

## RESEARCH ARTICLE



# Employee Insights into Organizational Justice and Job Performance: The Case of Insurance Companies

Prakash Shrestha<sup>1,\*</sup>, Dilip Parajuli<sup>1</sup> and Makshindra Thapa<sup>1</sup>

<sup>1</sup>*Faculty of Management, Tribhuvan University, Nepal*

**Abstract:** This paper explores employee insights into organizational justice and job performance. It also examines the association between employee insights into organizational justice and their personal traits and analyzes the association between employee insights into organizational justice and job performance. This study used descriptive statistics as well as correlation analysis. The survey data were gathered from 250 employees of ten insurance companies (including both life and non-life) in Kathmandu Valley. The results indicate a significant and positive association between employee insights into organizational justice and job performance. It indicates that the justice of management matters a lot in enhancing employee job performance at work. The study's findings also reveal a substantial association between all employees' demographic characteristics and their insights into organizational justice. It indicates that when employers treat their employees fairly, they do well on the job. To develop a climate of organizational justice, organizations must ensure that rewards and resources are distributed fairly. It should prioritize clear compensation policies, fair reward systems, and performance-based incentives. It must also prioritize the establishment of fair and consistent decision-making systems by creating standardized systems for evaluations, promotions, and disciplinary actions. In addition, fostering respectful and equitable interpersonal interactions can also help to build an environment of organizational justice. For this, organizations must train managers and supervisors on effective communication skills, emphasizing the importance of treating employees with dignity and respect, promoting open-door policies in which employees feel comfortable discussing concerns, and ensuring that managers provide clear and honest clarification for decisions. All of these activities ultimately increase employees' willingness to optimize their potential for higher levels of job performance.

**Keywords:** organizational justice, job performance, social identity, equity theory, social exchange

## 1. Introduction

Insurance companies run under a completely intense market that prioritizes service excellence, client satisfaction, and trust. Such companies' workforce always remains under pressure to meet sales targets, handle complex claims, and maintain client relationships. Such a context highlights the importance of organizational justice. Fairly treated employees in such a high-stakes environment may be more motivated, productive, and committed to their work, which will have an impact on overall corporate performance. On the contrary, they are treated unfairly; they may experience diminished motivation, poor performance, and greater turnover rates, all of which can be detrimental to the company's long-term success. In fact, perceptions of organizational justice can vary widely among industries. However, in the context of insurance companies, where the work environment is competitive and customer-focused, understanding how these perceptions affect job performance is essential.

Work and organizational psychology emphasize the need for workplace justice or fairness [1]. Such justice matters a lot in enhancing employee job performance [2]. Employees who believe their organization is fair and treat them well are more motivated

to perform better and provide greater outcomes [3]. Employee performance directly affects organizational performance [4]. In essence, when the majority of employees perform well, it can significantly enhance overall organizational performance [5, 6]. Among the various elements influencing employee performance, organizational justice is one of the most crucial [7]. In this regard, employee perceptions of organizational justice are increasingly important in today's firms, as they influence employee attitudes and behaviors [8–10]. Organizational justice refers to employees' sense of fairness in their organization [11]. It is concerned with how employees determine whether or not they have behaved equally for their jobs, as well as how those decisions affect other job-related variables [12, 13].

Organizational justice relates to how people view organizational events to be fair [14, 15]. It also serves as a driving force to ensure that organizational authorities and management promote a constructive regulatory context. It promotes equal behavior in the organization [16].

In fact, individuals regard the manner in which they receive as an indicator of their perceived justice [17]. Thoughts on organizational justice are a fundamental prerequisite for the proper running of businesses and the happiness of employees, which determines their behavior. A prior study by Thomas and Nagalingappa [18] reported that organizational justice is a

\*Corresponding author: Prakash Shrestha, Faculty of Management, Tribhuvan University, Nepal. Email: [prakash.shrestha1@ncc.tu.edu.np](mailto:prakash.shrestha1@ncc.tu.edu.np)

significant predictor of various outcomes. It is important for effective job performance [19] and other job-related outcomes [20]. In light of these discussions, we propose two hypotheses stated below:

**H1:** Employee insights into organizational justice have a significant association with demographic traits.

**H2:** Employee insights into organizational justice have a significant association with job performance (both task and contextual performance).

Despite extensive literature exists on organizational justice and its impact on performance, relevant empirical in-depth analysis from the employee perspective remains lacking. Moreover, there is not much literature explicitly on the insurance industry. Therefore, this study addresses such a gap by investigating employee insights into organizational justice, its impact on job performance, and its association with personal traits and job performance.

## 2. Literature Review

### 2.1. Organizational justice and its dimensions

Organizational justice is a powerful indicator of a wide range of behaviors in an organization [18]. It refers to the function of equality in an organization and involves how individuals assess to what extent they have been behaving properly at work, and the way such decisions affect other work-related indicators [13]. Such justice can assist in elucidating the reason personnel respond toward unjust results or unsuitable procedures and behaviors [21]. Organizational justice is widely regarded as having three dimensions. They include:

- 1) **Distributive justice:** This justice alludes to the equality of results and benefits that employees get. Such kind of justice arises from employee concerns about resource allocation and results [22]. Individuals inside organizations evaluate the justice of distribution by comparing it to others [23]. Distributive justice covers employee views of whether the benefits and results are equitable [24, 25]. Employee perceptions of distributive justice are highly influenced by inevitable comparisons to coworkers [26]. Employees, for example, might compare their salary. If the comparison results are positive, people are more inclined to be hopeful about the organizational practices. When the results are unsatisfactory employees can think they are at a competitive disadvantage. They can try to criticize the mechanism that led to this circumstance. Incorrectly distributed resources in mechanisms may give rise to conflicts, suspicion, contempt, and other societal issues [14, 27, 28].
- 2) **Procedural justice:** In the context of an organization, procedural justice has been seen as an essential component for interaction among individuals. It is the perceived equality of the techniques used to calculate the number of advantages [16, 29–31]. It involves equitable allocation decisions [32]. To develop procedural justice in an organization, procedures must be consistent, bias-free, consider the interests of all stakeholders, and be ethically acceptable [5, 6, 33, 34]. Employees are worried about the equitable nature of the procedure for making decisions and the technique utilized to achieve a just outcome. This mainly deals with the impartiality of a company's techniques for determining results [7, 35, 36].
- 3) **Interactional justice:** It describes the relationship between management and discussion that takes place during the procedure and sharing of achievements [31, 37]. Such justice focuses on the respect as well as regard that individuals receive from their senior and junior staff [38]. For instance, supporting

every staff member with decency and respect promotes justice throughout the company. Such justice addresses concerns about the interaction among employees and management [11]. Management is responsible for involving employees in all project and work-related communications. Integrating employee viewpoints into project design, and utilizing their knowledge and experience to produce a strategy and plan for project implementation, is one such example [17, 28, 39].

