PROGRESS IN PROCEDURAL JUSTICE: TUNNELLING THROUGH THE MAZE

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ABSTRACT

Recent developments in the contribution to the literature on procedural justice have opened avenues for exploring the subject and gaining perspective in the field with a view to assessing how the concept of procedural justice has evolved over the periods and how it is shaping up for the future. This paper reviews the procedural justice literature since 1990. Four theories exploring procedural justice are presented. The antecedents, consequences, and contexts for procedural justice effects are reviewed. This study reveals that attention to matters relating to procedural justice need to be practiced in the foreseeable future.

Key words: job satisfaction, motivation, procedural justice, organizational commitment, fairness perception.

I. INTRODUCTION

Organizational scientists are concerned with human resources management, organizational behavior, and organizational justice that are people’s perceptions of fairness in organizations. Whether we are talking about the fairness of large-scale organizational policies, such as pay systems, or individual practices at the local level, such as determining priorities of vacation scheduling in an office, questions of fairness on the job are ubiquitous. As both scientists and practitioners have become sensitive to the importance of such matters, the literature on organizational justice has proliferated.

With the recent growth in contributions to the organizational justice literature, the need has arisen to gain perspective on the field – to assess where it has been and where it is going. Specifically, the researcher intend to shed light on recent progress in the field of organizational justice by ‘tunneling through the maze’ of ideas it has generated – highlighting procedural justice, in particular its conceptual and applied advances, and putting them in perspective. In doing so, it is hoped that the

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readers see light at the end of the tunnel that may encourage them to enter, and that will guide them in other journey toward understanding procedural justice.

II. PROCEDURAL JUSTICE AND ITS IMPACT ON BUSINESS ORGANIZATIONS

The study of fairness in organizations, and in particular, procedural fairness, has given to researchers fresh insights about management. Justice or fairness (and this study will use the two concepts interchangeably) has its roots in philosophy, political science, and religion, among other disciplines, and strikes a chord with anyone who has experienced unfairness. In business organizations, considerations of fairness appeals to managers, employees, and other organizational stakeholders who see fairness as a unifying value providing fundamental principles that can bind together conflicting parties and create stable social structures. In recent times, organizational researchers have used notions of procedural justice to understand organizational relationships among employees (Collins & Porras, 1997; Folger & Cropanzano, 1998; Folger & Skarlicki, 1999; Konovsky, 2000; Kwong & Leung, 2002; Naumann & Bennett, 2002; Phillips, 2002).

This section reviews the theoretical and empirical procedural justice literature in relation to the research focus. The study will first elaborate on the fundamental nature of justice in organizations, and then define fairness and discuss its importance in organizations. Then the study defines procedural justice and discusses procedural justice theories, the antecedents and consequences of procedural justice, and the contexts in which procedural justice effects are salient. Subsequent sections address the relationship between distributive justice and procedural justice, and cross-cultural approaches to procedural justice.

Justice: Its Fundamental Nature in Organizations

In general, the study of organizational justice has focused on two major issues: employees’ responses to what they receive – that is, outcomes – and the means by which they obtain these outcomes – that is, procedures. Individuals’ evaluation of these outcomes is referred to as judgments of distributive justice (Leventhal, 1976).

Distributive justice is the first form of justice that captures the attention of organizational scientists (Greenberg, 1987). Previous researchers did not pay attention to other forms of justice in the organizational setting. Outcomes do not simply appear; they result from a specific set of processes or procedures, for example, people may raise questions about how their performance is rated, the promotion decision is made, pay raises are given, or selection decisions were determined. To determine the outcomes, the first question people would be asked is what procedure the employers used and how fair were they in their judgment. These people’s perception of the fairness of the procedures is referred to as procedural justice. This procedural justice is a critical indicator that may bring benefits from perceived fair procedures, and indicate the problems that may result from perceived unfair procedures (Greenberg, 1987).

