ORGANIZATIONAL JUSTICE AND TURNOVER INTENTION OF COMMODITY MARKET DEALERS IN CHENNAI CITY

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ABSTRACT

This study attempts to examine the relationship between organisational justice and turnover intention of Commodity market dealers in Chennai city. This study utilised both the Pearson correlation and regression analysis. Using a sample of 142, collected from employees across commodity broking organisations in the Chennai, procedural justice have positive and significant contributor explaining turnover intention, whereas distributive and interactional justice has insignificant effects on employee turnover intention. These findings have important implications for managers in formulating appropriate strategies to enhance employees' commitment to their organisations and to reduce their turnover intentions.

KEYWORDS: *Distributive justice, procedural justice, interactional justice, employee turnover intention, commodity dealers and Chennai.*

INTRODUCTION:

Employee turnover intention is the real cause of actual employee turnover. In this sense, employee turnover intention play a vital role and organisations repeated probing the causes of employee turnover intention. Several factors determine employee turnover intention. Among these, Organizational justice was one of the most exciting areas of research topic among human resource management research scholars (Govindaraju, 2019). Previous studies reported that the level of perceived fairness plays a vital role in employee turnover intention (Ponnu and Chuah, 2010). Organisational justice was one of the primary interest of many researchers since organisational justice was proved its relationship with other employee turnover constructs (Imran and Alli, 2016). The view of equitable or inequitable treatment may be identified with the correlation made inside or outside the organisation.

As defined by Randeree (2014) the belief of fair treatment is called justice. As directed by Kaur, Mohindru and Pankaj (2013) employees feel fair when employees are treated equally by the organisation in all aspects. Various examinations have been done in western nations to explore the impacts of equity among employees. These examinations have demonstrated that representative discernments about authoritative equity may anticipate a worker's goal to remain (Govindaraju, 2019).

Few researchers (Bakhshi et al., 2009; Imran and Alli, 2016; Kaurl, Mohindru, and Pankaj, 2013) studied organizational justice under three heads (i.e., Distributive justice, procedural justice and interactional justice) and some other researchers (Duffy et al., 2013; Gupta and Kumar, 2012; Iyer, 2011) studied justice under four heads which include informational justice. This research approached organisational justice under three heads. There are limited studies that have examined the relationship between organisational justice and turnover intention of commodity market dealer in Chennai region. Therefore, this study aims to fill the gap by investigating the relationship between organisational justice and turnover intention of commodity dealers in Chennai city.

LITERATURE REVIEW:

This section provides a chronological review of the organisational justice literature, which has contributed to the current

conceptualisation and theoretical framework. There is also an overview of the implications of employees' fairness or organisational justice perception towards their turnover intention.

Organizational justice:

Employee perception of equal treatment of employer is called organisational justice. The concept of organisational justice was first given by Homans (1961). Later on Walster, Berschied, Carlson and Anthony (1999) discussed organisational justice thoroughly. Later on, Greenberg (1987) further categorised justice in two broad dimensions: 1) reactive and proactive and 2) process and content dimension (Arif, 2018).

Early studies on organisational justice were more focused on distributive justice. Adam's equity theory was the base for distributive justice. According to equity theory, a person perception in a social setting calculates his /her perceived input/outcome ratio. Employee compares their ratio with their co-workers. Equity exists if the individual sees that his/her proportion of contributions to results got is like that of the referent.

On the other hand, inequity is a nearness when there is an unequal information result proportion between the individual and the referent other. This will prompt a sentiment of unfairness experienced by the two parties and an endeavour to determine this inconsistency lead to turnover aim.

Sarncki (2017) found a positive relationship between distributive justice with employee turnover intention. Organisational justice describes the perception of individual or groups towards fairness treatment received from the organisations and their responses to such perception (James 2000).

Procedural justice was the next stage from the focus of distributive justice. Research scholars noted that distributive justice could not address an individual's fair procedure (Greenberg, 1990).
Procedural justice was presented by Thibaut and Walker (1975) who considered the fairness of procedures in legal procedures. As determined, an adjudication procedure, by examination, offers disputants similar dimensions of process control yet low choice control, as in this system the outsider (a judge) issues a decision that is binding on the parties. As proposed by Thibaut and Walker's (1975) disputants could hold control in the process stage, they were eager to surrender control in the decision stage. In that way, worker perceived fairness in the procedure when they realise that they had command over the introduction of their contentions and adequate time to show their cases. Accordingly, disputant process control was viewed as vital to making the high level of procedural equity.