### 2.2. Review of relevant theories

A number of theories have been developed to explain how and why perceptions of justice affect employee attitudes and behaviors. The key theories of organizational justice are listed below:

- 1) **Organizational justice theory:** The concept of organizational justice was developed by French [40] in the 1960s. Many other scholars also worked for it. However, Greenberg [41] greatly improved the theory in the late 1980s and early 1990s by recognizing and developing the three key characteristics of distributive, procedural, and interactional justice. Organizational justice theory considers the importance of fairness in the workplace and how employees' views of justice influence their way of thinking and acting [40]. This theory posits that employees' attitudes and behaviors, including their job performance, are directly influenced by their views of justice (distributive, procedural, and interactive). When employees believe that decision-making procedures, resource distribution, and interpersonal interactions are fair, they become more dedicated, engaged, and productive in their jobs. In fact, organizational justice theory states that employees who perceive high levels of organizational justice are more likely to engage in positive behaviors such as improved motivation, dedication, and job satisfaction, which can improve overall organizational performance. In contrast, perceived injustice can have a negative impact on job performance, morale, and attrition [41].
- 2) **Social identity theory:** Tajfel and Turner [42] social identity theory proposes that people get a large portion of their identity from their social groupings. Age, gender, race, and ethnicity are essential social characteristics that shape how people view one another within an organization. Employees from various demographic backgrounds may see organizational justice in different ways, depending on their social group identity and their perception of the organization's fair treatment of that group. According to this theory, demographic traits may have a considerable impact on employees' perceptions of organizational justice.
- 3) **Equity theory:** Adams [43] developed Equity Theory, which states that people perceive justice by comparing their input-output ratios (e.g., work to rewards) to those of others. Employees are motivated by the desire to make balanced contributions and receive returns. Several demographic traits may influence employees' perspectives and views of justice depending on their individual experiences and societal comparisons. For example, younger employees may value different forms of rewards than older employees, and employees of various genders may have different ideas of pay equity and opportunities. In fact, equity theory states that employees who see fairness (equity) in the workplace feel highly motivated, which improves both task performance (direct job responsibilities) and contextual performance (behaviors that contribute to the organizational environment, such as assisting peers).
- 4) **Cultural dimensions theory (Hofstede's cultural dimensions):** This theory suggests that cultural values influence how people

perceive and respond to their surroundings, including organizational contexts [44]. In fact, this theory states that demographic characteristics like as race and nationality, which are associated with unique cultural backgrounds, influence how employees view fairness and justice in the workplace. Individuals from collectivist cultures may value social cohesion and justice in outcomes, whereas individuals from individualist cultures may focus on personal achievement and fairness in individual results.

- 5) **Intersectionality theory:** Crenshaw [45] developed intersectionality theory, which addresses how various social identities (such as race, gender, and class) intersect to impact individual experiences and perceptions. This theory proposes that a combination of numerous demographic factors influences employees' perspectives on organizational justice. A woman of color, for instance, may see organizational justice differently than a white male because of the combined influences of race and gender [46].
- 6) **Social exchange theory:** Social exchange theory states that social behavior is the result of an exchange process in which people aim to maximize rewards while minimizing costs in their relationship [47]. In addition, it holds that the employee-organization relationship is based on a mutual benefit exchange. When employees are treated fairly, supported, and rewarded by their employer, they feel required to reciprocate with good behaviors such as increased productivity, loyalty, and organizational citizenship behaviors. Repeated positive interactions foster trust and deepen relationships, resulting in increased employee commitment and job satisfaction. In fact, social exchange theory emphasizes the significance of fair and equitable interactions in order to build a positive and productive atmosphere at work [48]. It also states that employees who believe they are being treated fairly are more likely to respond with good work behaviors, such as better levels of job performance [49]. Fair treatment fosters a sense of commitment and trust, encouraging employees to make more productive contributions to the business.

### 2.3. Job performance and its dimensions

The concept of job performance in organizational behavior evolved over the past couple of decades. There is a growing recognition that work performance is not a unified concept. Initially, job performance was measured by how well an individual completed the tasks outlined in his or her role descriptions [50]. Job or work performance relates to the amount and standard of tasks that each employee must perform [7]. These standards serve as the framework for performance evaluations. Performance refers to what employees do rather than what they create or the results of their labor. It is a multidimensional term [51]. It has two dimensions that include task performance as well as contextual performance [52].

- 1) **Task performance:** It encompasses an individual's capacity to execute tasks that are essential to the organization's technological essence [53]. It can be direct (in the instance of manufacturing staff) or indirect (in the instance of management or personnel). It is linked to employee capacity and is more prescriptive, suggesting in-role behavior [6]. Thus, it entails effectively completing the specifications of every position [7].
- 2) **Contextual performance:** It involves personal efforts that have no immediate impact on essential job responsibilities but stimulate activities and processes, thus influencing the workplace, interpersonal, and behavioral context. It includes employee supporting behaviors, reliability, and positivity for improving work procedures [54, 55]. Such performance tends to be discretionary in excess of one's role.

### 2.4. An association between organizational justice and job performance

Diamantidis and Chatzoglou [56] reported that the job environment and management support have a direct and indirect impact on job performance, whereas Hermanto and Srimulyani [57] and Patole et al. [3] also reported that employees' perception of organizational justice has a significant impact on workplace performance.

