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# The Relationship between Organizational Justice and Social Loafing in Ho Chi Minh City, Vietnam

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#### **Abstract**

This study aims to explore the relationship between organizational justice and social loafing of organizations in Ho Chi Minh City through quantitative analysis from the survey data for the 228 employees are working at the Organizations in Ho Chi Minh City. The instrument of collecting data was a questionnaire. The collected data were analyzed using SPSS version 22 and employing exploratory factor analysis (EFA), Cronbach's alpha, multiple regression analysis. The results showed that only two factors are Distributive justice and Procedural justice is to have the reverse effect on social loafing of employee. From the results of the study showed, Distributive justice and Procedural justice has the opposite effect of social loafing, which demonstrates that when individuals feel that their work is spent on Perform tasks in a clearly divided and they will receive a worthwhile result in the group when performing the task then the individual's collective indifference to the organization will decrease. And motivate the employee to make more efforts to work and contribute for the organization. In addition, the factor of Procedural justice also has the opposite effect of collective redundancy, which demonstrates that employees are more concerned about fairness in official policies and organizational procedures.

Keywords: Organizational Justice, Social Loafing, Procedual Justice, Vietnam.

JEL Classification Code: D22, D23.

### 1. Introduction

In the organization, individuals in the group will realize that other members of the group effort less than the efforts when working group (Etemadi et al., 2015). This problem makes them feel that the benefits they have gained from teamwork are not fair to all the activities they have done, as a result, they would see inequality in the group (Etemadi et al., 2015). This phenomenon occurs will cause many negative consequences in the organization such as reduced performance, reduced satisfaction, and trust in the team (Aggarwal et al., 2008; Etemadi et al., 2015; Murphy, 2003), reduce the interaction between individuals, and thereby reduced organizational performance (Mortazavi et al., 2011; Liden et al., 2004). The trend of the individual from the independent activity to behave collectively and thereby

reducing social loafing. (Lin et al., 2009). Recognizing the importance mentioned above, the authors have chosen to study the relationship between organizational justice and social loafing in Ho Chi Minh City.

### 2. Theoretical Basis and Research Model

According to Greenberg (1987) organizational justice is the employee's perception of fairness in the place where they work, which means organizational justice is the way in which the employee feels they are treated publicly. In the work they receive, and whether that affects their behavior in the organization. The concept of organizational justice important factors such as commitment, performance, employee satisfaction (Lipponen et al., 2004). Etemadi et al. (2015) have outlined four types of institutional equality: (1) Distributive justice is the fairness of the results the employee receives, (2) Procedural justice is the process used to distribute the rewards in the organization, (3) Interactional justice is justice of organizational transferred to subordinates and subject to the supervision of superiors, (4) Systemic justice is The system shows the employee's perception of workplace co-worker behavior, supervisors' behavior and the procedures of the entire organization where they work.

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The origin of social loafing begins with the "Ringelmann Effect," which describes the tendency of individuals will reduce labor productivity when they work in groups (Ringelmann, 1913; led by Simms & Nichols, 2014). Ingham, Levinger, Graver and Peckham (1974) described the effect of "social loafing" when they succeeded in demonstrating individual efforts to be denied when people worked in groups. Williams, Harkins and Latané (1981) have expanded the experiment and given the conclusion that if the efforts of individuals in the organization were measured, those who caused conflict or because indifference would decrease, and their research focuses on studying of measuring the output of individuals in the organization. With the conceptual basis of social loafing of Ingham et al. (1974) and Latane et al. (1979), so far, many other authors have followed Karau and Williams (1993); George (1992); Etemadi et al. (2015) argue that social loafing is a phenomenon in which the individual's efforts to achieve their goal when they work in a team is lower when the individual works independently.

Research by Ligen et al. (2004) suggests that one's perception of interdependence in work is related to social loafing; A person's perceptions of a negative Distributive justice associated with collective redundancy, as well as the person's perception of justice in policies and procedures withouth affect the downward trend Indifference of the individual. Ferrante et al. (2006) explored what needed for the group leader can do to help reduce social loafing. They compare between the group leader and the group has no leaders to see which group is less tolerant and they conclude that the groups with the leader are less likely to be idle, which proves equity was evaluated in the group to reduce social loafing. Etemadi et al. (2015) investigated the relationship between organizational justice and social loafing among nurses at Sanhayan's Tohid Medical and Education Center. The results of the study also indicate that there is a negative interaction between the components of organizational justice and social loafing.

Based on the theory and inheritance of previous studies of the relationship between organizational justice and social loafing, the author proposes a research model as shown in Figure 1.

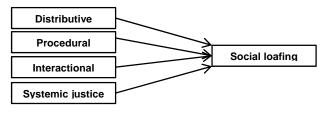


Figure 1. Research Model

The model aims to examine the relationship between organizational justice and social loafing of staff in organizations in Ho Chi Minh City with the regression equation as follows:

$$SL = \alpha + \beta_1 * DJ + \beta_2 * PJ + \beta_3 * IJ + \beta_4 * SJ$$

Research using non-probability sampling. The author sent the survey questionnaire to 260 employees in Ho Chi Minh City, collecting 244 votes and after removing the unsatisfactory 228 valid votes, meeting the sample size requirement. For research. In this study, the components of organizational equity were developed by Kaneshiro (2008) with distributive justice (DJ) consisting of nine observation variables, The Procedural justice (PJ) consists of 5 observation variables, Interactional justice (IJ) consists of 11 observational variables and a Systemic justice (SJ) of 10 observed variables. Social loafing factor (SL) developed by George (1992) consisted of 10 observed variables. The questionnaire for this study using Likert scale with 5 levels. Data analysis methods: descriptive statistics, Cronbach's Alpha scales, EFA, multiple regression analysis, Anova using SPSS 22.0 software.

