

**Organizational Commitment:
The Study of Organizational Justice
and Leader Member Exchange (LMX)
Among Auditors in Malaysia**

Kah Loong Leow

*Sunway University College
No. 5 Jalan Universiti
Bandar Sunway, Petaling Jaya
Ehsan, Malaysia 46150*

Kok Wei Khong

*School of Business and Law
Sunway University College
No. 5 Jalan Universiti
Bandar Sunway, Petaling Jaya
Ehsan, Malaysia 46150*

ABSTRACT

The purpose of this study is to examine the relationship and to test the interaction effects of organizational justice (distributive, procedural, and interactional) and the dimensions of LMX (affect, contribution, professional respect, and loyalty) on organizational commitment. Three broadly hypothesized relationships were tested in a field study among auditors serving in audit firms across Malaysia, who were registered with the Malaysian Institute of Accountants (MIA). Based on the data from the survey, the results from the hierarchical regression provided moderate support for the hypotheses. The findings on direct effects revealed that predictor variables have a positive relationship with affective-normative commitment and only partial support for continuance commitment. Distributive, procedural and interactional perceptions of organizational justice, reciprocity, and contribution of LMX were found to be positively related to affective-normative commitment. Continuance commitment was significantly predicted by the contribution of LMX. The results provide partial support for the interaction effects of affective-normative and continuance commitment. One implication of the study's findings is that human resources departments have to take a serious view of organizational justice and LMX when implementing human resource policies in order to encourage employees to manifest high levels of commitment.

Keywords: LMX, organizational justice, empirical and hierarchical regression

1. INTRODUCTION

Organizational commitment is an important issue in today's highly competitive business environment as business firms increasingly rely on their human capital (knowledge workforce) [Kleinman, Siegel, and Eckstein, 2001] to give them a sustainable competitive edge [Woolridge, 2000] by being able to respond, adapt, or change to keep pace with rapid technological advancements, education advancements, workforce diversity, organizational restructuring, and new ways of doing business. Similarly, accounting firms are also experiencing change in terms of increased competition, greater client demands, and higher insurance and litigation costs, as well as declining staff productivity caused primarily by higher training costs.

All of these factors are prompting accounting firms to rethink the traditional model of firm staffing in general and to reconsider the issue of turnover in particular [Hooks, 1996]. Because of higher training costs for personnel, it is important for accounting firms to increase retention rates to save the cost of replacing and training personnel because of resignations. Studies suggest that sponsorship and patronage in accounting firms increase not only retention rates, but also productivity, by facilitating the effective assimilation of the firm's organizational values and goals by cultivating leadership abilities [Dirsmith, Heian, and Covaleski, 1997; Kaplan, Keinath, and Walo, 2001].

Whereas recent research focusing on mentoring relationships in public accounting firms suggests that mentoring is associated with lower turnover intentions [Scandura and Viator, 1994; Viator, 2000], leader member exchange (LMX) relationships are positively related to organizational commitment [Ansari, Daisy, and Aafaqi, 2001; Masterson, Lewis, Goldman, and Taylor, 2000]. Masterson et al. [2000] found that employee perceptions of justice were positively related to organizational commitment. This study, therefore, proposes that the model of organizational commitment developed by Allen and Meyer [1990] can provide insight into how organizational commitment as a dependent variable is influenced by antecedent experiences such as mentoring, LMX, and organizational justice, and can be used to predict auditors' organizational commitment.

LMX and organizational justice are among the most popular topics of research literature for present and previous researchers in organizational behavior. A close examination of the literature reveals that most of the studies investigating the impact of LMX and organizational justice on determining organizational commitment have been developed almost independently. The current study attempts to bridge the gap by simultaneously studying predictor variables and organizational commitment. The intended principal contribution of the current study to the commitment literature is to ascertain the impact of predictor-criterion relationships on auditors within the Malaysian context.

In response to theory and research suggesting that LMX and organizational justice impact several organizational outcomes, this study was designed to examine the relationship of LMX and organizational justice as a critical predictor of organizational commitment among auditors.

2. REVIEW OF LITERATURE

This review focuses on the concept and importance of organizational commitment (2.1), LMX theory (2.2), and the definition of organizational justice (2.3).

2.1. Organizational Commitment

The concept of organizational commitment has grown in popularity in the literature of industrial/organization psychology and organizational behavior over the last two decades [Chung, 2001]. A study by Jaros [1997] indicates that dozens of studies addressing organizational commitment have been published in recent years in major organizational behavior journals. Much of the interest is due to the idea that organizational commitment is an important part of the employee's psychosocial state because employees who experience high organizational commitment are theorized to engage in many behaviors, such as citizenship activities and high job performance, which are believed to be beneficial for the organization [Chung, 2001]. Organizational commitment research has focused on the psychological attachment of workers to their workplaces, the possible factors contributing to their attachment, and the consequences of the attachment [Allen and Meyer, 1990, 1993; Brown, 1996].

Steers [1977] proposed that the more committed the employee is to the organization, the more effort will be expended by that employee in performing work-related tasks. The research interest in organizational commitment is rooted in the fundamental belief that a relationship exists between the commitment of employees and their performance on the job [Brown, 1996]. Organizational commitment has been linked to the possibility that the level of organizational commitment held by an individual employee is positively related to job performance and intention to quit [Lee et al., 2000, Meyer and Allen, 1997].

The topic of commitment has received attention over the years as companies and organizations have looked for ways to enhance employee contribution to organizational performance and productivity [Morrow and McElroy, 1993; Steers and Porters, 1991]. Early management studies reasoned that, given the cost associated with worker training and replacement, much could be gained by understanding the strength of the association between the individual employee and his or her level of commitment to the organization [Angle and Perry, 1981; Mowday et al., 1982; Sheldon, 1971].

Katz and Kahn [1978] stated that organizations that value commitment among their employees assumed to reduce withdrawal behaviors such as lateness and turnover. In addition, Katz and Kahn (1978) said that committed employees

may be more likely to engage in “extra-role” behaviors, such as creativeness or innovativeness, which often keep an organization competitive.

Similarly, Colbert and Kwon [2000] found that organizations could gain competitive advantage through human resources management, thus leading to an increase in productivity. Mathieu and Zajac [1990] found organizational commitment to be strongly related to the intention to leave one’s job and to the intention to search for job alternatives. Similarly, in a study done by Mathieu, Bruvold, and Ritchey [2000], it was found that organizational commitment is a central construct in management, sales, marketing, and psychology. The importance of the construct of organizational commitment transcends cultural boundaries and is strengthened as organizations grow and expand into worldwide markets.

Researchers have found that a committed employee is one who stays with the organization through thick and thin, attends work regularly, puts in a full day’s work and more, protects company assets, and shares the goal and vision of the organization [Meyer and Allen, 1997]. Meyer and Allen [1997] also state that organizational commitment is not an outdated construct or irrelevant domain of study because, regardless of their form or structure, organizations are not disappearing. Although organizations may be becoming leaner and organizational models may be changing, organizations must still retain a core of committed employees. Those who remain become even more important to the organization. Meyer, Allen, and Topolnytsky [1998] indicated that the more practical question is not whether an individual remains with or is committed to the organization, but what that individual accomplishes while employed by the organization.

Reichers [1985] proposed that organizational commitment could best be understood as a collection of multiple commitments. The author was among the first to suggest that employees can have varying commitment profiles and that conflict and tension can exist among the foci of their commitment. The author also wrote that an organization comprises various coalitions and constituencies and listed owners/managers, rank-and-file employees, and customers/clients as examples of both conflict and collaboration.

2.2. LMX Theory

LMX theory states that, because of limited resources and lack of time to devote to each employee, the leader has an opportunity to develop a close social interaction or exchange with only a few essential subordinates (the in-group). This interpersonal social exchange matures and stabilizes into a dyadic relationship [Graen, 1976; Graen and Cashman, 1975; Graen and Scandura; 1987; Liden and Graen, 1980]. Employees not in these special relationships are classified as the out-group. For example, when high levels of LMX exist, subordinates see themselves as having good work relationships with their

supervisors and as knowing how satisfied their supervisors are with their performance [Graen, Novak, and Sommerkamp, 1982]. According to Ferris [1985], high LMX can be associated with decreased rates of employee turnover. He further indicated that LMX may predict the career outcomes of subordinates.