The practical and theoretical knowledge that procedural justice researchers have provided managers with may be one of the linchpins that carry organizations into the tumultuous 21st century, where rapid change and increasingly complex human resources management issues become even more a concern of organizational life. Greenberg (1990) with regard to procedural justice concluded that the literature had entered the second of three stages of the research life cycle. Procedural justice concepts had been introduced and elaborated (Stage 1), and during the 1980s, these concepts were evaluated and augmented (Stage 2). Greenberg concluded that little in the way of consolidation and integration (Stage 3) had yet appeared in the procedural justice research.

The Importance of Fairness in an Organizational Setting

Many contemporary writings on organizations emphasize the importance of core values to the organization (Clawson, 1999; Collins & Porras, 1997), and justice is identified as one of those values. According to Collins and Porras, core values are an organisation's essential and enduring guiding principles. Rawls identified justice as the "first virtue of social organizations" (Rawls, 1971, p. 3). Barnard (1938) identified fairness as one of the fundamental bases of cooperative action in organizations. More recently, the guiding principles of effective supervision identified by Clawson (1999) included truth telling, promise keeping, fairness, and respect for the individual.
Thus, one argument for the importance of fairness is its role as a fundamental organisational value.

Lind, Kulik, Ambrose, and deVera Park (1993) argue that fairness serves as a heuristic. The purpose of a heuristic is to simplify the world and facilitate successful negotiation of the myriad daily decisions one must make. Heuristics are necessary because humans have severe limitations with respect to the encoding, retrieval, and evaluative use of information ( Folger, Konovsky, & Cropanzano, 1992). According to Lind et al. (1993), the fairness heuristic is necessary because it is often difficult for employees to evaluate whether a supervisor's request is legitimate. To resolve this dilemma, employees often use the apparent fairness of the authority as an indicator of whether the authority's orders are legitimate. If the supervisor appears to be acting fairly, the employee assumes that a directive is legitimate. Similar to Barnard's conceptualization of "zones of indifference" (Barnard, 1938), where individuals are accepting of an authority's order, fair treatment indicates that an individual should accept authority. Alternatively, research reviewed by Tripp, Sondak, and Bies (1995) suggests that people (e.g., negotiators) attend to fairness when concerns for harmony are more salient than concerns for competitive allocation of scarce resources. Thus, Tripp et al. argue that fairness concerns predominate when individuals are concerned with preserving relationships.

The above discussion presents some of the pertinent reasons why fairness is important in the organizational context. The consideration of fairness, however, would not be complete without a more critical examination of the assumptions underlying fairness research in organizations. This study focuses on the importance of fairness in an organizational context, the primary purpose of which is to carry out organizational objectives. The original context inspiring much of the organizational fairness research, however, was in judicial institutions where conflicts of interest are presided over by an impartial, disinterested judge (Cohen, 1985). In contrast to the judicial institutions, the employer in the capitalist enterprise is not disinterested. In fact, those in positions of power have an interest in preserving their power and in legitimizing the structure that supports them (Scott, 1988). According to Nord and Doherty (1994), ideologies, or sets of related beliefs held by a group of persons, can act as frames that influence interpretations of events. Specifically, they note that a free market ideology of profit maximization encourages a focus away from community utility and collective rationality and onto market rationality. When managers are concerned with market rationality, conditions that give rise to pseudo-fairness can occur. Pseudo-fairness can also arise when the basic conflicts of interest between managers and employees are ignored. Pseudo-fairness superficially resembles fair behavior, but it stems from tactical motives unrelated to fairness (Leventhal, Karuza, & Fry, 1980). For example, pseudo-fairness can serve as a method of persuasion where the purpose is to preserve management's power. In the case of pseudo-fairness, authentic justice does not prevail. According to Cohen, in fact, authentic fairness goals can be subverted anytime attention is diverted away from the fundamental conflict of interest between the employee and employer. In sum, ideologies, or sets of beliefs held by a group of persons (managers, in this case), play an important role in influencing the experience and interpretation of events such as conflicts of interest (Nord & Doherty, 1994; Naumann & Bennett, 2002).

