

Justice under Uncertainty: Insights into Organizational Justice, Moral Disengagement, and Citizenship Behavior in the Fashion Retail Industry

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Introduction

The fashion retail industry is confronted with considerable challenges of uncertainty in the market, stemming from various factors, including inadequate market demand forecasting, and/or a lack of scrutiny of the behaviors and needs of consumers (Mostaghel et al., 2022). Mismanagement of these uncertainties can result in the unjust treatment of fashion retail employees, which can lead to organizational chaos and reduced business performance. In recent times, the Covid-19 pandemic has caused massive damage to the fashion industry. In particular, many fashion retail companies face challenges in management due to unpredictable market competition and digital transformation after the pandemic (Youn et al., 2021). Therefore, the market uncertainty has created an economic disruption for fashion retail companies and threatened employees' survival at the workplace. For example, one of the most popular fashion brands, LVMH reported that the uncertainty created by the pandemic has affected and changed their employees' behaviors, and employees now intend to do the bare minimum task to get a salary (Vybohova, 2020). This trend in the retail industry eventually hampers employees' voluntary commitment (i.e., citizenship behavior) that is beyond their contractual tasks, which in turn reduces the organizational performance in the fashion industry (Lee & Ha-Brookshire, 2018). Although managing uncertainty within the organization is critical to retaining competitive growth in the industry, there is a lack of understanding of how organizational justice can be maintained under uncertain work environments and its influence on employees' citizenship behavior along with employees' ethical standards (i.e., moral disengagement). Therefore, the purpose of this study is to investigate the role of perceived justice and moral disengagement in understanding citizenship behaviors in the workplace under uncertainty.

Literature Review

According to Uncertainty Management Theory (UMT), uncertainty in a business environment refers to a situation where a business or an employee is unable to predict the future market (Brashers, 2001). Previous organizational behavior literature described business environment uncertainty from three perspectives: (a) technological uncertainty, (b) market environment uncertainty, and (c) competitive environment uncertainty (Darvishmotevali et al., 2020). These uncertainties create ambiguity within the organization that affects the overall management which can lead to the unjust treatment of the employees. The understanding of the phenomenon can be supported by the Social Exchange Theory (SET; Cropanzano & Mitchell, 2005). The theory explains the importance of interpersonal relationships in understanding organizational justice that determines future workplace behaviors (Hasyim & Palupiningdyah,

2021). Thus, employees who receive organizational justice tend to increase their commitment by showing citizenship behaviors to the company. Previous researchers who incorporated SET into the organizational setting described three types of organizational justice depending on the relation achieved in the workplace—distributive, procedural, and interactional justice (Hasyim & Palupiningdyah, 2021). Scholars also suggested that perceived justice explains two types of citizenship behavior—(a) Interpersonally directed Organizational Citizenship Behavior (OCB-I) and (b) Organizationally directed Organizational Citizenship Behavior (OCB-O) (Skarlicki & Latham, 1996). OCB-I refers to behaviors that benefit other employees within the organization such as helping others who are behind in their work while OCB-O refers to behaviors that benefit the organization as a whole such as maintaining informal official rules that exist (Skarlicki & Latham, 1996). Further, the relationship between justice and citizenship behavior is influenced by the ethical perception of employees (Hystad et al., 2014). Moral disengagement refers to the cognitive process of justifying unethical behaviors at work by convincing oneself that ethical principles do not apply to one's own actions (Moore et al., 2012). By adopting UMT and SET, this study explains how uncertainties shape perceived justice and how justice influences the citizenship behavior of fashion retail employees. Therefore, the following hypotheses are suggested.

- H1-H3:** Work environment uncertainty—(H1) technological environment, (H2) market environment, (H3) competitive environment— has a significant impact on employees' perception of organizational justice—(a) distributive, (b) procedural, and (c) interactional justice.
- H4-H5:** Employees' perception of organizational justice—(a) distributive, (b) procedural, and (c) interactional justice—have a significant impact on their (H4) OCB-I and (H5) OCB-O.
- H6-H7:** Moral disengagement has a significant moderating effect on the relationship between employees' perception of organizational justice—(a) distributive, (b) procedural, and (c) interactional justice—and (H6) OCB-I and (H7) OCB-O.

Method

An online survey was developed. The study collected responses through Amazon Mechanical Turk (Mturk). This study targeted participants working in the fashion retail industry within the United States. The survey instruments asked questions about work environment uncertainty (i.e., technological, market, and competitive uncertainty; DeSarbo et al., 2005), organizational justice (i.e., distributive, procedural, and interactional justice; Afzalur Rahim et al., 2000), organizational citizenship behaviors (Lee & Allen, 2002), and moral disengagement (Moore et al., 2012). A total of 201 responses were used for the final data analysis. Among the participants, 62% work in the sales/marketing department followed by store management (17%) and merchandising (10%). This study employed structural equation modeling using SmartPLS.

Result

The measurement and structural models were examined. Path results show that technological environment uncertainty influences distributive (H1a: $\beta = 0.311, p < .001$),

procedural (H1b: $\beta = 0.405, p < .05$), and interactional justice (H1c: $\beta = 0.188, p < .05$). Market environment uncertainty only influences on interactional justice (H2c: $\beta = 0.322, p < .001$), and competitive environment uncertainty influences only on distributive justice (H3a: $\beta = 0.243, p < .001$). Furthermore, both procedural and interactional justice positively enhances OCB-I and OCB-O (H4b: $\beta = 0.278, p < .001$, H4c: $\beta = 0.234, p < .001$, H5b: $\beta = 0.251, p < .001$, H5c: $\beta = 0.320, p < .001$) while the distributive justice positively enhances OCB-O (H5a: $\beta = 0.256, p < .001$). Lastly, moral disengagement has a significant and positive moderating effect on the relationship between procedural justice and OCB-I (H6b: $\beta = 0.239, p < .001$) and the relationship between procedural justice and OCB-O (H7b: $\beta = 0.186, p < .001$).

Discussion and Conclusion

Findings indicate that technological environment uncertainty is the key factor that influences organizational justice in the workplace. This provides managerial implications that fashion retail companies should focus on the management of technological uncertainties (i.e., education opportunities). In particular, when employees are treated with politeness, kindness, and respect by their supervisors (i.e., interpersonal justice), it enhances both interpersonal and organizational citizenship behaviors. This study also provides scholarly implications by extending UMT and SET to understand organizational justice under uncertainties and its influence on citizenship behavior in the fashion retail industry.

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