How Do Organizational Justice and Commitment Affect Organizational Entrepreneurship? An Empirical Investigation in Iran

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Abstract

The organizational justice and commitment have an important influence on the entrepreneurial organization. It is argued that a firm’s entrepreneurial level depends not only to how an employee judges the behavior of the organization but also the degree to which an employee experiences a 'sense of oneness' with their organization. This paper investigates a relationship between justice and commitment with the organizational entrepreneurship. Training and Education Bureau of Khouzestan province in Iran with 270 staff members was selected as the statistical population. Questionnaires with Cronbach Alpha coefficient of 0.87 were distributed to 155 employees having been chosen with a simple random sampling method. Then, collected questionnaires were analyzed by the software SPSS and the results were presented in analytic and descriptive statistics approach. The results confirmed that a significant and positive relationship exists between organizational entrepreneurship and organizational justice and commitment of research and a full relationship between organizational justice and entrepreneurship was observed. Furthermore, the results indicate that the existing condition of the organization is not compatible with organizational entrepreneurship and is far from ideal circumstances.

Keywords: organizational justice, organizational commitment, organizational entrepreneurship, Training and Education Bureau of Khouzestan Province

1. Introduction

Entrepreneurship plays an important role in economic development of organizations. Organizational commitment brings person's identity and affiliation to the organization and affects individuals’ behavior. Committed individuals are as a source of power enabling the organizations to reach ultimate goals. Justice is considered as the main factor of health of organization. Perceived injustice has devastating effects on spirit of collective work and organizational commitment. Injustice causes morale debilitation of staff, drop in effort mood and lack of attention to crucial aspects such as innovation, creativity and entrepreneurship. (Seyyed Javadeen et al., 2008; Khaksar et al., 2010a). In the present paper, organizational entrepreneurship as the dependent variable is influenced by two independent variables, namely, justice and commitment which aims to determine the relationship between justice and commitment with the organizational entrepreneurship in Training and Education Bureau of Khouzestan province.
Table 1. Research variables and their measurement scale

<table>
<thead>
<tr>
<th>List of variables</th>
<th>Variable naming</th>
<th>Operational definition</th>
<th>Variable nature</th>
<th>Measurement scale</th>
</tr>
</thead>
</table>
| **Organizational Justice** | Independent | - The extent to which individuals depending on the degree are engaged in job.  
- The extent to which promotion and reward grant to employees are according to their merit and attempt.  
- The extent to which directors and supervisors treat employees fairly and free of prejudice. | Rating |
| **Organizational Commitment** | Independent | - The extent that individuals are following the rules and regulations of organizations.  
- The extent to which individuals are present at work on time.  
- The extent to which individuals are required to follow rules and regulations of organizations. | Rating |
| Cultural | Dependent | The extent to which entrepreneurial activity is accompanied by the manager via encouraging and rewarding. | Rating |
| Organizational Entrepreneurship | Structural | - The extent to which the regulations of organization allow employees to do entrepreneurship.  
- The extent to which ease to get approval for entrepreneurial activities. | Dependent | Rating |
| Managerial | Dependent | - The extent to which is paying attention to training and education of organizational entrepreneurs. | Rating |

2. Literature Review

2.1 Organizational Justice

Greenberg (1987) organizational justice is related to the employees’ perception of work fairness in organization. According to Mormon (1991) organizational justice is a term used to describe the role of justice that is directly applied in connection with job opportunities (Neami & Shekarshekan, 2006). Fair treatment with the staff by the organization generally leads to their higher commitment to the organization and citizenship behavior. In addition, people who face injustice abandon the organization or show lower levels of organizational commitment and they may even do aberrant behaviors such as revenge (Hosseinzadeh, 2009; Hakkak et al., 2013).

2.1.1 Aspects of Organizational Justice

2.1.1.1 Distributive Justice

Distributive justice is related to the justice perception of resources allocation by the organization. (Taylor & Smith, 1998). This kind of justice emphasizes on outputs (such as salary increase, incentive rules, and evaluation scores).