Besides that, members in high-quality exchange relationships with their leaders are given more freedom, better job assignments, and increased opportunities to work with their leaders. Members with low-quality exchange relationships, on the other hand, are directed toward unpopular jobs with few opportunities to interact with their leaders [Graen et al., 1982].

In the same vein, Carson and Carson [2002] suggested that supervisors offer high-LMX (in-group) employees special benefits such as a higher degree of trust, respect, mutual obligation and interaction, participation, support, and rewards, which are not offered to low-LMX (out-group) employees. Employees who experienced high LMX reciprocate with a greater expenditure of time and effort, higher commitment, and higher levels of performance.

The LMX theoretical base and empirical support are based on role theory [Katz and Kahn, 1978] and social exchange relationships [Blau, 1964]. The basis of LMX had its early theoretical foundation and empirical evidence in role theory [Liden, Sparrowe, and Wayne, 1997]. Each individual is expected to play a particular role in the organization [Katz and Kahn, 1978]. According to Dienesch and Liden [1986], "Organizational members accomplish their work through roles." Graen [1976] stated that, in an organization, there is a gradual adoption of an employee's role that comes from informal exchanges between the leader and the employee (member). Dienesch and Liden [1986] and Graen and Scandura [1987] theorized that roles develop because there is mutual acceptance by both parties of the roles being assumed, and mutual expectation that resultant roles will benefit both the leader and member. Because of this dyad exchange, a behavioral interdependency between supervisor and subordinate develops as a part of the role-making process [Dansereau, Graen, and Haga, 1975; Dienesch and Liden, 1986; Graen and Cashman, 1975]. Thus, supervisors are able to selectively shape, through episodes of role expectation events, a subordinate's assigned organizational role.

Concurrently, under this social exchange relationship, as postulated by Blau [1964], the LMX model of leadership is also dependent on the theoretical framework of social exchange theory. Wayne and Graen [1993] proposed that the social exchange model is important to understanding LMX theory. Social exchange is based in the context of Gouldner's [1960] definition as the "norm of reciprocity, where reciprocity is a mutually contingent exchange of benefits between two or more units." As discussed above, the initialization of vertical dyad linkage (VDL) theory by Graen and colleagues was regarded as the first stage of LMX theory development in a comprehensive article by Graen and Uhl-Bien [1998]. At this stage, the level of analysis is the vertical dyad between a leader and a member.

Graen and Uhlbien [1998] discussed the four stages through which LMX research has progressed over the last two decades. Following the validation of the differentiation process study, the second stage was the investigation of characteristics of LMX relationships and their organizational implications (e.g., the antecedents and outcomes of LMX). Many studies investigated the factors that contribute to the quality of LMX and how LMX would affect organizations. Examples of the antecedents of LMX are: member characteristics (personality, ability), leader characteristics (ability, personality), and member upward-influence behaviors, liking, perceived similarity between leaders and members, and expectations held by leaders and members about the future of the relationship [e.g., Wayne and Ferris, 1990; Liden, Wayne, and Stilwell, 1993].

Contextual variables were also studied by many researchers. For example, task characteristics, organizational climate, organizational culture, and leader stress are believed to moderate LMX [Liden et al., 1997]. Examples of LMX outcomes are employee performance evaluation, employee actual performance, organizational commitment, job satisfaction, turnover intentions, organizational citizenship behavior, and perceived organizational support. At this stage, the level of analysis is on the organization.

The third stage of LMX development, as described by Graen and Uhl-Bien [1998], is dyadic partnership building. Graen and Scandura [1987] proposed a vertical dyad linkage (VDL) development model where the leader and the member experience a role-taking, role-making, and role-routinization process during early development of their relationship. The process of initial development of leader-member relations is believed to be influenced by different contextual or individual factors that are involved with expectations of the quality of future exchanges [Liden et al., 1997]. Dienesch and Liden [1986] proposed a leadership making model while pointing out that there was a lack of study on the dynamic process of LMX development. Recently, Sparrowe and Liden [1997] argued that development of LMX is affected by the social network relations of both leaders and members and, in turn, that the quality of LMX is reflected in the subsequent development of a member's relationship developments beyond the leader. That is to say, that the process of LMX development not only is affected by other relationships, but also affects the development of other relationships. Therefore, the development of LMX is a dynamic, interactive process that is not constrained within the leader-member dyad. Therefore, the process could be expanded to the fourth stage with network orientation.

The last stage, as summarized by Graen and Uhl-Bien [1998], is the aggregation of differentiated dyadic relationships to group and network levels. They argued that most of the works on LMX have limited their focus on dyads within work groups and independent dyads, whereas, in complex organizations, a leader often works with multiple members together in some type of interacting collectivity. Other researchers [e.g., Sparrowe and Liden, 1997] also agreed that

social analysis represents a promising direction for future research on the nature of LMX in an extended domain. LMX researchers have emphasized the quality of relationships, whereas scholars dealing with social network analysis expanded the LMX horizon by explicating the structural underpinnings in LMX theory and research. LMX research deepens the social network study by emphasizing relationship quality and the nature of exchanges and reciprocity within social networks [Sparrowe and Liden, 1997].

Graen and Uhl-Bien [1998] have discussed the nature of LMX and how it fits into transactional/transformational leadership theory. Since LMX focuses on the exchange quality, such as information exchange and material and mental support between leader and member, many researchers believe that the nature of LMX is transactional. Although it might be true that, during the initial stage of LMX development, exchanges are important to build up good-quality LMX, it is trust, loyalty, and respect that are essential for a stable relationship between leader and member. If either party (leader or member) expects return or rewards on everything he or she is doing for the other party, there is hardly any possibility that trust and loyalty would grow between them and, therefore, high-quality LMX could not be established or last long. The exchange between the leader-member dyad with high LMX might be the result of LMX quality as well as its precursor. Therefore, Graen and Uhl-Bien [1998] argued that LMX looks like something between transactional and transformational leadership, but the nature of LMX is transformational.

2.3. Definition of Organizational Justice

Justice includes a procedural component, “the extent to which decision-making procedures include input from affected parties, are consistently applied, suppress bias, and are accurate, correctable, and ethical,” and “a relational component (polite, considerate, and fair treatment of individuals” [Eloyainio, Marko, Kivimaki, Mika, Vahtera, and Jussi, 2002].

Employees are concerned with both the fairness of the outcomes that they receive and the fairness of their treatment within the organization [Williams, Pitre, and Zainuba, 2002]. The first fairness perception is distributive justice, and it addresses the organizational reward system (i.e., equity theory). The second perception is procedural justice, which involves the organization's decision-making procedures [Greenberg, 1990a]. The third perception is interactional justice, where the study goes beyond decision outcomes and formal decision-making procedures to show that people also react to their perceptions regarding the social sensitivity of the interpersonal treatment they receive from decision makers [Bies and Moag, 1986]. Researchers have suggested that these types of justice perceptions are important determinants of meaningful organizational outcomes [Folger and Konovsky, 1989; Greenberg, 1987]. A number of theories suggest that perceptions of fairness and non-traditional types of job behaviors are related.

Organ [1990] has proposed that distributive justice concerns may influence citizenship according to predictions derived from equity theory [Adams, 1965; Greenberg, 1990b]. If employees perceive unfair compensation, then they may be less likely to perform, produce, and commit to the organization. Organ [1990] suggested that perceived procedural unfairness alters an employee's relationship with the organization from one of social exchange (i.e., diffuse obligations based on reciprocal trust), in which citizenship behaviors are likely to be one of economic exchange (i.e., contractual obligations and precise terms of exchange), to one in which the employee does only what is required. Aquino [1995] has proposed that interactional justice is in action when the supervisor gives an accurate performance rating. The justice literature showed that, if the workers perceived that they had received fair treatment in the organization, that perception gives them a feeling of job security [Brett, 1986]. Greenberg [1991] proposed that the employees' view toward justice is correlated with turnover. Aquino [1995] found that interactional justice has an effect on trust in management, organizational commitment, and withdrawal behaviors.