Orishede and Bello [7] mentioned that distributive justice had both a direct and indirect impact on an employee's performance at work. In fact, implementing a robust organizational justice program can foster an environment of mutual trust and respect, resulting in improved job performance and fewer conflicts [19].

### 3. Methodology

This is a descriptive and correlational study that intends to investigate the relationship between three dimensions of organizational justice job performance of employees. This study relied mainly on primary data. The questionnaire method is used to obtain data from various employees at ten insurance companies using a judgmental and convenient sampling technique. To mitigate biases associated with such sampling procedures, we included a varied group of participants based on age, gender, education level, job designations, and other relevant criteria. This allowed us to collect a greater range of opinions, limiting the possibility of skewed results that only represented a small portion of the population.

The respondents were employees of insurance companies in the Kathmandu Valley. A total of 250 survey questionnaires were distributed to employees at five life insurance companies including Rastriya Jeevan Beema Company Ltd., National Life Insurance Company Ltd., Nepal Life Insurance Company Ltd., Sanima Reliance Life Insurance Ltd., and Asian Life Insurance Company Ltd., and five non-life (general) insurance companies including Shikhar Insurance Company Ltd., Nepal Insurance Company Ltd., Prabhu Insurance Ltd., Sanima GIC Insurance Ltd., and United Ajod Insurance Company Ltd. Out of a total of 250 questionnaires distributed, 225 usable questionnaires were returned, thereby yielding a response rate of about 90 percent.

Employee insights into distributive justice were assessed using a 5-item scale, procedural justice with a 6-item scale, and interactional justice using a 9-item scale devised by Niehoff and Moorman [58]. Insights of task performance were assessed using a 6-item scale produced by Williams and Anderson [59], while contextual performance was assessed using an 8-item scale suggested by van Scotter and Motowidlo [60] and Witt and Carlson [61]. Respondents rated their agreement or disagreement with each item on a scale of 1 (strongly disagree) to 5 (strongly agree).

Simple descriptive statistics like mean and standard deviation were used to examine the insights into organizational fairness and job performance. Analysis of variance (ANOVA) was applied to investigate the association between employees' demographic traits and their perspectives on organizational justice. Pearson's correlation was used to assess an association between organizational justice and job performance.

### 4. Results

Empirical results and findings of the survey and related statistical analyses are discussed in this section.

#### 4.1. Demographic traits of respondents

Table 1 presents the respondents' demographic traits. The respondents are predominantly made up of younger, early to mid-career professionals, the majority of whom are well-educated, with a Master's degree.

**Table 1**  
**Demographic traits**

Traits	Categories	N	%
Gender	Male	127	56.4
	Female	98	43.6
Marital Status	Married	127	56.4
	Unmarried	98	43.6
Education Level	Certificate (+2)	7	3.11
	Bachelors/Diploma	73	32.4
	Masters	141	62.7
	Ph. D.	4	1.78
Age Group	Under 20	4	1.78
	21 to 34	161	71.6
	35 to 44	43	19.1
	45 to 54	13	5.78
	55 and above	4	1.78
Job level (designation)	Clerical level	68	30.2
	Supervisor level	116	51.6
	Managerial level	41	18.2
Work Experience	0–4 years	83	36.9
	5–9 years	89	39.6
	10–19 years	35	15.6
	20–29 years	17	7.56
	30 years and above	1	0.44

The sample distribution is balanced in terms of gender and marital status, with a slight majority of men and married participants. The workforce is primarily in supervisory roles, with a large representation in clerical professions as well. The majority have less than 10 years of job experience, which reflects the group's younger age profile.

#### 4.2. Insights into organizational justice

Organizational justice insights are the appreciation and understanding learned about how justice is viewed and experienced within an organization. These insights assist organizations in recognizing the impact of justice on employee behavior, attitudes, and overall organizational effectiveness.

This section presents employee insights into three dimensions of organizational justice:

##### 1) Distributive justice

Table 2 displays employee insights into distributive justice in their work. They were positive about the job arrangement, workload, as well as job obligations. The average employee response is 3.71 with a standard deviation of 0.52. It suggests that respondents from Nepalese insurance companies held a moderate view of distributive justice.

##### 2) Procedural justice

Table 3 summarizes respondents' thoughts on various procedural justice issues. They were positive about their supervisors. According to these employees, managers were seen

**Table 2**  
**Employee insights into distributive justice**

S.N.	Items	Mean	S.D.
1.	Employee job arrangement is reasonable.	3.63	0.89
2.	We believe our salary is reasonable.	3.40	0.11
3.	Our workload seems reasonable to us.	3.66	0.98
4.	Overall, the benefits we get here are fairly reasonable.	3.64	0.97
5.	Our job obligations seem fair to us.	4.21	0.89
<b>Average</b>		<b>3.71</b>	<b>0.52</b>

**Table 3**  
**Employee insights into procedural justice**

S.N.	Items	Mean	S.D.
1.	The general manager makes unbiased job decisions.	4.22	0.90
2.	The manager ensures that all staff issues are addressed before making job decisions.	4.77	0.94
3.	Our manager gathers precise and thorough information for employment decisions.	5.49	0.91
4.	When we ask for more information, our manager clarifies decisions and shares them.	3.13	0.93
5.	All job decisions are consistent across all affected employees.	3.09	0.87
6.	Employees can question or appeal job choices made by their managers.	2.68	0.52
<b>Average</b>		<b>3.59</b>	<b>0.72</b>

to be neutral in their hiring judgments; nevertheless, they did not collect complete and accurate information prior to making any choices. However, they frequently made job judgments that touched every employee. Employees did not, however, have the opportunity to dispute work choices made by their bosses. Employees' average answer is 3.59, with a standard deviation of 0.72. It suggests that respondents from Nepal's insurance companies had a moderate perception of procedural justice.

##### 3) Interactional justice

Table 4 depicts the employees' perspectives on interactional justice. The average employee answer is 3.08, with a standard deviation of 0.56. It suggests that employees from Nepal's insurance companies had a moderate perception of interactional justice. It indicates that organizational managers/supervisors respect and value their employees are aware of what they require personally, communicate with these individuals honestly, and consult with them on job-related matters.

