated the result obtained by these researches and generalizes it to the other groups of employees.

Findings of this study suggests that age, income, organizational tenure, procedural and distributive justice are positive factors in influencing employees' willingness to engage in customer oriented behavior. When employees are perceived as having procedural and distributive justice they tend to experience or feel a positive emotional state that lead to be more customer oriented. The findings obtained from this research seem to suggest that managers should provide environment that would ensure fairness among employees. This is important in developing good and positive culture among employees. Employers who are concerned with developing high levels of customer oriented behavior need to focus their attention in ensuring fairness in their management decision for organizational productivity. This is the first issue dealt with in this study that has not been emphasized in earlier studies especially among frontline employees of the selected cellular retail centers in Malaysia. The findings will help management in the relevant industries in their decision making.

This research has contributed theoretically to the existing body of knowledge and towards managerial applications. The management of human resources in any organizations is a complex and daunting task. The successful organization is likely to be one that can manage

employment practices and perceptions of those practices by all groups of employees in a way that results in positive job related outcomes (Gaertner and Nollen, 1998). Findings of this study will be of great help to provide understanding to management of organization in designing policies and strategies to improve employees' willingness to engage in customer oriented behavior for organizational high productivity.

This study however is limited in the selected of telecommunication industries in Malaysia and this may reduce the sensitivity of the analyses and the ability to detect small effects and it could also make generalizing the results of the study to different setting more difficult. Nevertheless, the question of generalizability is ultimately an empirical one which future investigation will answer.

This study serves as a starting point for future studies in this topic. It is undoubtedly an initiative toward a greater understanding of the link between organizational behavior and customer orientation construct the important aspects in the management of organization and global business.

As conclusion, this study should not be an end in itself therefore possible extensions of this paper could be explored. It would be interesting to test the sensitivity of the findings by using other measures of customer oriented behavior or to utilize more than one measure of this variable. Robustness can also be validated through using different samples in a variety of settings. However, this study has enhanced the understanding of the customer oriented behavior construct in the Malaysian context. Of special interest was the robustness of the employees' willingness to engage in customer oriented behavior. This is an instrument that future researchers should be willing to explore.

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