2.1.1.2 Procedural Justice

While distributive justice declares fairness consequence that employees receive, procedural justice expresses fairness of procedures used to determine this consequence (Fulgar & Greenberg, 1985). Procedural justice is related to justice perceptions (fairness) of the procedures used in decision making.

2.1.1.3 Interactional Justice

Interactional justice is developed by procedural justice. This kind of justice emphasizes on how managers treat subordinates based on behavioral aspects such as honesty, honor and respect. Interactional justice can be divided into two components. Interpersonal justice which is related to the extent that supervisors treat employees with respect and honesty; and the other one is informational justice, which is the supervisors’ explanation to employees about decisions which may affect their behavior (Gholipour, 2007; Eizi et al., 2013; Khaksar et al., 2010b).

2.1.1.4 Informational Justice

Informational justice focuses on statements and individual’s behavior and interpersonal behavior that play a decisive role in systematic features and the structure of procedures and outputs. Researchers suggest that people
who have positive perceptions toward organizational justice, have more commitment to their organization, have less absence, and have excellent performance (Gholipour, 2007; Hashemzadeh et al., 2011).

2.2 Commitment

Organizational commitment is a psychological state that indicates a tendency, need as well as obligation to serve in an organization. Commitment of employees to the organization is generating intangible assets (Abolalaee, 2008; Sadeghi et al., 2013). In fact, commitment is attitude and inner feeling of person toward the organization, occupation or group that influences judgments, performance and loyalty toward organization (Sheikh et al., 2005; Nawaser et al., 2011a). Employee with high commitment in organization not only reduce absence, delay and relocation but also considerably increase organizational performance, spiritual exhilaration of employees, better manifestation of the organization’s transcendent aims and the achievement of individual goals. Employees, who have more commitment might experience more discipline at workplace; and spend more effective time in the organization. (Jahanshahi et al., 2011b; Khaksar et al., 2011).

2.3 Organizations Patterns

2.3.1 Two-Part Model

General comments about this concept provide;
- A view knows organizational commitment as an attitudinal commitment. According to this view, organizational commitment is "attachment and heart interest to the organization and own identification with the organization" (Zahedi et al., 2009).
- Another view is behavioral commitment that is defined as the intention of staff to stay in the organization.

2.3.2 Three-Part Model (Model of Allen and Mayer)

The model proposed by Mayer and Allen (2007) indicates commitment as the internal state which has at least three separable components and also each component depends on pre-conditions and different determinative factors.

2.3.2.1 Affective Commitment

It is defined as the employee's positive emotional attachment to the organization. Meyer and Allen pegged affective commitment as the “desire” component of organizational commitment. An employee who is affectively committed strongly identifies with the goals of the organization and desires to remain a part of the organization. This commitment can be influenced by many different demographic characteristics: age, tenure, sex, and education but these influences are neither strong nor consistent (Yaghubi et al., 2008; Alvani et al., 2007).

2.3.2.2 Continuance Commitment

This type of commitment is based on valuing the organization and employees to share in the life of organization. In this type of commitment, employees stay in organization because they need to stay and have a high loyalty to the organization (Yaghubi et al., 2008).

2.3.2.3 Normative Commitment

It includes feelings of people based on the necessity of staying in the organization. Employees stay in organizations with strong normative commitment because they feel that they should remain in the organization (Kuzehchian et al., 2003).

2.3.3 Oreilly & Chatman Model

Oreilley and Chatman (1958) believe that the link between individual and organization can take three forms of conformance, assimilation and internalization. Conformance occurs when the attitudes and behaviors in line with them are taken in order to obtain certain rewards. Assimilation occurs when a person takes influence to create or maintain a satisfying relationship. Internalization is behavior that is derived from the values and goals and is consistent with the values or goals of organization (Mowday, 1998).