#### 4.3. Insights into job performance

This section presents employee insights into two dimensions of job performance:

##### 1) Task performance

It refers to an employee's participation in endeavors like satisfying commitments, accomplishing specified responsibilities, meeting formal job performance criteria, respecting job-related components, and successfully performing essential functions. Table 5 displays employees' perceptions of the level of task performance. The average employee answer is 3.65, with a



**Table 4**  
**Employee insights into interactional justice**

S.N.	Items	Mean	S.D.
1.	When it comes to making job decisions, the manager is courteous and considerate.	3.1	0.61
2.	When making job-related decisions, the management treats me with dignity and respect.	3.05	0.13
3.	The managers consider our personal needs when making job decisions.	2.96	0.51
4.	When choices are made about our position, the manager communicates with us honestly.	3.07	0.62
5.	When making decisions about our job, the manager considers my rights as an employee.	3.11	0.63
6.	The manager discusses with us the repercussions of employment decisions.	3.05	0.84
7.	The management provides enough justification for decisions regarding our employment.	3.09	0.12
8.	When making judgments concerning our employment, the manager provides reasons that I understand.	3.13	0.22
9.	Our manager thoroughly explains any decisions made regarding my employment.	3.17	0.24
<b>Average</b>		<b>3.08</b>	<b>0.56</b>

**Table 5**  
**The level of task performance**

S.N.	Items	Mean	S.D.
1.	Fulfill the obligations outlined in the job description.	3.45	0.26
2.	Complete prescribed tasks to an adequate standard.	3.55	0.29
3.	Perform the tasks that are expected of you.	3.68	0.60
4.	Meet the established work performance requirements.	3.69	0.74
5.	Respect the parts of the task that you are required to execute.	3.82	0.91
6.	Success in doing essential obligations.	3.72	0.21
<b>Average</b>		<b>3.65</b>	<b>0.35</b>

standard deviation of 0.35. It reveals that respondents from Nepalese insurance companies had a strong sense of task performance.

## 2) Contextual performance

Employees' positive attitudes toward challenging customers and peers, a feeling of power and respect when dealing with discerning individuals, embracing supervisory instructions without resentment, ensuring individuals are happy, working hard, taking initiative, encouraging cooperation, thinking about others, developing relationships, and so on are all examples of contextual performance. Table 6 depicts employees' perceptions of the level of contextual performance. Employees' average answer is 3.67, with a standard deviation of 0.73. It suggests that responders to insurance companies in Nepal had a strong view of contextual performance.

**Table 6**  
**Level of contextual performance**

S.N.	Items	Mean	S.D.
1	We have a pleasant attitude when dealing with challenging clients and coworkers.	3.91	0.86
2	We maintain a sense of ownership and decency while interacting with demanding customers.	3.72	0.84
3	We accept managers' instructions without anger.	3.67	0.75
4	We say things that make others feel good about themselves or their work group.	3.56	0.81
5	We urge people to put aside their differences and get along.	3.61	0.71
6	When coworkers achieve achievement, we recognize our efforts.	3.63	0.61
7	We take the initiative to resolve a work issue.	3.7	0.72
8	We approach a difficult work assignment with enthusiasm.	3.61	0.21
<b>Average</b>		<b>3.67</b>	<b>0.73</b>

## 4.4. Association between employee insights of organizational justice and their personal traits

In order to accomplish the study's purpose while also testing the second hypothesis, information on employee demographic traits was gathered. These traits were investigated to see if they had a significant link with perceptions of organizational justice.

Table 7 shows the results obtained for this purpose. The  $p$ -values for all variables (gender, marital status, education, age, job level, and work experience) are less than 0.01. This shows that the differences in the means of the groups being compared are statistically significant for all variables. The  $F$ -statistics also reveal that the between-group variance is sufficiently large in comparison to the within-group variance, which supports the conclusion that these differences are not attributable to randomness. In short, the findings indicate that there are significant differences in outcomes or responses based on gender, marital status, education, age, job level, and work experience among the respondents.

The results indicate a significant association between such demographic traits of employees and their insights into organizational justice. As a result, this finding supported Hypothesis 1.

## 4.5. Association between organizational justice and job performance

This section concerns correlation analysis. Correlation results (Table 8) reveal that there is a positive association between distributive justice and task performance ( $r = 0.42$ ,  $p < 01$ ), which suggests that as perceptions of distributive justice rise, so does task performance. Procedural justice and task performance have a positive connection ( $r = 0.52$ ,  $p < 01$ ). This shows that fair methods are more strongly linked to improved task performance. Furthermore, there is a strong positive relationship between interactional justice and task performance ( $r = 0.68$ ,  $p < 01$ ), implying that how employees are treated (e.g., with respect and dignity) has a major impact on their task performance.

The results also reveal a high positive relationship between distributive justice and contextual performance ( $r = 0.67$ ,  $p < 01$ ),

**Table 7**  
**One-way ANOVA between organizational justice and employees' personal traits**

Source		Sum of squares	df	Mean square	F	Sig.
Gender	Between Groups	30.887	41	0.753	5.644	0.00**
	Within Groups	24.428	183	0.133		
	Total	55.316	224			
Marital status	Between Groups	35.975	41	0.877	8.302	0.00**
	Within Groups	19.341	183	0.106		
	Total	55.316	224			
Education	Between Groups	34.645	41	0.845	3.891	0.00**
	Within Groups	39.737	183	0.217		
	Total	74.382	224			
Age	Between Groups	60.361	41	1.472	5.579	0.00**
	Within Groups	48.288	183	0.264		
	Total	108.649	224			
Job Level (Designation)	Between Groups	70.441	41	1.718	8.902	0.00**
	Within Groups	35.319	183	0.193		
	Total	105.760	224			
Work experience (in years)	Between Groups	99.778	41	2.434	4.704	0.00**
	Within Groups	94.684	183	0.517		
	Total	194.462	224			

