



Organizational Justice & Work Climate of Hotel Employees in Sarawak, Malaysia

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ABSTRACT

Research Aims

The purpose of this study was conducted to investigate the relationship between both organizational justice and organizational climate towards turnover intention, with job satisfaction acting as the mediating variable.

Design/Methodology/Approach

This cross-sectional study involves conducting a survey among 252 hotel employees in Sarawak. Pearson correlation analysis and Haye's PROCESS model through SPSS macros model 4 were applied to examine relationships and meditational effects.

Research Findings

The results indicate that 1. Job satisfaction mediates the relationship between organizational climate and turnover intention; 2. Job satisfaction mediates the relationship between organizational justice and turnover intention; 3. Job satisfaction is negatively related to turnover intention.

Theoretical Contribution/Originality/Value

This study assesses whether job satisfaction mediates the effect of organizational justice and organizational climate on turnover intention and mend the gaps on inconsistencies found on the association between organizational justice and turnover intention.

Practical/ Policy Implications

Hotels can implement a fair and equitable system within their organisation such as a performance-based rewards system, to ensure job security and stability can be offered to employees.

Research limitations

This study was conducted within the context of Sarawak only and among hotel employees, and this study is conducted solely quantitatively.

Keywords: Organizational Justice, Work Climate, Turnover Intention, Job Satisfaction, Hotel

1. INTRODUCTION

With the push of globalization and dominance over new market segments, organisations are getting more aggressive in expanding their brand's recognition, profits, sales, and market control. The main driver behind all organizational expansions and performance are its employees, who are regarded as assets in organisations (Jahangir et al., 2006; Mirvis, 2023), and act as the interrelated cogs in the operational machinations of organisations. Turnover is one of the common organizational problems, yet poses high concerns to any organization, especially when turnover rate is high, as it would potentially lead to a significant loss (Zagladi et al., 2015), both in the productivity and staff development areas. As mentioned by Jahangir et al. (2006) and Kashif (2022), the high staff turnover rate in the hospitality business not only creates a possible vulnerability and a major concern, but it also drives up the company's operational costs. Generally, turnover intention is a condition when an employee has the intention to quit although still yet to leave. In other words, turnover intention happens when employees contemplate, be it lightly or heavily, on the idea to resign at their current post and considers finding new job opportunities in other organizations. Past studies concluded several reasons behind the employees' intention to quit their current jobs. The prospect of getting a better and a more decent job, or at least in all aspects might led to this intention to quit the job (Zagladi et al., 2015). In addition, in a study by Nunally (1978), organizational relationship behaviour, organizational commitment, and job satisfaction also led to turnover intention, whilst a study by Jahangir et al. (2006) concluded the presence of uncertain work settings and unstable working conditions within the hotel industry has been found to potentially contribute to employee dissatisfaction, which in turn may result in an increased likelihood of employees expressing an intention to quit their current positions. The statement of Jahangir et al. (2006) aligned with the outcome of study by Hendro Rumpoko et al. (2022) reported that organizational environment affect the intention to quit among four-star hotel employees in Surabaya. Based on these two findings, the factors can be grouped under two general variables, namely organizational climate and organizational justice.

