

## **Psychological Capital as a Moderator between Justice Types and Outcomes**

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### **Abstract**

This study was conducted to discover the outcomes of injustice in an organization such as (workplace deviance, turnover intention and job stress) and their relationship with justice types (distributive justice, procedural justice and interactional justice). Psychological capital was used as a moderator between justice types and outcomes. The results of this research study can help managers to organize the staff's turnover intention, job stress and workplace deviance so that the organization can perform its operations efficiently and effectively.

**Key Words:** Distributive Justice, Procedural Justice, Interactional Justice, Psychological Capital, Workplace Deviance, Turnover Intention, Job Stress.

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## **INTRODUCTION**

In today's dynamic environment employees and management relations are important for any organization to work firmly but it requires new and innovative approaches to resolve problems related to human resource management. Even though advancement in technology is growing in great speed, it does not promise full success. Human resource management must analyze and evaluate personal needs and concerns of employees. Humans need social environment in which they have the freedom to interact with each other. Justice is the basic concept of human social relations. Regardless of cases of promotion, rewards, new tasks, packages, facilities or any type of social interaction, justice plays an important role. It is vital to comprehend how employees perceive organizational justice since it influences their attitudes, behaviors and performance and eventually any company's success. That is why research on injustice and its outcomes is of great importance (Coetzee, 2005).

Employees are the most important asset for any organization, therefore, without proper human resource management and implementation of fair organization justice, no organization can attain success. Today's managers are taking great interest in justice to provide fair wages, fair work load, equal opportunities and a friendly working environment. However, the most difficult task for managers is to identify which level of treatment is regarded as fair treatment by employees. That is the reason researchers consider that psychological capital act as a moderator between justice types and outcomes. It can help develop positive energies strengthen their minds to achieve optimal level of functioning. Rapidly growing positive psychological capital has indirect impact on workplace. Nonetheless, many direct applications have appeared and are thus, referred to as positive organizational behavior (Coetzee, 2005).

Implementing fair organizational structure and encouraging energies and treating every employee equally can help an organization to reduce negative aspects such as job stress, turnover intention and workplace deviance, hence, can increase job performance of employees. Organizations must also bring awareness to employees about positive psychological capital and its benefits to both employee and organization.

## **LITERATURE REVIEW**

### **Organizational justice and outcomes**

Organizational justice has become the most important factor in the recent past. Organizational justice is defined as the perception of fairness and the evaluation of employees on how they are treated in an organization (Cropanzano and Greenberg, 1997). According to Moorman (1991), organizational justice are the ways in which employees determine whether or not they are treated fairly in their workplaces and different ways in which those factors affect activities related to their job.

According to Moorman and Niehoff (1993), there are three main dimensions of organizational justice which are discussed and explored over time. First is (distributive

justice) whereby the employee receives fairness of the result. Second is (procedural justice) whereby the employee receives fairness of procedure to determine the results. Third is (interactional justice) in that the employee receives fairness of communications or interpersonal treatment.

**Distributive Justice:** The employee always expects to receive fairness in the results which he or she expects to receive from an organization (Folger and Carpanzono, 1998). Distributive justice is the most basic requirement for an organization to operate firmly (Greenberg, 1990). Distributive justice increases the pay satisfaction of employees in an organization (MC Farline and Sweeney, 1992). There is a negative relation between job stress and turnover intention (Daily and Kirk, 1992). Role of distributive justice is important to control job stress and turnover intention (Greenberg, 1990). Employees usually compare fairness of justice with other co-workers of the organization with respect to time spent and qualification (Folger and Konovsky 1989). Adam (1965) believes that distributive justice has a link with pay raise and can be helpful to measure job performance. Interpersonal skills of employees depend on apparent individual fairness (Martin and Bennett, 1996). Distributive justice has a direct link with pay satisfaction hence, leaders use this term to measure organizational results by insight of fairness (Alexander and Ruderman, 1987). The main purpose of distributive justice is to identify two problems; what employee actually receives from consequences and logics due to which these consequences were generated (Corpanzano and Greenberg, 1997). The process used in an organization is more important than the outcomes (Folger and Greenberg, 1985).

Distributive justice concepts originate from equity theory, according to this theory; pay discrimination and social behavior are exaggerated by reward (Adams, 1965). For instance, what employees want to gain from their job (Adams, 1965). Rewards can be an individual's self-satisfaction which he or she receives (Cohen and Greenberg, 1982). Inequality in an organization can cause unpleased atmosphere (Folger and Copanzono, 1998). According to Leventhal (1980), if two persons work in an organization, the one who works more than the other should receive higher results and he or she also believes that there are three rules of distributive justice, need rules, contributive rules and equality rules. Many researchers have worked on equality and its importance (Adams 1965, Goodman 1974 and Friedman 1971).