**Note:** Significant at \*\* $p < 0.01$ , \* $p < 0.05$ .

**Table 8**  
**Correlation results and reliability coefficients**

Study variables	DJ	PJ	IJ	TP	CP
Distributive Justice	1				
Procedural Justice	0.49**	1			
Interactional Justice	0.43**	0.51**	1		
Task Performance	0.42**	0.54**	0.68**	1	
Contextual Performance	0.67**	0.69**	0.87**	0.49**	1
Cronbach's Alpha	0.94	0.79	0.82	0.91	0.85

**Note:** Significant at \*\* $p < 0.01$ , \* $p < 0.05$  (2-tailed).

implying that equitable allocation of resources and rewards is strongly connected with actions that contribute to the organizational environment in addition to specific tasks. Procedural justice and contextual performance have a high positive correlation ( $r = 0.69$ ,  $p < 0.01$ ), demonstrating that fair procedures are closely linked to positive actions such as helping others and going above and beyond statutory employment requirements. Interactional justice and contextual performance both show a substantial positive association ( $r = 0.87$ ,  $p < 0.01$ ). This demonstrates that fair interpersonal treatment has a significant impact on developing behaviors that improve the corporate climate.

Thus, the results show that all three dimensions of organizational justice (distributive, procedural, and interactional justice) were all significantly associated with job performance dimensions (task performance and contextual performance). All relationships were examined at the 1% level of significance using a two-tailed test. As a result, this observation confirmed Hypothesis 2.

## 5. Discussion

Among the three dimensions of organizational justice evaluated, distributive justice had the highest mean value (3.71) with an S.D. of 0.52. This result suggests that Nepalese insurance companies' employee value distributive justice in terms of the fairness of numerous employment outcomes, such as timetable, rewards level, assignment, incentives, as well as job responsibilities [28]. The

results indicate that Nepalese employees are also worried about procedural justice, which includes justice in systems for collecting impartial, precise, and thorough employee perspectives, in addition to a procedure for appealing. They also prioritize interactional justice in relation to how much they believe their supervisors consider and value them, as well as adequate and transparent explanations of employment decisions [7, 26, 58]. These results support organizational justice theory suggesting the significance of equality in employment and how employees' perceptions of justice affect their manner of thought and performance [40, 41].

Results also show a substantial association between employee demographic traits and their insights into organizational justice. These results support the notion of social identity theory [42], cultural dimensions theory [44], and intersectionality theory [45]. Nepal is largely a collectivist society. Employee expectations and reactions to justice inside firms are primarily shaped by values and norms that emphasize group harmony, hierarchy respect, and community interdependence. They frequently evaluate distributive justice based not only on individual outcomes but also on how resources and rewards are allocated among a group or team. Employees may expect awards to be distributed equitably based on collective performance rather than individual achievements. In terms of procedural justice, Nepalese employees may expect decisions to be made in a way that takes into account input from all levels and properly acknowledges seniority and hierarchy. Furthermore, procedural justice is intimately related to respect for authority. Employees may see a process as fair if it follows established hierarchical standards and managers display fairness in decision-making. In Nepal, interpersonal interactions have a significant impact on interactional justice. Employees value being treated with dignity, respect, and courtesy, particularly by those in positions of power. Managers who express personal concern for their employees' well-being, taking into account their family and social circumstances, are more likely to be perceived as just. In such a situation, the application of social identity theory, cultural dimensions theory, and intersectionality theory proves crucial for improving the work environment in Nepalese insurance companies.

Employee judgments of all dimensions of justice are moderate, but the results show that their task and contextual performance are excellent. This may be due to owing to their dedication to their

respective organizations. Regardless of the amount of justice, employees in insurance companies have a positive attitude toward their jobs and performance levels [6].

Correlation results show a favorable association between organizational justice dimensions and employee job performance [3, 56, 57]. They also indicate a strong and favorable relationship between distributive justice and both dimensions of job performance [7, 18, 52]. Similarly, procedural justice shows a strong and favorable relationship with task and contextual performance. Similarly, interactional justice demonstrates a strong and favorable relationship with both the task and contextual performances. These results support the notion of organizational justice theory [41], equity theory [43], and social exchange theory [47, 48]. This study's findings, which are consistent with organizational justice theory, show that employees who believe high levels of organizational justice are more likely to exhibit positive attitudes such as greater inspiration, passion, and job fulfillment that can enhance the performance of the entire organization. Furthermore, in keeping with equity theory, the findings of this study indicate that individuals experience justice by comparing their input-output ratios with others' ratios. They are driven by the desire to provide equitable efforts while receiving returns. Moreover, in line with the notion of social exchange theory, the results of this study show that a reciprocal benefits exchange matters a lot for developing employee-organization relationships.

The relationship between interactional justice and job performance (task and contextual) is significantly greater than that between distributive and procedural justice. These results contrast with the findings of Cohen-Charash and Spector [26]. They stated that task performance was significantly associated with procedural justice. A potential reason is that Western people place a stronger emphasis on organizational norms and processes, making them more attentive to justice in procedures, and demonstrating the legitimacy of the management systems. This contrasts the Nepalese culture, which values interpersonal relationships, ethics, sentiment, and managing people, making them more sensitive to justice in interaction.

## 6. Implications

Today's organizations must promote organizational justice concepts in order to improve employee performance. They must implement certain practices to improve perceptions of organizational fairness. *First*, employee compensation should be fair and in line with current market conditions to promote distributive justice. *Secondly*, allowing employees genuine participation in organizational decisions, as well as being open about decision-making processes, both contribute to procedural justice. *Finally*, communicating decisions properly with timely and precise details, as well as assuring that managers regard everybody with respect, dignity, and integrity, all contribute to interpersonal justice.

## 7. Conclusion

In conclusion, there is a strong interconnection between employee perceptions of the three dimensions of organizational justice—distributive, procedural, and interactional—and their job performance in Nepalese insurance companies. This study's findings are consistent with all relevant theories, including organizational justice theory, social identity theory, equity theory, cultural dimensions theory, intersectionality theory, and social exchange theory. If insurance companies adhere to the basic principles of these theories, they will be able to positively affect employee perceptions of organizational justice, resulting in improved performance.

