

# **IMPACT OF ORGANIZATIONAL JUSTICE ON EMPLOYEE PERFORMANCE IN BANKING SECTOR OF KARACHI**

**By**

**MARIA RASOOL  
48851**

A thesis presented to the Department of Management Sciences,  
Bahria University Karachi Campus, in partial fulfillment of the  
requirements of the MBA degree



**SPRING, 2018**

**Bahria University Karachi Campus**



## MBA Thesis

2<sup>nd</sup> Half-Semester Progress Report & Thesis Approval Statement

Name of Student	MARIA RASOOL
Registration No	48851
Thesis Title	THE IMPACT OF ORGANIZATIONAL JUSTICE ON EMPLOYEE PERFORMANCE IN BANKING SECTOR OF KARACHI

## Supervisor – Student Meeting Record

S#	Date	Place of Meeting	Topic Discussed	Signature of Student
1.	21-Feb-2018	Faculty 10	Topic Approval	eeMaria
2.	14-Mar-2018	Faculty 10	Discuss chap 1, 2, 3	eeMaria
3.	8-May-2018	Faculty 10	Discuss chap 4, 5, 6	eeMaria

APPROVAL FOR EXAMINATIONCandidate's Name: MARIA RASOOLRegistration No: 48851Thesis Title: THE IMPACT OF ORGANIZATIONAL JUSTICE ON EMPLOYEE PERFORMANCE IN BANKING SECTOR OF KARACHI.

I hereby certify that the above candidate's thesis has been completed to my satisfaction and, to my belief, its standard is appropriate for submission for examination. I have also conducted plagiarism test of this thesis using HEC prescribed software and found similarity index at 13% that is within the permissible limit set by the HEC for the MBA thesis. I have also found the thesis in a format recognized by the Department of Management Sciences.

Supervisor's Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Supervisor's Name: \_\_\_\_\_

HOD's Signature: \_\_\_\_\_

Date: \_\_\_\_\_



### ABSTRACT

**Purpose:** The aim of this research is to find out the impact of organizational justice on employee performance in banking sector of Karachi. The main objective of this research study is to examine how organizational justice improves the employee performance in banking sector of Karachi. The three dimensions of organizational justice used in this study and they are distributive justice, procedural justice and interactional justice.

**Research methodology:** This research follows the deductive approach. The research is explanatory. The quantitative data was collected using a well-structured questionnaire. Non probability convenience sampling technique is use as a sampling technique. The sample size of this research study is 200. Data is collected from employees working in banking sector (HBL Pakistan, Faysal bank, Summit bank, United bank limited) of Karachi only. The study use correlation and regression analysis to test the hypothesis in the sample of 200 respondents.

**Findings:** The study has revealed that there is a positive impact of distributive justice and interactional justice on employee performance while on the other hand procedural justice does not have a significant impact on employee performance.

**Practical implications:** The outcomes of this research will help the managers to understand the concept and importance of organizational justice. This study will accurately examine the organizational justice and how potentially it improves the employee performance.

**Keywords:** Organizational justice, Distributive Justice, Procedural Justice, Interactional Justice, Employee Performance

**TABLE OF CONTENTS**

	<b>PAGE NO.</b>
THESIS SUPERVISOR APPROVAL SHEET.....	i
DECLARATION.....	ii
TURNITIN SIMILARITY REPORT.....	iii
DEDICATION.....	iv
ACKNOWLEDGEMENT.....	v
LIST OF FIGURES.....	vi
LIST OF TABLES.....	vii
LIST OF ABBREVIATIONS.....	viii
ABSTRACT.....	ix
CHAPTER 1.....	1
INTRODUCTION.....	1
1.1    Background of the study.....	1
1.2    Introduction of the banking sector.....	3
1.3    Problem statement.....	4
1.4    Research objective.....	5
1.5    Research question.....	5
1.6    Research gap.....	5
1.7    Significance of the study.....	6
1.8    Scope of the study.....	6
1.9    Limitation of the study.....	6
1.10   Ethical consideration for the study.....	6
1.11   Organization of thesis.....	7
1.12   Definition of key terms.....	8
CHAPTER 2.....	10
LITERATURE REVIEW.....	10
2.1    Significance of employee performance.....	10
2.2    Organizational justice.....	11
2.2.1  Distributive justice and employee performance.....	12
2.2.2  Procedural justice and employee performance.....	13



2.2.3	Interactional justice and employee performance.....	14
2.3	Organizational justice and employee performance.....	15
2.4	Theoretical framework.....	16
2.5	Research variables.....	17
2.5.1	Independent variables.....	17
2.5.2	Dependent variable.....	17
2.6	Development of hypothesis.....	17
CHAPTER 3	.....	18
RESEARCH METHODOLOGY	.....	18
3.1	Research approach.....	18
3.2	Nature of research.....	18
3.3	Research design.....	18
3.4	Targeted population.....	18
3.5	Sample size.....	19
3.6	Sampling technique.....	19
3.7	Procedure of data collection.....	20
3.8	Data collection instrument.....	20
3.9	Data integration method.....	20
CHAPTER 4	.....	21
DATA ANALYSIS	.....	21
4.1	Demographic results.....	20
4.1.1	Gender.....	21
4.1.2	Age.....	22
4.1.3	No. of years working in the organization.....	23
4.1.4	Monthly income level.....	24
4.2	Reliability test.....	25
4.2.1	Reliability of distributive justice.....	25
4.2.2	Reliability of procedural justice.....	25
4.2.3	Reliability of interactional justice.....	26
4.2.4	Reliability of employee performance.....	26
4.2.5	Reliability of all variables.....	27

4.3	Mean and standard deviation.....	27
4.4	Correlation test.....	28
4.5	Regression test.....	29
4.5.1	Analysis of hypothesis.....	32
4.6	Summary of the results.....	32
4.7	Responses of individual question.....	33
CHAPTER 5.....		34
CRITICAL DEBATE.....		34
5.1	Distributive justice and employee performance.....	34
5.2	Procedural justice and employee performance.....	34
5.3	Interactional justice and employee performance.....	35
CHAPTER 6.....		36
CONCLUSION AND RECOMMENDATION.....		36
6.1	Conclusion.....	36
6.2	Recommendation.....	36
6.3	Suggestion for future research.....	37
REFERENCES.....		38
APPENDICES.....		43
Appendix 1 (Questionnaire).....		43
Appendix 2 (Pie charts).....		46