3. HYPOTHESIS DEVELOPMENT

This section presents hypotheses relating to LMX and organizational commitment (3.1), organizational justice and organizational commitment (3.2), and the interaction effects of LMX and organizational justice (3.3).

3.1. LMX and Organizational Commitment

The central premise of LMX theory is that, within work units, supervisors develop different types of relationships with their subordinates. The quality of these relationships determines the amount of physical or mental effort, material resources, information, and/or social support exchanged between the supervisor and subordinate [Liden, Sparrowe, and Wayne, 1997]. Hence, it can be said that a high-quality LMX relationship involves a greater exchange of effort, resources, and support between the two parties, whereas a low-quality LMX relationship is characterized by a minimal exchange of effort, resources, and support between the two parties. A consistent finding of LMX research is that LMX is positively related to job satisfaction and organizational commitment [Liden et al., 1997; Gerstner and Day, 1997]. Other studies also consistently showed the positive relationship between LMX and organizational commitment [Ansari, Daisy, and Aafaqi, 2001; Masterson et al., 2000].

Previous research showed that in-group members are generally more satisfied, are better performers, and have a higher commitment, compared with out-groups [Allinson, Armstrong, and Hayes, 2001]. Recent studies have consistently shown that LMX has a direct effect on organizational commitment [Ansari et al., 2001; Masterson et al., 1001; Graen et al., 1996; and Tyler, 1991]. This finding was further supported by Nystrom [1990], who asserted that LMX

positively correlates with organizational commitment. Ansari et al. [2001] further reported that “professional,” “respect,” “contribution,” and “affect” positively correlate with affective-normative commitment, but are negatively associated with continuance commitment, especially with regard to “affect.” In addition, Meyer et al. [1993] noted that continuance commitment is generally unrelated to professional involvement. With the support of previous findings, the following hypotheses are framed:

- Hypothesis 1: There is a significant relationship between LMX and the affective and normative dimensions of organizational commitment.
- Hypothesis 1a: There is a significant relationship between the affect element of LMX and the affective and normative dimensions of organizational commitment.
- Hypothesis 1b: There is a significant relationship between the loyalty element of LMX and the affective and normative dimensions of organizational commitment.
- Hypothesis 1c: There is a significant relationship between the contribution element of LMX and the affective and normative dimensions of organizational commitment.
- Hypothesis 1d: There is a significant relationship between the professional respect element of LMX and the affective and normative dimensions of organizational commitment.
- Hypothesis 1e: All elements of LMX are unrelated to continuance commitment.

3.2. Organizational Justice and Organizational Commitment

Organizational justice has received substantial attention from scientists [Folger and Konovsky, 1989; Greenberg, 1990b]. Accumulated evidence supports the notion that a person's perception of organizational justice affects his or her attitude toward the organization [Konovsky, Folger, and Cropanzano, 1987; McFarlin and Sweeney, 1992] and extra-role behaviors (Moorman, Blakely, and Niehoff, 1998). If the perception of organizational justice is positive, individuals tend to be more satisfied and committed to their job. Masterson et al. [2000] reported field study findings indicating that employees' perception toward justice predicted supervisor-related outcomes, and that procedural justice perceptions predicted organizational commitment and intentions to leave the organization. Masterson et al. [2000] further found that employee' perceptions toward justice were positively related to their commitment and citizenship behaviors directed at the supervisor, and that procedural justice perceptions were positively related to organizational commitment. Ansari et al. [2001] found that fairness in employees' relations and compensation and training significantly related to all the organizational commitment dimensions.

Research has focused on the relationship between the different components of justice and the uni-dimensional measure of organizational commitment. Kim, Chan, Mauborgne, and Renée [2003] discovered the relevance of fair process more than a decade ago during their study of strategic decision making in multinational corporations. Many top executives in those corporations were frustrated and baffled by the way the senior managers of their local subsidiaries behaved. Why did those managers so often fail to share information and ideas with the executives? Why did they sabotage the execution of plans they had agreed to carry out? In the 19 companies they studied, they found a direct link between processes, attitudes, and behavior. Managers who believed the company's processes were fair displayed a high level of trust and commitment toward the organization, which, in turn, engendered active cooperation. Conversely, when managers felt that fair process was absent, they hoarded ideas and dragged their feet.

With regard to the relationship between the dimensions and the different types of commitment, Beugre [1998] reported that procedural, systemic, and interactional justice are consistently and positively related to affective commitment. Alexander and Ruderman [1987] and Aquino [1995] also reported that both distributive and procedural justice were positively related to work outcomes of employees, but that procedural justice had stronger correlations with job satisfaction, commitment, trust in upper-level management, and evaluations by their supervisors. In sum, these studies showed the distinctiveness of distributive and procedural justice and the importance of procedural justice. In addition, Meyer et al. [1993] noted that continuance commitment generally unrelated to professional involvement.

With these findings in mind, the following hypotheses are postulated:

- Hypothesis 2: There is a significant relationship between organizational justice and the affective and normative dimensions of organizational commitment.
- Hypothesis 2a: There is a significant relationship between the procedural element of organizational justice and the affective and normative dimensions of organizational commitment.
- Hypothesis 2b: There is a significant relationship between the distributive element of organizational justice and the affective and normative dimensions of organizational commitment.
- Hypothesis 2c: There is a significant relationship between the interactional element of organizational justice and the affective and normative dimensions of organizational commitment.
- Hypothesis 2d: All elements of organizational justice are unrelated to continuance commitment.

3.3. Interaction Effects of LMX and Organizational Justice

Organizational justice is concerned with the ways in which employees determine whether they have been treated fairly in their jobs and the ways in which those determinations influence other work-related variables [Moorman, 1991]. Recent studies in this area delineated two types of organizational justice: distributive and procedural [e.g., Greenberg, 1990; Niehoff and Moorman, 1993; Skarlicki and Folger, 1997]. Procedural justice is often considered to have two related dimensions: formal procedure and interactional justice. Formal procedure refers to a company's rules, regulations, or policies that guide supervisors' decision making. Interactional justice is the perceived fairness of the treatment received in the enactment of formal procedures or in the explanation of those procedures [e.g., Bies and Shapiro, 1987; Tyler and Bies, 1990].

In sum, greater distributive and procedural fairness is assumed to coincide with greater organizational justice. One important factor that may affect perceptions of fairness is the quality of LMX. High-quality LMX – often called in-group or partnership relationships – are characterized by a high degree of mutually positive affect, loyalty, contributions, and obligation to the exchange of professional respect and trust; whereas, the opposite is observed of low-quality LMXs, which are often described by the terms “out-group” or “hired hands” [e.g., Dienesch and Liden, 1986; Liden and Maslyn, 1998; see also Schriesheim, Castro, and Cogliser, 1999].

Subordinates in high-quality LMX receive more positive rewards (e.g., positive performance appraisals, challenging assignments, participation in decision making, leader support and attention, job satisfaction, empowerment, salary/pay, and career progress) than their peers in low-quality LMX [Lee, 2001]. Perceptions of distributive justice are largely influenced by such outcomes; people who received favorable outcomes tended to consider the outcomes as fairer [e.g., Greenberg, 1990; Leventhal, 1980].

Therefore, the following hypothesis was advanced:

The quality of LMX is also likely to affect perceived procedural fairness among subordinates.

