

Arising Sales Force Motivation Due to Organizational Justice

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Abstract

This study aims to examine the effect of organizational justice (PJ, DJ) on Independent Sale Personnel's (ISP's) motivation. This study is cross sectional and self administered questionnaires were distributed among the sale personnel of International Brands Private Limited (IBL), Company Pakistan. Total five branches of IBL, Pakistan were taken for data collection i.e. Karachi, Lahore, Islamabad, Peshawar and Kohat. In order to investigate the relationship between Organizational justice (i.e. procedural justice and distributive justice) and ISP's motivation regression and correlation techniques were used. The result of the study suggests that there is a significant positive impact of predictors on the response variable.

Keywords: Organizational justice (Procedural Justice, Distributive Justice), ISP's motivation.

Introduction

Organizational justice (or fairness) is a significant subject in explaining employees' performances within the organization. It is evident from literature that organizational justice performs an important role in explaining employees' attitudes and behaviour (Choi, 2008). The impact of organizational justice on work outcome such as job satisfaction, organizational commitment and turnover intentions are clearly documented by the research literature (Williams, McDaniel & Nguyen, 2006). However, extensive searches of sales and non sales literature investigated the impact of organizational justice on employees' motivation. Distributive justice (DJ) and procedural justice (PJ) are the two categories of organizational justice (Greenberg, 1990; Konovsky, 2000). Perceived fairness of the outcomes (e.g. pay, status)

comes under distributive justice; whereas PJ deals with the perceived fairness of the processes that eventually leads to the outcomes (Greenberg, 1990).

Motivation and performance are most important issues for all types of Independent Sale Personnel (ISP's) management (Tyagi & Wotruba, 1998). By using the proper and fair organizational justice (PJ, DJ) within the organization have multiple benefits for organizations like increase in ISP's motivation, job performance, pay satisfaction, productivity, and workers efficiency. Therefore many organizations uses fair organizational justice for the smooth functioning of organizational tasks (Tyagi & Wotruba, 1998). In Pakistan a very small number of researches were conducted to identify the effects as well relation between organizational justice and ISP's motivation. Therefore, the objectives of this research study are to find out the impact of organizational justice (PJ, DJ) on ISP's motivation and also to find out the relationship between organizational justice (PJ, DJ) and ISP's motivation. The organizational justice (PJ, DJ) is taken as an independent variable (I.V's) whereas (ISP's) motivation is taken as a dependent variable (D.V). The study highlights the importance of organizational justice and its effects on ISP's motivation within the organizations of Pakistan. To meet the objectives of the research study the data was collected from four branches of the International Brand Limited (IBL) Company Pakistan.

The IBL Group is a diversified business house engaged in a wide range of business activities in Pakistan including international trading, local manufacturing, marketing, sales and distribution of various products and financial services. In mid 80s the Group management decided to diversify into manufacturing by creating strategic partnerships with some of the companies for which it had provided distribution services. As a result the ownership and management of the group companies was divided into two sub groups known as IBL Group. In 1991 a new company by the name of International Brands (Private) Limited was formed and since then, all its marketing and distribution activities are now undertaken in a Group. The IBL business department comprises of Gillette, Proctor & Gamble, Searle Pharma & Consumer, Shezan and Telecom.

The rest of the paper is organized as follows, the next section reviews the prior literature paper and develops research hypothesis. Section two also discusses the theoretical framework. The following section describes research methodology. Results of the study are presented in section four. The last section discusses these results and gives some suggestions.

Literature Review

It is evident from the research literature that distributive justice (DJ) and procedural justice (PJ) are the two main kinds of organizational justice (Greenberg, 1990; Konovsky, 2000). Perceived fairness of the outcomes (e.g. pay, status) comes under distributive justice; whereas PJ deals with the perceived fairness of the processes that eventually leads to the outcomes (Greenberg, 1990). According to Adams' (1963, 1965) theory, employees are being judged on their own inputs like time and effort and are compared with their own outputs like pay and status, as to be treated justifiably or unjustifiably. As a result, employees are either satisfied or dissatisfied resulting in low or high performance and motivation (Mowday & Colwell, 2003).

Refereeing to cognition theory (Folger, 1977) argue that outcome (DJ) and procedure (PJ) correlate in a way to create a sense of overall justice or injustice within the organization. Relationship between justice perceptions and motivation is so far investigated by very few empirical studies. As stated earlier, justice perceived would eventually lead into the motivation of the sale force if there own inputs that is time and efforts are rated justifiably. Findings from these limited studies along with the advancement in conceptual development strengthen the proposition that motivation and justice have been overlooked both in sales and non-sales research (Locke & Latham, 2004).