2.3.4 Angel and Perry Model

Angel and Perry (1986) distinguished between the value commitment and the commitment to stay based on the analysis results of Porter’s questionnaire of organizational commitment. Angel and Perry's normative commitment shows a positive trend to the organization. This type of commitment refers to mental and emotional commitment. Angel and Perry’s commitment refers to the importance of rewards interactions - inseparable participations in an economic exchange. It indicates calculated commitment based on exchange and continuous commitment (Mayer & Schoorman, 1998; Hakkak et al., 2014).
2.3.5 Mayer and Schoorman Model

According to Mayer and Schoorman (1998) organizational commitment has two dimensions. They called these two dimensions continuance commitment (tendency to stay in organization) and normative commitment (willingness to redouble efforts). Although there are similarities between the dimensions of organizational commitment identified by Angle and Perry, Mayer and Schoorman and Allen and Mayer, yet it seems that there is a fundamental difference between their models. Three commitment components of Allen and Mayer (affective, continuance and normative) are different based on conceptual framework connecting a person to the organization. However, there are similarities between the behavioral results of each of three components of commitment and that is continuance of work in the organization. Conversely, continuance commitment associated with the decision to stay or leave the organization was assumed in Angel and Perry and Mayer and Schoorman models. Normative commitment is related to redoubling effort in order to achieve the organizational goals (Farhangi & Hosseinzadeh, 2009; Nawaser et al., 2014).

2.3.6 Penley and Gould Model

Penley and Gould provided a multidimensional framework. They distinguished between three forms of commitment with topics of moral, calculated and alienation. Moral commitment definition is closely the same as affective commitment definition of Allen and Mayer and normative commitment definition of Angel and Perry and Mayer and Schoorman. Use of the calculated commitment term is in accordance with conformity proposed in Oreilly and Chatman model and may be considered as a form of motivation rather than commitment. Eventually alienation commitment is somewhat the same as continuance commitment of the model of Allen and Mayer (Farhangi & Hosseinzadeh, 2009; Moezzi et al., 2012).

3. Entrepreneurship

Entrepreneurship is the process of starting a business or other organization. Evolution course of economic activists or entrepreneurs shows that entrepreneurship can be found in economic theory and is known as the main cause of wealth or creation of economic value (Eskandani, 2010; Vesal et al., 2013). Entrepreneurship in Iran does mean an individual who accepts commitment (Ahmadpour, 2007; Nawaser et al., 2011b). As a point of Peter Drucker entrepreneurship is a behavior, not a special character in personality. The entrepreneur develops a business model, acquires the human and other required resources, and is fully responsible for its success or failure. An entrepreneur is someone who changes the nature of values (Ahmadpour, 2010, Jahanshahi et al., 2010).

4. Organizational Entrepreneurship Framework

4.1 Entrepreneurial Structure

Organizations that have inflexible structure, become disturbed in terms of cooperation and unity in economic crisis while the organizations which predict the possibility of establishing the organizational relationship, create positive and effective aspects for encouragement and growth of creativity and innovation in organization (Moshabaki & Teimurnezhad, 2009). "Peter Drucker" expresses that organizational structure is the most appropriate space for establishing entrepreneurship (Prakopenko & Pavolin, 1991). Frey (1993) believes that the entrepreneurial organizational structure is a structure which is created as organic throughout the organization (Jahanshahi et al., 2011a; Nawaser et al., 2014).

4.2 Entrepreneurial Culture

Organizational culture has influence on all aspects of structural components and penetrates the organization's rules, goals and policies; hence there is a direct relationship between appropriate or inappropriate cultural issues and the amount of entrepreneurship or lack of entrepreneurship in organization (Nahid, 2009; Jahanshahi et al., 2011c). Entrepreneurial culture is a culture which is flexible that supports entrepreneurship, change and innovation, risk taking, organizational learning, foresight, teamwork, honesty and mutual trust, work with fun, excitement and enthusiasm, competitiveness and customer orientation (Aghaee et al., 2003; Asadollahi et al., 2011).