Few studies have indirectly suggested a link between the quality of LMX and perceived procedural fairness. Stanton [1997], for example, indicated that trust in the supervisor during performance monitoring related positively to perceptions of procedural fairness. Given that high- versus low-LMX is characterized by a high degree of trust between superiors and subordinates, subordinates in the high-LMX are likely to perceive greater procedural fairness [Lee, 2001]. Lee [2001] also perceived that procedural fairness was higher when employees experienced feedback, or input opportunities, and sincerity and trustworthiness in information exchange [e.g., Bies and Shapiro, 1987; Bies, Shapiro, and Cummings, 1988].

Meyer, Allen, and Smith [1993] noted that continuance commitment is generally unrelated to professional involvement, and that the interactive

relationship between LMX and organizational justice fits the definition of affective commitment antecedents as work experiences “that satisfy employees’ needs to feel comfortable in their relationship with the organization to feel competent in the work-role” [Allen and Meyer, 1990]. Therefore, the following hypotheses are advanced:

- Hypothesis 3: The interactive effect of LMX and organizational justice significantly predicts organizational commitment.
- Hypothesis 3a: When LMX is positively viewed by the individual, organizational commitment (namely, affective) and normative tend to be stronger than continuance commitment with the presence of procedural justice.
- Hypothesis 3b: The interactive effect of LMX and organizational justice are unrelated to continuance commitment.

Figure 1 shows a brief path diagram depicting the relationships among the factors LMX, organizational justice and organizational commitment. The hypotheses groups 1, 2, and 3 are depicted in the figure by the causal arrows.

4. METHODOLOGY AND MEASUREMENT

This section discusses the data analysis method and measurements used in this study.

4.1. Data Analysis Method

In order to test the three groups of hypotheses mentioned earlier, we conducted a set of statistical procedures, using SPSS, a statistical software package, to analyze the data. The statistical procedures, in chronological order, are:

- (i) Factor analysis – to reduce the set of variables
- (ii) Reliability analysis – to test the consistency of variables manifesting the factors
- (iii) Hierarchical regression

Hierarchical regression was chosen as the causal test because it allows analyses involving a combination or division of variables within clusters [Hair et al., 1998]. The result is a construction of hierarchies illustrating the associations of the dependent clusters and the independent variables. These associations can be used as contrasting or complementary evidence to support the literature.

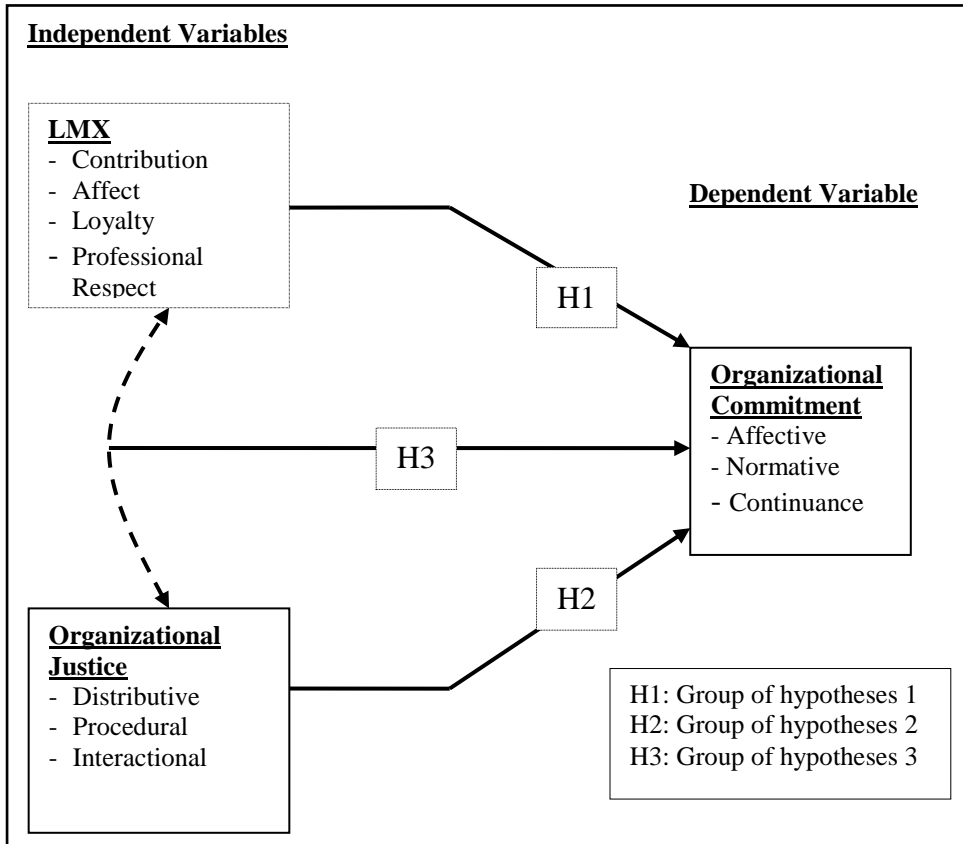


Figure 1. Brief Path Diagram of the Interactions Between LMX, Organizational Justice, and Organizational Commitment

4.2. Measurement

The predictor variables in this study are LMX (Table 1) and organizational justice (Table 2). The criterion variable is organizational commitment (Table 3).

Rahim, Magner, and Shapiro [2000] were used to measure respondents’ perception of organizational justice in their respective organizations. This study used the 12-item LMX scale of Liden and Maslyn [1998] to assess the quality of exchange between the managers and their immediate superiors. The scale consists of four dimensions – contribution, loyalty, affect, and professional respect – each with three items.

The respondents were asked to indicate their agreement or disagreement with each statement regarding their interaction with their immediate superior, using a 7-point Likert scale, where 1 stands for “strongly disagree” and 7 stands for “strongly agree.” The scale has acceptable reliability coefficients ranging from 0.74 to 0.90, as reported by Liden and Maslyn [1998].

Table 1
Variables Manifesting LMX

No.	Variables (These variables measure the relationship between supervisees and their immediate supervisors.)
1	Supervisees are willing to put in extra efforts beyond those normally required, to meet their supervisors' work goals.
2	Supervisors would come to supervisees' defense if they were "attacked" by others.
3	Supervisors are a lot of fun to work with.
4	Supervisees are impressed with their supervisors' knowledge of job.
5	Supervisors defend supervisees' work and actions to their superiors even without complete knowledge of the issue.
6	Supervisees' do not mind putting in maximum effort for their supervisors.
7	Supervisees admire their supervisors' professional skills.
8	Supervisors are the kind of person that one would like to have as a friend.
9	Supervisees respect their supervisors' knowledge of and competence on the job.
10	Supervisees do work for their supervisors that go beyond what is specified in their job descriptions.
11	Supervisees like their supervisors very much as a person.
12	Supervisors would defend supervisees in front of others in the organization if supervisees make an honest mistake.

Organizational commitment was measured using Meyer and Allen's [1991] perspective. The scales were made up of three dimensions, each comprising six statements (Table 3). There was an acceptable level of reliability from previous studies, with Cronbach's coefficients alpha of 0.82, 0.74, and 0.83, respectively [Meyer and Allen, 1991].

Table 2
Variables Manifesting Organizational Justice

No.	Variables (These variables measure the perceptions toward the presence of organizational justice in the respondents' organization.)
1	Employees believe their organizations provide them with rewards they deserve.
2	Employees are satisfied with the rewards they receive from their organizations.
3	The rewards they receive from their organizations meet their expectations.
4	They feel that the rewards they receive from their organizations are equitable.
5	An independent observer from outside the employees' organization would conclude that the organization gives employees' adequate rewards.
6	Employees feel that they receive adequate rewards from their organizations when they consider the rewards that other employees receive.
7	Employees' rewards are consistent with those they could get elsewhere.
8	The most productive workers in the organization receive the highest rewards.
9	The rewards employees receive from their organizations are in accord with their level of performance.
10	Employees believe that their rewards accurately reflect their contributions to the organizations.
11	In dealing with employees' supervisors, they find them to be polite.
12	Employees' supervisors treat them in a kindly manner.
13	Employees feel their supervisors strive to be honest in their dealings with them.
14	Employees' supervisors take care to deal with them in a truthful manner.
15	Employees' supervisors behave in a manner that demonstrates a regard for their personal dignity.
16	Employees believe that their supervisors' actions respect them.
17	Employees' supervisors behave in a way that fosters trust on their part.
18	In employees' relationships with their supervisors, they show a concern for the impact that employees' actions will have.
19	There are formal means by which employees in the organizations can challenge decisions that they feel are erroneous.
20	Formal procedures exist in employees' organizations to ensure that officials do not allow personal biases to affect their decisions.
21	Employees' organizations have in place formal channels that allow them to express their views and opinions before decisions are made.
22	Employees' organizations have formal procedures to ensure that officials have accurate information on which to base their decisions.
23	Employees' organization's formal procedures are carried out in the same way each time they are used.

