

To: [REDACTED]
From: Michael Cornwell, Staff Analyst
Subject: Organizational Justice
Date: April 4, 2007

Overview:

Organizational Justice is concerned with the perception of fairness, and how it is either achieved or prevented through processes (Procedural), outcomes (Distributive), and/or implementation (Interactional). While the first two dimensions of Organizational Justice are by no means mutually exclusive, little work has been done correlating them simultaneously. In this sense, attempts to examine Organizational Justice through the lens of implementation are a hybrid.

Due to its focus on fairness, Organizational Justice is heavily rooted in Equity Theory, which emerged as a relevant social issue during the 1960's, and provided the theoretical framework for contemporary discussions of justice in the workplace. Traditionally, Organizational Justice literature has focused on outcomes, such as pay equity issues, subsequently providing a strong basis for the Distributive aspect of the subject. This was the dominant approach until the late 1980's, when organizations began to closely examine their processes, paving the way for a Procedural view. In recent years, attempts to describe the interplay between the Distributive and Procedural approaches have resulted in an Interactional perspective of Organizational Justice. In our discussion of Organizational Justice, we will review several works and theories that illustrate past and present approaches to the concept, relate them to Organizational Citizenship Behaviors, analyze the existing literature, and describe the relationship between justice and the public sector.

Literature Review:

Widely regarded as the seminal work in Equity Theory, Adams' "Inequity in Social Exchange," (1965) posits that organizations should seek to balance the inputs and outputs of their employees. In this model, inputs include rather nebulous concepts, such as loyalty, hard work, enthusiasm, and effort, while outputs are typically framed in terms of tangible or quantifiable benefits, usually salary and/or recognition (Gilliland, 1993). An employee compares his or her outputs (rewards) to those of a "referent other"- a peer or co-worker. (Adams, 1965) This comparison makes the distribution of outputs a matter of degree among employees. It is important to note the distinction between equity and equality for the purposes of distributing rewards, as equal distribution does not promote competition, outside of a group setting (Sinclair, 2003).

The Distributive aspect of Organizational Justice, first articulated by sociologist Geroge Homans in 1961 in describing informal organizations and subcultures, is predominantly concerned with how an organization allocates rewards. In Adams' work, an employee's motivation is closely associated with his or her feeling of contribution, and the valence of outputs. Similarly, Homans' view of reward distribution revolved around a strong positive relationship with inputs. Equity Theory forms the cornerstone of Distributive Justice, and is split into proactive and reactive dimensions. While the proactive dimension is concerned with seeking equity through the distribution of rewards, the reactive responds to perceived injustice (Greenberg, 1987). If an unfair distribution method exists, an employee will seek to redress the injustice- a reactive approach that occasionally results in theft, vandalism, or turnover (Skarlicki & Folger, 1997).

Procedural Justice traces its origin back to Thibaut and Walker's (1975) assessment of the concept of justice as fairness. Their examination of defendants' favorable or unfavorable opinions of the legal system revealed that the acceptance of guilty verdicts by defendants hinged greatly on their perception of equity during the trial process. This was a radical departure from the traditional Distributive understanding of Organizational Justice, as it demonstrated that unfavorable outcomes could potentially be viewed in positive terms. While both possess a subjective element, based on the perceptions of individuals, Procedural Justice is more applicable to larger populations. Additional components of Procedural Justice include: uniformity, consistency, suppression of bias, and two-way communication (Clay-Warner, et al, 2005). The dichotomy between Distributive and Procedural Justice is best explained by Folger and Konovsky (1989), who assert that, "Distributive justice refers to the perceived fairness of the amounts of compensation employees receive; procedural justice refers to the perceived fairness of the means used to determine those amounts."

Truly a hybrid, Interactional Justice is concerned with both the content and delivery of equity. Equally important are what is said, and how it is conveyed to individuals during the decision process (Bies and Moag, 1986). Consequently, the Interactional approach focuses on the equitable application of justice through peer and supervisor-subordinate interactions, predominantly in the form of communication. As technology changes the way we communicate in organizational settings, these interactions will garner more attention.