More specifically, motivation has long been viewed as a central role in performance (Barrick, Stewart & Piotrowski, 2002). According to Ambrose and Kulik's (1999) there is a gap of empirical knowledge explaining how motivation can be directly related to performance. Given that much research from non-sales literature has already documented the impact of justice on job performance and pay satisfaction (Haq, Iqbal & Rehman, 2008). It is evident from the

research that there is direct impact of justice perceptions on sales peoples' motivation, and the indirect impact of justice perceptions on sales peoples' performance and pay satisfaction via motivation. The traces of these relationships can be found in Adams' (1963, 1965) equity theory and Porter and Lawler's (1968) work motivation model.

The relationships, according to equity theory can be described as: Outcomes which are unfair (e.g. pay, status) motivates the employees to rectify the unfair situation if they are not happy with these outcomes, however behavioural reaction that could be taken into account which could reduce their inputs or performance level (Farmer, Beehr & Love, 2003). It has been clearly stated by number of significant studies that there is positive effect of justice perceptions on pay satisfaction (DeConinck & Stilwell, 2004). On other hand there are few studies which yet indicate the importance of justice in predicting employee's motivation and job performance (Zeffane & Zarooni, 2008).

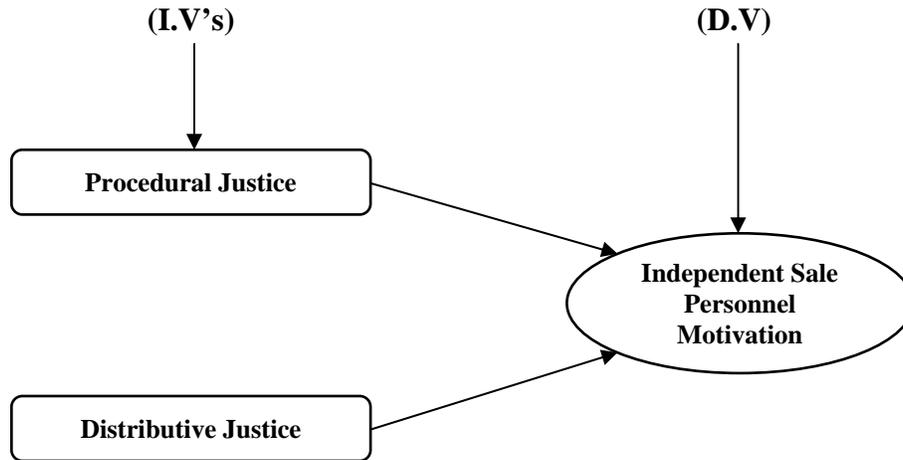
According to Tyagi's (1990) specifically in sale research study of insurance salespeople found that their perception of money unfairness had a strong unpleasant effect on extrinsic motivation, and similarly recognition unfairness had the significant negative effect on intrinsic motivation of salespeople. According to Dubinsky and Levy (1989) fairness perception of pay administration has positive effect on retail salespeople's motivation. However, none of the study included performance in investigation. Based on the preceding literature discussion above, the following hypotheses are proposed.

H₁. PJ has significant positive effect on ISP's motivation.

H₂. DJ has significant positive effect on ISP's motivation.

2.1 Conceptual Framework

The conceptual framework of the study is as follows namely, PID model.



Research Methodology

This research study was conducted to investigate the effect of organizational justice (PJ, DJ) on ISP’s motivation. The data was collected through random distribution of questionnaire among the staff members of five branches, Karachi, Lahore, Islamabad, Peshawar and Kohat of IBL Company Pakistan. The questionnaire instrument was designed to measure the motivation level of the sale personnel.

The questionnaire items of this research study were taken from the study of Niehoff and Moorman, 1993, Price and Mueller, 1986 and Kovach, 1987. Items on procedural justice were adopted from Niehoff and Moorman (1993) which focuses on the employee perception of procedural justice. Items on the distributive justice were taken from the Price and Mueller (1986) and the remaining items to measure the ISP’s motivation were adopted from (Kovach, 1987). The respondents were asked to provide their opinion on the issue and rate them on a five Likert scale ranging from strongly disagree =1 to strongly agree=5. The questionnaire items were examined and found reliable and consistent with Cronbach’s alpha (0.90)

The questionnaire was distributed among the on upper, middle and lower management sale personnel of IBL, Pakistan. More specifically, data was collected from two branches of Khyber Pakhtunkhwa, one each from Punjab, Sindh and Islamabad. The descriptive statistics shows that the majority of participants were male

with age of early 20's to 40 years and above. *Initially, descriptive analysis were measured and then correlation, regression was calculated between (IV's) and (D.V) for the analysis of the organizational justice (PJ, DJ) and ISP's motivation.*

Descriptive analysis

In the analysis section firstly, descriptive statistics of demographic variables were measured and then correlation and regression was calculated between (I.V's) and (D.V).

