

Organizational Justice and Construction Project Performance

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Purpose

The concept of organizational justice has been a focus of attention in management studies, due to its potentially positive effects on both an organization and also on its employees. The concept focuses on the effect the social relationships that exist between people in the working environment have on aspects of performance. At its heart is the notion that an individual's perception of "fairness" relating to aspects of their work influences their behavior, which in turn leads to either negative or positive outcomes in terms of performance.

One operational context in which the relationship between organizational justice and performance has not been explored, to date, in any depth in the prior literature is that of project environments. The research reported in this paper contributes to addressing this gap in the literature. Projects are delivered through often complex and temporary organizations which are only set up for the purpose of a specific task. This is especially applicable for construction projects which often involve a very high number of specialist consultants and contractors. It is the potentially high impact on project success of the social and relational aspects of project teams which makes them interesting for researchers, especially as the construction industry has been widely criticized for its low performance for many years (e.g. Doloi, 2013, Egan, 1998, Latham, 1994). So understanding the social relationships, with a focus on the boundaries between relations, is important from a wider impact perspective.

Hence the overall purpose of this paper is to explore the relationships between organizational justice, organizational justice climate and construction project success.

Design/methodology/approach

An online survey amongst construction professionals was conducted with a final sample of 194 participants. The participants were highly experienced based on their education, work experience and professional level.

Indirect measures were mostly used for collecting data i.e. participants were not directly asked how fair something is or how well someone communicates, rather the variable was measured through criteria which explain the variables (Lind and Tyler, 1988, De Vaus, 2002).

For some of the variables used in our study well-established measures exist. As far as possible such were used to both ensure a certain level of validity and reliability and provide the opportunity to compare our study to others which have used the same measures (De Vaus, 2002, Hansen, Byrne and Kiersch, 2013).

For the data analysis structural equation modelling (SEM) was applied, which has become a widely used method in operations management research (Shah and Goldstein, 2006). SEM was chosen as its purpose is to examine the degree of support of a theoretical model by the sample data (Schumacker and Lomax, 2010), which is congruent with the aim of the research.

Findings

A planned outcome of the research is to enhance the theory of organizational justice and organizational justice climate by testing its impact on project performance in the context of construction. In implementing this plan multiple key findings became evident. These are reflected in five significant relationships, which are as follows:

1. There is a strong relationship between distributive justice and construction project performance. It is mainly mediated through organizational commitment, client's competence and managerial qualities, and coordination.
2. There is a strong relationship between interactional justice and project performance in general. It is mainly mediated through organizational commitment, client's competence and managerial qualities, conflict management, and compliance to client's expectations.

3. There is a strong relationship between procedural justice and project performance in general. It is mainly mediated through conflict management, and efficacy of procurement method and contract.
4. There is a strong relationship between distributive justice climate and project performance in general. It is mainly mediated through organizational commitment, client's competence and managerial qualities, and coordination.
5. There is a strong relationship between procedural justice climate and project performance in general. It is mainly mediated through coordination, decision-making, and efficacy of organizational structures.

Relevance/contribution

Our research delivers a valuable contribution to two different areas of research: on the one hand side the theory of organizational justice and organizational justice climate is enhanced and refined by the investigation of their application in a project setting which represents a temporary multi organization. Furthermore the impact of organizational justice and organizational justice climate on different aspects of performance is investigated in more depth and contributes to one of the least understood areas in this field. And finally the mediation of the relationship between organizational justice and project performance gives new insight on how they are related and influenced.

On the other hand side our research strongly supports the research in social relationships in construction project management. This field receives more and more attention as researchers as well as practitioners realize that not only tools and techniques are necessary to manage a project successfully, but that the humans which are involved in projects need special attention as well. Our research highlights a new and evidentially influential concept to improve the management of construction projects.

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