The Mediating Effect of Social Undermining on the Relationship between Organizational Justice and Organizational Silence (The Case Study: Tax Organization of Fars Province)

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Abstract: Nowadays, everybody knows human capital is the most important asset of every organization. In this study, considering the mediating effect of social undermining, the association of organizational justice and organizational silence is evaluated. The research data has been collected through questionnaires from 56 employees of Tax organization in Fars province. Data analysis was performed using structural equation modeling (SEM). The findings show that there is a significant negative correlation between level of organizational justice and organizational silence. Also, social undermining plays a mediating role in the relationship between organizational justice and organizational silence.

Key words: Social Undermining, Organizational Justice, Organizational silence

INTRODUCTION

In today's competitive world, organizations should pay attention to their human resources to achieve greater efficiency and effectiveness. Human resources often have ideas, information and opinions for useful ways to improve their work and organizations. They could provide expert comments and suggestions on their jobs better than their managers because they are specialized in all aspects of working. If employees do not speak about important organizational issues and problems, organizational silence occurs. Organizational silence can cause widespread withholding of information. So it can deteriorate organizational performance (Bagheri et al. 2012: 48). Employee silence has a negative effect on communication and as a result the overall functioning of the organization is disrupted (bagheri et al., 2012:50). The results of previous studies indicate that organizational silence negatively affects on decision making and change process. It can also reduce the motivation, commitment and job satisfaction (Morrison and Milliken, 2000; Ozdemir and Sarioglu Ugur, 2013). It also causes indifference of staff which leads to reducing the efficiency and effectiveness. If employees are not speaking up with problems they see, leading to a perpetual cycle of employee silence (Joinson, 1996: 77).

On the other hand, the term "organizational justice" refers to the extent to which the employees perceive workplace procedures, interactions, and outcomes to be fair in nature (Baldwin, 2006:1). Organizational justice perception is one of important indicators of employees'

behavior (Tan, 2014). It potentially can create powerful benefits for organizations and employees alike. These benefits include greater trust and commitment, improved job performance, more helpful citizenship behaviors, improved customer satisfaction, and diminished conflict (Cropanzano et al. 2007: 34).

If employees receive fair behaviors from their organizations, their social interaction will be stimulated more beyond their expectation of role and their commitment to their organization will increase. When employees are exposed to unjust behaviors of their organization, they start to feel to be unimportant for their organization and choose not to trust their organization and whenever a problem occurs in the organization, they choose to stay silent (Dabbagh et al., 2012). Colquitt and Greenberg (2003) state that employees work for the organization as long as they believe there is justice in distribution of resources and organizational procedures as well as attitudes of management towards employees. So employees perceptions of injustice may result in their Withdrawal or could lead to some attitudes that can produce negative outcomes for the organization (Zoghbi-Manrique-de-Lar, 2010). Therefore a climate of justice or perceived justice could affect employees' decisions to speak up or remain silent (Tulubas and Celep, 2012).

The purpose of the present study is at first examining the relationship between organizational justice and employee silence. Social undermining refers to international offenses aimed at destroying another's favorable reputation, their ability to accomplish their work, or their ability to build and maintain positive relationship (Duffy et al., 2002). As some researchers indicate social undermining could influence negative affect such as dislike or anger. It can act as a mediator in the relationship between perceived justice and employee silence. So we examined the mediating level of social undermining on the relationship between perceived justice and employee silence. The subsequent section of this article reviews existing research on organizational justice and social undermining before linking both to employee silence.

2. Literature Review
2.1. Theories Explaining Organizational justice
The term organizational justice roots back to John Stacey Adams (1965) which is based on the fact that human motivation influenced by the feeling of justice. Employees expect justice behavior according to time investment and their abilities in an organization. Organizational justice can create lots of advantages for employees and organizations. These consist of improving trust, satisfaction, commitment, and work performance. Organizational justice explains the perception of employees about how fair they are treated and how this perception affects results such as organizational commitment and satisfaction (Greenberg, 1996). On the other hand, lack of organizational justice will cause problematic situations for organizations (Cropanzao and Wright, 2003). Organizational Justice Term was coined by Greenberg in 1970 for the first time. He believes that Organizational Justice consists of three dimensions which include Distributional Justice, Procedural Justice and Interactional Justice. These dimensions are explained briefly in the following:

2.1.1. Distributive Justice
Distributive justice refers to the perceived fairness of the outcomes that an individual receives from organization. Outcomes may be distributed on the basis of equality, need or contribution and individuals determine the fairness of distribution through comparison with others (Alsalem and Alhaiani, 2007). This type of justice expresses outcomes being distributed should be proportioned to inputs, which is called equity principle. According to equity theorists, individuals compare a ratio of their perceived inputs to outcomes derived from a relationship with that of a referent other. If the ratios are equal, the individual perceives distributive justice. If the ratios are unequal, the individual will perceive

inequity (Jawahar, 2002). Referring to the equity theory, employees will modify the quality or quantity of their work to restore justice. When employees perceive justice in the organization, they are less likely to seek opportunities to balance things out by increasing their own benefits at the company's expense. Additionally, when employees are treated fairly, they are "more willing to subordinate their own short-term individual interests to the interests of a group or organization" (McCain et al., 2010). Perceived fairness in distributing outcomes causes satisfaction with jobs and so in order to improve the organization, employees express their opinions.

2.1.2. Procedural Justice
Procedural justice refers to participants' perceptions about the fairness of the rules and procedures that regulate a process (Nabatchi et al., 2007). While distributive justice refers to the perceived fairness of the amounts of compensation employees receive; procedural justice refers to the perceived fairness of the means used to determine those amounts" (Folger and Konovsky, 1989).In addition, procedural justice also means the individual evaluation of fairness in gaining distribution ways (Tan, 2014).

2.1.3. Interactional Justice
According to Bies (1986), interactional justice focuses on employees' perceptions of the interpersonal behavior exercised during the representation of decisions and procedures. It is described as the features of behaviors and manners that employees and managers face while the managers fulfill procedures related to organizational activities (procedural and distributive) (Liao and Tai, 2006). Interactional justice further includes interpersonal and informational justice (Leventhal, 1980)
Employees of an organization will reflect positive behaviors and productivity if they perceive their organization to be fair and just in its procedures, policies, interactions and distribution systems. Enhancing organizational justice results in improved outcomes from employees (Usmani and Jamal, 2013). Also, it can improve employee commitment and make employees feel belonging to the organization.

2.2. Organizational Silence
Employee silence was first mentioned in the literature by social scientist Albert Hirchmann in 1970 and it was later developed further by some other scientists (Brinsfield et.al, 2009). Early definitions of silence equated it with "loyalty" and the assumption that nothing was wrong if concerns were not being voiced. But researchers today have shown that a climate of silence can work against desired organizational outcomes (Aylsworth, 2008). When employees remain

silent, they withhold some information regarding their organization. This information could be based on either some objective data or some subjective judgment such as an idea or a concern. Silence is also conscious and intentional which is usually motivated by some other factors (Radmard et al., 2014).

2.3. Social undermining

Social undermining refers to intentional offenses aimed at destroying another's favorable reputation, their ability to accomplish their work, or their ability to build and maintain positive relationships (Duffy et al., 2002**).** This is the managers' task to proactively develop climates of trust, social support, and transparency rather than allow climates that support rumor-mills and suspicion compensation systems that promote competition and individual performance may also be closely examined for unintentionally rewarding social undermining (Crossley, 2008). Social undermining does not explicitly mention frequency; however, the definition suggests that the behavior hinders relationships over time, implying moderate or high frequency (Hershcovis, 2010).

Social undermining can take on many different forms and the manner in which it negatively affects a relationship may vary as well. The first form is *direct* actions. Direct undermining actions are actions in which the perpetrator will excoriate, make denigrating comments about, outright reject, or belittling a person or their ideas. Actions such as these can hamper relationships or ruin someone's character. Keeping information or failing to defend a coworker or subordinate is another form of undermining. Other variables to social undermining such as verbal and physical forms include making derogatory remarks about a coworker or verbally slighting them and are considered an active form of undermining. Giving

someone the silent treatment or failing to give essential information to a co-worker would be considered a passive form of undermining. Physical forms of undermining include refusing critical work resources or engaging in counterproductive work practices in an attempt to harm the target (Reynolds, 2009). Social undermining can arise through interactions with co-workers and supervisors; these interactions have an effect on the workers that are being undermined and can affect their work performance (Duffy et al., 2002**).** Vinokur found that those who alleged to have social undermining in the workplace reported to have lesser mental health and personal well-being (Vinokur, 1993). The results of this study show that undermining has a significant role in worker-supervisor and co-worker relationship and that it leads to various different outcomes such as feelings of irritability, anxiety, depersonalization, and depression. This shows that social undermining would affect a person's work ethics and well being; when a person does not have a positive outlook on their workspace they become miserable.

