

The Mediating Role of Distributive Justice in the Relationship Between Leader Member Exchange and Organizational Identification

Bilal ÇANKIR

İstanbul Medeniyet Üniversitesi
Faculty of Political Sciences
İstanbul, Turkey

orcid.org/0000-0001-5126-8769
bilal.cankir@medeniyet.edu.tr

Deniz PALALAR ALKAN

Yeditepe University
Faculty of Economic and Administrative
Sciences, İstanbul, Turkey

orcid.org/0000-0002-2204-7024
deniz.alkan@yeditepe.edu.tr

Extensive Summary

Introduction

The business world is going through a period where the pace of change is rapid and brutal competition. Through the time of unknown, as once declared by Drucker as “terra incognita”, companies are faced with never ending search for innovative and sustainable policies to stay in the game. Thus, the human capital is the only source of a company that can create a difference in these circumstances. With this respect it becomes an important issue to study the relation exist between management and employees in the field of organizational behavior. Also understanding the perception of employees towards the organization including its practices on governing also plays a key role in differentiating oneself in the race of sustainability.

Leader member exchange theory basis its conceptual context in the Vertical Dyad Linkage Model (Dansereau et al., 1975) in which leadership occurs depending on the quality of exchange between leaders and followers. High quality of exchange yields to many positive job-related consequences including organizational identification, organizational citizenship behavior (Ilies, Nahrgang and Morgeson, 2007) and job performance and satisfaction (Janssen and Van Yperen, 2004). Organizational identification is the belonging of the individual to the organization at all levels of analysis (individual / group / organization / profession). In other words, organizational identification is the process by which an individual identifies himself / herself with the organization both the cognitive and behavioral level (Dutton et al., 1994). The first detailed study on organizational identification was carried out by March and Simon (1958). The authors describe the organizational identification as an internalization of the organizational values and the dedication they exhibit as a result of this internalization process. In order to attain a high quality of leader and follower relationship, the relationship should be characterized by mutual trust and perception of organizational justice (Selekler-Gökşen, Yıldırım-Öktem and İnelmen, 2016) along with other variables. However, last variable studied within the context of this study is distributional justice. The concept of organizational justice, which is one of the crucial

concepts in the search for organizational efficiency and productivity, is related to the management of human capital that is considered as the most important asset of organizations.

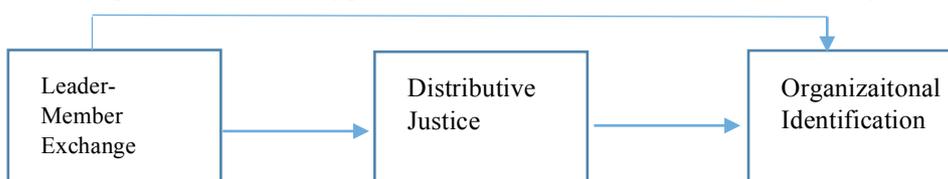
In parallel with contemporary management thought, the harmonization of the individual-organizational goals and the continuity of the created organizational synergy emphasizes the need for organizational justice. There are three different dimensions of organizational justice (Aryee, Budwar and Chen, 2002; Lim, 2002). These are distributive, procedural, and interactional justice. The sub-dimension to be considered in this study is distributive justice. Distributive justice refers to distribution of resources fairly and equally. Equal distribution occurs when an employee receives a fair outcome (tangible or intangible) for the effort he/she contributes to the organization. Tangible resources could be pay, promotion and intangible resources can be in the form of a praise. Therefore, distributive justice is described as the perception of employees towards the equality of managerial decision regarding allocation of resources (Cohen – Charash and Spector, 2001).

There are certain studies show that distributive justice is a variable that affects the organizational identification of individuals positively (Cheung and Law, 2008; Turunç, 2011;). In this context, it is considered that an employee who has a positive sense of distributive justice will reflect a higher level of organizational identification. A positive perception of distributive justice can be enhanced through allocation of such resources fairly and equally to the members of an organization by management. One of the consequences of the positive perception of distributive justice is organizational identification (Cheung and Law, 2008; Olkkonen and Lipponen, 2006; Walumbwa et.al., 2009; De Cramer, 2005: 8, De Cramer et al., 2006, Lipponen et al., 2004, Turunç, 2011). Also, as mentioned earlier the quality of relationship between the leader and the member has been identified in various studies lead to significant effects on positive employee outcomes such as employee performance, job satisfaction, organizational commitment (Gerstner and Day, 1997; Vecchio and Gobdel, 1984).

Scope of the Study

The scope of this study is to investigate the quality of relationship between sales managers and representatives in the retail sector. The impact of the relation on representatives' identifications with their organization along with the role of mediation of distributive justice is examined. In this respect, the relationship between employees' perceptions of leader member interaction, organizational identification and distribution justice has been tested through hypotheses within the scope of the study.

Figure 1 contains hypotheses and research model of this study.



H1: Perception of quality of leader-member exchange affects organizational identification of employees in a meaningful and positive way.

H2: Leader-member interaction affects employees' perception of distributive justice in a meaningful and positive way of distribution.

H3: The perception of distributive justice of employees affects employee's organizational identification meaningfully and positively.

H4: There is an intermediary effect of distribution justice between leader-member exchange and organizational identification.

