

## Fair Play to Forward Motion: Exploring Organizational Justice and Regulatory Focus on Fashion Retail Employees' Behavior Using Multi-Group and Necessary Condition Analysis

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**Introduction.** Being a fashion retail employee in the U.S. in 2024 means dealing with a host of challenges, from economic instability to the rapid incorporation of Artificial Intelligence (AI) in the workplace (Grewal et al, 2023). AI is already a game-changer for retailers, with nearly 70% of retailers reporting that new AI systems are driving annual sales growth and decreasing operation costs (Countouris, 2024). However, the rapid AI integration into retail workplaces fuels concerns over job security and ethical considerations of work duties managing AI systems. In this retail environment, understanding what motivates fashion retail employees to go above and beyond their basic job requirements becomes important for organizational resilience and success. Our research, therefore, aims to understand the intricate dynamics of external and internal motivations in the context of AI integration at the retail workplace and its impact on fashion retail employees' citizenship behaviors—actions that significantly benefit colleagues (OCBI) and the organization (OCBO) (Lee & Ha-Brookshire, 2018; Swazan & Youn, 2024).

By framing external motivations through the prisms of distributive, procedural, and interactional justice (guided by justice motive theory) and internal motivations via performance approach and avoidance mindsets (examined through regulatory focus theory), this research navigates the undercurrents of employee behavior in an uncertain fashion retail environment. Furthermore, this study employs a multi-group analysis (MGA) through the Partial Least Squares Structural Equation Modeling (PLS-SEM) approach, highlighting the distinctive responses between Generation Z—the dominant demographic in new technology adoption—and their counterparts of older employees. Further enriching this analysis, Necessary Condition Analysis (NCA) is integrated alongside PLS-SEM results to identify indispensable conditions that either facilitate or hinder the manifestation of such behaviors. NCA particularly pinpoints the essential considerations (i.e., necessary and sufficient) that must be present for employee behaviors to emerge, offering targeted insights for fashion retailers (Dul, 2016; Richter et al., 2023).

**Literature Review.** The justice motive theory suggests that individuals are motivated by a desire for fairness in their workplace (Lerner, 1998). This theory helps explain how perceptions of justice influence employees' behaviors, including their willingness to go above and beyond their basic job responsibilities, known as citizenship behaviors (Murtaza et al., 2023). Previous organizational studies have categorized organizational justice into three types: distributive, procedural, and interactional justice (Afzalur Rahim et al., 2000). *Distributive justice* refers to the fairness of outcomes employees receive, such as pay, rewards, and promotions. *Procedural justice* focuses on the fairness of the processes used to determine outcomes. *Interactional justice* concerns the fairness in how employees are treated and the quality of interpersonal interactions (Swazan & Youn, 2023).

The regulatory focus theory posits that individuals are motivated either by the pursuit of gains (Promotion Focus) or the avoidance of losses (Prevention Focus). This theory helps explain the internal motivations driving fashion retail employees' voluntary behavior. A *performance approach-oriented mindset* refers to employees being motivated by achievements, recognition, and rewards within the workplace. A *performance avoidance-oriented mindset*, conversely, describes employees motivated by a desire to avoid mistakes, criticism, or negative outcomes (Vandewalle, 1997). Grasping these theories and their elements sheds light on the motivations behind employees' positive organizational behaviors, especially amidst these uncertain fashion retail environments. Therefore, the following hypotheses are suggested.

**H1-H2:** With AI integration at the fashion retail workplace, organizational justice—(a) distributive, (b) procedural, and (c) interactional—and regulatory focus mindset—(d) approach, and (e) avoidance orientations—will have a significant impact on (H1) OCBI and (H2) OCBO.