In this study it is investigated the mediator effect of these two types of social undermining on the relationship between organizational justice and organizational silence. Therefore, the conceptual model of present study is detected in figure 1. In this model organizational justice is as a predictor variable, organizational justice is as a dependent variable, and finally social undermining is as a mediator variable. In this study, on the one hand, it is considered the impact of the organizational justice on the organizational silence and on the other hand, the mediating role of social undermining on the relationship between organizational justice and organizational silence is investigated.
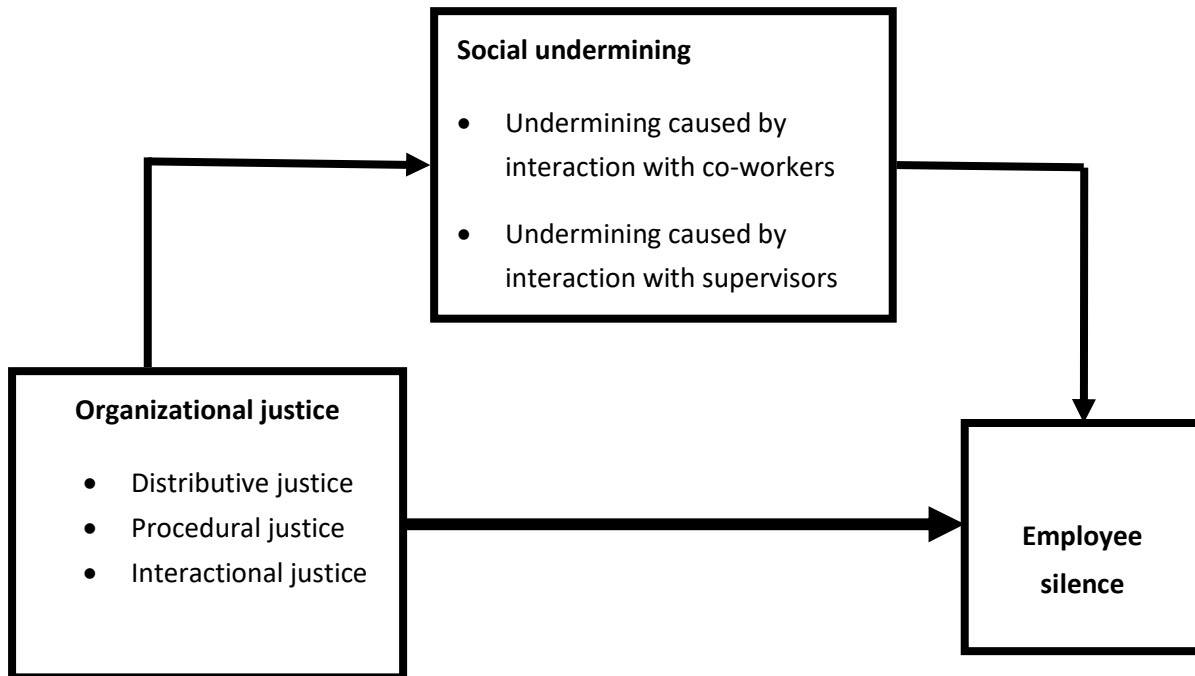
Fig.1.The conceptual model of research

According to the model the hypotheses of this study are as follow:

The main hypothesis (Ha): The organizational justice affects on the employee silence.

Sub-hypothesis 1 (Hb1): The organizational justice affects on social undermining

Sub-hypothesis 2 (Hb2): Social undermining affects on employee silence.

3- Methodology

This study is applied research. In order to collect data three questionnaire were used. In order to analyzing the data the Structural Equation Modeling or SEM was used. SEM is a multivariate technique that allows for the simultaneous analysis of multiple, interrelated relationships between concepts in a model to be studied. In the present study the variables of organizational justice, social undermining and organizational silence are three main concepts, those are composed of various aspects. In order to investigate the hypotheses, the Warp-PLS4 software was applied. The most important benefit of this software, compared to other softwares, is considering non-linear relationship between the variables. In table 1, the variables, the size and the dimensions of research were shown.

