



The importance of distributive justice on ethical climate in organizations in Serbia

Srecko Stamenkovic

(University "Union - Nikola Tesla", Docent, Faculty of applied science, Generala Bože Jankovića br. 1. Nis, Serbia, srecko@ihrms.rs)

Biljana Ratkovic Njegovan

(University of Novi Sad, Full Professor, Faculty of Technical Sciences, Trg Dositeja Obradovica 6. Novi Sad, Serbia, biljananj@neobee.net)

Maja S. Vukadinović

(University of Novi Sad, Professor, Bussiness School Higher Educatio Institution for Applied Studies, Novi Sad, Serbia, vukadinovicmaja.vps@gmail.com)

Dragan Nikolic

(University "Union - Nikola Tesla", Full Professor, Faculty of applied science, Generala Bože Jankovića br. 1. Nis, Serbia, dakinika07@gmail.com)

Irena Canic

(University "Union - Nikola Tesla", Assistant, Faculty of applied science, Generala Bože Jankovića br. 1. Nis, Serbia, irennastojanov@gmail.com)

Abstract

The perception of fairness among employees when it comes to decisions made by the management of the organization more known as distributive justice, affecting the ethical climate of the organization and therefore the achieved results and operations. Thus, the study of influence of distributive justice on the ethical climate is of great importance if we want to have better relationships in the organization and successful results. The study included 1,056 employees in Serbia. Results and conclusions contained in this paper are focused on the functions of human resource management in organizations in the Republic of Serbia.

Key words: *Distributive justice, Ethical climate, Serbia*

1. INTRODUCTION

Transition economical opportunities in Serbia imply some new issues that are inevitable for successful relations on the employer-employee relationship. The questions touch on the area of fairness of the decisions made by the employer, working morale and are gaining increasing importance in business. These questions also represent the beginning of building higher standards than do law and regulation, since apart from legal, it contains the economic dimension and dimension of morality in business [1] [12].

Employees respond in a manner that is conditionally related to the decisions made concerning them. In view of this influence of business ethics, the business can not be understood without taking into account distributive justice [6] [9]. Adams presented the concept of equity based on the comparison of employee benefits [1]. Defined as distributive justice, it is a preference for employees on the fairness of management decisions in terms of distribution and evaluation of results such as salaries, promotions, etc. [9].

The key to understanding the effectiveness of distributive justice is to understand the impact on the implementation of the decisions taken on the ethics of the organization and, consequently, on the ethical climate that touches the very process of performing tasks. So research is needed to demonstrate that distributive justice is related to the ethical climate and whether it affects the attitudes of employees in the organization. Research is also needed to examine previous organizational perceptions in the implementation of distributive justice and its impact on the ethical climate in organization and organizational behavior.

2. DISTRIBUTIVE JUSTICE AND ETHICAL CLIMATE

2.1 Distributive justice

Distributive justice considers the fairness of decisions and results made [1] [8] [9]. Companies show concern for their employees and general welfare when allocating resources of any form [14]. Understanding distributive justice is based on comparison with others [5]. Employees will use more indicators for comparison, including [8] comparison with others within the company, and then with employees in other companies [9]. The result of the comparison, regardless of whether it is expected or not, will express dissatisfaction with the decisions that have contributed to this understanding, i.e. reaction [4]. The number of these reactions is accompanied by a decline in moral and ethical climate in the firm and a decrease in productivity, an increase in dissatisfaction that can lead to job abandonment [7] [4].

2.2 Ethical climate

The understanding of employees about morale in the organization, about moral standards and their violation is an ethical climate in the company. Victor and Cullen say that the ethical climate is an integral part of the organization's culture [10]. The influence of the ethical climate is significant on practical issues in the organization and how they are addressed, and takes place through the established norms in the organization [14]. The response of the organization is whether it is something moral or not an integral part of the organization's culture. This is followed by the conclusion that each organization has its own ethical standards and values that govern it and answers ethical issues. This attitude towards the ethical climate in a company has the effect of influencing the individual in the organization and its treatment and answering questions about what is good or what is bad [2]. Each organization presents itself as a unique system that contains moral attitudes in all stages of business [3], which creates an organizational ethical climate and strives to achieve homogeneity between achieving the set goals with the goals of individuals and stakeholders [7].