The above discussion illustrates that one key assumption in the organizational justice literature is that the interests of employers and employees in business enterprises are the same and that principles of procedural justice observed in organizations equally serve both constituents. However, the existence of organizational justice systems is not sufficient evidence for their effectiveness. As Scott (1988) noted, justice systems exist and are positively responded to even in the most despotic organizations. Scott explains this apparent contradiction by contrasting liberty and justice. Liberty refers to individual choice and justice requires individuals' obedience to an established order (Scott, 1988). When the interests of management and labor do not coincide, a conflict between justice and liberty arises because managers desire obedience and employees desire free choice. Under these circumstances, managers of American and other Western countries historically opted for justice, arguing that liberty cannot be an independent value for management to pursue because management best understands the issues affecting the organization and they are ultimately responsible for an organization's achieving its goals (Barnard, 1938). In order to "justify justice," therefore, organizational
researchers assume that management decision-making occurs in a context where management and employee interests are similar. Thus, when the interests of management and labor do not coincide, liberty, or authentic individual choice, is sacrificed to maintain the established order, and conditions favorable to pseudo-fairness prevail.

The Concept of Procedural Justice

Procedural justice refers generally to how an allocation decision is made. Procedural justice is contrasted with distributive justice, which refers to the fairness of the decision outcome. Procedural justice can refer to objective or subjective circumstances. Objective procedural justice refers to actual or factual justice (Lind & Tyler, 1988) and subjective procedural justice refers to perceptions of objective procedures or to the capacity of an objective procedure to enhance fairness judgments (Cropanzano & Greenberg, 1991). Procedural justice researchers most frequently measure subjective procedural justice and its effects (Cropanzano & Greenberg, 1997), while the link between objective justice and subjective justice remains largely unexamined.

Konovsky (2000) argued that objective procedural justice leads to subjective justice perceptions. Subjective procedural justice perceptions can be further understood by considering the cognitive, affective, and behavioral components of the justice experience (Leventhal, Karuza, & Fry, 1980). The cognitive component of subjective procedural justice refers to the calculations made by a perceiver regarding the objective fairness of a decision. Perceivers may compare, for example, the way they are actually treated to the way they expect to be treated. Objective justice can also serve as the stimulus for an affective reaction as individuals form subjective justice perceptions. The affective component of procedural justice judgments consists of positive or negative emotional reactions to actual objective events (Tyler, 1994).

Little research exists on the emotional reactions to unfair procedures. Adams and Freedman (1976) were among the first to note that research on emotional reactions to unfairness could not be found. More recently, a small body of research on the emotional reactions to injustice has appeared in the literature on interpersonal relationships (Kwong & Leung, 2002; Mikula, 1998a, 1998b). Bies and Tripp (1996) have contributed to the understanding of the role of emotion in the justice context through their examination of reactions to a broken trust and their initial "mapping" of the emotional geography of revenge. Konovsky (2000) argued that organizational justice researchers have focused primarily on the cognitive aspects of procedural justice judgments and have not closely examined the affective components of fairness perceptions.

Finally, one of the reasons this study is interested in fairness perceptions is that they may lead to important consequences regarding employee behavior and work attitudes. Although these reactions to procedural justice are not part of the fairness construct, identifying the reactions to procedural fairness perceptions has, in fact, been the predominant theme of procedural justice research in the 1990s. Fair treatment in procedures, for example, has been demonstrated to result in increased job satisfaction, organizational commitment, and organizational citizenship behaviors. Unfair treatment in procedures has been found to result in organizational retaliatory behaviors (Skarlicki & Folger, 1997). These reactions to procedural fairness perceptions are further discussed in a later section of this paper.