Method

The quantitative research method was utilized in the research. The sample of the study with the purpose of testing the model was not confined to the employees who worked in a particular organization. In the analysis of the data, research was conducted with the sales consultants and managers working in the retail sector with convenience sampling method. In the research 238 of the questionnaire forms were evaluated. The measurement of the variables studied in the scope of the research was carried out through a questionnaire. In the first part of the questionnaire, "LMX" scale ($\alpha = 0.865$) developed by Liden and Maslyn (1998) and adapted to Turkish language by Gürboyoğlu (2009) was used. In the second part, "Organizational Identification Scale" ($\alpha = 0.855$), developed by Ashforth and Mael (1996) and adapted to Turkish by Polat (2009) was utilized to measure employees' identification with their organizations. The third section of the questionnaire the "Organizational Justice Perception" scale ($\alpha = 0.931$), which developed by Colquitt (2011) and adapted to Turkish by Özmen et al. (2007) used. The last part of the questionnaire there were questions about demographic findings of the participants.

Findings

The percentage / frequency distributions of the demographic information of participants, according to gender status, 44% of the sample is women ($n = 105$) and 57% is male ($n = 133$). 49.15% of the respondents were sales managers ($n = 117$) and 50.84% ($n = 121$) were sales consultants. The majority of sample participants are between 30 and 33 years of age (76.9%). The vast majority of participants tenure for 3 to 4 years (63%).

The mean values and standard deviations of the subscales of the research variables are given in Table 2 below.

Table 2. Mean Values and Standard Deviations of Research Variables

	Mean	Standard Deviation
LMX	2,15	,47
Organizational Identification	2,64	,65
Distributive Justice	2,69	,71

The results of the correlation analysis showing the relationship between the research variables are given in Table 2.

Table 3. Results of Correlation Analyses

	1	2	3
1 LMX	1,00		
2 Organziational Identificaiton	,358**	1,00	
3 Distributive Justice	,208**	,354**	1,00

**Correlation coefficients significant at $p < 0.05$.

When Table 2 is examined, it can be concluded that the level of leader-member exchange has a meaningful and positive relation with the employees' perceptions of distributive justice and their organizational identification. Similarly, there is a positive relationship between organizational identification with, the dependent variable of the study, perception of distributive justice.

The main purpose of the study is to examine the mediating effect of distributive justice on the effect of the leader member exchange on employees' organizational identification. For this purpose, a regression analysis is conducted and the results are shown in Table 3.

Table 4. Mediating Role Of Distributive Justice In The Relationship Between Leader-Member Exchange And Organizational Identification

Variables	Organziational Identificaiton β	Distributive Justice β	Organziational Identificaiton β
Model 1			
LMX	,358*		
F	34,707		
R ²	,128		
Adjusted R ²	,125		
Model 2			
LMX		,327*	
F		31,286	
R ²		,342	
Adjusted R ²		,340	
Model 3			
LMX+ Distributive Justice			,254*
F			68,601
R ²			,369
Adjusted R ²			,363

According to the results of the Table 3, it is seen that leader-member exchange effects employees' identification with organizations by 35.8% positively. Leader-member exchange also accounts for 12.8% of employees' identification with their organizations. It is observed that the distributive justice variable has a partial mediating role on the effect of the leader-member on employees' organizational identification. In the regression analysis, the decrease in the beta-coefficient of leader-member exchange in the third model indicates the partial mediation effect (an increase of R square score to 36.3%). Lastly, Sobel test was implemented to test out the partial mediation and the result was meaningful ($z=10,06$; $p < .001$). Thus, from the results of the analysis we can

say that distributive justice has a partial mediation effect on the relationship between LMX and organizational identification. Therefore, Hypothesis 4 was accepted.

Conclusion and Suggestions

In this study, four hypotheses have been developed from the theoretical framework to examine the relationship between leader member exchange, perception of distributive justice and organizational identification. The main objective of this study to examine the role of distributive justice in the proposed model since the creation of high leader member relation along with positive perception of distribution justice in the organization will reinforce the "oneness". Creation of employees' organizational identification will contribute to the efficiency and productivity of the organization.

The relationship between the leader member interaction and the organizational identification of employees was tested by correlation analysis (Hypothesis 1). And the result reveals a significant positive relation among the variables. Similarly, the leader member exchange and employees' perceptions of distribution justice have also shown a significant positive effect (Hypothesis 2). Also, the results of the correlation analysis on the relationship between distributive justice and organizational identification, demonstrate a significant positive relationship (Hypothesis 3). Lastly, regression analysis results indicated the partially mediating effect of distributive justice (Hypothesis 4). The findings of the study are consistent with the results of previous studies (Sluss, Klimchak and Holmes, 2008; Walumbwa, Cropanzano and Hartnell, 2009, De Cremer, 2005).

It can be said that an organization with a high leader member exchange exist, employees tend to work effectively and reflect proactive behaviors such as voicing opinions and voluntary participation. Distributive justice, on the other hand, is another important variable in organizational setting since it reflects the fairness and equality of the managerial procedures and policies that has direct effect on employee productivity. Lastly, organizational identification creates a connection between the organization and the individual and it is vital in forming organizational collaboration and harmony. Due to the fact that the study was conducted only in the retail sector is an important limitation. The results of the analysis and the model developed, therefore, cannot be generalized. The research model needs to be conducted in various sectors and cultures in order to be generalized. Furthermore, the research was limited since the sample group consisted of 238 employees reside in Turkey.