3. METHODOLOGY

In this research, a questionnaire was used to evaluate how is employees perception on the impact of distributive justice on the ethical climate in their company and how the principle of fairness in making decisions is being implemented. As dependent variables in this study, summarized scores on individual subscales were used. The themes of the used distribution scales, the ethical climate, were directed in the same direction, they were more accurately co notated. In view of this, no one had to recount. The respondents responded to the above claims by rounding the number corresponding to the degree of agreement with the claim. It was a five-step Likert type scale, where the values of the numbers were labelled as follows: 1 - completely inaccurate; 2 - mostly

inaccurate; 3- I'm not sure; 4 - mostly true; 5 - quite right). The reliability of the scale was checked by analyzing the intertemate correlations, by calculating the Krombach alpha coefficient as a reliability indicator.

3.1 Sample

The study involved 1056 respondents, of which 465 were men and 591 were women. The age of the sample ranged from 15 to 67 years. The participants were selected from organizations which represented a wide range of industries. The study included respondents with valid answers. The study included respondents with valid answers, which are divided into 2 subgroups according to gender (female and male), 7 subsamples based on age, 4 subsamples according to the working position (junior, midlevel, top management, basic level), 6 subsamples according to the number of employees in the organization and 2 subgroups according to the type of company ownership.

Table 1. Graphical presentation of survey statistics. Participants in the research are classified by gender, age, position in the organization, the number of employees in the organization, and the type of ownership of the organization in which they work.

Gender	Age		Job level	Number of employees in org.		Type of ownership			
Male	465	-18	429	J	2338	-20	230	P	734
Female	591	19-25	1399	ML	1169	21-50	124	S	113
		26-30	1020	TM	411	51-100	130		
		31-35	586	BL	290	101-500	191		
		36-40	349			501-1000	62		
		40-	357 + 68			1000+	110		
Missing					209				

3.2 Measures

Independent variables in the research were: gender, professional background, work position, year of age and year of work experience. Years of age were expressed in the years of the birth of the respondents, while the years of work experience were expressed as a category variable of six levels - no work experience, up to one year of work experience, 1 - 2 years of work experience, 2-5 years of work experience, From 5 to 10 years of work experience and over 10 years of work experience.

Initially, descriptive sample statistics were made, with the aim of determining its structure. Then, descriptive statistics of individual items were made, in order to verify their distribution (arithmetic mean, standard deviation, scale range, slope of distribution and distribution flattening). A multiple linear regression was used to analyze the data in order to test the significance of the four basic assumed models

3.3 Results

Processing data was planned and implemented in accord with the research goals and the full research concept. The results of the research are that they are in the regions in Serbia. Multi-correlation coefficients are statistically significant at $p < .005$ level, which implies the existence of a linear connection between distributive justice and ethical climate. Based on the value of $p = .000$ (MANOVA analysis) and $p = .000$ (discriminatory analysis), we can see that there is a difference and a clearly defined boundary between the ethical climate and the opinion of the respondents on distributive justice. The value of the wax is telling us that the connection is large between the measured variables.

Table 2. Influence of distributive justice on ethical climate in Serbia

RS	EK	Distributive justice	
		p	k.dsk
Beograd	E	.001	.741
	S	.001	.656
	P	.000*	.968*
Vojvodina	E	.001*	.741
	S	.002	.851
	P	.002	.871
Šumadija i zap. Srbija	E	.001	.947*
	S	.000*	.911
	P	.004	.840
Južna i ist. Srbija	E	.001*	.781
	S	.003	.761
	P	.004	.847*

4. DISCUSSION

The results of the research and the analysis of the answers tell us that the topic and importance of the research is large and justified. The relationship of distributive justice and ethical climate is multifaceted and varies by region and development. The relationship varies best in terms of the measured climate of the ethical climate - worry for employees and the impact of distributive justice on it where the highest degree of discrimination has been shown.