The conceptualization of fairness perceptions in terms of cognitive and affective components and their consequences is helpful in understanding the focus of the procedural justice theories discussed in the next section. The following theories addressing procedural fairness have emerged as important in the 1990s: the self-interest models, the group value model, justice judgment model, and the fairness heuristic model. The self-interest (also known as the instrumental model) models focus primarily on the effects or consequences of subjective justice perceptions. The group value model (also known as the non-instrumental model), justice judgment model, and the fairness heuristic model focus primarily on the relationship between objective justice and subjective justice perceptions.

III. THEORIES OF PROCEDURAL JUSTICE

The first models used to explain procedural justice effects were based on the self-interest effect model of procedural justice. These models propose that interest in fair procedures is due to a belief
that fair procedures lead to favorable outcomes. The self-interest model claims that individuals posit no value for fair procedures independent of their association with fair outcomes.

One early example of the self-interest model is Thibaut and Walker's process control model. Thibaut and Walker (1975) investigated two types of control that people have in dispute-resolution procedures: the amount of control over procedures used to settle grievances (process control) and the amount of control over determining the outcomes (decision control). They suggested that the distribution of control among disputants and a third-party decision maker is the key procedural characteristic shaping people’s views about the fairness of the procedures and that individuals view procedures as most fair when control is vested in the participants. They then suggested that people prefer procedures that maximize their personal outcomes and that procedural control is perceived as the best means for ensuring the best personal outcome. Thus, the desire for procedural control is related to the desire to achieve a favorable outcome (Tyler, 1994).

Another example of self-interest models of procedural justice is the social exchange model. Social exchange theories deal with how people form relationships and how power is dealt with in those relationships. Blau (1964) posited that relationship formation is one of the basic problems of social interaction that must be resolved for society to remain stable. Blau contrasted economic exchange with social exchange as the basis for relationships. Social exchange refers to relationships that entail unspecified future obligations. Like economic exchange, social exchange generates an expectation of some future return for contributions; however, unlike economic exchange, the exact nature of that return is unspecified. Furthermore, economic exchange occurs on a quid pro quo or calculated basis, whereas social exchange relationships are based on individuals trusting that the other parties to the exchange will fairly discharge their obligations in the long run (Holmes, 1981). This trust is necessary for maintaining social exchange, especially in the short term, when some temporary asymmetries may exist between an individual's inducements and contributions to the relationship. According to Blau, trust provides the basis for relationship formation. Trust is a multidimensional construct and includes factors such as an expectation that another party will act benevolently, a belief that one cannot control or force the other party to fulfill this expectation, and a dependence on the other party (Whitener, Brodt, Korsgaard, & Werner, 1998). Although trust is a key element in the emergence and maintenance of social exchange relationships, social exchange theorists have largely ignored the issue of how trust emerges in these relationships (Holmes, 1981). One important source of trust is procedural fairness (Konovsky & Pugh, 1994). In organizations, managers can have considerable impact on building trust (Naumann & Bennett, 2002; Whitener et al., 1998). Fair treatment by management can create feelings of trust by removing fears of exploitation. Fair treatment by management also demonstrates respect for the rights and dignity of employees, leading to the development of trust (Folger & Konovsky, 1989). This emergent trust is then the engine that propels further positive reciprocation, resulting in the stabilizing of relationships (Konovsky & Pugh, 1994). In addition to stabilizing relationships, procedural justice induced trust also predicts important employee behaviors such as citizenship behavior (Konovsky & Pugh, 1994). Additional procedural justice research is based on the social exchange model. For example, Moorman, Blakely, and Niehoff (1998) found that organizational support within a social exchange process mediated the relationship between procedural justice and citizenship behaviour.