Unfair results can never satisfy employees as compared to those who receive fair outcomes (Copanzaono and Greenberg, 1997). Unfair results can increase turnover intention in an organization (Halin 1991, Schwarzald, Koslasky and Shalit 1992). Sometimes an employee gets less than what he or she actually deserves, this creates job stress and dissatisfaction (Schwarzwald, 1992). Distributive justice can create an impact on turnover intention behavior of employees (Alexander and Ruderman, 1987)

**Hypothesis 1:** Distributive justice is negatively related to (workplace deviance, turnover intention and job stress)

**Procedural Justice:** According to Moorman (1991), Procedural justice reflects the level to which the results are made fairly, which is relative to the organization's definite procedures. These procedures analyze the employee's control over outcomes they receive and also make sure that they receive fair outcomes. Study shows that procedural justice has a positive impact on organizational outcomes (Khatri 2001, Samad 2006, Tremblay, Sire and Balkin 2000, and Yusof and Shamsuri 2006). Research studies show that procedural justice and turnover intention has negative relation (Khatri et al, 2001, Dailey and Kirk 1992). According to Thibaut and Walker (1975), 25 years ago research on procedural justice put forward the then counterintuitive schemes that effected don't care much about the way their problems are resolved than the outcomes they receive. Research in many contexts provides an evidence to support procedural justice hypothesis (Folger and Cropanzano, 1998). Judgments are outpacing the influence of results in a range of reactions to authorities and group of people due to procedural justice.

Early efforts made to understand and evaluate the concerns of people about procedural justice were focused on stipulating precise standards of fairness process. Leventhal (1980) described six criteria of fairness but, what is fair or unfair process according to people? What are their main concerns? Even though there are many demonstrations that people's procedural justice judgment matters, still the actual meaning of procedural justice is unclear. Some characteristic of fair procedure such as consistency, bias suppression, correct ability, accuracy, ethics and representativeness did not appear out of a strong theoretical tradition (Lind and Tyler, 1988). Thibaut and Walker (1975) designed a control model of procedural justice which had a great influence on procedural justice work. Their model relates people's concern with procedures and their desires which influence their results, and defines procedural fairness as the level of effort that procedures allow. Lind and Tyler (1988) give another model of procedural justice that links the reactions to relational concerns of employees. According to this model, procedural justice is defined by criteria that are relational in nature, for example neutrality, status recognition and trust in authorities. A fair procedural justice consequence does matter because it is a consistent forecaster of employees' behavior to their leaders and to the organization either in positive or negative sense. Many studies have revealed that procedural justice and interactional justice forecast a wide range of organizational citizenship behavior and those actions are not part of their formal job description but are very helpful and supportive. Such behaviors are important when dealing with unpredictable customer requests and in situations where there is proof that fair treatment of employees can cause customer satisfaction. Studies have shown relation between fairness perception and outcomes such as job satisfaction, commitment to the organization and turnover intention. It can also enhance trust among employees and their willingness to perform their job in most effective and efficient manner.

**Hypothesis 2:** Procedural justice is negatively related to (workplace deviance, turnover intention and job stress).

**Interactional Justice:** According to Cohen-Charash and Spector (2001) employees receive fairness in their organizational practices when they are treated in respectful, honorable and polite manner. Interactional justice is strongly linked with individual outcomes such as employees and management relationships (Cropanzano, Prehar and Chen 2002). Research studies have confirmed that interactional justice and turnover intention are negatively linked to each other (Hubbell and Chory Assad, 2005). In interactional justice, the main focus is on the individual's fair treatment which he or she receives during organizational procedures (Bies and Moag, 1986). The main stress in interactional justice is on value of interpersonal treatment and communication aspects of procedures. They are totally different from formal procedures (Bies and Cropanzano 1990). Research has also supported that concept that interactional justice and procedural justice procedures should be examined separately (Konovsky, Folger and Moorman 1990). Additional evidence exists that there is a strong influence of interactional justice on organizational outcomes (Bies and Shapiro 1987, Cropanzano and Prehar 1999).

Interactional justice covers all the interpersonal aspects of the justice and the way management handles their employees while applying procedural justice (Bies and Moag, 1986). Interactional justice helps build strong relations among employees through communication, knowledge and socialization (Yadong Luo, 2006).

The interactional justice concept can explain why some employees distinguish lack of justice even though the outcomes were fair (Bies and Shapiro, 1981). A very limited empirical reach has been done on interactional justice; fair treatment with individuals can lead towards satisfaction with service interactions and can enhance analysis of service quality (Bitner and Booms, 1990). Interactional justice can also help in complaints evaluation and resolution of problems (Godwinn and Ross, 1989).

**Hypothesis 3:** Interactional justice is negatively related to (workplace deviance, turnover intention and job stress).

