

THE RELATIONSHIP BETWEEN ORGANIZATIONAL JUSTICE AND INNOVATIVE BEHAVIOUR

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Abstract: The aim of this article is to review the literary sources dealing with the direct or indirect relationship between organizational justice and innovative behaviour. Innovative employee behaviour is a precondition for a company to realize innovation on an organizational level. However, this is a discretionary behaviour which is not enforceable by the company. The extent and efficiency of this behaviour can, however, be influenced by the creation of a fair working environment (in terms of rewards and the redistribution of resources, in terms of corporate processes and creating space for employees to become involved in the decision-making process, and in terms of interpersonal relations and communication, both on the part of superiors and co-workers). A direct relationship between these variables has not been demonstrated by many empirical studies, but there is evidence of an indirect relationship between organizational justice and innovative behaviour. This can be supported by formal procedures within the company (for example, a system for submitting suggestions) or in an informal way through the provision of support from management, a psychological contract or the creation of a positive climate within the company in accordance with the principles of organizational justice, which helps to motivate employees to submit innovative suggestions.

Keywords: organizational justice, innovative work behaviour, organizational support

JEL Classification: D63, O31

INTRODUCTION

Due to growing competition and shortening product life cycle and also to rapid changes in industrial structure, it is becoming increasingly difficult for companies to succeed in a competitive market. As the modern literature states, innovation is a reliable form of protection against competition (Hsu & Wang, 2015). So if companies want to survive, they must continually strive to increase their innovative potential and come up with innovations which contribute to speed, quality or cost reduction within the business, thereby contributing substantially to the company's competitiveness. In many sectors, the development and support of innovation is one of the few potential ways to cope with the trend of working and producing more using fewer resources (e.g. in healthcare). In order for the organization to achieve its goals and become more innovative on a corporate level, it is necessary according to De Jong and Den Hartog (Xerri, 2014) to make use

of employees' ability to innovate. So in order for businesses to be able to introduce more innovations to the market and thereby strengthen their performance and competitiveness, employees have to actively develop "innovative behaviour". Innovation can therefore be understood as a tactic for improving a company's performance, and innovative behaviour represents employee behaviour which results in the achievement of innovation.

This article deals with innovation at the individual level, so it will examine innovative behaviour and its determinants – in particular, one of them: organizational justice. Innovative behaviour is provided to the company by employees on a voluntary basis. It is therefore discretionary, non-binding behaviour, and this type of behaviour is very often influenced by organizational justice (Buech et al., 2010). If employees are not treated fairly and with respect, they will not come up with suggestions for improvements. This article attempts

to provide an overview of studies and research into the direct or indirect relationship between organizational justice and innovative behaviour.

1. INNOVATIVE BEHAVIOUR, INNOVATION AND BENEFITS FOR A COMPANY

In recent times, innovative behaviour has been a very popular subject for academics and practitioners alike. Although theoreticians sometimes have differing opinions on all that can be included within innovative behaviour, there is some consensus when it comes to defining innovative behaviour on an individual level. It can be defined in simplified terms as the activity of an individual who works on creating, presenting and applying new ideas and solutions to problems in the workplace (Xerri, 2014).

According to most authors (Janssen, 2004; Scott & Bruce, 1994; Yuan & Woodman, 2010), the individual innovative behaviour of employees has three categories or stages. In simplified terms they can be described as the **idea development or generation** stage, the **introduction and adoption** stage and finally the **realization** stage. The first stage consists of becoming aware of the problem and searching for and creating innovative ideas which would result in its solution. The second stage relates to support for the solution within the organization, the formation of alliances among supporters of the new idea, and seeking out resources. In the third stage there is the realization of the idea and its incorporation into the work process or product, resulting in the organization's performance. Innovation then comprises the acceptance, implementation and realization of these new ideas (Scott & Bruce, 1994). Some authors (De Jong & Kemp, 2003; Kleysen & Street, 2001) supplement these three aspects of innovative behaviour with one more: **seeking out opportunities**. This aspect of innovative behaviour involves paying attention to potential sources of opportunities, actively searching for opportunities to innovate, identifying opportunities and gathering information about them.

Innovative behaviour is supported by technological improvements, knowledge development and the actual running of the organization (Xerri, 2014). Support for innovative behaviour manifests itself in an improvement in overall employee performance and ultimately in the fulfilment of the organization's aims. This is because employees who achieve a high level of innovative behaviour are able to identify and solve problems in the workplace much more efficiently and effectively than other employees. Innovative behaviour actually represents the transformation of creativity into profit for the organization.