5. Entrepreneurial Management

Stevenson (1983) sees entrepreneurship as a management approach. Entrepreneurial management is the process of creating an opportunity to create value through innovation and pursuit of opportunities, despite dearth of resources. Carson et al. (1995) identify four key competencies associated with entrepreneurial marketing management:

1) Experience, both in industry and in the desired job;
2) Knowledge the product or service and market;
3) Communication skills in guiding the organization;
4) Sound judgment in being able to identify good market opportunities or key appointments in personnel, supported by high levels of perception and intuition.

5.1 Entrepreneur Organization Characteristics
Being decentralized, informal, horizontal and vertical relationship, no monopoly on information, a group of tasks, easy and informal control, developing of empowered employees, management support, management appreciation of people who take risks, tolerance of deviation from the rules to employees, trustee of entrepreneurial projects, having a variety of management financial support, management support of small pilot projects, applying new ideas of employees, financial power to start up and move the new designs and power of management decisions (Abdolmaleki, 2008).

Figure 1. Conceptual model of research

6. Research Hypotheses
6.1 Major Hypotheses
1). There is a significant correlation between justice and organizational entrepreneurship.
2). There is a significant correlation between organizational commitment and organizational entrepreneurship.
3). There is a significant correlation between justice and organizational commitment.

6.2 Minor Hypotheses
1). There is a significant relationship between justice and the structure of organizational entrepreneurship.
2). There is a significant relationship between justice and the culture of organizational entrepreneurship.
3). There is a significant relationship between justice and the management of organizational entrepreneurship.
4). There is a significant relationship between commitment and the structure of organizational entrepreneurship.
5). There is a significant relationship between commitment and the culture of organizational entrepreneurship.
6). There is a significant relationship between commitment and the management of organizational entrepreneurship.

7. Methodology
Based upon the research goals this research is an applied study; and since it is merely for greater recognition of existing conditions and description of the investigative phenomena, so a non-experimental measurable descriptive method has been utilized in data collection process. The principal objective of this study was to identify and explore the underlying factors in organizational entrepreneurship. To achieve this objective a survey questionnaire instrument was employed; collecting data from a sample of 155 individuals in Khouzestan province in Iran using simple random sampling method (see Table 2). Training and Education Bureau of Khouzestan
province was selected as the statistical population. Respondents were asked to indicate their agreement to a range of statements on a Likert scale ranging from 1 – strongly disagree to 5 – strongly agree. The content validity of the questionnaire was justified by university professors’ supervision and the initial distribution of questionnaires among a number of experts and scholars. Considering their corrective comments, the questionnaire had the necessary credibility. Total reliability of the questionnaire was reported by using Cronbach’s alpha as 0.78. Data were analyzed by SPSS 17 statistical software.

Table 2. Demographic information

<table>
<thead>
<tr>
<th>Demographic Variables</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Age:</strong></td>
<td></td>
</tr>
<tr>
<td>Less than 30 years old</td>
<td>12.5</td>
</tr>
<tr>
<td>30 to 35 years</td>
<td>25</td>
</tr>
<tr>
<td>35 to 40 years</td>
<td>30</td>
</tr>
<tr>
<td>40 to 45 years</td>
<td>27.5</td>
</tr>
<tr>
<td>45 years and above</td>
<td>5</td>
</tr>
<tr>
<td><strong>Education:</strong></td>
<td></td>
</tr>
<tr>
<td>Associate degree</td>
<td>25</td>
</tr>
<tr>
<td>Bachelor's degree</td>
<td>40</td>
</tr>
<tr>
<td>Graduate degree</td>
<td>35</td>
</tr>
<tr>
<td><strong>Work Experience:</strong></td>
<td></td>
</tr>
<tr>
<td>Less than 5 years</td>
<td>5</td>
</tr>
<tr>
<td>5 to 10 years</td>
<td>15</td>
</tr>
<tr>
<td>10 to 15 years</td>
<td>17.5</td>
</tr>
<tr>
<td>15 to 20 years</td>
<td>25</td>
</tr>
<tr>
<td>20 years and above</td>
<td>37.5</td>
</tr>
<tr>
<td><strong>Type of Employment:</strong></td>
<td></td>
</tr>
<tr>
<td>Full-time</td>
<td>55</td>
</tr>
<tr>
<td>Part-time</td>
<td>25</td>
</tr>
<tr>
<td>Casual</td>
<td>20</td>
</tr>
<tr>
<td><strong>Gender:</strong></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>46</td>
</tr>
<tr>
<td>Female</td>
<td>54</td>
</tr>
</tbody>
</table>