## **JOB STRESS**

Parker and De Cotelis defined job stress as it is acting against the psychological and physiological performance due to problems in person's work area surrounding. West Man described Job Stress as demand from abilities, and job related problem that arises as a result of stress. Motowildo, Packard, and manning (1986) defined Job Stress as an unpleasant emotional state related to the emotions like fear, anxiety, annoyance, and grief. The performance of the employees at work place is affected by an important factor which is Job Stress. Overloaded work environment creates a feeling of job stress in the mind of the person that he/she cannot work properly. This overloaded work environment could actually be present or it could only be the perception of the individual (Beehr and Newman, 1978), (Cooper and Marshall, 1976), (Ivacevivch and Mattesen, 1980a, 1980b; and Schuler, 1980). Job Stress causes low productivity, more frequent job changes and absence from work as the employees do not feel satisfied and face problems (Beehr and Newman, 1978, Schuler, 1980). A model of job Stress has been

given by Parker and De Cotelis as the antecedents of the Job Stress. In this model six categories of Job Stress are 1.State of affair of the job and individuality. 2.Different positions in the organizational structure and organizational environment and the information flow. 3.Things related to the role of the person or employee. 4.Work place relations with other employees. 5.Career development opportunities. 6.Non-organizational responsibilities and not right jobs. Parker and De Cotelis described job stress as dissatisfaction of an individual or the organization due to lack of satisfaction and commitment the organization, lack of motivation in the organization, poor performance and behavior of avoiding.

## **Organizational Justice and Job Stress**

The perception of fair and good response by the employees is related to the organizational justice. Bad emotions are linked with the perception of justice by the individual (Skarlicki and Folger, 1997). In the job stress model, the role of the organization justice is of the role stressor (Zohar, 1995), in producing bad emotions or feelings and resulting worried responses, but does not relate to the opposite resulting behavior. In two forms of justice, the distributive justice is the relation between the perceptions of the employee about the response they receive in response of their work done in contrast with the response received by other employees. And the procedural justice is the fairness of the procedures in distributing those responses (Foldger and Greenberg, 1985; Leventhal, Karusa, and Fry, 1980). Many of the studies have related these two forms of organizational justice with the opposite resulting organizational behavior. The response of employees to the perception of not morally right treatment could be in the form of bad emotions like anger and violent actions (summarized research by Skarlicki and Foldger, 1997) (Foldger, 1993). Need for severe punishment; and responses which are direct or indirect like theft (Greenberg,1990),damaging the good thing, intentionally preventing the success, lack of citizenship behaviors and pushing back behavior(Jermier, Knights, and Nord, 1994). Personality factors like agreeableness moderates the relationship between perceived injustice and organizational retaliatory behavior showed by Skarlicki, Foldger, and Tesluk, (1999). Injustice was related to workplace conflicts and emotions of the employees by Cropanzano and Baron (1991). In reality, explaining the job stress and organizational justice of opposite to intended organizational behavior, many parallels have emerged which include the affective dispositions and the main roles of emotional responses.

## **WORKPLACE DEVIANCE**

Knowingly acting against the managerial or organizational rules and obligations is defined as the workplace deviance by Robinson and Bennett in 1995. Four kinds of deviance are 1) Deviating politically, 2) Deviance from production, 3) Personal anger, 4) Property deviance. Individual factors like social, organizational and interpersonal are present in workplace deviance (Boye and Jones, 1997; Vardi and Wiener, 1996; Vardi, 2001). Deviance behavior is the basis of quality and environment of workplace (Trevino and Youngblood, 1990). Behavior and justice of the employees are controlled by the

situational and managerial factors (Trevino, 1986). The absence of common affections in the organization becomes the reason for workplace deviance (Hirschi, 1969). Misbehaving and disappointing behavior become the reason for the workplace deviance (Hollinger, 1988; Hollinger and Clark, 1983). Behavior that is associated tightly also becomes a reason for workplace deviance (Robinson and Bennett, 1995). In an organization, the perception of the employees about the justice behavior have been a substantial part in making workplace deviance (Cohen-Charash and Spector, 2008; Greenberg, 1990, 2002) those employees are more expected to deviate from their work who observe lack of justice in the organization or unfair distribution of rewards and incentives (Conlon, Meyer, and Nowakowski, 2005). Many surveys have shown that in organizations, workplace deviance is a common and thus, an expensive problem (Bennett and Robinson, 2000).

## **Organizational Justice and Workplace Deviance**

Research done by Adams focused on the performance as a kind of response which is not only the response of dissatisfaction. In reconsidering the causal variable as fairness and the effect variable as organizational citizenship behavior (OCB: behavior that is considered above the call of duty), Organ, 1988; searched beyond the satisfaction-performance relationship. OCB research counterpart has emerged by focusing on the negative employee behaviors. Negative workplace behaviors like anti-citizenship and others have become common in organizational research (Youngblood, Trevino, and Favia, 1992; Folger and Baron, 1996; Folger and Skarlicki, in press; O'Leary-Kelly, Griffin, and Glew, 1996; Robinson and Bennett, 1995). In the present study the focus is on sets of negative or loose behaviors which are tools for punishing the represents of the organization and organization resulting in the perception of unfairness, as organization retaliatory behavior. It was expected that in response to in response to perceived injustice, the frequency will increase. It was viewed that organization retaliatory behavior was a bit analogous to behavior beyond the call of duty as behaviors beyond the call of duty are vital for the existence and survival of the organization (Katz and Kahn, 1966), organization retaliatory behavior may not harm the organization but collectively it will restrain the organization from proper functioning. In context of research and theory, it is more proper to find out that how these forms of justice result in retaliation rather to find out what types of injustice results in retaliation. People refer to intuitional standards in finding the levels of returns and rewards which are based on events occurred in the past, and promises which could be implicit or explicit, it was given in the Referent Cognitions Theory (Folger, 1987, 1993). A person's level of dissatisfaction with a given result is evaluated by these standards. The outcomes or results that are not favorable are one part of the two component theory (Cropanzano and Folger, 1989). The other part of the theory is the illegitimate act or performance of the other person. There are two factors which will predict the people response to not favorable outcome in more negative manner given by Folger (1993) which are a) the level of loss and b) authorized person or supervisor not behaving properly. Procedural or Interactional injustice may be part of that misbehavior. Much effort has been focused in finding out the antecedents of workplace deviance behavior

