

Organizational Justice and Firm Performance: A Study of Brazilian Listed Companies

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Resumo

Collaborative attitudes between companies and stakeholders, based on organizational justice and trustworthy actions, can lead to important resource gains and improved performance. However, these studies are mostly theoretical. Therefore, there is an absence of empirical studies that corroborate the relationship between firm performance and organizational justice. This study aims to address this gap by answering what is the impact of organizational justice and its dimensions – distributive justice, procedural justice, and interactional justice - on firm performance. Using Colquitt's (2001) framework, adapted by Meirelles, Boaventura and Griffin (2020), a quantitative study was conducted on 63 publicly traded Brazilian companies between 2008 and 2017. Multivariate analysis using panel data was performed to test our hypothesis and measured the impact of each variable on financial performance. Our results indicate that organizational justice, distributive justice, and procedural justice positively impact firm performance. Meanwhile, interactional justice showed no significant impact, although its result may have been affected by theoretical controversies related to its measurement and require further study. This study brings theoretical contributions to the instrumental perspective of stakeholder theory. It also provides managerial contributions regarding the way the organization manages its stakeholders in search of better firm performance, contributing to long-term strategic decisions.