Table 1. The research variables

latent variables	observed variables	Number of questions
Organizational justice	• Distributive justice • Procedural justice • Interactional justice	13 4 9
Social undermining	• Undermining caused by interaction with co-workers • Undermining caused by interaction with supervisors	12 13
Employee silence		23

3.1. Statistical population and sample

In this study, the employees of tax affairs organization of Fars province, Iran composed the statistical population. These employees are working in different levels of tax auditor such as tax auditor 1, tax auditor 2, tax auditor 3, tax auditor 4 and tax auditor 5. It is mentioned that the Partial Least Squares (PLS) is better for studies with small sample size. In this method the sample size should be at least 10 times the largest number of formative indicators used to measure a single construct. In this study the most complex factor has 3 indicators so sample size should be at least 30 persons but for greater certainty 70 questionnaire were distributed among employees and 56 completed questionnaires were collected.

3.2. The reliability and validity

In this study, to collect data the questionnaire consisted of three parts: the first part was Chester & Todd (2007) organizational justice questionnaire which composed of 26 questions to measure organizational justice (distributive justice, procedural justice, and interactional justice). In second part, in order to measure social undermining the questionnaire of Duffy et al. (2002) was used. Finally, the third part is related to employee silence and 23 questions are asked in order to measuring employee silence. In order to assess the reliability of questionnaire Cronbach's alpha test is run. The Cronbach's alpha is an indication of internal consistency and the degree to which items are homogeneous (Cooper and Emory, 1995; Saraph et al. 1989). The value of Cronbach's alpha was computed for each parts of questionnaire. The acceptable value of Cronbach's alpha is recommended to be more than 0.6 for new scales (Flynn et al., 1994; Hair et al., 1998). In this test, Cronbach's alpha for organizational justice, social undermining and employee silence were 0.84, 0.72 and 0.89 respectively, which shows an acceptable reliability.

The first step in measuring validation was the face validity. Face validity is referred to as the extent to which an assessment instrument subjectively appears to be measuring what it is supposed to measure (Liao and Welsch 2005). We evaluated the construct validity of organizational justice, social undermining and employee silence which were acceptable.

RESULTS

The findings revealed that 39 percent of respondents were women and 61 percent were men. Most of the participants fall in 30- 40 age group (35 percent). The level of education was as follows: 32.8 percent has a master's degree or higher, 42.3 percent hold a university degree and others don't have any higher education degrees.