and that research has linked the workplace deviance behavior with the personality (Giacolone and Knouse, 1990; Lee, Ashton and Shin, in press), among employees occurring social processes (Greenberg, 1997; Robinson and O'leary-kelly, 1998). On the other hand research have done on psychological outcomes of some types of workplace deviance like mobbing, bullying (Hoel, Rayner and Cooper, 1999), and also on the topic of sexual harassment (e.g. Schneider, Swan, and Fitzgerald, 1997), less research has been conducted to check the effects of workplace deviance behavior on the work performance. Most of the researchers have the view that workplace deviance behavior has a negative effect on the overall performance of the organization. For example, Bourke (1994) has given the fact that between U.S. \$10 and 120 billion annually costs the organizations by workplace theft. In addition to that, the cost of intentionally damaging equipment's and the payments of compensation for injury and more importantly the cost of low productivity which even cannot be calculated in monetary terms may cost the organization by workplace deviance behavior. As the performance is the overall attitude of employees who work for the overall goals of an organization, so in that context workplace deviance behavior will obviously have a negative effect on the overall performance of the organization. For example, if an employee who is a supervisor or the leading worker of a business unit will have workplace deviance behavior like having long breaks then it will automatically affect the performance of that business unit and as a result, will affect the overall performance of the organization. So, in the present study, it is noted that in case of organization or interpersonal, workplace deviance behavior will substantially affect the organization negatively when objectively and subjectively measured.

## **TURNOVER INTENTION**

The intention of the employees to quit and switch their organization is the Turnover Intention. Researchers have given a substantial importance to the topic of turnover intention (Richer, Blanchard, and Vellerandi, 2002). Turnover intention is a costly and expensive problem faced by the organizations believed by the researchers and the manager of the organizations (Lucas et al, 1987; Soon et al, 2005). Turnover intention is unavoidable believed by Kirschenbaum and Weisberg (2002). Turnover intention is very expensive to the organizations in number of ways (West, 2007). Turnover intention is caused by increasing the working hours than usual and it also creates work stress (Ling and Philip, 2006). Estimation by Muchinsky and Morrow (1980), states that studies regarding turnover intention are from 1500 to 2000. In the past 24 years there is no decrease in the research on turnover intention (Trevor, 2001). More attention is given by organizations to a common problem which is turnover intention (Lucas et al., 1987). Turnover intention is leaving the organization by the employees deliberately and willingly (Tett and Meyer, 1993). The relationship between the job satisfaction and turnover intention is reversing (Muchinsky and Morrow, 1980; Trevor, 2001). Economic condition also predicts the turnover intention ratio for instance, if more jobs are available then it means more turnover ratio and vice versa (Barry A. Gerhat, 1989). The model given by March and Simon (1958) explains that elements like dissatisfaction may compel the employees to find other jobs and the elements like appealing alternate job

opportunities may attract the employees to look for alternate job employment. Factors related to work conditions like pay of employees and career development opportunities are important reasons for turnover intention according to the literature review (cf. Iverson and Roy, 1994; Rosse and Miller, 1984; Van Breukelem, 1989). When the employee in the organization feel that there is no more career opportunity in the organization than to deal with the disappointment, the employee withdraw from the organization and for that matter, employee conversion to an organization where there are better career opportunities becomes a good option. Turnover intention is the alienation of association between the employee and the organization. This alienation becomes a costly reason for the organization or may be to the individuals. Cost of training the new employees, cost of selecting new employees and opportunity cost are the costs which may result in turnover in an organization. Such costs becomes more severe and damaging when the organization loses their committed and talented employees (Eunmi Chang, 1999). Antecedents to turnover intention are job satisfaction and organizational commitment (Horn and Griffeth, 1995). There is a reverse relationship between the job satisfaction and turnover intention reported by much of the literature (Griffeth, Horn, and Gaertner, 2000; Currivan, 1999). In the area of social work and non-profit organization, turnover intention is perceived as a major problem and is an important area of interest (Mor Barak, Nissly, and Levin). In government organizations, there is a less study on turnover intention than in non-governmental organizations (remarkable exclusions include Kellough and Osuna 1995; Lewis 1991; Lewis and Park 1989; Selden and Moynihan 2000; Smith 1979), although a fresh boomlet of research shows a renewed concern in the topic (Bertelli 2007; Huang, Chuang, and Lin 2003; Ito 2003; Kim 2005; Lee and Whitford forthcoming; K. J. Meier, and A. Hicklin, 2007, unpublished data). Due to the costs like the loss of organizational memory, organizations are recruiting new employees this also because of the reversed relationship between the turnover intention and the job performance in the private sector (Shaw, Gupta and Delery, 2005) as well as in the public sector (K.J. Meier and A.Hicklin, 2007; unpublished data), turnover intention is a topic of the organizational research.