Table 3
Variables Manifesting Feelings Toward Organization

No.	Variables (These variables measure the degree of employees' feelings toward their organizations.)
1	Employees feel that they have too few options to consider leaving this organization.
2	Employees really feel as if this organization's problems are their own.
3	Employees would be very happy to spend the rest of their career with this organization.
4	Employees would not leave their organization right now because they have a sense of obligation to the people in it.
5	This organization has a great deal of personal meaning for employees.
6	Right now, staying with the organization is a matter of necessity as much as desire.
7	This organization deserves employees' loyalty.
8	It would be very hard for employees to leave the organizations right now, even if they wanted to.
9	If employees had not already put so much of themselves into this organization, they might consider working elsewhere.
10	One of the few serious consequences of leaving this organization would be the scarcity of available alternatives.
11	Even if it were to employees' advantage, they do not feel it would be right to leave their organizations.
12	Employees do not feel like "part of the family" at their organizations.
13	Employees do not feel "emotionally attached" to their organizations.
14	Too much in the employees' lives would be disrupted if they decided to leave their organizations now.
15	Employees do not feel any obligation to remain with their current employers.
16	Employees do not feel a strong sense of belonging to their organizations.
17	Employees would feel guilty if they had left their organizations now.
18	Employees owe a great deal to their organizations.

5. RESULTS

This section discusses the sampling frame and sample description and describes the factor analyses.

5.1. Sampling Frame and Sample Description

Participants in this study were junior auditors with between one and three years of experience, who were employed by audit firms registered with MIA in the states of Penang, Selangor, and Wilayah Persekutuan, Malaysia. They were chosen because of their availability to participate in the survey. A total of 1,100 questionnaires were distributed. Within a month, 318 questionnaires were returned (29% response rate), of which only 266 were usable (24.2% usable rate).

Table 4
Profile of the Sample

Profile	Description	N	Percentage
Age	• 21-25 years	142	53.4
	• 26-30	102	38.2
	• 31-35	18	6.9
	• \geq 36 years	4	1.5
Sex	• Female	182	68.4
	• Male	80	30.1
	• Missing Value	4	1.5
Ethnicity	• Chinese	122	45.9
	• Indian	79	29.7
	• Malay	63	23.7
	• Other	1	0.4
	• Missing Value	1	0.3
Salary (per month)	• \leq RM 1500	217	81.6
	• Between RM 1501 and RM 3000	47	17.7
	• Between RM 3001 and RM 5000	2	0.7
Level of Education	• High School or below	7	2.6
	• Diploma	41	15.4
	• Degree or Professional Qualifications	202	75.9
	• Postgraduate	12	4.5
	• Missing Value	4	1.6
Management Level	• Lower Management	213	80.1
	• Middle Management	32	12
	• Other	15	5.6
	• Missing Value	6	2.3
Country of Origin	• Locally Owned	108	40.6
	• US	107	40.2
	• Europe	19	7.1
	• Other	24	9
	• Missing Value	8	3.1

5.2. Factor Analyses

In general, the factor analyses resulted in a reduction of the items into their a priori factors, except for organizational commitment, in which case additional factors were created. Factor analyses were conducted on the variables manifesting LMX, organizational justice, and organizational commitment. The analyses did generate a representative set of factors that were in line with the Malaysian context. The results are presented in Tables 5, 6, and 7.

Table 5
Factor Analysis on Mentoring

KMO and Bartlett's Test			Rotated Component Matrix(a)			
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.879	Component			
Bartlett's Test of Sphericity	Approx. Chi-Square	2388.117	Reciprocity	Loyalty	Contribution	
	df	136	menp4p	0.834	0.124	0.121
	Sig.	0.000	menp6p	0.819	0.101	0.138
			menp3p	0.818	0.141	0.048
			menp7p	0.814	0.140	0.065
			menp8p	0.811	0.043	0.172
			menp5p	0.805	-0.030	0.170
			menp2p	0.795	0.043	0.057
			menp1p	0.772	0.059	0.073
			menp10p	0.686	0.182	0.260
			menp9p	0.582	0.063	0.127
			menp3c	-0.040	0.840	0.131
			menp2c	0.009	0.795	0.239
			menp1c	0.200	0.727	0.184
			menp6c	0.194	0.638	0.030
			menp4c	0.087	0.224	0.822
			menp5c	0.251	0.073	0.801
			menp7c	0.170	0.244	0.649

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
A Rotation converged in 5 iterations.

Table 6
Factor Analysis on Organizational Justice

KMO and Bartlett's Test			Rotated Component Matrix(a)			
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.919	Component			
Bartlett's Test of Sphericity	Approx. Chi-Square	4351.826	Interactional	Distributive	Procedural	
	df	231	jusi4	0.873	0.171	0.168
	Sig.	0.000	jusi5	0.858	0.160	0.230
			jusi2	0.857	0.145	0.100
			jusi6	0.803	0.207	0.261
			jusi1	0.772	0.014	0.157
			jusi7	0.756	0.242	0.278
			jusi3	0.750	0.154	0.264
			jusi8	0.682	0.228	0.373
			jusd4	0.117	0.862	0.112
			jusd3	0.174	0.852	0.078
			jusd2	0.216	0.827	0.117
			jusd6	0.061	0.787	0.227
			jusd9	0.241	0.745	0.224
			jusd8	0.136	0.687	0.274
			jusd7	0.000	0.671	0.085
			jusd5	0.163	0.590	0.337
			jusd10	0.302	0.577	0.187
			jusp4	0.268	0.211	0.840
			jusp2	0.315	0.204	0.759
			jusp3	0.151	0.276	0.754
			jusp5	0.308	0.287	0.715
			jusp1	0.348	0.149	0.663

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 5 iterations.

showed the mean value ranged from 3.62 to 4.59 and that standard deviation ranged from 1.36 to 1.54.

Table 8
Descriptive Statistics, Coefficients Alpha, and Pearson Correlations for LMX

Factor	1	2	3
1. Reciprocity	0.88		
2. Loyalty	-0.03	0.87	
3. Contribution	-0.08	0.23**	0.87
Mean	3.93	3.62	4.59
<i>Standard Deviation</i>	1.54	1.46	1.36
<i>No. of Items</i>	6	3	3

Note: N = 266; *p < .05; **p < .01;

Diagonal entries indicate Cronbach’s coefficient alpha (values in bold).

For organizational justice, the Cronbach’s alpha values of 0.89 to 0.94 indicated internal consistency for the four factors. The factors had significant inter-correlation that ranged between 0.44 and 0.60. Table 9 summarizes the descriptive statistics, coefficients alpha, and Pearson correlations for the four factors.

Table 9
Descriptive Statistics, Coefficients Alpha, and Pearson Correlations for Organizational Justice

Factor	1	2	3
1. Interactional	0.94		
2. Distributive	0.44*	0.91	
3. Procedural	0.60*	0.51*	0.89
Mean	4.80	4.08	4.40
<i>Standard Deviation</i>	1.12	1.18	1.16
<i>No of Items</i>	8	9	5

Note: N = 266; *p < .05; **p < .01;

Diagonal entries indicate Cronbach’s coefficient alpha.