In contrast to procedural justice theories concerned with instrumental results, the group value model of procedural justice (Tyler, 1989; Tyler & Lind, 1992) describes factors influencing procedural justice judgments. The group value model stipulates that people value long-term relationships with groups because group membership is a means for obtaining social status and self-esteem. Social status and self worth are evaluated according to three relational concerns: neutrality, trust, and standing (Tyler, 1989). Neutrality indicates that an individual is treated without bias. Trust emerges from a decision maker using unbiased procedures. Standing is conveyed when group authorities treat people with politeness, respect for their rights, and dignity (Tyler, 1994). These relational concerns influence judgments of procedural justice. Treatment by group authorities that enhances neutrality, trust, and standing enhances judgments of procedural justice. These processes, in concert, also contribute to the stability of a group.
Leventhal and his colleagues (Leventhal, Karuza, & Fry, 1980) also addressed the factors that enhance justice judgments. Justice judgment theory proposed several procedural criteria indicating the presence of procedural justice. These justice judgment rules include, for example, consistency over time, bias suppression, accuracy, correctibility, and representativeness. Leventhal's justice judgment theory contributed greatly to understanding the criteria leading to procedural justice perceptions.

**Fairness heuristic theory** also focuses on the relationship between objective fairness and fairness perceptions. The fairness heuristic model focuses on how procedural justice and distributive justice function together to determine fairness perceptions. Furthermore, fairness heuristic theory proposes that individuals are largely uncomfortable with authority relations because they provide opportunities for exploitation. As a result, when individuals must cede some control to an authority, they ask themselves whether the authority can be trusted. Van den Bos and his colleagues argue that individuals do not often have information regarding the trustworthiness of authorities so individuals refer to the fairness of an authority's procedures to determine trustworthiness (Van den Bos, Wilke, & Lind, 1998). If an authority figure treats an individual in a procedurally fair manner, the authority is described as trustworthy and the individual reacts positively to that authority. Thus, procedural justice is not only an antecedent of trust; it can also serve as a substitute for trustworthiness.

In addition to procedural justice guiding trust judgments, fairness heuristic theory addresses why procedural justice information can affect judgments of distributive justice. Lind and Tyler (1988) argued that fairness judgments depend more on the order in which an individual receives information. When procedural information is available before outcome information, information about procedures will affect fairness judgments about outcomes. A third component of fairness heuristic theory is that the fairness of outcomes may be more difficult to judge than the fairness of procedures. There is often little or no information available about the outcomes for others. For example, employees typically do not know pay level information for another person. Under these conditions when outcome information is unavailable, van den Bos, Vermunt, and Wilke (1997) demonstrated that individuals use procedural fairness to judge the fairness of the outcomes.

The review of the four theories of procedural justice aforementioned reveals several key similarities and differences. First, the theories differ in terms of whether procedural justice and distributive justice judgments are inter-related. For example, the instrumental model asserts that perceptions of distributive justice influence perceptions of procedural justice, while the group value model does not. Second, the theories differ in their emphasis on the relationship between objective fairness and subjective fairness perceptions versus the relationship between subjective fairness perceptions and their consequences. The social exchange models focus on the consequences of procedural justice, while the fairness heuristic model and the group value model focus on the relationship between objective fairness and subjective fairness perceptions. Finally, the role of trust is differently emphasized by each of the theories. Trust is a central explanatory construct in the group value model, for example, but not in the instrumental model.

A natural question to ask at this point is which theory really explains procedural justice and its effects? In contrast to the voluminous literature devoted to developing theories of procedural justice, there are only a few studies that compare alternative models of procedural justice. One example is Shapiro and Brett's study (Shapiro & Brett, 1993) comparing instrumental, non-instrumental, and procedural enactment models. This study of the grievance process indicated that each of these procedural justice models accounted for some variance in procedural justice and related perceptions. Konovsky (2000) suggests that the search for "the best" procedural justice model may be misdirected, as there can be multiple causes of procedural justice judgments. In general, the self-interest model and the group value model have received empirical support. Though there are four models that could be used to interpret how various actions by supervisors could affect employees' procedural justice perceptions (Cropanzano & Greenberg, 1997), it is useful however to consider the employees' perceptions of managers' power use in terms of the self-interest model and the group value model (Mossholder et al., 1998). Mossholder et al. argued that the self-interest model and the group value model are useful tools.
in the organizational context to study the employees’ perceptions of managers’ use of power over employees.