Leventhal et al. (1980) suggested six criteria that could be perceived as fair:
Accuracy - Truthful and right data should be assembled and utilised in the primary leadership process.
Consistency - Both transiently and interpersonally, the procedure should ensure equal treatment over all individuals and times.
Ethical: The procedure complies with the overall gauges of ethics and morality.
Correctable - The procedure has a means for remedying imperfect choices set up.
Free from bias - Third-party must not have a personal stake in the specific result or settle on choices dependent on his or her very own convictions.
Representation - The procedure must guarantee that every single affected party have a chance to express their worries and opinions.

Besides these, Dubinsky and Levy (1989) have summarised the literature of organisational fairness and identified seven accepted dimensions of organisational equity:
Pay rules – how much one is paid moderately, concerning co-workers, and how much increases in salary and advancements are reasonably managed.
Pay level – an amount that pays is reasonable concerning that of others outside the association.
Pay administration – The apparent reasonableness of administrators in executing rules for raises and advancements rule
Administration – The apparent decency of the organisation of working environment conduct rules.
Work pace - The perceived fairness of the administrators in keeping up a reasonable pace of work activities and conveying undertakings – The apparent reasonableness of the manager while dispensing work assignments Latitude – The apparent decency about representative employment scope.

Concerning the above investigation, McFarlin and Sweeney (1992) considered pay rules, intuitive task and pay levels as types of distributive equity in which the apparent decency of the results are judged. Pay organisation, rule organisation, work pace and scope can be considered as types of procedural justice in which the perceived fairness of the techniques used to decide results are judged.

There was the creation of the two-factor model organisational justice in explaining the impact of justice on effective organisational functioning. Two-factor model organisational justice provided a better fit than models where the two types of justice overlapped in their effects. Interactional justice exists when decision makers treat people with deference and affectability and clarify the method of reasoning for choices throughly. Greenberg (1990a) further recognised interactional justice into two separate types of justice and marked it as interpersonal justice and interactional justice. Interpersonal or informational justice centre more around the statements and practices of the decision makers as opposed to on the primary or auxiliary qualities of techniques or results themselves.

It is essential that this four-factor perspective of justice seems to be conflicting with some past research, which appears to be notable even recognise procedural and distributive justice. Based on the above organisational justice literature review, we can conclude that four models of organisational justice are one factor, two-factor, three-factor and four-factor models but it is still unclear whether any of the models best portrays organisational justice. In this study, organisational justice will focus on the four dimensions of justice viz., distributive justice, procedural justices, interpersonal justice and informational justice (Ponnu and Chuah, 2010).

Turnover Intention
Organisations try to reduce injustice as well as try to address the needs and interests of organisational members, through the adoption of policies, the creation of formalised procedures and the improvement of collective agreements. Be that as it may, if the policies and procedures are too strident, it will reduce the employees' motivation and severely restrict their ability to carry out their primary duties. Employee intent to leave the current employment is called turnover intention. Employees who intend to leave the organisation focus only on finding job alternatives and therefore show a low level of interest in their current jobs (Vigonda, 2007). Kassing, Piemonte, Goman and Mitchell (2012) state that intention to leave is an important phenomenon and there is a strong need to explore further factors of intention to leave in order to overcome this issue.

Research Question
The literature review provides the following specific research questions:
H1: Distributive justice has a positive and significant relationship with turnover intention.
H2: Procedural justice has a positive and significant relationship with turnover intention.
H3: Interpersonal justice has a positive and significant relationship with turnover intention.
The Scope of the Study
The scope of this study focuses on four main constructs: distributive justice, procedural justice, interpersonal justice and turnover intention. The study aims to clarify the links between organisational justice and employees' turnover intention. On the other hand, the study also examines the impact of perceived organisational justice by employees on their turnover intention.