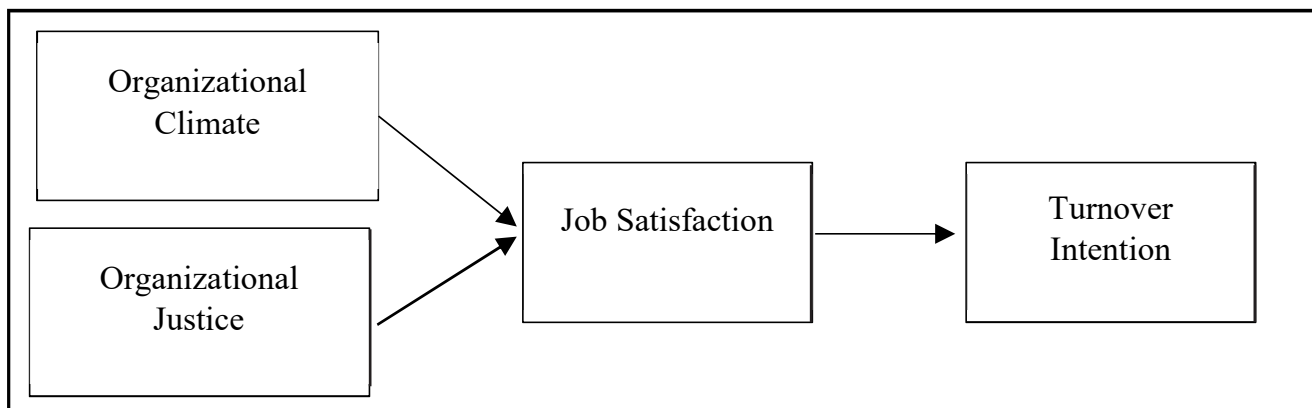
Organizational climate is seen in how employees get along with each other and in how the organization instils a sense of belonging among its employees and helps in supporting employees' behaviour formation (Alkahtani, 2015; Bilginoğlu & Yozgat, 2022). Organizational climate helps to distinguish an organization from other organizations, especially their competitors, by providing a combination of internal factors that shapes the organisation's unique working environment. A favourable organizational climate reduces the possibility of employees leaving the organization and vice versa. In their previous study, Chai & Singh (2008) suggested that hotel employees' intention to leave is negatively related to all four dimensions of organizational climate, which are the structures, responsibilities, rewards, and supports. In the same study, it was concluded that an improvement in organizational climate reduces turnover intention and the opposite would happen if there were a deterioration in organizational climate (Chai & Singh, 2008). To summarize, organizational climate is an important factor that influences an employee's turnover intention as it shapes the organization's working environment, which in turn, affects the employee's perception of their organization. Meanwhile, organizational justice refers to the way organizations, specifically the managers and supervisors, treat their employees, specifically in the aspect of fairness and equality. The fairness and equality are seen from the employees' job positioning, payment, and bonuses (Alkahtani, 2015). Employees who perceive unfair treatment within their organization often experience a sense of exclusion, leading to an increased intention to leave their current employment. This heightened turnover intention is indicative of a stronger inclination to seek alternative employment opportunities (Tsai & Wu, 2010; Hur & Abner, 2023). In contrast, employees who are treated fairly and equally tend to stay loyal. Furthermore, it has been discovered that organizational justice is negatively correlated with job satisfaction (Tsai & Wu, 2010). Based on what has been studied so far, it can be concluded that organizational justice is a delicate and intricate factor to be managed yet have significant implications towards employee retention. Apart from that in a study by Nunally (1978), it was discovered that job satisfaction may relate

to the issue of turnover intention. On the other end of the spectrum, Locke mentioned that job satisfaction as a pleasurable emotional state because of the employee's job or job experience (Tsai & Wu, 2010). Career opportunities, learning, and development are the most important factors which leads to job satisfaction (Alkahtani, 2015). Nunally (1978) and Han (2016) asserted that job satisfaction can negatively influence turnover intention. In other words, the job satisfaction can dilute turnover intention. There have been contradicting findings in previous studies on the correlation between organizational justice and turnover intention in past studies. A previous study by Elanain (2014) suggested the association between turnover intention and organizational justice which contrasted findings made by Begley et al. (2002) that suggested no significant relationship between turnover intention and organizational justice. Hence, this inconsistency of past studies warrants further investigation. Nevertheless, based on an exhaustive literature review, there have been limited studies conducted to investigate the mediating role of job satisfaction between organizational climate, organizational justice, and turnover intention, particularly among hotel employees. In addition, a proper underlying theory is needed to properly view this phenomenon. As such, a proposed research framework (Figure 1) was created based on the Equity Theory. The Equity Theory, developed by Adams (1965), sought to determine the fairness of resource distribution to both relational partners. It is believed

