Justice boosts loyalty among co-op members

Wednesday, April 4, 2018 22:20

Humans of all shapes, sizes, creeds, nationalities, orientations, religions, and positions yearn for fairness and equality for themselves and their families. Employees also want the same justice within organisations.

Prolific organisational behaviour researchers Jason Colquitt and Jessica Rodell delineate the social science studies over the past 35 years in the field of justice within institutions.

Organisational justice takes many forms, as detailed over the past several years in Business Talk here in the Business Daily. Fairness within firms can be procedural fairness in processes, fairness in how outcomes are distributed, interpersonal respect and propriety from superiors, and informational truthfulness and justification in communications from executives.
Exciting new research from the United States International University of Africa in collaboration with Durham University in the UK, Global Communities in Kenya and in Washington, D.C., and USAid, surveyed 580 individuals in 19 agricultural co-operatives in 12 Kenyan counties and is being showcased in the Business Daily this month. The study endeavoured to understand, among many other objectives, the role that informational and interpersonal justice plays in co-operatives to garnish favourable institutional and community outcomes. Unlike in employee situations which has been studied before in Kenya, no known research has ever looked at justice and fairness in member-based organisations in East Africa.

A simple question to readers, do you think that when co-operative members feel that their organisation and leaders are more fair with information and interpersonal relationships, would the members be more or less satisfied and committed to the co-operative? If you think yes, then you are correct.

The research found a strong statistically significant positive relationship between members’ perceptions of fairness and their satisfaction as members at a 0.44 increase for every 1.00 increase in perceived fairness.

The relationship is powerful and proved stronger than all other relationships including participative leadership and even trust on member satisfaction. Members clearly demand fairness in order to be optimally satisfied with their entities.

Additional statistically significant positive results included relationships between informational and interpersonal justice and higher member commitment to the co-operatives entailing sharing about the co-operative with their friends and plans to stay a member for long periods of time. Also, a significant relationship was shown between members being more active in the co-operative the more they saw fairness prevail in the institutions. Members seemed to feel that if fairness and justice did not exist, then why bother putting in effort to attend meetings, go to trainings, and serve on committees.

However, the more members felt that their co-operative exhibited fairness, there was not a statistically significant corresponding increase in their perceived voice within the institution.

When an individual believes that they can speak up and share their opinions and as a result will be heard by the institution and its leaders, then researchers call that perceived voice. Fairness did not relate to more speaking up and being heard by members possibly because members felt enough justice and therefore did not see the need to lend their voice in the organisation.

Next week Business Talk will delve into the consequences in communities at large when co-operative members feel fairness and justice in their institutions.

*Dr Scott may be reached on scott@ScottProfessor.com or on Twitter: @ScottProfessor*