## **Organizational Justice and Turnover Intention**

A surplus research on the relationship between the turnover intention and organizational justice is available. For example, Fatt et al (2010) in their renowned composition named "The Impact of Organizational Justice on Employee's Job Satisfaction: The Malaysian Companies outlook found that both distributive justice and procedural justice were correlated with turnover intention.

## **PSYCHOLOGICAL CAPITAL**

The companies generally focus on failing points or weakness of employees. They do not highlights strengths or positive aspects of their executives' personalities. The president of American psychological association Martin Seligman in 1998 challenged

people to appreciate what is right rather than wasting their time on identifying what is wrong with people.

According to (Luthans, 2007) psychological capital is an individual's positive mindset which is firstly elaborated as efficiency and social confidence to realize stretch goals. Secondly, positive thinking to direct present and future course of action. Thirdly, it is critical to have resilient mindset against all odds. Fourthly, one should encourage committing yourself to achieve your aspirations. Positive psychology is the lifeblood and major framework to influence performance at all levels in the organization (Luthans, 2004, 2007)

Positive psychological capital may be inculcated in employees as competence development framework for realizing desired performance goals (Luthans, 2002). Psychological Capital is not only visible knowledge, skills, attitude and abilities that can be developed through training and development, or even through on-job training, neither is Psychological Capital equivalent to the organization specific unstated information that managers and employees build over time in organizational action learning processes (Hitt and Ireland, 2002).

Psychological Capital is indeed a specific management cadre group of leaders who thrive on impacting employees' behaviors and attitude for organization advantage (Adler and Kwon, 2002; Coleman, 1988).

Psychological Capital is indeed crucial positive tool and gimmick for organizational actions and human resource management gurus to sort out non-performing employees, aggressive behaviors, incompetence, stress and conflict, unethical actions, poor strategies and ineffective organizational work culture. The strategic intent is to repair these problems and setbacks so that human potential is realized to the maximum. Psychological Capital offers an incentive to the employees as enthusiasm, goal setting, empowerment, contribution, team work and organizational culture (Locke, 2000). The psychological mindset and behaviors in organization needs to be measured and actions planned to bring about organizational improvement.

## **Contribution of Positive Psychological Capital**

At the very first of twenty-first century, psychologists proceed the work of Martin Seligman, a well-known researcher in the customary negative approach (e.g., learned helplessness) and former president of the American Psychological Association (APA), and their achievements under the disease model for over five decades in the post-World War II era. Despite of achieving the goals for instance (finding), effective treatments for mental illness and dysfunctional behavior, psychology as a whole had paid very little consideration to healthy individuals in terms of growth, development, and self-actualization. The Seligman and a few others redirected psychologists toward their two forgotten missions of helping healthy people become happier and more fruitful and actualizing human prospective has resulted in not only an up rise of interest but also theory building and empirical research, in what is now known as positive 10

psychological capital psychology (e.g., see the January 2000 and March 2001 special issues of *American Psychologist*, as well as Aspinwall and Straudinger, 2003; Carr, 2004; Compton, 2005; Keyes and Haidt, 2003; Linley and Joseph, 2004; Lopez and Snyder, 2003; Peterson and Seligman, 2004; Snyder and Lopez, 2002).

Under the leadership of these researchers, positive psychology bases its conclusions on science rather than philosophy, rhetoric, conventional wisdom, gurus, or personal opinion. It is noteworthy that the theory and research requirements of positive psychology were intended and indeed have differentiated it from the plethora of popular literature on the power of positive thinking and from much of positively oriented humanistic psychology and the human potential movement. This scientific basis also serves as an important precedent and has become a prerequisite for our proposed application of positivity to the workplace in the form of Psychological capital. Besides positive psychology, organizational theory and behavior scholars have recently recognized the untapped potential of a science-based, positively oriented approach, which has resulted in two major parallel, and complementary, movements. These are commonly known as positive organizational scholarship (POS), produced primarily by a research group at the University of Michigan (Cameron, Dutton, and Quinn, 2003), and our positive organizational behavior (POB), arising from the University of Nebraska's Gallup Leadership Institute (Luthans, 2002a, 2002b, 2003; Luthans and Avolio, 2003). Both approaches definitely complement each other, but POS tends to concentrate more on the macro, organizational level, while POB at least has started out at the more micro, individual level.