Table 1

Age	Gender	
	Male	Female
20-28	47	1
29-39	44	2
40 and above	17	0
Total	108	3

The above table shows the cross tabulation of age and gender. The age was categorized in 20-28 years, 29-39 years and 40 and above years. The Male represents 108 of the total sample 111 which shows 97.2%, and Female represents 03 of the total sample 111 which represents 2.7%.

Table 2: Gender * Management Level Cross Tabulation

Management Level	Gender		Total
	Male	Female	
Top	2	0	2
Medium	5	3	8
Low	101	0	101
Total	108	3	111

The above table shows the cross tabulation of management level and gender of IBL Peshawar. Top level managers include National Sales Manager and Regional Sales Managers of IBL Company. Middle level includes Area Sales Managers of IBL and Low level includes Unit Managers and sales personnel of IBL Company. Top level staff members were 02 in which all were male, out of 111 which represent 1.8% of the total. Medium level staff members were 08 in which male represents 05 and female represents 03 out of 111 which show 7.2% of the total. Low level staff members were 101 out of 111 in which all are male which demonstrates 90% of the total.

Table 3: Descriptive Statistics

	N	Range	Sum	Mean	Std. Deviation	Variance
Age	111	2	191	1.72	.716	.512
Gender	111	1	114	1.03	.163	.027
Management Level	111	2	321	2.89	.366	.134
Valid N (list wise)	111					

Table 3 shows the descriptive statistic of age, gender and management level.

Correlation Analysis

The Pearson correlation finds out between organizational justice (PJ, DJ) and ISP’s motivation. The correlation value is lie between -1 and +1. The value -1 represents negative relationship and +1 represents positive relationship between variables. Table 4 demonstrates the correlation matrix of the employee PJ, DJ and ISP’s motivation. Pearson correlation between PJ, DJ and force motivation is positive and highly significant with the values of .861** and .630** at 0.01 significance level. This reveal that there is positive relationship exist between (I.V’s) and (D.V).

Table 4 : Correlations

		PJ	ISP's Motivation	DJ
PJ	Pearson Correlation	1	0.861**	0.630**
	Sig. (2-tailed)		0.000	0.000
	N	111	111	111
ISP's Motivation	Pearson Correlation	0.861**	1	0.605**
	Sig. (2-tailed)	.000		0.000
	N	111	111	111
DJ	Pearson Correlation	0.630**	0.605**	1
	Sig. (2-tailed)	0.000	0.000	
	N	111	111	111
**. Correlation is significant at the 0.01 level (2-tailed).				

Regression Analysis

The research study uses the multiple regression analysis in order to check out the effect of predictors on response variable. The multiple regression model is as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon \dots \dots \dots (1)$$

Where Y is ISP's motivation (D.V).

α is constant

X is other factors affecting ISP's motivation

β is the regression coefficient which may be positively or negatively affecting (D.V) and (I.V's).

$$\text{ISP's M} = \alpha + \beta_1 \text{PJ} + \beta_2 \text{DJ} + \epsilon \dots \dots \dots (2)$$

Where ISP's M = Independent Sales Personnel Motivation (D.V)

$\beta_{1\text{PJ}}$ = Procedural Justice $\beta_{2\text{DJ}}$ = Distributive Justice (I.V's).

Table 5: ANOVA^b

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	147.883	2	73.942	159.802	.000 ^a
	Residual	49.972	108	.463		
	Total	197.856	110			

a. Predictors: (Constant), DJ, PJ
b. Dependent Variable: ISP's Motivation

The F-test value is 159.802 and the significance value is (sig = .000) which is less than $P < 0.05$ which shows the regression model is significant. This further implies that the correlation between dependent variable and independent variables is statistical significant and overall regression model is valid and fit.

Table 6 : Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.865 ^a	.747	.743	.680

Table 6 represents the Regression coefficient 'R' = .865 or 86.5% which means that correlation between (D.V) and (I.V's) are positive. The coefficient of determination 'R²' = .747 which show that 74.7% of variation in ISP's motivation is explained by PJ and DJ.