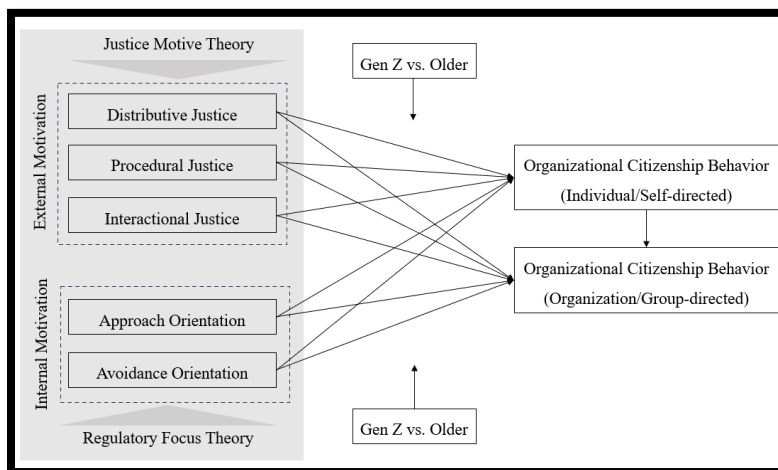
**H3:** With AI integration at the fashion retail workplace, age (Gen Z vs. older) moderates the effects of organizational justice and a regulatory-focus mindset on OCBI and OCBO.

**H4-H5:** The organizational justice —(a) distributive, (b) procedural, and (c) interactional—and regulatory focus mindset—(d) approach, and (e) avoidance orientations—are necessary conditions for (H4) OCBI and (H5) OCBO.

**Method.** An online survey was developed, and data were collected through an online market research firm in the U.S. The targeted participants were fashion retail employees. To prevent non-response bias, we split our survey into two halves for wave analysis. Moreover, we utilized the psychological separation technique to minimize the common method bias. The survey asked questions about organizational justice (i.e., distributive, procedural, and interactional justice; Afzalur Rahim et al., 2000), organizational citizenship behaviors (Lee & Allen, 2002), and regulatory focus mindset toward performance goals (i.e., avoidance and approach orientations; Vandewalle, 1997). A total of 253 responses were used ( $N_{\text{GenZ}} = 130$ ,  $N_{\text{Older}} = 123$ ). Among the participants, 62% work in the sales/marketing department, followed by store management (17%) and merchandising (10%). This study employed PLS-SEM and NCA using SmartPLS.

**Result and Discussion.** After examining the measurement model, path analysis was conducted to test hypotheses. PLS-SEM results indicated that procedural justice, interactional justice, and the approach-oriented mindset significantly increased OCBI (H1b:  $\beta = 0.207$ ,  $p < .05$ ; H1c:  $\beta = 0.282$ ,  $p < .001$ , H1d:  $\beta = 0.202$ ,  $p < .05$ ) while the avoidance-oriented mindset significantly decreased OCBI (H1e:  $\beta = -0.182$ ,  $p < .05$ ). Furthermore, only distributive and interactional justice significantly increased OCBO (H2a:  $\beta = 0.489$ ,  $p < .001$ ; H2c:  $\beta = 0.275$ ,  $p < .001$ ). Regarding MGA, we examined measurement invariances across two groups (i.e., MICOM). The MGA results indicate that GenZ has a greater effect of distributive justice on OCBI compared to the older group ( $\beta_{\text{GenZ}} = 0.525$ ,  $p < .05$ ;  $\beta_{\text{Older}} = 0.006$ ,  $p = .960$ ;  $|\text{diff}| = .519$ ,  $p < .05$ ). Also, GenZ has a greater effect of procedural justice on OCBI compared to older group ( $\beta_{\text{GenZ}} = 0.542$ ,  $p < .001$ ;  $\beta_{\text{Older}} = 0.017$ ,  $p = .980$ ;  $|\text{diff}| = .508$ ,  $p < .05$ ). Lastly, in implementing NCA, we adopted the ceiling envelopment-free disposal hull (CEFDH) line due to irregular patterns near the ceiling lines (Richter et al., 2023). As a result, an effect size  $d$  greater than 0.1 indicates necessary conditions. The findings indicated that interactional justice is the only significant necessary condition (H5c:  $p < 0.05$ ) influencing OCBO, showing a medium effect size of 0.254. This

means enhancing interactional justice boosts OCBO, but a specific threshold of interactional justice is required for this effect. In addition, regarding other significant drivers identified in the PLS-SEM result, we found that elevating justice and regulatory focus can improve OCBI and OCBO without a defined minimum level needed for these positive outcomes.



**Conclusion.** The justice motive theory, when incorporated with regulatory focus theory, underscores the importance of understanding the external and internal motivations necessary for employees' citizenship behaviors, especially in the context of AI integration in fashion retail workplaces. The findings suggest that managers should consider generational differences in justice perceptions when designing policies and interventions. Tailoring strategies to meet Gen Z employees' expectations of justice can lead to more effective behavioral outcomes.

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