that employees tend to seek to maintain the equity between their input/contributions at work and the output received against the perceived input and outcome of their colleagues (Chai & Singh, 2005). An inequality in the relationship will result in the feeling of unhappiness, which is proportional to the amount of inequality, for the people in said relationship (Adams, 1965). In other words, fairness is tied to the delicate balance between the elements of input given and output received. In this present study, a mediator variable – job satisfaction - was added to the framework with the intention to give an overall completion to the Equity Theory and to have a deeper understanding of the role of job satisfaction as the mediator between the independent and dependent variables. Hence, to further this research gap, the following hypotheses are proposed: **(H1)** Job satisfaction mediates the between organizational climate and turnover intention, **(H2)** Job satisfaction mediates between organizational justice and turnover intention, **(H3)** Job satisfaction is negatively related to turnover intention.

2. Methodology

This study, which is quantitative, used the cross-sectional research design through the physical distribution of questionnaires through the respective hotel's human resource department among full-time hotel employees who work at hotel registered membership with the Malaysian Association of Hotels, Sarawak Chapters. A



Note. Source: Developed for research.

Figure 1
The Proposed Hypothetical Model

total of 12 hotels has given their prior approval to conduct the study. The sampling method used convenience sampling for a period of 9 weeks. The selection of the convenience sampling method is attributed to the hotel employees' consistent engagement with hotel guests and in fast-paced as well as busy work environments, which restricts their availability to fulfill researcher requests. Consequently, the researchers have opted to employ this sampling technique. The number of samples exceeded the minimum 249 respondents required against the total number of employees, which was calculated using the Raosoft sample size calculator. For the sample size calculation, the margin of error is set at 5% and the confidence level is 95%. There was no issue with regards to normality and outliers while all items reported to meet the benchmark value for validity and reliability. The items factor loadings exceeded 0.40, Kaiser-Meyer-Olkin (KMO) exceeded 0.7 and Bartlett's test of Sphericity were below 0.05, all of which were considered acceptable by Hair et al. (1998). All the research instruments were adopted from previous study literature with a good reliability value of the Cronbach alpha exceeding 0.70 (Mackinnon et al., 2004) (as seen in Table 1).

3. Results

There were a total of 252 respondents, which consisted of 106 males and 146 females. Most of the respondents are 24 years olds (34.5%), followed by 25-34 years olds (27%), then 35-44 years olds (16.7%), and 45-54 years olds (11.9%) as well as 55 years old and above (9.5%). In terms of race, most of the respondents are Iban (26.5%), followed by Bidayuh (23.8%), then Chinese (22.6%), Malay (21.4%) as well as both Melanau (2.3%) and Bangladesh (2.3%). On another note, for marital status, total of 147 (58.3%) are married while a total of 99 (39.3 %) of the participants are single, 6 participants (2.4 %) are divorced. For the respondents' working period at their current hotel, 49.2% (n=124) of them work for less than a year, 66 or 26% of them work for 1-2 years, 42 or 16.7% work for 3-4 years, while only 20 participants have been working for more than 5 years in their current hotel. To examine the mediating effect and the direct relationship for the three hypotheses: (H1) Job satisfaction mediates the relationship between organizational climate and turnover intention, (H2) Job satisfaction mediates the relationship between organizational justice and turnover in-

Items	Sources	Total Items	Factor Loading (>.40)	KMO (>.70)	Barlett's Test of Sphericity (<.05)	CA Value (>.70)
OJ	Mosadeghrad et al. (2008)	12	.449 to .774	.909	1227.517 p=0.000	.965
OC	Mosadeghrad et al. (2008)	11	.473 to .774	.827	730.469 p=0.000	.907
JS	Rahman et al. (2008)	11	.415 to .831	.821	565.711 p=0.000	.886
TI	van Dick et al. (2004)	5	.443 to .786	.854	391.476 p=0.000	.915

Note. Source: Developed for research; Denotes: OJ = Organizational Justice; OC = Organizational Climate; JS = Job Satisfaction; TI = Turnover Intention; CA = Cronbach Alpha