Other distinguishing features are that POS deals with constructs such as compassion and virtuousness that may or may not be open to development and or relate to performance impact (Cameron, Bright, and Caza, 2004; Cameron and Caza, 2004), while to be included in POB the construct must meet the criteria of being state like, and thus open to development, and related to performance outcomes (Luthans, 2002a, 2002b, 2003; Luthans and Avolio, 2003). Psychological Capital is derived from the POB foundation and criteria (Avolio and Luthans, 2006; Luthans, Luthans, and Luthans, 2004; Luthans and Youssef, 2004).

The positive psychology movement is dominated by trait-like character strengths and virtues that tend to exhibit considerable stability over time (Peterson and Seligman, 2004; Snyder and Lopez, 2002). Unlike genetically determined factors, positive psychological traits show some malleability and thus may be able to experience some growth and development over one's lifespan, given optimal situational factors, certain trigger moments, jolts, or extensive psychotherapy (Avolio and Luthans, 2006; Linley and Joseph, 2004). However, little change is likely in the short term, and thus these positive traits are difficult to develop and change in human resource management.

**Hypothesis 4:** Psychological capital is negatively related to job outcomes such as workplace deviance, turnover intentions & job stress.

## **PSYCHOLOGICAL CAPITAL, JUSTICE and OUTCOMES**

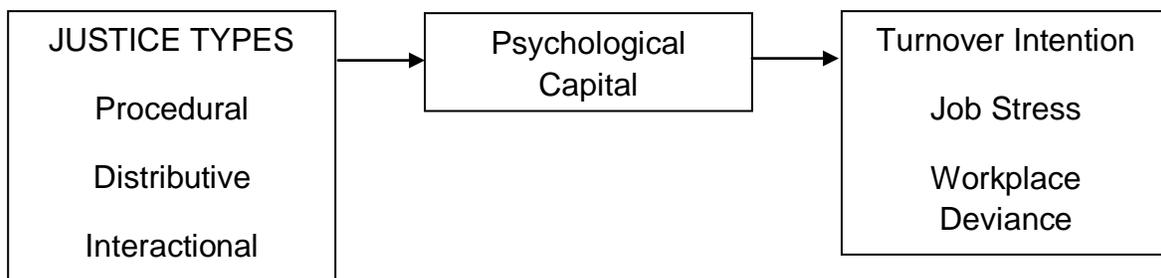
**Hypothesis 5:** Psychological capital moderates the relationship between procedural justice and job outcomes such as workplace deviance, turnover intentions job stress

**Hypothesis 6:** Psychological capital moderates the relationship between distributive justice and job outcomes such as workplace deviance, turnover intentions job stress

**Hypothesis 7:** Psychological capital moderates the relationship between interactional justice and job outcomes such as workplace deviance, turnover intentions job stress

### **FRAME WORK**

The frame work of the study is as follows:



### **METHODOLOGY**

#### **Data Collection and Sample**

The variables used in this research were psychological capital, workplace deviance, turnover intention, job stress, job performance and organizational justice. Survey method was used to collect data. We had personally administered the survey comprising the measures of all variables. The questionnaires were distributed among different organizations in Punjab.

The reason for the research was explained to the respondents in the cover letter of the questionnaire and anonymity of the respondents was ensured.

#### **Sample Size**

A sample of 300 respondents was taken and 300 questionnaires were floated in different organizations out of which we received 257 proper responses. The sample consisted of employees of different organizations in Punjab. Data was collected using questionnaire technique.

## MEASURES

**Psychological Capital:** Psychological capital variable was measured by using Fred L. Luthans, Bruce J. Avolio and James B. Avey (2007) 24 item scale. Responses were given using six-point likert scale from 1 = “strongly disagree” to 5 = “strongly agree”. Examples of items are “Right now I see myself as being pretty successful at work.” And “I can be “on my own,” so to speak, at work if I have to.” The reliability is 0.76.

**Job Stress:** Job stress variable was measured by using Parker and decotis (1983) with 13 item scale. Responses were given using five-point likert scale from 1 = “strongly disagree” to 5 = “strongly agree”. Examples of items are “I frequently get the feeling I am married to the company” And “I have too much work and too little time to do it in.” The reliability is 0.64.

**Workplace Deviance:** Workplace deviance variable was measured by using Aquino and Bradfield (1999) with 14 items scale. Responses were given using five-point likert scale from 1 = “never” to 5 = “more than 20 times”. Examples of items are “I intentionally arrived late for work” and “I worked on a personal matter on the job instead of working for my employer.” The reliability is 0.91.

**Turnover Intention:** Turnover intention variable was measured by using vigoda (2000) with 3 items scale. Responses were given using five-point likert scale from 1= “strongly disagree” to 5 = “strongly agree”. Examples of items are “I often think about leaving the organization” and “It is highly likely that I will look for a new job in the next year”. The reliability is 0.66.