4.1 Limitations and Future Research Directions

Measuring instruments contained numerous scales that had to be cross-examined for the purpose of the study. It is recommended that further research in this field and a more detailed research of the relationship between the distributional justice variables and the ethical climate

4.2 Implications

The results of the research show that the understanding of the influence of distributive justice on the ethical climate on employees in the Republic of Serbia is very significant. It is particularly pronounced if the company is privately owned. Due to the significance of the impact of distributive justice, implications can also be observed on social responsibility and corporate ethics for society.

5. CONCLUSION

Justice as a basis for understanding employees is also highly dependent on standards established in the organization, and these standards are conditioned by the tradition and culture of the day in which the organization operates. It should also be noted that the culture and traditions of the day are under the direct influence of the management of the organization that does not have to be from these areas and share the same values.

From the point of view of successful business, it is crucial to draw attention to the elements of the development of an ethical climate that would, in principle, have the development of corporate responsibility. The ethical climate in an organization that has high standards, gets important and has a new dimension because it takes care of the key resource, about people, and only with the correct ethical climate and management can represent the corporate advantage of the organization. A conclusion section is required. A conclusion may review the main points of the paper, do not replicate the abstract as the conclusion. A conclusion might elaborate on the importance of the work or suggest applications and extensions.

6. REFERENCES

- [1] Adam, J. S. (1965). Inequity in social exchange, in Berkowitz, L. (Ed.), *Advances in Experimental Social Psychology*, 2, 267-299, Academic Press, New York.
- [2] Craig, J. (2008). Meeting the ethical challenges of leadership: Casting light or shadow. (3rd Edition) Thousand Oaks, CA: SAGE, 2008, pp.267-268.
- [3] De George, Richard. (1995); *Business Ethics*. 4a ed. New Jersey: Prentice Hall Inc. In Ferrato, Elio y Arruda, Maria Cecilia Coutinho de (2005). Clima etico corporativo: Una aplicación del modelo de Victor y Cullen en las empresas del estado de São Paulo. *Cuad. Difus.* 10 (18-19), 2005, p.138
- [4] Elamin, Abdalah M., Does Organizational Justice Influence Job Satisfaction and Self-Perceived Performance in Saudi Arabia Work Environment, *Internal Management Review*/15516849, 210110601
- [5] Ferrato, Elio y Arruda, Maria Cecilia Coutinho de (2005). Clima etico corporativo: Una aplicación del modelo de Victor y Cullen en las empresas del estado de São Paulo. *Cuad. Difus.* 10 (18-19), 2005, p.138
- [6] Folger, R., & Konovsky, M.A. (1989). Effects of distributive and procedural justice on reactions to pay raise decisions. *Academy of Management Journal*, 32(1), 115-130.
- [7] Folger, R., & Cropanzano, R. (1998). *Organizational justice and*

- human resource management*. Sage, Thousand Oaks, CA.
- [8] Greenberg, J. (1993). The social side of fairness: Interpersonal classes of organizational justice. In Cropanzano, R. (Ed.), *Justice in the Workplace: Approaching Fairness in Human Resource Management*, 79-103, Erlbaum, Hillsdale, NJ.
- [9] Leventhal, G. S. (1976). The distribution of rewards and resources in groups and organizations. In L. Berkowitz and W. Walster (Eds.), *Advances in experimental social psychology* (Vol. 9, pp. 91–131). New York: Academic Press.
- [10] Konovsky, M.A., & Cropanzano, R. (1991). The perceived fairness of employee drug testing as a predictor of employee attitudes and job performance. *Journal of Applied Psychology*, 76(5), 698-707.
- [11] Greenberg, J. (1993). The social side of fairness: Interpersonal classes of organizational justice. In Cropanzano, R. (Ed.), *Justice in the Workplace: Approaching Fairness in Human Resource Management*, 79-103, Erlbaum, Hillsdale, NJ.
- [12] Peelle III, H. E. (2007). Reciprocating perceived organizational support through citizenship behavior. *Journal of Managerial Issues*, 19(4), 554-575.
- [13] Victor, B. & Cullen, J. (1988a). Organizational bases of ethical work climates. *Administrative Science Quarterly*, 33, 101-125.
- [14] Victor, V., & Cullen, J. B. (1988b). A theory and measure of ethical climate in organizations. *Research in Corporate Social Performance and Policy*, 9, 51-71.