8. Findings
There is a significant relationship between two variables of organizational entrepreneurship and justice based on this analysis and the relationship between them is direct and positive. With the increase in justice, organizational entrepreneurship will increase.

Table 3. Gamma test and correlation coefficients between the justice and commitment with organizational entrepreneurship

<table>
<thead>
<tr>
<th>Name of Test</th>
<th>Correlation Coefficient between Organizational Commitment and Entrepreneurship</th>
<th>Correlation Coefficient between Organizational Justice and Entrepreneurship</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gamma</td>
<td>0.489</td>
<td>0.612</td>
</tr>
<tr>
<td>Spearman</td>
<td>0.231</td>
<td>0.371</td>
</tr>
<tr>
<td>Pearson</td>
<td>0.157</td>
<td>0.387</td>
</tr>
<tr>
<td>Number of sample data</td>
<td>155</td>
<td>155</td>
</tr>
</tbody>
</table>

There is a significant and direct relationship between two variables of organizational entrepreneurship and commitment. With the increase in commitment of employees to organization, organizational entrepreneurship will increase.

Organizational justice and entrepreneurship have a direct relationship and the correlation between them is 0.61; this means that if justice is established at the organization level, entrepreneurship increases. Although
organizational commitment and the entrepreneurship have a direct relationship and the correlation between them is 0.49, its importance level is lower, namely with the increase in organizational commitment, organizational entrepreneurship will increase. However, in comparison with organizational justice it is at a lower significance level.

According to Friedman test results if an organizational entrepreneurship is required to increase, first the organizational justice must be observed and addressed and in next step, organizational commitment is expanded across the organization.

By the comparison between different aspects of organizational entrepreneurship and justice, it can be concluded that there is a significant relationship between justice and three dimensions of entrepreneurship; management, culture, structure. Furthermore, the relationship between justice and entrepreneurial organizational structure is more highlighted and their relation is at the highest significance level.

Table 4. Comparison of relationship between justice and organizational commitment with different aspects of entrepreneurship

<table>
<thead>
<tr>
<th>Correlation Coefficient</th>
<th>Aspects of Entrepreneurship</th>
<th>Entrepreneurship Structure</th>
<th>Entrepreneurship Culture</th>
<th>Entrepreneurship Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relationship between Justice and Commitment with aspects of Entrepreneurship</td>
<td>Name of Test</td>
<td>Commitment</td>
<td>Justice</td>
<td>Commitment</td>
</tr>
<tr>
<td>Gamma</td>
<td>0.094</td>
<td>0.202</td>
<td>0.157</td>
<td>0.157</td>
</tr>
<tr>
<td>Spearman</td>
<td>0.065</td>
<td>0.197</td>
<td>0.196</td>
<td>0.196</td>
</tr>
<tr>
<td>Number of respondents</td>
<td>155</td>
<td>155</td>
<td>155</td>
<td>155</td>
</tr>
</tbody>
</table>

It can be concluded from the relationship between commitment and various aspects of organizational entrepreneurship that commitment has a direct relation with different aspects of entrepreneurship and the relationship between commitment and entrepreneurship management plays more important role.

Evaluation of entrepreneurship showed that the status of organization is not compatible with an entrepreneurial organization and is far from an entrepreneurial favorable conditions and ideal circumstance.

Results show that there is a strong connection between financial resources, resource allocation process, overall financial system and entrepreneurship.