Furthermore, if employers treat their employees equitably, they will do well on the job. To develop a climate of organizational justice, organizations must ensure that rewards and resources are distributed fairly. It should prioritize clear compensation policies, fair reward systems, and performance-based incentives. It must also prioritize the establishment of fair and consistent decision-making systems by creating standardized systems for evaluations, promotions, and disciplinary actions. To eliminate any sense of prejudice, ensure that these procedures are followed uniformly across all employees, provide chances for employees to engage in decision-making processes, and develop a formal appeals process via which employees can dispute choices they believe are unjust. Fostering respectful and equitable interpersonal interactions can also help to build an environment of organizational justice. For this, organizations must train managers and supervisors on effective communication skills, emphasizing the importance of treating employees with dignity and respect, promoting open-door policies in which employees feel comfortable discussing concerns, and ensuring that managers provide clear and honest clarification for decisions. All of these activities ultimately increase employees' willingness to optimize their potential for higher levels of job performance.

## 8. Limitations and Recommendations for Future Research

This research is based on employees' perceptions of only ten insurance companies. Thus, the findings of this study may not apply to other business units. So, future researchers should strive for a larger sample size to assess whether general results apply to a wider population sample size. This study focuses solely on employee behaviors. As a result, it is suggested that organizational justice practices be related to the organization's financial performance in a future study. Future researchers may examine relevant variables in different groups, sectors, cultures, or countries.

### Ethical Statement

This study does not contain any studies with human or animal subjects performed by any of the authors.

### Conflicts of Interest

The authors declare that they have no conflicts of interest to this work.

### Data Availability Statement

Data sharing is not applicable to this article as no new data were created or analyzed in this study.

### Author Contribution Statement

**Prakash Shrestha:** Conceptualization, Validation, Investigation, Resources, Writing – original draft, Writing – review & editing, Supervision, Project administration. **Dilip Parajuli:** Methodology, Data curation, Funding acquisition. **Makshindra Thapa:** Software, Formal analysis, Visualization.

### References

- [1] Unterhitzberger, C., & Lawrence, K. (2025). Fairness matters: Organisational justice in project contexts. *Production Planning & Control*, 36(1), 45–60. <https://doi.org/10.1080/09537287.2023.2251424>

- [2] Eib, C., Leineweber, C., & Bernhard-Oettel, C. (2021). Fairness at work. In P. Brough, E. Gardiner, & K. Daniels (Eds.), *Handbook on management and employment practices* (pp. 1–26). Springer. [https://doi.org/10.1007/978-3-030-24936-6\\_13-1](https://doi.org/10.1007/978-3-030-24936-6_13-1)
- [3] Patole, J., Guha, D., & Tejpal, K. (2023). Perceived organizational justice and employee performance: Trust as a mediator. *Rivista Italiana di Filosofia Analitica Junior*, 14(2), 1206–1215.
- [4] Feng, M., Yu, W., Chavez, R., Cadden, T., & Wong, C. Y. (2024). How do institutional forces affect firm agility through organisational justice? Differences between Chinese and foreign firms in China. *Production Planning & Control*, 35(11), 1247–1262. <https://doi.org/10.1080/09537287.2023.2170293>
- [5] Shrestha, P. (2016). Workplace justice and employee performance in financial sector. *Annamalai International Journal of Business Studies and Research*, 8(1), 40–47.
- [6] Shrestha, P. (2016). *Organizational justice and employee work outcomes in service sector of Nepal*. PhD Thesis, Tribhuvan University.
- [7] Orishede, F., & Bello, A. (2019). Relationship between organizational justice and employees performance. *Nigerian Journal of Management Sciences*, 7(1), 386–393.
- [8] Colquitt, J. A., Hill, E. T., & de Cremer, D. (2023). Forever focused on fairness: 75 years of organizational justice in *Personnel Psychology*. *Personnel Psychology*, 76(2), 413–435. <https://doi.org/10.1111/peps.12556>
- [9] Karam, E. P., Hu, J., Davison, R. B., Juravich, M., Nahrgang, J. D., Humphrey, S. E., & Scott DeRue, D. (2019). Illuminating the ‘face’ of justice: A meta-analytic examination of leadership and organizational justice. *Journal of Management Studies*, 56(1), 134–171. <https://doi.org/10.1111/joms.12402>