**Organizational Justice:** Organizational justice variables were measured by using Moorman (1991) with 3 item scale for interactional justice with reliability 0.77, 7 item scale for procedural justice with reliability 0.68 and 5 item scale for distributive justice with reliability 0.65. Responses were given using five point likert scale from 1=“strongly disagree” to 5 = “strongly agree”. Examples of items are “Our supervisor shows concern for our rights as an employee” and “Decisions are made with consistency (the rules are the same for every employee)” and “I consider my work load is to be quiet fair.”

## CONTROL VARIABLES

The results of One-way ANOVA showed major differences in dependent and moderator variable with one demographic factor gender. Other demographic factors such as age, total experience, qualification, and job nature revealed highly insignificant impact on moderator and variables. Therefore, only one variable gender is entered into the equation as control variable.

## RESULTS

### Descriptive Statistics Correlations and Regression Analysis

Table 1 below shows descriptive statistics, mean, standard deviation correlations for all the variables used in this research study. Alpha reliabilities are written in bold parenthesis in front of each variable. The descriptive analysis results exposed mean value for job stress 3.050 (S.D = .44) and the mean value for psychological capital 3.904 (S.D = .48) for workplace deviance 2.240 (S.D = .79) and for turnover intention 2.900 (S.D = .77) for procedural justice is 3.208 (S.D = .69) for interactional justice 3.428 (S.D = .78) and for distributive justice is 3.485 (S.D = .60).

**Table 1. Descriptive Statistics**

	<b>Mean</b>	<b>Std. Deviation</b>
<b>GENDER</b>	1.34	.475
<b>AGE</b>	31.39	8.552
<b>TOTAL EXPERINCE</b>	5.43	5.207
<b>QUALIFICATION</b>	3.42	.708
<b>JOB NATURE</b>	3.49	1.412
<b>JOB STRESS</b>	3.0500	.43923
<b>TURNOVER INTENTION</b>	2.9001	.76940
<b>WORKPLACE DEVIANCE</b>	2.2404	.79476
<b>PSYCHOLOGICAL CAPITAL</b>	3.9045	.47693
<b>INTERACTIONAL JUSTICE</b>	3.4280	.77638
<b>PROCEDURAL JUSTICE</b>	3.2081	.68771
<b>DISTRIBUTIVE JUSTICE</b>	3.4856	.60401

The correlation analysis in table 2 shows that psychological capital is weakly positively related with job stress( $r = .05$ ). Interactional justice was weakly negatively associated with job stress( $r = -.06$ ). Distributive justice was also negatively associated with job stress( $r = -.01$ ).Procedural justice is positively associated with the job stress( $r = .11$ ).

The above table shows that psychological capital is negatively weakly related with turnover intention( $r = -.00$ ). Interactional justice is also weakly associated with turnover intention( $r = -.01$ ). Procedural justice is weakly negatively associated with the turnover intention( $r = -.01$ ). Distributive justice is negatively and weakly associated with the turnover intention( $r = -.00$ ).

From the table, Psychological capital is significantly negatively related with the workplace deviance( $r = -.29^{**}$ ,  $p < .01$ ). Interactional justice is weakly negatively related

with the workplace deviance( $r = -.10$ ). Procedural justice is also weakly negatively associated with workplace deviance( $r = -.10$ ). Distributive justice is weakly negatively correlated with the workplace deviance( $r = -.08$ ).

**Table 2. Correlation and Reliabilities**

Variables	1	2	3	4	5	6	7	8	9	10	11	12
Gender												
Age	-.10											
Total Experience	-.24**	.46**										
Qualification	.12	.09	.04									
Job Nature	.12*	.10	.03	.28**								
Job Stress	.03	-.04	.01	-.02	-.03	(.64)						
Turnover Intention	.15*	-.16**	-.14*	.05	.04	.19**	(.66)					
Workplace Deviance	.13*	-.06	-	.06	-.03	.22**	.19**	(.91)				
Psychological Capital	-.13*	.06	.19**	.04	-.05	.05	-.00	-.29**	(.76)			
Interactional Justice	-.05	.23**	.05	.03	-.01	-.06	-.01	-.10	.26**	(.77)		
Procedural Justice	-.03	.19**	.05	.06	.02	.11	-.01	-.10	.31**	.61**	(.68)	
Distributive Justice	-.04	.02	-.06	-.04	-.00	-.01	-.00	-.08	.05	-.06	-.07	(.65)

\* Correlation is significant at the 0.05 level (2-tailed).