Table 7: Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics		
	B	Std. Error	Beta			Tolerance	VIF	
1	Constant	0.264	0.201		1.316	0.191		
	PJ	0.78	0.061	0.796	12.774	0	0.602	1.66
	DJ	0.111	0.057	0.107	1.941	0.05	0.602	1.66
a. Dependent Variable: ISP's Motivation								

In the above table the regression coefficient for PJ and DJ (β_1) and (β_2) = .796 and .103 which implies that one percent increase in PJ and DJ increases 79.6% and 10.3% in ISP's motivation level if other variables are kept controlled. The T value of PJ and DJ are 12.774 and 1.941 which is significant at .000 and .050 level because significance level is $P < .05$. This implies that the both the hypotheses of this study are accepted. The hypotheses are PJ has significant positive effect on ISP's motivation and DJ has significant positive effect on ISP's motivation.

The above table also demonstrates the multicollinearity statistics. The tolerance value less than 0.20 indicate a multicollinearity problem (O'Brien & Robert, 2007). In the above table the tolerance values of all (I.V's) are .602 and .602 which shows that the tolerance level is moderate and good. The reciprocal of the tolerance is known as the Variance Inflation Factor (VIF). The VIF 5 to 10 and above indicates the multicollinearity problem (O'Brien & Robert, 2007). In the above captioned table VIF values of (I.V's) are 1.660 and 1.660 which shows that there is no any problem of multicollinearity.

Table 8: Collinearity Diagnostics^a

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions		
				(Constant)	PJ	DJ
1	1	2.883	1.000	.01	.01	.01
	2	.071	6.364	.94	.30	.08
	3	.045	7.966	.05	.69	.91
a. Dependent Variable: ISP's Motivation						

The eigen values close to 0 explain little variance. In above table value of 2 and 3 are near to 0 which shows little variance in these variables. The condition index over 15 indicates a possible multicollinearity problem and over 30 suggests a serious multicollinearity problem. In above table values of condition index are in range of 1.00 to 7.966 which reveals that there is no multicollinearity issue between (I.V's) and (D.V).

Conclusion

This study examines the relationship of organizational justice (PJ, DJ) and ISP's motivation. The results support the presumption that Procedural justice has positive effect on Independent sales personnel's motivation and was found significant. This is consistent with Zeffane and Zarooni (2008), Tyagi and Wotruba (1998). The results also support the second hypothesis that distributive justice has significant positive effect on Independent sales personnel's motivation and are in line with Dubinsky and Levy (1989). The overall, regression value of procedural justice, distributive justice and Independent sales personnel was 0.865 which demonstrates that 86.5% impact of (I.Vs) on ISP's motivation (D.V) in IBL, Company Pakistan.

The results demonstrate that PJ and DJ have a significant positive effect on ISP's motivation of the IBL, Company Pakistan. The multiple regression model shows the significantly strong relationship between set of two independent variables namely procedural justice, distributive justice and dependent variable that is independent sale force motivation. However, procedural justice was found to be the

most significant (I.V) having strong relationship with the (D.V) i.e. ISP's motivation. The regression coefficient R shows the value 0.865 which shows 86.5% proportion of variability between IV's and D.V and coefficient of determination $R^2 = 0.747$ which shows 74.7% variation in D.V explained by I.V's. The independent variables that are organizational justice (PJ, DJ) explained 79.6% and 10.7% of variation respectively towards dependent variable of ISP's motivation.

Overall, the results revealed that organizational justice (PJ, DJ) and ISP's motivation were positively correlated. Fair organizational justice (PJ, DJ) was found to be of significant importance if properly implemented. Moreover, organizational justice (PJ, DJ) programs were found to have a positive impact on the ISP's motivation which brings benefits in terms of better organizational performance, higher productivity, competitive advantage and increased employee motivation. Findings of the study also demonstrate that there is a positive correlation exist between (I.V's) and (D.V). Fair organizational justice (PJ, DJ) within the organization is very much beneficial and its effect directly on employee motivation. This might reduce the propensity of employee turnover.

Keeping in view the results of this study it can be recommended that Government should have to adopt and implement fair organizational justice policies in both public and private organizations of Pakistan. Through fair organizational justice (PJ, DJ) employee become motivated and overall organizational productivity and effectiveness can be enhanced. It is significant to build up such an atmosphere where employees are well satisfied. This research study strongly suggests that fair organizational justice (PJ, DJ) must exist in the organizational atmosphere. In this way employees' become motivated and perform better. Future research should exploit both public and private organization to comprehend some other factors contributing towards sale personnel motivation.

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