This behaviour does not represent an essential or fundamental employee behaviour but is regarded as an additional benefit provided by the organization's employees (Hsu & Wang, 2015). Given that this behaviour is left entirely to the discretion of employees and is not enforceable, it can logically be assumed that it is the outcome of employee motivation (Buech et al., 2010). It is therefore up to the employees themselves whether or not to engage in innovative behaviour (Ramamoorthy et al., 2005).

In order for innovative behaviour to be oriented in an appropriate way, it is useful for the company to have a suggestions system in place (Buech et al., 2010). Based on social exchange theory¹, Buech et al. assume that employees are motivated to provide innovative ideas when they consider the suggestions system to be fair and honest. Thus the company can provide employees with a formal opportunity to submit suggestions and the possibility of receiving feedback on this. This system encourages more efficient innovative behaviour and more intensive submitting of suggestions by employees and, among other things, this helps the business to achieve considerable cost savings.

Innovative behaviour is generally considered to be a key factor in achieving "incremental innovation" (De Jong & Kemp, 2003; Scott & Bruce, 1994). Incremental innovation takes

¹ **Social exchange theory** is founded on the idea that exchange in the workplace is based on mutual trust, shapes working relationships, and people from the organization feel obligated to one another

(Emerson, 1976). Providing something valuable or significant to the other party obliges that party to reciprocate (the other party feels an obligation to repay the debt) (Cropanzano & Mitchell, 2005).

the form of the gradual improvement, simplification or modification of existing products, processes, and marketing or organizational methods. Most innovations can be said to be incremental in nature and these innovations have a generally calculable impact on business.

Putting the decision to support employees' innovative behaviour into practice is not entirely straightforward. In order for companies to rise to this challenge, it is appropriate to be familiar with the indicators or factors of innovative behaviour. In recent publications, the aforementioned organizational justice is considered to be one of the key variables resulting in innovative behaviour (Hsu & Wang, 2015; Buech et al., 2010).

2. ORGANIZATIONAL JUSTICE

Put in the simplest terms, organizational justice is about who gets what and whether the parties in this transaction think that this is fair. Employees appraise employment conditions, i.e. how rewards and punishments are distributed within the team and what kind of relationships exist between people in the organization.

The concept of organizational justice evolved gradually (Walumbwa et al., 2009). At present, we know of four forms of organizational justice, which is due to the fact that employees evaluate three main aspects with regard to justice: the outcome of resource allocation, the formal process of resource allocation, and treatment by others – this aspect has been further subdivided into dignity and respect from others and the provision of adequate information and explanations. The four forms or dimensions of organizational justice are therefore:

- 1) distributive justice (justice in the distribution of resources – wages, salaries, rewards, working procedures, outcomes of conflict resolution),
- 2) procedural justice (justice in the decision-making process),
- 3) interactional justice (the justice of interpersonal treatment by others, especially by important authorities within the organization),

- 4) informational justice (the quality of explanations provided to employees by managers after a decision about the distribution of resources).

Distributive justice, according to Koubek (2007), is concerned with whether people believe that they have received or will receive a just reward. It is thus an individual perception of whether what the employee puts into the organization and receives from the organization is fair in comparison with the ratio of what other participants put into the organization and receive from the organization. According to Niehoff and Moorman (1993), the employee also appraises whether the manager has sufficient information to assess his performance. If he feels that the manager has this information or is attempting to ascertain it, his perception of distributive justice is higher than it is when the employee believes the manager's information about his work and job performance to be inadequate. The extent of employees' reactions to the perceived injustice of resource distribution (when they feel that they have been given less than they deserved) can be mitigated by a fair and legitimate approach (Greenberg & Colquitt, 2005). The variable which expresses the degree of fairness applied in corporate processes and procedures is **procedural justice**. This variable examines whether employees are allowed to present their views and take part in the decision-making process and encompasses whether people believe that the processes in the organization leading to the distribution of rewards are fair (Arnold et al., 2007; Parks & Kidder, 1994). This may, for example, be about defining and clarifying performance standards, rigorously enforcing and using those standards, or providing employees with opportunities to resolve various disagreements with the organization (Ramamoorthy et al., 2005). For example, it is possible that even if employees perceive distributive injustice, they may perceive procedural justice (if, for example, employees believe that their employer has released as many resources for rewards as possible and distributed them on the basis of a fair reward system). Their satisfaction with the reward would probably be low, but their

loyalty to their employer might nevertheless be high (McFarlin & Sweeney, 1992).