Application to Organizational Behavior:

Most of the existing literature focuses on job satisfaction and commitment as strong indicators of perceived justice. Of the three aspects of Organizational Justice, the Distributive seemingly lends itself best to direct application in a real environment. Indeed, rewards are often necessary precursors to membership within an organization—even for volunteers, who may only seek recognition. If the distribution of rewards is consistent with inputs and is perceived as equitable, members of an organization see a causal relationship between inputs and outcomes, and will be motivated to work harder. This implies that Distributive Justice is intrinsically linked to personal outcomes, but research has shown this to be a weaker indicator of job satisfaction than Procedural Justice, which may preclude “going above and beyond” the scope of one’s duties, simply because of extrinsic motivators (Clay-Walker, et al, 2005).

While the concept of Organizational Justice touches on issues of gender, race, and ethnicity, these are often overshadowed by the rhetoric of Procedural Justice. Were it not for its emphases on flexibility and revision, one could easily argue that an organization based purely on Procedural Justice would be opposed to reactive remedies to real and perceived injustice, such affirmative action programs, and would instead favor uniform, color-blind hiring and promotion policies. With respect to Procedural Justice’s relationship to Organizational Citizenship Behavior (OCB), there exist “Significant positive correlations between PJ and all five OCB dimensions (i.e., altruism, courtesy, sportsmanship, conscientiousness, and civic virtue).” (Sinclair, 2003)

Although OCB is typically defined in terms of positive behaviors, Byrne’s research indicates that overt political maneuvering within an organization can be beneficial,

because it promotes alternative viewpoints, while ostensibly innocuous behaviors, such as conformity may contribute to group-think (Byrne, 2005). Similar to Sinclair's assessment, Byrne indicates that, "Both procedural and interactional justice moderated effects of covert, but not overt political behaviors, on OCB beneficial to the organization." Conforming (covert) behaviors declined in the presence of perceived Procedural Justice, because an adequate forum existed for the discussion and resolution of grievances.

Analysis:

Recent attempts to evaluate Organizational Justice seek to assess both Distributive and Procedural approaches, in terms of their antecedence on job satisfaction. There is debate among researchers as to which is the better indicator, with more falling squarely in the Procedural camp. McFarlin and Sweeney's (1992) study of bank employees examined both Distributive and Procedural perspectives, and adopted a pro-Distributive view of job satisfaction and commitment. One interesting finding from this research was that age and position were strongly associated with higher levels of job satisfaction (Distributive), commitment (Distributive) and supervisor evaluation (Procedural.)

Similar results were obtained in a study of Distributive Justice correlating job satisfaction and commitment in social workers with equity and advocacy for clients, although emphasis was placed on Procedural Justice as the stronger predictor of job satisfaction (Lambert, et al, 2005). Both studies suggest that age plays a crucial role in shaping one's perceptions about Distributive Justice, and can possibly be explained by increased salary over time due to tenure and/or promotion.

Despite often being seen as merely a subset of Procedural Justice, the Interactional aspect elegantly points out that Organizational Justice is based on subjective perceptions, and that these are continuously influenced by our interactions with others. It is precisely this collective perception, Forray argues, that serves as the basis of Procedural Justice: “It is through the human processes of objectivation that the ongoing subjectivity of individual experience comes to be regarded as the objective social fact, organization.” (Forray, 2006) The result is an evolving social contract of sorts, based on norms and facilitated through diligent Human Resource Management. The Interactional approach emphasizes both internal and external justice, by implying interplay not only among individual members within an organization, but also between the organization itself and the communities it serves. Clearly, this aspect has the greatest applicability to public sector and non-profit organizations.