RESEARCH METHODOLOGY
Research measures

Procedural justice
McFarlin and Sweeney (1997) 13-item measurement of procedural justice were adopted to measures the employees' perceptions of procedural justice towards their respective organisation. Respondents were requested to evaluate the fairness of procedures throughout the organisation on a five-point Likert scale.
Distributive justice
The independent construct was measured using an 11-item, five-point Likert scale developed by McFarlin and Sweeney (1997).
The measures dealt with employees' perceived fairness of the distribution of various rewards, including raises, promotions, performance ratings, and general reward distribution.
Interactional justice Questionnaire was adapted from by Organizational Justice Scale developed by Colquitt (2001) which

has five (5) items. 5 point Likert scale ranging from 1 "strongly disagree" to 5 "strongly agree" was used to elicit the responses of participants.

Turnover Intentions: Three items from Singh et al. (1996) were used to measure turnover intentions.

Profiles of respondents

Finally, the study also tested five demographic data for gender, age, education level and position. The control variables were assessed with single-item scales. These variables have been found in previous research to correlate with turnover intention.

Sample design and procedure

The study data were collected from 200 employees from various organisations across industries; most of the organisations were located in Chennai, the capital city of Tamilnadu. The respondents were employees working in organisations in the Chennai area since these organisations represented most of the industries in India. The job level of respondents are Commodity market dealers represented a broad spectrum of employees, ranging from banking and financial market industry. In other words, the samples selected for this research were based on convenience sampling by obtaining people who were most conveniently available. The selected respondents are invited to complete a set of self-administered questionnaires for this study. Notably, the respondents were selected based on the researcher's contact with employees in various organisations across industries in Chennai. The questionnaires were distributed to the researcher's friends, Ex-colleagues and others who are working in different organisations across industries in Chennai. The questionnaires were distributed as a paper copy together with covering letters explaining the broad purposes of the study. The study questionnaire was distributed to 200 respondents from various industrial backgrounds, and out of 200, only 142 responses were used for analysis.

Data analysis techniques

The information gathered were transferred to the computer for examination after appropriate coding process. SPSS software was utilised to lead the statistical applications for this examination. Other than coding, all the contrarily worded explanation responses with reversed scores must be contrasted with the positively worded items before any measurable applications would be kept running on the studies. The choice of techniques to investigate the results of this examination depended on the aim of the examination. The descriptive analyses, factor analysis, Pearson correlation and regression were utilised to test the study hypotheses.

The primary data analysis techniques employed to test the study's hypotheses were regression which used employee turnover intention as dependent variables and the Distributive justice, procedural justice and distributive justice as independent variables. Job embeddedness was the mediator. The demographic file of respondents about the variables was also be demonstrated.

RESEARCH FINDINGS

The study obtained 200 respondents from various industrial backgrounds, of which 142 had usable responses. This provides a high response rate of 71%. The respondents represented a broad spectrum of employees working across different financial markets. The demographic profile is summarised in Table 1.

Table: 1 Demographic character of respondents

Demographic character	Frequency	Percentage
Age 21-30 31-40 41-50 Above 50	94 47 1 Nil	66.2 33.1 .7
Gender Male Female	88 54	62 38
Education UG	92	64.2

PG	14	9.9
Diploma	16	11.3
Others	10	7.0
Tenure		
0-10 years	128	90.1
Above ten years	14	9.9
Position		
Junior dealer	80	56.3
Senior dealer	62	43.7

Reliability test

The Cronbach's Alpha was used to assess the reliability of all the structs, procedural justice, distributive justice, interactional justice and turnover intention. The Cronbach's alpha obtained from this analysis for all the constructs was 0.738 higher than the significance level of 0.5. Therefore, the researcher can conclude that all the constructs used for this study were highly reliable.

Validity test:

The first method of checking the assumption of normality was looking the shape of data distribution graphically (Tabachnick and Fidell, 2007) and the second method by evaluating the skewness and kurtosis value (Garson, 2012). The data collected in the present study followed the standard pattern. All the bars on the histogram were close to a standard curve. As a result, the present study did not violate normality assumptions.

Moreover, Skewness falls within the range of -0.035 - 0.168 while kurtosis falls within the range of 0.021- 0.843 which comes under the accepted guideline suggested by Garsen (2012); Hair et al. (2010); Kline (1998). Therefore, all the research variables are univariate normal, and the individual variable is standard in a univariate sense and that their combinations are also standard.