Interactional justice denotes the perception of justice by employees with regard to their interaction in the workplace (Xerri, 2014). According to Parks and Kidder (1994), interactional justice is concerned with the extent to which current processes are implemented in such a way as to respect stakeholders and protect their dignity. Interactional justice has been viewed by some authors not only as the extent to which employees are treated in a polite and respectful way, but also as the way in which they are communicated with and how information regarding the distribution of resources is shared with them. On this basis, interactional justice has been further subdivided by some authors (the most prominent representative of this school of thought being Greenberg [1990]) into an **interpersonal** part and an **informational** part.

3. ORGANIZATIONAL JUSTICE AND INNOVATIVE BEHAVIOUR

Organizational justice is generally regarded as a variable contributing to activities which are not binding for employees and go beyond their formal job description (Buech et al., 2010). Innovative behaviour can also be ranked among these activities. Organizational justice is therefore considered very important within the context of innovation.

A number of studies, for example that of Hsu and Wang (2015), have demonstrated a positive relationship – i.e. the higher perceived organizational justice is, the more efficient the innovative behaviour of employees is in the organization, or the more often employees come up with new suggestions. The authors assume the implication that if the organization places emphasis on employees' rights and provides them with support, employees feel a sense of organizational justice and their trust in the organization grows. The employee's trust in their superior and in how people are treated within the

organization then influences employees' motivation and their involvement in the search for new ways and methods of solving problems, resulting in an increase in their innovative performance (Buech et al., 2010). A similar assumption was made by Xerri (2014) in his research, which also covered job satisfaction. He assumed that if employees feel a sense of organizational justice in the company and are satisfied at work, it is very likely that their willingness to introduce innovations and invest the extra effort required will increase. His results confirm a direct positive and significant link between procedural justice and innovative behaviour. The conclusion of this study, based on social exchange theory, can be summarized by saying that employees who feel that their interaction with others, treatment by superiors and processes in the organization are fair try to reciprocate through positive behaviour towards the organization. If the organization communicates openly and emphasizes its support for innovative behaviour, employees' activities are very likely to be directed towards this behaviour. A similar outcome emerged from the extensive meta-analysis by Cohen-Charash and Spector (2001). In particular, the studies included within it confirmed the relationship between distributive and procedural justice and employee behaviour, which manifests itself in their willingness to temporarily subordinate their own interests to the interests of the group or the whole organization.

As indicated above, innovative behaviour is not an essential or mandatory employee behaviour but a voluntary behaviour, and if the organization wants employees to come up with new ideas they need to feel encouragement and support for innovation from the organization. Their efforts should also be properly rewarded, financially or non-financially. **Support²** from superiors helps to create mutual trust between the employee and the superior, which encourages employees to come up with new ideas and submit new suggestions (Hsu & Wang, 2015).

² **Organizational support theory**, like justice theory, is primarily based on social exchange theory (Xerri, 2014). According to this theory, employees pay attention to how well the organizations looks after them and what rewards it offers for work carried out. If employees have the feeling

that their work will be rewarded, this motivates them to perform better. Perceived organizational support, like perceived organizational justice, thus strengthens employees' faith that their performance will be adequately valued.

Employees can only create original products if superiors display a supportive attitude towards their creativity (Oldham & Cummings, 1996).

Perceived organizational support has a positive impact on individuals (for example, in the form of higher job satisfaction, a positive emotional disposition and lower stress level) and on organizations (for example, lower employee turnover, better employee performance, or an increased sense of commitment towards the organization). A high degree of perceived organizational support should result in employees making a special effort, even without being directly and reciprocally rewarded for it. Improving the perception of organizational support by employees can be achieved through organizational rewards, improving working conditions, fairness in the treatment of employees and support from direct superiors (Rhoades & Eisenberger, 2002). At the same time, it has been empirically proven that organizational support strongly and statistically significantly moderates the relationship between organizational justice and innovative behaviour (Hsu & Wang, 2015).