With regard to organizational commitment, Table 10 shows that Cronbach’s coefficients alpha stood at 0.82 to 0.95 accordingly, which indicates good internal consistency with regard to the reliability of the grouped items for each factor. The magnitude of Pearson correlations for each organizational commitment showed two of the factors having significant inter-correlations at 0.28. The magnitude of the Pearson correlation coefficient stood at 0.27.

Table 10
Descriptive Statistics, Coefficients Alpha, and Pearson Correlations
for Organizational Commitment

Factor	1	2
1. Affective-Normative	0.95	
2. Continuance	0.28**	0.82
Mean	4.28	3.87
<i>Standard Deviation</i>	1.15	1.12
<i>No. of Items</i>	12	5

Note: $N = 266$; * $p < .05$; ** $p < .01$;

Diagonal entries indicate Cronbach's coefficient alpha.

When testing the following series of hypotheses, we conducted hierarchical regression on organizational commitment. Since the data is nested, it is presented in two dimensions; namely, Affective-Normative (Table 11) and Continuance Commitment (Table 12).

- Hypothesis 1: There is a significant relationship between LMX and the affective-normative dimension of organizational commitment.
- Hypothesis 1a: There is a significant relationship between reciprocity of LMX and the affective-normative dimension of organizational commitment.
- Hypothesis 1b: There is a significant relationship between loyalty of LMX and the affective-normative dimension of organizational commitment.
- Hypothesis 1c: There is a significant relationship between contribution of LMX and the affective-normative dimension of organizational commitment.
- Hypothesis 1d: Reciprocity, loyalty, and contribution dimensions of LMX are unrelated to continuance commitment.
- Hypothesis 2: There is a significant relationship between organizational justice and the affective-normative dimension of organizational commitment.
- Hypothesis 2a: There is a significant relationship between procedural justice and the affective-normative dimension of organizational commitment.
- Hypothesis 2b: There is a significant relationship between distributive justice and the affective-normative dimension of organizational commitment.

Hypothesis 2c: There is a significant relationship between interactional justice and the affective-normative dimension of organizational commitment.

Hypothesis 2d: Procedural, distributive, and interactional dimension of organizational justice are unrelated to continuance commitment.

Table 11
Hierarchical Regression Results of Interaction Effects in the Relationships between LMX and Organizational Justice on Affective-Normative Commitment

Variables	Step 1	Step 2	Step 3
<i>Control variables</i>			
Age	-0.04		
Years	-0.06		
Ywsup	0.01		
Ywmen	0.27**		
<i>Predictor variables</i>			
Reciprocity		0.15**	
Loyalty		0.06	
Contribution		0.12	
Interactional		0.02	
Distributive		0.22**	
Procedural		0.23**	
<i>Interaction terms</i>			
Contribution X Procedural			-0.23
Contribution X Distributive			0.92*
Contribution X interactional			0.11
Loyalty X Procedural			-0.48
Loyalty X Distributive			0.68*
Loyalty X Interactional			-0.54
Reciprocity X Procedural			-0.99*
Reciprocity X Distributive			0.80*
Reciprocity X Interactional			-0.29
R² Change	0.06	0.35	0.09
F Change	3.45**	14.10**	1.37

Note: N= 266; *p < .05; **p < .01.

Based on the results from the hierarchical regression on Affective-Normative Commitment (Table 11), the following interactions can be depicted. As Figure 2 indicates, distributive justice has a positive influence on affective-normative commitment at both low and high levels of contribution. Although the impact is greater at low levels, high contribution would still lead to higher affective-normative commitment across all levels of distributive justice. Therefore, in practicing distributive justice, high levels of contribution (as opposed to low) are always preferred.

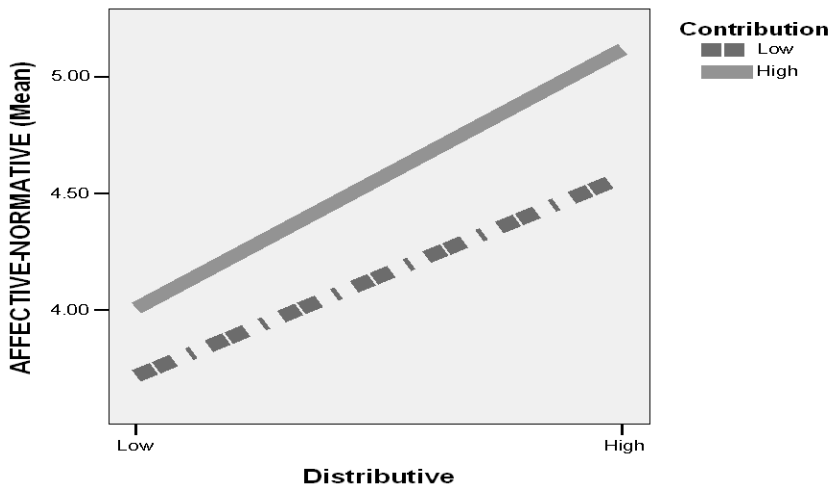


Figure 2. Interaction Effect of Distributive Justice and Contribution on Affective-Normative Commitment

As Figure 3 indicates, reciprocity has a positive influence on affective-normative commitment at both low and high levels of procedural justice. Although the impact is greater at low levels, high procedural justice would still lead to higher affective-normative commitment across all levels of reciprocity. Therefore, in practicing reciprocity, high levels of procedural justice (as opposed to low) are always preferred.

As Figure 4 shows, reciprocity has a positive influence on affective-normative commitment at both low and high levels of distributive justice. Although the impact is greater at low levels, high distributive justice would still lead to higher affective-normative commitment across all levels of reciprocity. Therefore, in practicing reciprocity of LMX, high levels of distributive justice (as opposed to low) are always preferred.

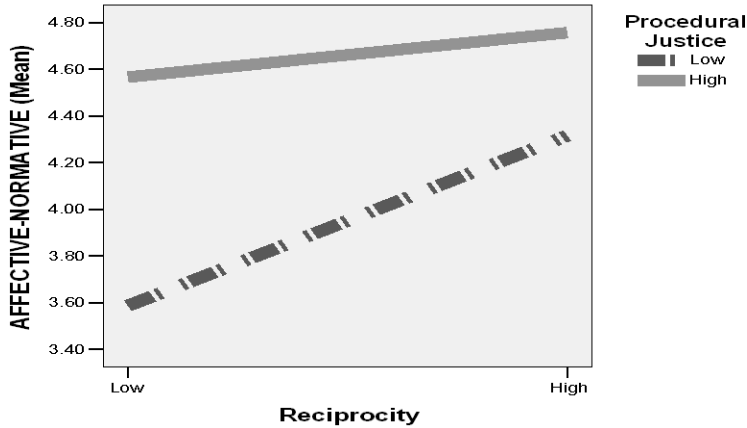


Figure 3. Interaction Effect of Reciprocity and Procedural Justice on Affective-Normative Commitment

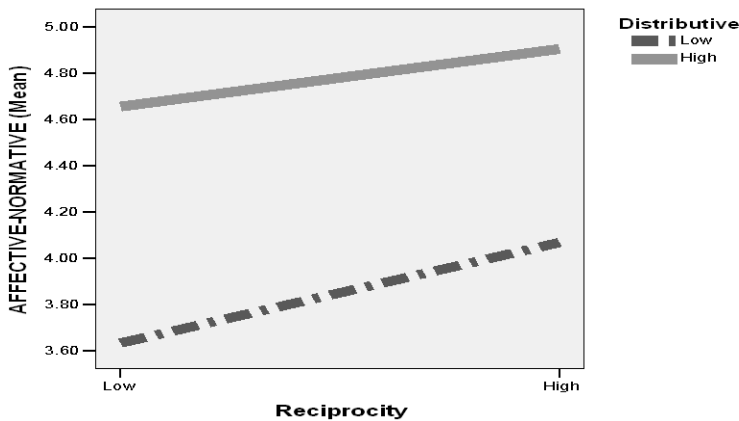


Figure 4. Interaction Effect of Reciprocity and Distributive Justice on Affective-Normative Commitment

Figure 5 illustrates that distributive justice has a positive influence on affective-normative commitment at both low and high levels of loyalty. Although the impact is greater at low levels, high loyalty would still lead to higher affective-normative commitment across all levels of distributive justice. Therefore, in practicing distributive justice, high levels of loyalty (as opposed to low) are always preferred.