Major barriers to entrepreneurship in Training and Education Bureau are: existence of a hierarchical structure, fixed performance standards and bureaucracy, obligation of employees to observe undisputed rules and regulations, difficult access and spending lengthy process to get loans and credits, lack of entrepreneurship concept education, and lack of strategies for training and education of organizational entrepreneurs.

The results of this study and similar studies suggest that there is a bureaucratic structure in the governmental social and cultural organizations which results in a centralized decisions and official regulations and procedures.

Evaluation of justice in organizations shows that "justice" in the organization is at "low" level.

60% of the investigated sample stated that they faced inequality in their organization. The main reason for this feeling is that they believe the staff members do not receive the same reward for performing the same task; in other words, the managers do not behave fairly with the staff members.

The basis of justice in an organization is not individual competencies and capabilities of staff members. Encouragement and promotion of employees is not done based upon their merit, abilities and efforts.

According to opinion of more than 50% of the samples, equal career opportunities for employees are not provided. Job posts of staff are inconsistent with their educational degree.

Data analysis indicated that the employees who are in the age between 35 to 45 years face unequal situations more than other employees and this feeling is strongly high in the staff in the age between 40 to 45 years as well.

According to the results, employees who have experience over 20 years face inequality more than others.

Employees with a graduate, bachelor and associate degree have the highest sense of inequality in the organization respectively.

One of the interesting results of this research is high commitment of staff members to the organization. Totally, more than 90% of employees have high commitment to their organization.
9. Conclusions and Suggestions

Managers should revise their own current structure and use the structure which is flexible and is able to cover organizational entrepreneurship components such as; opportunity discovery, facilitating opportunity and pursuit of opportunity. Since in the third world countries, government and government organizations have a good influence in all economic, social and cultural fields, the transition from traditional and bureaucratic organizations to flexible and entrepreneurial organizations is inevitable. Organic entrepreneurial structure can be a solution. To achieve such a structure, the followings are recommended:

• Organizational structure design based on information and communication and not hierarchy;
• Tasks performed by teams rather than use of formal and functional units;
• Emphasis on tasks and achievement of organizational goals rather than emphasizing on mere compliance with laws and regulations;
• Reduction in complexity and job description;
• Matrix and democracy structure for the purpose of flexibility and compliance with changing environment.

Establishment of fair entrepreneurial wage system in the organization is required. The organization must make the payment system that motivates employees for creativity and innovative ideas. Employees should be paid based on their performance not physical presence in the organization. The organization must create flexibility in payment of wage and bonuses, suitable with the types of needs and interests of individuals.

The managers should increase the speed and ease of access to facilities and budget allocation process. Distribution of financial resources between different organizational units should be based on priority of programs not based on past trends. Advanced system of accounting should be established. Coordination between accountability with manager and recipients’ decision must be increased.

Selecting and hiring a consultant in the field of establishing and creating entrepreneurial systems within an organization can be effective. It is recommended that this group would be chosen from members of the organization. Because they have previous acquaintances with the organization, they are closely associated with the requirements of organization and they are quickly and more easily able to identify and remove barriers. A practical solution for training of organizational entrepreneurs is to conduct training courses and workshops, invite experts of entrepreneurship and successful entrepreneurs for achieving better results.

It is necessary that managers flow information through the organization and make changes in information systems. Managers of government organization receive massive amounts of information every day. They should quickly identify important information using their skills. Information is a key to reduce ambiguity and dealing with the organization's risks. In an entrepreneurial organization, information enables organizations to find the opportunities and exploit them. In other words, information justice in the organization should be established.

Undoubtedly, the most valuable asset of an organization is the employees. Increase in sense of justice is influential in different aspects of organizational behavior Including satisfaction (job satisfaction and life satisfaction), motivation and their personal commitment to organization.

Structure and processes of Training and Education Bureau must be reviewed in order to be justice-based and its progress towards an entrepreneurial organization which must be taken into consideration in strategic planning of training institutions.

References


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