It has not always been possible to demonstrate a direct relationship between organizational justice and innovative behaviour, and many studies have investigated the relationship between these variables through certain intermediate variables. One of the mediating variables in the relationship between organizational justice and innovative behaviour is what is known as the **psychological contract**, which, as long as it is positive, encourages employees to behave innovatively (Hsu & Wang, 2015; Ramamoorthy et al., 2005). According to Armstrong (2007), a psychological contract is a set of reciprocal, unwritten expectations which exist between individual employees and their employers. A psychological contract is based on how people interpret promises and commitments. If employees have the feeling that the employer has fulfilled his commitments from the psychological contract, this is likely to result in employees feeling a sense of commitment to the employer in return and voluntarily engaging in discretionary behaviour. This consequence of fulfilling the psychological contract can ultimately be a benefit for the whole

organization (Ramamoorthy et al., 2005). According to Ramamoorthy et al. (2005), the size of perceived commitment from the psychological contract is influenced by perceived organizational justice.

Another important indicator of innovative behaviour frequently mentioned in the literature is corporate climate (De Jong & Kemp, 2003; Scott & Bruce, 1994). The categorization and characterization of the organizational climate by Litwin and Stringer (Mok & Au-Yeung, 2002) indicates a very close relationship between corporate climate, organizational support and organizational justice. On this basis, one might conclude that perceptions of organizational justice and organizational support are part of the organizational climate which influences the innovative behaviour of employees in the company (Tyagi, 1982). Research by Ambrose and Kulik (1999) showed that a **corporate climate** created with reference to the principles of organizational justice can affect employees' motivation and job performance and the degree of inappropriate or unauthorized behaviour, and support innovation. According to Buech et al. (2010), a decisive role in creating an environment which encourages innovative behaviour and the submission of innovative suggestions by employees is played by interpersonal justice. This captures the communication and provision of feedback between the employee submitting a suggestion and the senior person who appraises and evaluates the suggestion.

The previously mentioned research by Xerri (2014), which focused on the direct effect of organizational justice on innovative behaviour but also on the indirect effect through job satisfaction, confirmed the direct relationship between organizational justice and innovative behaviour with the procedural dimension and the indirect relationship between interactive justice and innovative behaviour through the intermediate variable of **job satisfaction**.

There are many empirical studies which support the existence of a relationship between organizational justice (or at least some of its dimensions) and **employee motivation**. This mostly relates to the motivation to continue and persevere in a particular activity and to learn new

things (Liao & Tai, 2006). In their study, Buech et al. also investigated and demonstrated the relationship between organizational justice (specifically the interpersonal component) and the motivation to submit innovative suggestions. This relationship was significant and positive but indirect. According to the authors, the variable which mediated the relationship between the variables studied was the **valence of the suggestion system**. This expresses the perceived benefit from the organization's system for submitting suggestions. On the basis of social exchange theory, the authors assume that interpersonal justice affects the valence of the suggestion system – i.e. what value the benefits of the system have for employees – which then positively influences employee motivation to submit innovative suggestions.

CONCLUSION

Innovative behaviour represents behaviour by employees of an organization which results in the achievement of innovation. In simplified terms, innovation can be understood as a tactic of the organization to improve performance and as a tool in the competitive struggle. Innovative behaviour does not represent a mandatory or enforceable behaviour but is a voluntary activity by employees in relation to their organization. Social exchange theory is founded on the idea that exchange in the workplace is based on mutual trust, shapes working relationships, and people from the organization feel obligated to one another (Emerson, 1976). Providing something valuable or significant to the other party obliges that party to reciprocate (Cropanzano & Mitchell, 2005). According to this theory, if employees are satisfied with what they gain from exchange in the workplace, they tend to perform better at work (Shaw et al., 2009) and are willing to make an extra effort to help achieve organizational objectives. Voluntary innovative behaviour can therefore be influenced by what the organization provides to employees within social exchange. One input into social exchange from the organization's viewpoint is organizational justice, or the creation of a fair working environment in terms of the distribution

of resources, organizational processes and how employees are treated, and even in terms of interpersonal relations in the workplace. Some studies have demonstrated a direct relationship between some of the dimensions of organizational justice and innovative behaviour, and many studies and research papers have confirmed the relationship between the two variables through the action of other mediating or moderating variables. These intermediate variables include the psychological contract, also based on social exchange theory, job satisfaction, corporate climate and, above all, support from the organization, which is a very important moderating variable, because without support the organization cannot expect innovative suggestions from employees.

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