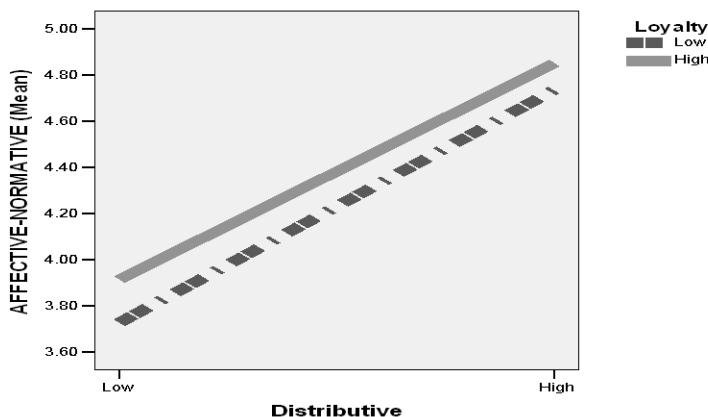


Figure 5. Interaction Effect of Distributive Justice and Loyalty on Affective-Normative Commitment

Whereas Table 11, shown previously, depicts the results of the interaction effect of LMX and organizational justice on affective-normative commitment, Table 12 depicts the interaction effect of LMX and organizational justice on continuance commitment.

Figure 6 illustrates that, at lower levels of psychosocial, contribution will have higher impact on continuance commitment. However, for individuals who possess high levels of psychosocial, the contribution does not affect continuance commitment.

6. DISCUSSION

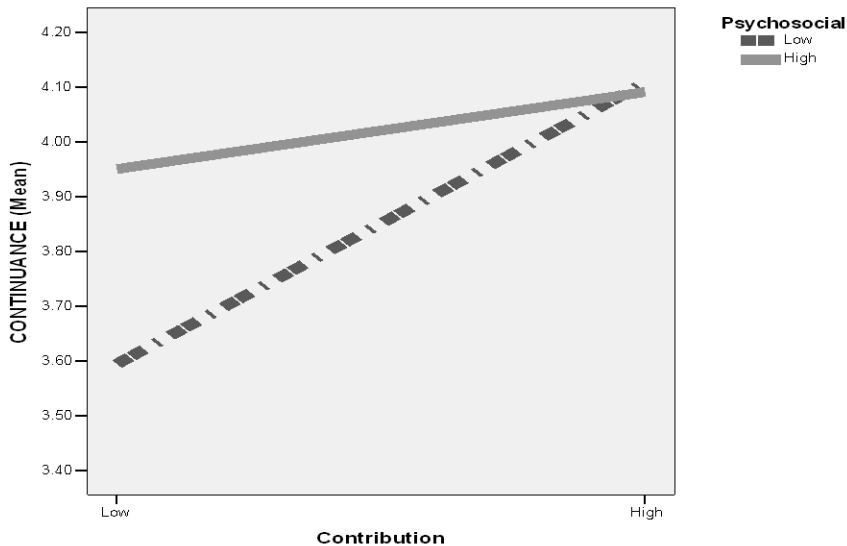
No known individual has attempted to empirically investigate a set of organizational commitment antecedents comprising LMX and organizational justice jointly in a single study. The current study is an attempt in that direction. It is felt that an examination of the distinctiveness of these variables was critical in order to determine whether each made a unique contribution to the different dimensions of organizational commitment. The findings of this study demonstrate that the issues associated with organizational commitment are mostly in line with many previous studies.

The major findings will be discussed in this section. Justifications for each and every hypothesis, whether supported or not, will be provided. The section covers LMX and organizational commitment (6.1), organizational justice and organizational commitment (6.2), theoretical implications (6.3), and practical implications of this study (6.4).

Table 12
Hierarchical Regression Results of Interaction Effects in the Relationships
Between LMX and Organizational Justice on Continuance Commitment

Variables	Step 1	Step 2	Step 3
<i>Control variables</i>			
Age	0.04		
Years	0.02		
Ywsup	0.15		
Ywmen	-0.05		
<i>Predictor variables</i>			
Reciprocity		0.04	
Loyalty		0.05	
Contribution		0.17*	
Interactional		0.03	
Distributive		0.08	
Procedural		0.20*	
<i>Interaction terms</i>			
Contribution X Procedural			- 0.75
Contribution X Distributive			0.21
Contribution X Interactional			0.22
Loyalty X Procedural			0.71
Loyalty X Distributive			0.21
Loyalty X Interactional			- 0.60
Reciprocity X Procedural			- 0.38
Reciprocity X Distributive			- 0.27
Reciprocity X Interactional			0.72
R² Change	0.02	0.14	0.13
F Change	1.35	4.43**	1.43

Note: N= 266; *p < .05; **p < .01.



**Figure 6. Interaction Effect of Psychosocial
and Contribution on Continuance Commitment**

6.1. LMX and Organizational Commitment

Leader-member exchange (LMX) was hypothesized to have a significant relationship with organizational commitment. Our findings on organizational commitment generally mirrored those presented in past studies [Graen, 1976; Graen and Cashman, 1975; Graen and Scandura, 1987; Liden and Graen, 1980]. These prior studies consistently found that LMX significantly predicts organizational commitment. In this sense, LMX could be a useful means for employees to get ahead in their career and become more committed to the organization.

The findings of the current study are consistent with the theory of LMX, which posits that LMX positively correlates with organizational commitment. Our results demonstrate the positive correlation. A likely explanation for the correlation could be that members feel that their leaders do recognize their abilities and contributions, thus increasing their respect for such leaders and leading to a greater increase in organizational commitment.

In the current study, the above explanation may derive from the nature of an auditor's job. Auditors have to adapt to new physical locations and travel arrangements and deal with different clients, each with different personnel and accounting systems. They must also work with different groups of fellow auditors on different audits and are under pressure to complete the audit by a given deadline [Brierley and Gwilliam, 2003]. Auditing also occurs in a strongly

hierarchical environment, one in which staff at all levels may regard themselves as being continually accountable for their work. They must, for example, account via time sheets for each hour, or subdivision thereof, of work, and their work is continually subject to review [Coffey, 1994; Anderson-Gough, Grey and Robson, 2001].

For all these reasons, therefore, auditors would manifest high organizational commitment, working for the same leader although in different groups. Notably, it is also an aspect of Malaysian culture that subordinates usually socialize with their superior after working hours; thus, an off-job affect occurs. This off-job socialization may be partly due to the long hours of work and the pressure to meet deadlines. Through the socialization, individuals come to understand and appreciate the values, contributions, expected behavior, skills, and social knowledge that are essential for creating a better relationship.

6.2. Organizational Justice and Organizational Commitment

The current study posits that organizational justice would have a significant relationship to organizational commitment. Our findings are consistent with those published in previous literature on organizational justice and its impact on organizational commitment. These prior studies indicate that, if employees perceive that organizational justice is present in their workplace, they tend to be more committed.

Prior studies of organizational justice demonstrate that perceived fairness of rewards, organizational procedures, and interpersonal treatment are related to individual attitudes and behaviors [Greenberg, 1990a]. Furthermore, the extent to which individuals perceive justice in the organization is related to positive outcomes such as organizational commitment [Folger and Konovsky, 1989; Konovsky and Cropanzano, 1991; Masterson et al., 2000].