Table No: 2 Test of Normality

	N	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
1	142	1.382	-.088	.203	-.700	.404
2	142	1.153	-.143	.203	-.021	.404
3	142	1.273	-.168	.203	-.380	.404
6	142	6.190	-.035	.203	-.843	.404
Valid N (listwise)	142					

Factor analysis

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.721
Bartlett's Test of Sphericity	Approx. Chi-Square	127.172
	Df	6
	Sig.	.000

The adequacy indicator of the sample KMO = 0.721 > 0.50 indicated that the research data are suitable for undergoing factor analysis. Thus, the Sphericity Bartlett's sign (0.000) confirmed that the principal component analysis has a sense.

Hypothesis testing

Pearson correlation and simple regression were both used to test the relationship between distributive justice, procedural justice, interactional justice and turnover intention.

Correlation analysis was first used for testing hypotheses H1, H2 and H3 since it is a statistical measure of a co-variation or association between variables. It indicates the relationship of one variable to the other variable in two forms: It must be noted that correlation is not causation. Correlation indicates the relationship between variables and does not make any inference to the causal relationship between variables.

The correlation between distributive justice, procedural justice, interactional justice and turnover intention was significant and positive correlation values range from 0.271- 0.439. This means that the hypothesis distributive justice, procedural justice and interactional justice is positively related to employee turnover intention was accepted. This means that employees who have a high perception of distributive justice, procedural justice, and interactional justice tend to have a high turnover intention or verse versa.

Simple regressions were conducted to further examine all the hypotheses, H1, H2 and H3. The results are shown in the below Table 3.

Model Summary

Model	R	R Square	Adjusted R Square	Std. The error of the Estimate
1	.462[a]	.213	.196	5.550

a. Predictors: (Constant), INTERACTIVE, DISTRIBUTIVE, PROCEDURAL

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1152.408	3	384.136	12.471	.000[b]
	Residual	4250.585	138	30.801		
	Total	5402.993	141			

a. Dependent Variable: TURNOVER INTENTION
b. Predictors: (Constant), INTERACTIVE, DISTRIBUTIVE, PROCEDURAL

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	14.708	1.832		8.030	.000
	DISTRIBUTIVE	.722	.391	.161	1.846	.067
	PROCEDURAL	1.913	.526	.356	3.633	.000
	INTERACTIVE	.042	.450	.009	.093	.926

a. Dependent Variable: TURNOVER INTENTION

Simple regression was conducted to investigate how well employees' perception of distributive justice predicts their turnover intention. As illustrated in Table 3, the results were statistically significant F = 12.471, p < 0.001. The adjusted R2 in Table 5 is 0.213. This indicates that 21.3% of the variance in employee turnover intention can be explained by the employees' perception of distributive justice, procedural justice and interactional justice. P value of Procedural justice (0.000) shows a significant relationship with turnover intention, whereas, Distributive justice (p =. 067) and interactive justice (p = .926) shows an insignificant relationship with turnover intention.

Discussion:

The results show that there is a significant, healthy and positive relationship between procedural justice and employee turnover intention. However, both distributive justice and interactive justice have a positive and insignificant relationship with employee turnover intention. Therefore, when employees' perceptions distributive justice, procedural justice and

interactional justice were high, their turnover intention was also high. Employees would be more committed to their present employer if they perceived higher fairness in the organisation. The results also show that procedural justice plays a vital role than distributive justice in influencing employees' employee turnover intention. This is because procedural justice accounted for 52.6% of the variance while distributive justice accounted for only 39.1% and interactive justice 45% of the variance in employee turnover intention.

CONCLUSION

The results of the study suggests that organizational justice (Distributive, procedural and interactional) a positive effects on employee turnover intention. This examination furnishes managers with significant bits of knowledge on determinants of maintenance and thus helps with planning proper arrangements and strategies for the administration and activity of an association. In any case, the outcome displayed thus ought to be perused with an alert because specific theoretical and observational restrictions exist. A few impediments of the examination are inalienable in the technique of this investigation and significant here.

This study employed a convenience, nonprobability sampling, which resulted in selection bias and thus influenced the research results. The small sample size of 142 and the geographical concentration of the respondents also restrict the generalisation of the findings to reflect the overall population. So as to cover the entire populace of India, maybe the information ought to be accumulated from a bigger example from various age gatherings, work level and Industries. Other than that, to show signs of improvement portrayal of the examination, representatives situated in different parts of the nation ought to be incorporated into test estimate. Future research ought to be completed to help the ebb and flow look into finding.

Studying other demographic data may help to explain part of the unexplained variance in organisational justice and turnover intention.

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