- [10] Sheeraz, M. I., Ahmad, U. N. N., Ishaq, M. I., Sarfraz, M., & Nor, K. M. (2021). The research on organizational justice in Scopus indexed journals: A bibliometric analysis of seven decades. *Frontiers in Psychology*, 12, 647845. <https://doi.org/10.3389/fpsyg.2021.647845>
- [11] Greenberg, J. (2011). Organizational justice: The dynamics of fairness in the workplace. In S. Zedeck (Ed.), *APA handbook of industrial and organizational psychology: Maintaining, expanding, and contracting the organization* (Vol. 3, pp. 271–327). American Psychological Association. <https://doi.org/10.1037/12171-008>
- [12] Deressa, B., Adugna, K., Bezane, B., Jabessa, M., Wayessa, G., Kebede, A., . . . , & Demissie, Y. (2022). The relationship between organizational commitment and organizational justice among health care workers in Ethiopian Jimma Zone public health facilities. *Journal of Healthcare Leadership*, 14, 5–16. <https://doi.org/10.2147/JHL.S345528>
- [13] Moorman, R. H. (1991). Relationship between organizational justice and organizational citizenship behaviors: Do fairness perceptions influence employee citizenship? *Journal of Applied Psychology*, 76(6), 845–855. <https://doi.org/10.1037/0021-9010.76.6.845>
- [14] Ho, H. C. Y. (2025). A one-year prospective study of organizational justice and work attitudes: An extended job demands-resources model. *Journal of Managerial Psychology*, 40(1), 21–36. <https://doi.org/10.1108/JMP-02-2024-0113>
- [15] Pratama, P., Nasution, H., & Absah, Y. (2019). Analysis of the influence of organizational justice, corporate social responsibility, and job satisfaction on employee commitment to millennial generation at PT Capella Dinamik Nusantara, North Sumatra, Indonesia. *American International Journal of Business Management*, 2(4), 88–98.
- [16] Akram, T., Lei, S., Haider, M. J., & Hussain, S. T. (2020). The impact of organizational justice on employee innovative work behavior: Mediating role of knowledge sharing. *Journal of Innovation & Knowledge*, 5(2), 117–129. <https://doi.org/10.1016/j.jik.2019.10.001>
- [17] Al-Douri, Z. (2020). Organizational justice and its impact on job satisfaction: Evidence from transportation industry. *Management Science Letters*, 10(2), 351–360. <https://doi.org/10.5267/j.msl.2019.8.035>
- [18] Thomas, P., & Nagalingappa, G. (2012). Consequences of perceived organizational justice: An empirical study of white-collar employees. *Journal of Arts, Science & Commerce*, 3(2), 54–63.
- [19] Pattnaik, S., & Tripathy, S. K. (2023). The effect of organizational justice on employee performance in the Indian Public Sector Units: The role of organizational identification. *Benchmarking: An International Journal*, 30(8), 2583–2607. <https://doi.org/10.1108/BIJ-08-2021-0508>
- [20] Farid, H., Niu, X., Raza, J., Gul, H., & Hanif, N. (2023). How and when organizational justice impact extra-role customer service: A social exchange perspective of thriving at work. *Current Psychology*, 42(12), 9743–9758. <https://doi.org/10.1007/s12144-021-02244-y>
- [21] Correia, I., & Almeida, A. E. (2020). Organizational justice, professional identification, empathy, and meaningful work during COVID-19 pandemic: Are they burnout protectors in physicians and nurses? *Frontiers in Psychology*, 11, 566139. <https://doi.org/10.3389/fpsyg.2020.566139>
- [22] Adamovic, M. (2023). Organizational justice research: A review, synthesis, and research agenda. *European Management Review*, 20(4), 762–782. <https://doi.org/10.1111/emre.12564>
- [23] Tjahjono, H. K., Fachrunnisa, O., & Palupi, M. (2019). Configuration of organizational justice and social capital: Their impact on satisfaction and commitment. *International Journal of Business Excellence*, 17(3), 336–360. <https://doi.org/10.1504/IJBEX.2019.097957>
- [24] Akram, T., Haider, M. J., & Feng, Y. X. (2016). The effects of organizational justice on the innovative work behavior of employees: An empirical study from China. *Journal of Creativity and Business Innovation*, 2, 114–126.
- [25] Mustafa, M. J., Vinsent, C., & Zainal Badri, S. K. (2023). Emotional intelligence, organizational justice and work outcomes. *Organization Management Journal*, 20(1), 30–42. <https://doi.org/10.1108/OMJ-08-2021-1322>
- [26] Cohen-Charash, Y., & Spector, P. E. (2001). The role of justice in organizations: A meta-analysis. *Organizational Behavior and Human Decision Processes*, 86(2), 278–321. <https://doi.org/10.1006/obhd.2001.2958>
- [27] Elamin, A. M., Ahmed, A. Z. E., Osman, D., & Dania, A. (2023). The relationship between perceived organizational justice, supervisor support, and turnover intention. *Journal of Business Administration Research*, 12(1), 25–38.
- [28] Parajuli, D., & Shrestha, P. (2024). Status of organizational justice dimensions: Evidence from banks and insurance companies. *The Batuk*, 10(2), 17–28. <https://doi.org/10.3126/batuk.v10i2.68149>
- [29] Fernandes, C., & Awamleh, R. (2006). Impact of organizational justice in an expatriate work environment. *Management*