## 3. Data Analysis and Results

## 3.1. Reliability Analysis and EFA Analysis

The Cronbach's alpha-scale reliability test showed that nine observed variables of the DJ variable, 5 observed variables of the variable PJ, 11 observed variables of the variable IJ, and 10 observed variables of the variable SJ has high reliability should be the variables of organizational justice components will be brought in to analyze the EFA for the next step. Meanwhile, Cronbach's Alpha reliability test of 10 observation variables of the variable SL, then we exclude variable SL3 and SL7 because the total correlation coefficient is not satisfactory. Therefore, only 8 observation variables of the SL variable are included in the EFA analysis. After implementing EFA 4 times, SJ1, IJ2, SJ5, IJ11 observation variables were excluded from the model. At the 5th EFA implementation results are as shown in Table 1, Sig value. =  $0.000 \le 0.05$  in the Battlet test showed that the results of the analysis were statistically significant greater than 95% and the observed variables were correlated in the overall. The total variance of 51.786% representing the factors derived from the analysis can account for 51.786% of the variation in the initial survey data. The results in Table 1 also show that the factors that represent research concepts are intrinsically consistent and highly reliable, well suited for subsequent analyzes.

Table 1. Results of reliability analysis and analysis of the EFA discovery factor

Variable	, ,	Cronbach's Alpha						
DJ9	,885							
DJ6	,881							
DJ8	,866							
DJ2	,801							
DJ7	,784					Cronbach's Alpha = 0.928		
DJ5	,775							
DJ1	,769							
DJ4	,704							
DJ3	,569							
SJ7		,878						
SJ2		,833						
SJ4		,827						
SJ8		,826				Cronbach's Alpha = 0.929		
SJ6		,785						
SJ10		,780						
SJ9		,738						
SJ3		,737						
IJ6			,816					
IJ4			,764					
IJ3			,754					
IJ5			,748					
IJ9			,743			Cronbach's Alpha = 0.895		
IJ10			,732					
IJ8			,694					
IJ1			,656					
IJ7			,594					
PJ5				,865				
PJ2				,825				
PJ4				,783		Cronbach's Alpha = 0.881		
PJ1				,761				
PJ3				,734				
SL10			ļ		,856			
SL9					,820	Cronbach's Alpha = 0.861		
SL8					,810			
SL1					,743			
SL6					,655	r		
SL5					,628			
SL2					,597			
SL4					,591			
Invalid method	18,907	36,305	52,714	63,711	51,786			
KMO = 0,844	Sig=0.000	Sig=0.000	Sig=0.000	Sig=0.000	Sig=0.000			

# 3.2. Regression Results

The author performs regression analysis with SL dependent variables and the four independent variables are DJ, PJ, IJ, SJ. After the first regression analysis, the IJ and

SJ variables did not affect the dependent SL variables. Therefore, we need to type 2 IJ and SJ variables out of the model and again the second regression. The results of the second regression are shown in Table 2.

Table 2. Second regression result

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics			
		В	Std. Error	Beta			Tolerance	VIF		
1	(Constant)	4.168	.166		25.085	.000				
	DJ	256	.039	379	-6.529	.000	.829	1.207		
	PJ	245	.041	345	-5.935	.000	.829	1.207		
a. Dependent Variable: Social Loafing										
$R^2 = 0.371$ ; Adj $R^2 = 0.365$										

The  $R^2$  coefficient is 0.371 and the correction  $R^2$  is 0.365. Thus, the model with two DJ variables and PJ explained 36.5% of the effect of Distributive justice and Procedural justice on the collective indifference in Ho Chi Minh City. The Sig value = 0.000 (<0.05), so the combination of two independent variables can explain the variation of the dependent variable. From table 3 found that variables of Distributive justice and Procedural justice affected the collective indifference of employees at enterprises in Hochiminh city with a significance level of 1% for both 2 variables DJ and PJ. Regression analysis gives us the linear regression equation as follows:

F = 66,317; Sig. = 0,000

$$SL = -0.379 * DJ - 0.345 * PJ$$

Through the above equation, we see that Distributive justice has the strongest impact on collective bargaining, followed by Procedural justice, and both components have the opposite effect of collective bargaining. 2 balanced factors interact and balance the system do not affect social loafing

## 4. Discussion

From the results of the study showed, Distributive justice and Procedural justice has the opposite effect of social loafing, which demonstrates that when individuals feel that their work is spent on Perform tasks in a clearly divided and they will receive a worthwhile result in the group when performing the task then the individual's collective indifference to the organization will decrease. And motivate the employee to make more efforts to work and contribute for the organization. In addition, the factor of Procedural justice also has the opposite effect of collective redundancy, which demonstrates that employees are more concerned about fairness in official policies and organizational procedures. This is to determine the results of their work in the group. When clear policies and procedures will help employees determine the tasks and accomplishments they achieve and thereby reduce collective negligence. The two

factors of Interactional justice and Systemic justice have no impact on social loafing, suggesting that employees are not paying much attention to these two factors.

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