In order to investigating the hypotheses the Structural Equation Modeling (SEM) was used. In order to investigate the hypotheses, the Warp-PLS4 software was applied. The most important benefit of this software, compared to other softwares, is considering non-linear relationship between the variables and this software is suitable for analyzing small samples. In order to examine the relationship between organizational justice (and its dimensions) and social undermining, at first, the Pearson's Correlation Coefficient was computed. According to Pearson's Correlation Coefficient, -0/3769 and P value 0.037 (sig.) there is a negative correlation between these two factor. The results also show that there is significant relationship between social undermining and employee silence. Finally, the Pearson's correlation Coefficient between organizational justice and employee silence is computed -0/67 and P value 0.00 (sig.). In figure 2, the model and the path coefficients are shown. As it can be seen in the model, the path coefficient of organizational justice and social undermining is -.417. Also, this coefficient for social undermining and employee silence is 0.79. The path coefficient of organizational Justice and employee silence is -.719. Hence, the mediating role of social undermining in the relationship between organizational justice and employee silence was confirmed.
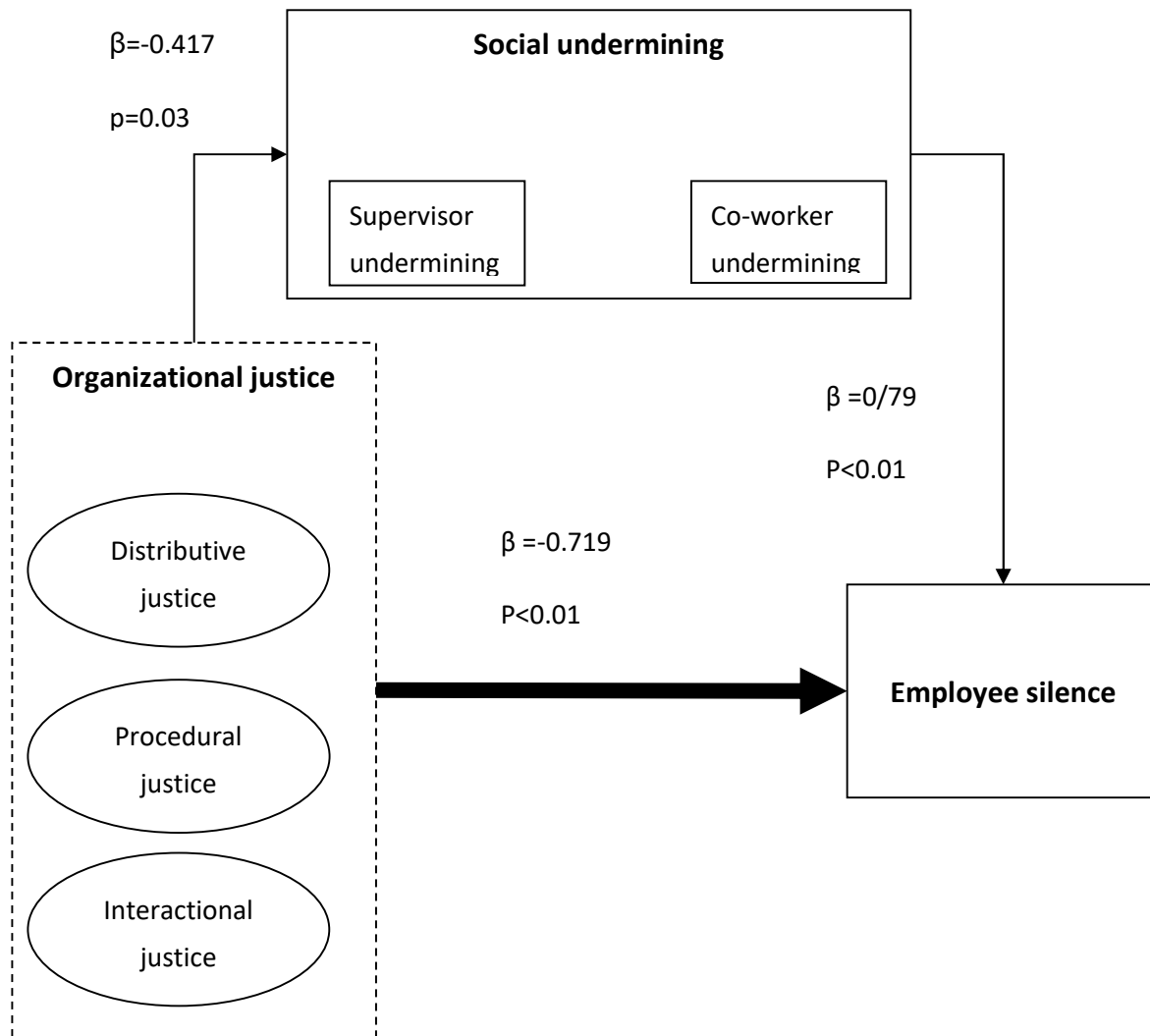
Figure 2.   The research path coefficient

Discussion and Conclusion

A review of literature revealed that no study has been done on the mediating effect of social undermining on the relationship between organizational justice and employee silence. Therefore, this study undertakes to fill up this research gap, it considers the mediating effect of social undermining on the relationship between organizational justice and employee silence in tax organization, Fars province, Iran. The findings showed that there is a significant inverse relationship between organizational justice and employee silence. These findings confirm the Tan (2014) results, which declared that decrease of silence level is affected by perception for justice in subjects like distribution of organizational incomes and processes like distribution of organizational incomes and processes followed while this decision is made and the way of delivery of this. The findings also showed that there is a negative relationship between organizational justice and social undermining. In the other words, the increasing in organizational justice causes reducing in social undermining.

On the other hand, the findings confirmed the significant positive relationship between social undermining and employee silence. When the employees deduce their co-workers and supervisors undermine them, they prefer not participating in organization, and remain silent.

The findings of this study contain remarkable and important points. The main result of this study was to assess how the organizational justice affects on the organizational silence.

Although the findings of this study are useful, it is not clear whether our findings could be generalized to all countries with different cultures or not, so it is

suggested that such a study is conducted in other countries.

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