- Research News, 29(11), 701–712. <https://doi.org/10.1108/01409170610716016>
- [30] Hyder, S., Malik, M. I., Hussain, S., Tasneem, M., Kaleem, M., & Saqib, A. (2022). Organizational justice and employee in-role performance nexus: A dual theory perspective. *Cogent Business & Management*, 9(1), 2124602. <https://doi.org/10.1080/23311975.2022.2124602>
- [31] Jang, J., Lee, D. W., & Kwon, G. (2021). An analysis of the influence of organizational justice on organizational commitment. *International Journal of Public Administration*, 44(2), 146–154. <https://doi.org/10.1080/01900692.2019.1672185>
- [32] Mengstie, M. M. (2020). Perceived organizational justice and turnover intention among hospital healthcare workers. *BMC Psychology*, 8(1), 19. <https://doi.org/10.1186/s40359-020-0387-8>
- [33] Shrestha, P. (2015). Organizational justice, employee trust and commitment in Nepalese financial institutions. *The Journal of University Grants Commission*, 4(1), 132–147.
- [34] Shrestha, P. (2019). Job involvement as an outcome of organizational justice. *NCC Journal*, 4(1), 149–156. <https://doi.org/10.3126/nccj.v4i1.24748>
- [35] Edrees, H. N. E., Sobaih, A. E. E., Gharbi, H., & Abu Elnasr, A. E. (2023). The influences of procedural justice on turnover intention and social loafing behavior among hotel employees. *Journal of Risk and Financial Management*, 16(2), 75. <https://doi.org/10.3390/jrfm16020075>
- [36] O'Callaghan, M. (2024). The impact of procedural justice on employee turnover intentions and the role of two mediators. *Organization Management Journal*, 21(2), 75–87. <https://doi.org/10.1108/OMJ-03-2023-1822>
- [37] Mubashar, T., Musharraf, S., Khan, S., & Butt, T. A. (2022). Impact of organizational justice on employee engagement: The mediating role of organizational trust. *Cogent Psychology*, 9(1), 2080325. <https://doi.org/10.1080/23311908.2022.2080325>
- [38] Ekmekcioglu, E. B., & Aydogan, E. (2019). A moderated mediation model of the relationship between organizational justice and turnover intention. *International Journal of Organizational Analysis*, 27(4), 1073–1092. <https://doi.org/10.1108/IJOA-06-2018-1448>
- [39] Ghaderi, Z., Tabatabaei, F., Khoshkam, M., & Shahabi Sorman Abadi, R. (2023). Exploring the role of perceived organizational justice and organizational commitment as predictors of job satisfaction among employees in the hospitality industry. *International Journal of Hospitality & Tourism Administration*, 24(3), 415–444. <https://doi.org/10.1080/15256480.2021.1988882>
- [40] French, W. (1964). *The personal management process: Human resource administration*. USA: Houghton Mifflin.
- [41] Greenberg, J. (1990). Organizational justice: Yesterday, today, and tomorrow. *Journal of Management*, 16(2), 399–432. <https://doi.org/10.1177/014920639001600208>
- [42] Tajfel, H., & Turner, J. (1979). An integrative theory of intergroup conflict. In W. G. Austin & S. Worchel (Eds.), *The social psychology of intergroup relations* (pp. 33–47). Wadsworth.
- [43] Adams, J. S. (1963). Towards an understanding of inequity. *The Journal of Abnormal and Social Psychology*, 67(5), 422–436. <https://doi.org/10.1037/h0040968>
- [44] Hofstede, G. (2011). Dimensionalizing cultures: The Hofstede model in context. *Online Readings in Psychology and Culture*, 2(1), 8. <https://doi.org/10.9707/2307-0919.1014>
- [45] Crenshaw, K. (1989). Demarginalizing the intersection of race and sex: A black feminist critique of anti-discrimination doctrine, feminist theory and anti-racist politics. *The University of Chicago Legal Forum*, 1989(1), 139–167.
- [46] Cho, S., Crenshaw, K. W., & McCall, L. (2013). Toward a field of intersectionality studies: Theory, applications, and praxis. *Signs: Journal of Women in Culture and Society*, 38(4), 785–810. <https://doi.org/10.1086/669608>
- [47] Cropanzano, R., & Mitchell, M. S. (2005). Social exchange theory: An interdisciplinary review. *Journal of Management*, 31(6), 874–900. <https://doi.org/10.1177/0149206305279602>
- [48] Cook, K. S., Cheshire, C., Rice, E. R. W., & Nakagawa, S. (2013). Social exchange theory. In J. DeLamater & A. Ward (Eds.), *Handbook of social psychology* (2nd ed., pp. 61–88). Springer. [https://doi.org/10.1007/978-94-007-6772-0\\_3](https://doi.org/10.1007/978-94-007-6772-0_3)
- [49] Chen, L. F., & Khuangga, D. L. (2021). Configurational paths of employee reactions to corporate social responsibility: An organizational justice perspective. *Corporate Social Responsibility and Environmental Management*, 28(1), 389–403. <https://doi.org/10.1002/csr.2056>
- [50] Katz, D., & Kahn, R. L. (1978). *The social psychology of organizations*. USA: Wiley.
- [51] Sonnentag, S., & Frese, M. (2002). Performance concepts and performance theory. In S. Sonnentag (Ed.), *Psychological management of individual performance* (pp. 1–25). Wiley. <https://doi.org/10.1002/0470013419.ch1>
- [52] Zoghbi-Manrique-de-Lara, P., & Ting-Ding, J. M. (2017). Task and contextual performance as reactions of hotel staff to labor outsourcing: The role of procedural justice. *Journal of Hospitality and Tourism Management*, 33, 51–61. <https://doi.org/10.1016/j.jhtm.2017.09.007>
- [53] Afzal, S., Arshad, M., Saleem, S., & Farooq, O. (2019). The impact of perceived supervisor support on employees' turnover intention and task performance: Mediation of self-efficacy. *Journal of Management Development*, 38(5), 369–382. <https://doi.org/10.1108/JMD-03-2019-0076>
- [54] Borman, W. C., & Motowidlo, S. J. (1997). Task performance and contextual performance: The meaning for personnel selection research. *Human Performance*, 10(2), 99–109. [https://psycnet.apa.org/doi/10.1207/s15327043hup1002\\_3](https://psycnet.apa.org/doi/10.1207/s15327043hup1002_3)
- [55] Motowidlo, S. J., & Schmit, M. J. (1999). Performance assessment in unique jobs. In D. R. Ilgen, & E. D. Pulakos (Eds.), *The changing nature of performance: Implications for staffing, motivation, and development* (pp. 56–86). Jossey-Bass.
- [56] Diamantidis, A. D., & Chatzoglou, P. (2019). Factors affecting employee performance: An empirical approach. *International Journal of Productivity and Performance Management*, 68(1), 171–193. <https://doi.org/10.1108/IJPPM-01-2018-0012>
- [57] Hermanto, Y. B., & Srimulyani, V. A. (2022). The effects of organizational justice on employee performance using dimension of organizational citizenship behavior as mediation. *Sustainability*, 14(20), 13322. <https://doi.org/10.3390/su142013322>
- [58] Niehoff, B. P., & Moorman, R. H. (1993). Justice as a mediator of the relationship between methods of monitoring and organizational citizenship behavior. *Academy of Management Journal*, 36(3), 527–556. <https://doi.org/10.5465/256591>
- [59] Williams, L. J., & Anderson, S. E. (1991). Job satisfaction and organizational commitment as predictors of organizational

- citizenship and in-role behaviors. *Journal of Management*, 17(3), 601–617. <https://doi.org/10.1177/014920639101700305>
- [60] van Scotter, J. R., & Motowidlo, S. J. (1996). Interpersonal facilitation and job dedication as separate facets of contextual performance. *Journal of Applied Psychology*, 81(5), 525–531. <https://doi.org/10.1037/0021-9010.81.5.525>
- [61] Witt, L. A., & Carlson, D. S. (2006). The work-family interface and job performance: Moderating effects of conscientiousness and perceived organizational support. *Journal of Occupational Health Psychology*, 11(4), 343–357. <https://psycnet.apa.org/doi/10.1037/1076-8998.11.4.343>

**How to Cite:** Shrestha, P., Parajuli, D., & Thapa, M. (2025). Employee Insights into Organizational Justice and Job Performance: The Case of Insurance Companies. *Journal of Comprehensive Business Administration Research*, 2(4), 238–247. <https://doi.org/10.47852/bonviewJCBAR42023984>