Table 1
Research Instrument

tention, (H3) Job satisfaction is negatively related to turnover intention; Pearson Correlation Analysis and Hayes's PROCESS model through SPSS macros model 4 were applied. To test the mediating effect, this study utilized the bootstrapping method as it is regarded as one of the most valid and powerful methods to test the indirect effect (Kasa & Hassan, 2016). It was posited that there is a significant mediating effect if the confidence interval is entirely above or below zero and does not contain zero (Hayes, 2013). As seen in Table 2, at 95% confidence level, there is no number zero (0) for both the lower limit (LLCI) and upper limit (ULCI) for organizational justice and organizational climate have no zero. The results indicated that the mediating role of job satisfaction between organizational climate at $-.409^{***}$ (LLCI $-.653$, ULCI $-.224$) and organizational climate at $-.333^{***}$ (LLCI $-.545$, ULCI $-.135$) on turnover intention was true and hypothesis H1 and H2 was accepted. H3 is supported and it was revealed that there is a negative relationship between job satisfaction and turnover intention [$r = -.761$, $n = 252$, $p = .000$]. This result suggested that job satisfaction will reduce turnover intention.

porting high levels of job satisfaction, may still harbor intentions to discontinue their employment in instances where they perceive a lack of equitable treatment from the organization. This research attempts to investigate the relationship between organizational justice and organizational climate towards turnover intention as well as job satisfaction as a mediator between the variables mentioned. Employees will not leave if they perceive they are part of the team and enjoying having a positive culture at the workplace will have a good impact toward the employees' attitudes as well as their actions (Alkahtani, 2015). To put it simply, the empirical evidence indicates that a positive organizational climate has a significant impact on staff retention rates, particularly when employees experience high levels of job satisfaction and contentment. Based on this study's findings, it is recommended that the hotel management implement a fair and equitable system for their employees, such as a performance-based reward system. In order to foster a culture of fairness and equality within an organization, it is imperative to implement a comprehensive rewards system that

Item(s)	Direct	Indirect	Total	LLCI	ULCI
Organizational Climate	-.644	-.409	1.053	-.653	-.224
Organizational Justice	-.617	-.333	-.950	-.545	-.135
TOTAL	-1.261	-.742	-2.003		

Note. Developed for research; ** Significant at the 0.001 level (2-tailed); Denotes: LLCI = lower limit; ULCI = upper limit

Table 2
Direct, Indirect and Total Effect

4. Discussion and Implications

From the results, it can be surmised that job satisfaction does mediate the relationship between organizational climate and turnover intention as well as organizational justice and turnover intention. To put it bluntly, if hotel staffs perceive that their management is treating them poorly (organizational justice), they would still have the intention to leave, even though they are currently satisfied with their job. Vice versa, if the hotel staff's values are not in line with the hotel's culture, the turnover intention would remain, even if the staffs are satisfied with their job. In light of this observation, it is noteworthy to consider that hotel employees, despite re-

acknowledges and compensates employees for their valuable contributions. This strategy entails providing due rewards, such as bonuses and promotions, to individuals who have demonstrated exceptional dedication and exerted significant effort in their roles within the hotel. By remunerating employees in accordance with their contributions, the organization can effectively demonstrate its appreciation for their hard work, thereby motivating and incentivizing continued high performance. Furthermore, it is crucial for hotel managers to stay updated on multiple aspects of the organizational climate within the hotel's workplace environment, as this enables them to proficiently ensure job security and sta-

bility for their employees. Additionally, it is worth noting that the implementation of strategic human resource practices holds the potential to effectively cultivate motivation and enhance the retention of exceptionally skilled and competitive employees (Hafez, Mohamed, 2016). This may decrease the feeling of turnover intention among the hotel employees, which is in line with the perception of equality and fairness for everyone.

5. Conclusion

The proactive approach of the hotel management is crucial in addressing the employees' perception of justice and fairness. It is recommended that the management explore innovative strategies to improve job satisfaction among the hotel staff. The application and utilization of Equity Theory in the context of human resource functions is imperative for discerning the individual needs of employees within the hotel industry. By comprehending the expectations of the employees, hotel management can utilize these demands as a means of motivation to augment job satisfaction, all the while attaining the objectives of the organization.

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