Conclusion:

Organizational Justice is important to public sector agencies and non-profits, because it promotes transparency- especially in its Procedural form. When expectations are clear, and standards are in place, the organization can devote more attention to carrying out its objectives. In attempting to provide services to increasingly larger and more diverse populations, equity of access becomes vital, and this provider-client relationship is what makes the Interactional aspect of Organizational Justice so appealing. Examples of equity of access include making forms available in multiple languages and providing interpreters- these are the positive externalities of Procedural Justice, and reinforce the link between the organization and public. Distributive Justice is difficult to

apply to a discussion of public sector and non-profit services, because many are perceived as essential to daily living, and are considered entitlements. Similarly, some public sector organizations provide clients with services they do not particularly desire, such as Child Protective Services (Lambert, et al, 2005). The negative potential for Distributive Justice in our discussion of social equity is best illustrated by the high levels of CPS clients who previously received Temporary Assistance for Needy Families (TANF), because the socioeconomic requirements for TANF eligibility involve a certain degree of intrusion into family's lives. This results in a quid pro quo exchange in which families from lower socioeconomic strata are scrutinized more closely than others.

Even though it is tempting to subscribe to the prevailing notion among scholars that Procedural Justice is a panacea, and can explain why organizations experience success or failure in promoting positive Organizational Citizenship Behaviors, healthy skepticism is advised. As indicated by Byrne (2005), some organizations thrive despite an environment that is permissive of self-serving behaviors. While Procedural Justice is crucial in establishing a baseline, it is our interactions with one another that truly speak to the collective nature of our norms and perceptions of fairness. Through interactions with peers, subordinates, and superiors, we create a rich, shared narrative of the organizations we serve. Organizational Justice is a never-ending quest- due to its subjective nature, no universal definition exists in the real world, so we strive to create working environments that are congruent to our ideals.

Sources Cited:

Adams, J.S. "Inequity in Social Exchange." In L. Berkowitz (ed.), Advances in Experimental Social Psychology. New York: Academic Press, 1965.

Bies, R., and Moag, J. "Interactional Justice: Communication Criteria of Fairness" Research on Negotiation in Organizations, Vol. 1. Greenwich, CT : JAI Press, 1986

Byrne, Z. "Fairness Reduces the Negative Effects of Organizational Politics on Turnover Intentions, Citizenship Behavior, and Job Performance." Journal of Business and Psychology, Vol. 20, No. 2, 175-200 (2005)

Clay-Warner, J., Reynolds, J., and Roman, P. "Organizational Justice and Job Satisfaction: A Test of Three Competing Models." Social Justice Research, Vol. 18, No. 4, 391-409 (December 1, 2005)

Folger, R., and Konovsky, M. "Effects of Procedural and Distributive Justice on Reactions to Pay Raise Decisions." Academy of Management Journal, Vol. 32, No. 1, 115-130 (March 1, 1989)

Forsay, J. "Sustaining Fair Organization: An Interpretive View of Justice in Organizational Life." Group & Organization Management, Vol. 31, No. 3, 359-387 (June 1, 2006)

Gilliland, S. "The Perceived Fairness of Selection Systems: An Organizational Justice Perspective." Academy of Management Review, Vol. 18, No. 4, 694-732 (October 1, 1993)

Greenberg, J. "A Taxonomy of Organizational Justice Theories." The Academy of Management Review, Vol. 12, No. 1, 9-22 (January 1, 1987)

Homans, G. Social Behaviour: Its Elementary Forms. New York: Hartcourt-Brace, 1961.

Lambert, E., Cluse-Tolar, T., Pasupuleti, S., Hall, D., and Jenkins, M. "The Impact of Distributive and Procedural Justice on Social Service Workers." Social Justice Research, Vol. 18, No. 4, 411-427 (December 1, 2005)

McFarlin, D., and Sweeney, P. "Distributive and Procedural Justice as Predictors of Satisfaction with Personal Organizational Outcomes." The Academy of Management Journal, Vol. 35, No. 3, 626-637 (August 1, 1992)

Sinclair, A. "The Effects of Justice and Cooperation on Team Effectiveness." Small Group Research, Vol. 39, No. 1, 74-100 (February 1, 2003)

Skarlicki, D., and Folger, R. "Retaliation in the Workplace: The Roles of Distrivutive, Procedural, and Interactional Justice." *Journal of Applied Psychology*, Vol. 82, No. 3, 434-443 (1997)

Thibaut, J., and Walker, L. Procedural Justice: A Psychological Analysis Hillsdale, NJ : Lawrence Erlbaum Associates, 1975.