In a meta-analytic study of organizational justice, Colquitt et al. [2001] reported that the three distinct justice types are moderately to highly correlated and are related to organizational commitment. Organizational justice is a socially constructed dimension [Colquitt, et al., 2001]. The current study aligns well with the findings of previous studies on workplace attitudinal and behavioral reactions, including organizational commitment [McFarlin and Sweeney, 1992; Masterson et al, 2000], except for interactional justice. In the latter case, the current study finds that it does not have a significant relationship to organizational commitment. One explanation is that auditors are professionals and their job is very much standardized, unlike the situation, for example, in sales and marketing. The interactional, therefore, may not have the same impact as distributive and procedural justice, which are more readily seen and evaluated by auditors.

The results of this study, therefore, support previous research studies that explain the relationship between organizational justice and organizational commitment. To reiterate, employees tend to experience higher organizational

commitment when they perceive that the outcomes of the procedures are fair and that rewards are fairly distributed. The present study concurs that organizational justice, if practiced in a fair manner, will enhance organizational commitment among auditors.

6.3. Theoretical Implications

This study has enriched the literature on the integration of a few distinct bodies of knowledge – social exchange theory, LMX, organizational justice, and organizational commitment. There is a paucity of research wherein the three constructs are analyzed simultaneously. The said integration facilitates the examination of the direct effects of LMX and organizational justice and the interaction effects of the two variables on organizational commitment. The current study has broadened the understanding of employee-organization compatibility as well as incompatibility and the resulting ramifications on the commitment level toward employing audit firms. The information produced by this study points to several promising directions for future research. The findings could, for example, stimulate the generation of new frameworks on LMX, organizational justice, and organizational commitment in the context of other professions and work environments. In view of the limited literature regarding similar settings, this study adds to the literature, especially in the Malaysia context.

6.4. Practical Implications

High organizational commitment has been taken as key behavior leading to effective management. Effective management outcomes determine the effectiveness and performances of an organization. More important, organizational commitment enables management to capitalize on the diverse value of the workforce and to predict employee behaviors and attitudes through LMX and organizational justice.

The current study takes off from the viewpoint that each subordinate is unique; and through the integration of independent variables, it helps to revolutionize the managerial approach in enhancing organizational commitment of employees in general and auditors in particular. Thus, data generated from the current study could be particularly useful to the Malaysian Institute of Accountants, as well as to policy-makers and managers, in formulating and reviewing human resources policies in audit firms.

This study also attempts to capture these varieties by building in the social exchange quality between employee with mentor/supervisor using LMX and organizational justice measures, respectively, in the study of organizational commitment.

The major findings of this study suggest that both predictor variables have a positive impact on organizational commitment. With that in mind, it is important

that decision makers and managers in audit firms not take lightly functions such as recruiting, training, pairing, goal-setting, and design of compensation systems and career paths for auditors. Using LMX and organizational justice variables, this study finds that each variable relates differently to the criterion variable in a very distinctive way. The implication is that mentors, supervisors, and other leaders should take into account their subordinates' perspectives with regard of LMX and organizational justice. In this way, audit firms will have a competitive edge in recruiting, motivating, and retaining auditors with high commitment.

The results also reveal that LMX, which is grouped in the social exchange relationship, tends to be effective. An effective LMX and organizational justice are endowed assets to an organization. In fact, admitting and understanding the importance of these variables play a critical role in ensuring organizational effectiveness.

Taken together, these findings have important implications for practitioners in Malaysia. Besides igniting awareness of the importance of LMX and organizational justice, the findings suggest that practitioners need to plan for strategic outcomes. The findings also provide insight into the viewpoint of Malaysian auditors toward LMX and organizational justice. In order to make the best use of the study findings, practitioners should carefully study pairing of mentors and protégés and supervisors and subordinates, and should also take a careful look at organizational justice in the work environment.

Clearly, the LMX and organizational justice paradigm of organizational behavior has to be adopted. The current study provides useful information for practitioners, as well as references to the literature on organizational commitment in Malaysia. Most of the existing literature pertains to studies conducted in a Western setting, and may be irrelevant in the Malaysian context.

7. CONCLUSIONS

Leader-member exchange (LMX), organizational justice, social exchange relationship, and organizational commitment are all important factors in ensuring the effectiveness and accomplishment of organizational goals and objectives. By integrating these constructs, the current study provides some exploratory information on how these factors relate to each other.

Effective organization emphasizes the role of human beings; thus, dealing with human resources at work is becoming an important issue in Malaysia, as it can provide useful information for practitioners. Although the current study is an exploratory work, it aims to provide insight to other researchers in this area and to encourage more work to be done on issues dealing with people at work. The organization that wishes its employees to manifest high levels of commitment should, therefore, use human resources to implement LMX and organizational justice, rather than taking these issues lightly.

7.1. Limitations

Although the current study offers some interesting findings and makes an important contribution regarding the relationships between LMX, organizational justice, and organizational commitment, it also has several shortcomings.

First, all the data for the study was collected from audit firms in the states of Penang, Wilayah Persekutuan, and Selangor, Malaysia, which might limit generalization of the results. The generalizability of the findings might also be limited by the fact that most of the respondents worked in audit firms located in big cities, which have their own distinctive work cultures.

The second limitation of the study is the use of a mail survey. It was found that respondents in general had reservations about responding to a written survey, which resulted in a high rate of non-return. Others who did respond seemed reluctant to answer some questions.

Further, because LMX is the measure of the social exchange relationship between a mentor and a protégé or a supervisor and a subordinate, both sides of the relationship should be included in the study. Because of the limitations of sampling in the current study, however, we analyzed leader-member exchange based only on the measures reported by the protégé and subordinate. This facet poses another limitation to interpretation of study findings.

Moreover, the respondents in the sample – although homogeneous in terms of profession – were not differentiated in terms of their area of expertise. The auditors may not be homogeneous in terms of their perceptions toward LMX and organizational justice. Auditors employed by locally owned and foreign-owned firms may perceive those factors differently because of the culture of the organizations. This factor might also limit the generalizability of the findings.

Last, the current study is cross-sectional rather than longitudinal. The results, therefore, may provide less depth in understanding than a longitudinal study would have. In addition, this study is purely quantitative. Future research might add qualitative measures that use focus groups and observations.

7.2. Suggestions for Future Research

Future research should continue to explore the paradigm of LMX and organizational justice with organizational commitment. However, the limitations should first be addressed. The integration of the four bodies of literature into a single framework as we have attempted to do in this study is an encouraging approach, which adds to the literature of organizational commitment in the Malaysian context.

However, the mail survey used in the current study for data collection might limit interpretation of the findings. Thus, it is suggested that future studies conducted on a similar framework adopt a more effective data collection method, such as personal interviews or pilot studies that involve both the supervisor and the subordinate. Also, the number of items in the scales should be increased to

improve the validity of the instrument. Future researchers may also wish to develop their own set of questionnaires, as all measures in the current study were adopted from a Western setting, which includes certain words that may imply a different meaning from that which the question is intended to measure.

Future researchers might also design and conduct studies to better gauge the behavioral outcome of LMX, organizational justice, and organizational commitment over time. This type of study would definitely facilitate more precise assessment of pre- and post-implementation, and how these programs differently affect organizational commitment. It would be interesting also if the focus of the study is extended to examine organization citizenship behavior (OCB).

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ABOUT THE AUTHORS

Dr. Kah Loong Leow is currently a research fellow at Sunway University. He has conducted seminars, workshops, and in-house training for academic, public sector, and corporate clients on skills-based training. Through myriad consultancy projects, Dr. Leow has assisted corporate clients in conducting climate and employee satisfaction surveys, strategic planning, leadership, adult learning, human resource management, diversity and cross-cultural communication, quality, and productivity.

Dr. Kok Wei Khong is an associate professor and head of the School of Business and Law at Sunway University. Previously, he was an associate professor at the University of Nottingham Malaysia Campus. His research in customer service and satisfaction using structural equation modeling (SEM) led him to the area of substantiating indexes on constructs which are perceptual in nature; i.e., Service Quality Index, Perceived Business Performance Index, and Customer Satisfaction Index.