\*\* Correlation is significant at the 0.01 level (2-tailed)

As shown in table 3 of regression analysis, we regressed, distributive justice with outcomes like workplace deviance, turnover intention and job stress. The result showed ( $\beta = -.00$ , ns) for job stress, ( $\beta = -.12$ , ns) for work place deviance and ( $\beta = -.00$ , ns) for turnover intention. The regression result shows that our hypothesis 1 was not accepted. From the table 3 we regressed the procedural justice with outcomes like workplace deviance, turnover intention and job stress the result showed ( $\beta = -.13**$ ,  $p < .01$ ) for job stress, ( $\beta = -.08$ , ns) for work place deviance and ( $\beta = -.00$ , ns) for turnover intention. The regression result shows that our hypothesis 2 was not accepted. As the table 3 shows we regressed that the interactional justice with outcomes such as job stress, workplace deviance and turnover intention the result showed that ( $\beta = .16***$ ,  $p < .001$ ) for job stress, ( $\beta = -.06$ ns) for workplace deviance and ( $\beta = -.00$  ns) for turnover intention the regression result shows that our hypothesis 3 is accepted for job stress and rejected for workplace deviance and turnover intention. When psychological capital is regressed with outcomes like workplace deviance, job stress, and turnover intention the results showed that for job stress ( $\beta = .05$ , ns), for workplace deviance ( $\beta = -.47***$ ,  $p < .001$ ), for turnover intention ( $\beta = .03$ , ns).

**Table 3. Regression Analysis for Organization Justice and Outcomes**

Predictors	Job Stress			Workplace Deviance			Turnover Intention		
	$\beta$	R <sup>2</sup>	$\Delta R^2$	$\beta$	R <sup>2</sup>	$\Delta R^2$	$\beta$	R <sup>2</sup>	$\Delta R^2$
<b>Step 1</b>									
Control Variable		.00			.01			.02	
<b>Step 2</b>									
Procedural Justice	-.13**	.04	.04	-.08	.04	.02	-.00	.02	.00
Interactional Justice	-.16***			-.06			-.01		
Distributive Justice	-.00			-.12			-.00		
Psychological Capital	.05	.00	.00	-.47***	.09	.07	.03	.02	.00

p<.05\*, p<.01\*\*, p<.001\*\*\*

Results showed in table 4 that Psychological capital only moderates the relationship between procedural justice and workplace deviance.

**Table 4. Moderation Analysis for Organization Justice and Outcomes**

Predictors	Job Stress			Workplace Deviance			Turnover Intention		
	$\beta$	R <sup>2</sup>	$\Delta R^2$	$\beta$	R <sup>2</sup>	$\Delta R^2$	$\beta$	R <sup>2</sup>	$\Delta R^2$
<b>Step 1</b>									
Control Variable		.00			.01			.02	
<b>Step 2</b>									
Procedural Justice	-.13**	.04	.04	-.08	.04	.02	-.00	.02	.00
Interactional Justice	-.16***			-.06			-.01		
Distributive Justice	-.00			-.12			-.00		
<b>Step 3</b>									
PJ x PSY	-.10	.02	.00	-.33**	.12	.02	-.15	.03	.00
IJ x PSY	-.00	.01	.00	.01	.09	.00	-.11	.02	.00
DJ x PSY	-.03	.00	.00	.00	.10	.00	.15	.02	.00

p<.05\*, p<.01\*\*, p<.001\*\*\*

PJ = Procedural Justice, IJ = Interactional Justice, DJ = Distributive Justice, PSY = Psychological Capital

## **DISCUSSION**

The study was done in the perspective of Punjab (Pakistan). The analysis of the relationship between justice type and its outcomes such as work place deviance, turnover intentions and job stress whereas psychological capital work as a moderator between these two, specifically in Punjab's (Pakistan) organizations.

Results reveal that justice type procedural is negatively related with outcome work place deviance, turn over intentions and job stress. Justice type distributive was also negatively related with outcomes (work place deviance, turn over intentions and job stress). And justice type interactional was also negatively related with outcomes (work place deviance, turn over intentions and job stress).

Psychological capital only moderates the relationship between procedural justice and workplace deviances, rest of the hypothesis are rejected showing insignificant results. However, results also reveal that psychological capital is negatively related with job outcomes such as job stress, workplace deviance, and turnover intention.

## **Managerial Implications**

The research supports many managerial implications for organizations in Punjab (Pakistan). As justice plays an important role in having good outcomes. As more justice prevails in organization, there is less work place deviance, less turn over intentions and low jobs stress. As psychological capital moderates the relationship, so the managers of the firms have more concentration on psychological capital.

Managers should focus on justice at work place because more the justice over work place results less job stress and less turn over intentions. As the competition become intense day by day, companies are very conscious about their performance and to increase the performance of employee, organizational managers should take care of justice at work place and give relax atmosphere to employees for releasing their job stress and where there is less job stress there is less turnover intentions.

## **Limitations and Recommendations**

This study had some limitations that can attract future researcher's attention. We did not investigate or rather we did not include some other aspects in this research such as Work place environment in the organization.

The data was calculated from different organizations only working in Punjab. Future researchers can conduct research on other areas or provinces of Pakistan.

Future researchers can also add some other variables in their study such as job nature and job performance.

These factors may play a vital role in future research. It would also be good if future research includes global market and conduct a research on multinational companies. It might strengthen their research if future researchers investigate the whole Pakistan's organizations. By taking job nature and other job opportunities as variables and investigating their impacts could be very useful for organizations.

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