IV. THE ANTECEDENTS AND CONSEQUENCES OF PROCEDURAL JUSTICE PERCEPTIONS

This section focuses on summarizing the most frequently examined antecedents and consequences of procedural justice judgments. There is an ongoing discussion in the procedural justice literature regarding the components of procedural justice (Greenberg, 1990; Greenberg, 1993a; Tyler & Bies, 1990). Initially, procedural fairness was conceptualized in terms of structural elements such as organizational policies and rules, including providing advanced notice for decisions or opportunities for voice (Greenberg, 1990; Lind & Tyler, 1988). Bies and Moag (1986) introduced the interpersonal context of procedural justice by referring to the quality of interpersonal treatment people receive during the enactment of organizational procedures. The interpersonal procedural justice context included treating others with dignity and respect, and is referred to as interactional justice (Bies & Moag, 1986), while providing adequate information regarding decision-making is referred to as informational justice (Greenberg, 1993a). Debate and discussion regarding the existence of various components of procedural justice are likely to persist in the literature (Cropanzano & Prehar, 1999) because little empirical work exists that systematically examines all procedural justice components for convergent and discriminant validity (Colquitt, Conlon, Wesson, Porter, & Ng, 1999). A meta-analysis by Colquitt et al. examining the construct validity of some of the procedural justice components proposed in the literature does indicate that there is value in terms of variance which is explained in separating and retaining interactional, informational, and structural components of procedural justice.

The recent research on one structural element of procedural justice-voice-indicates its influence on procedural justice perceptions. Early research showed that opportunity for voice led to higher perceptions of procedural justice than no opportunity for voice. Furthermore, the voice effect may depend on instrumental and non-instrumental qualities of voice (Korsgaard & Roberson, 1995; McFarlin & Sweeney, 1998).

Lind, Kanfer, and Earley (1990) demonstrated that voice had an impact on perceptions of procedural justice even when there was no opportunity for decision control. Shapiro (1993) demonstrated that people describe voice in instrumental and non-instrumental ways and recommended that future explorations of voice distinguish between these two elements of voice. Specifically, Shapiro proposed that perceptions of potential decision influence be referred to as instrumental voice effects and that the perceived interpersonal responsiveness of the listener is referred to as non-instrumental voice effects. Non-instrumental voice is more similar to interactional justice than to structural justice.

More recent research on voice indicates that there may be limits to the positive effects of voice, van den Bos, Lind, Vermunt, and Wilke (1997) reported that participants who expected no voice, yet received it, had lower perceptions of procedural justice. Hunton, Hall, and Price (1998) found that increases in voice did not lead to corresponding increases in fairness perceptions. Further, Price et al. (1999) suggested that the incremental value of voice is related to the expectations that subjects have regarding voice.

With respect to interactional justice, Konovsky (2000) recently identified factors indicating the absence of interactional injustice. These include derogatory judgments, deception, and invasion of privacy, inconsiderate or abusive actions, public criticism, and coercion. Konovsky also provides evidence that violating any of these elements of interactional justice leads to decreased perceptions of fair treatment.

Informational justice has been operationalized primarily as providing explanations or accounting for decisions made. Bies and Shapiro (1988) were among the first to distinguish the role of structural justice (i.e., voice) from that of informational justice (i.e., providing mitigating justifications). They demonstrated that justifications had an effect independent of voice on procedural fairness judgments. Although informational justice is sometimes included in the same category as interactional justice, its unique effects warrant its being differentiated from interactional justice. Cropanzano and Greenberg (1997), for example, separate interactional justice from informational justice. Shapiro, Buttner, and Barry (1994) found no significant relationship between communicator
style (interactional justice) and perceptions of explanation adequacy (informational justice). Shapiro et al. (1994) found that the specificity of an explanation was most important in increasing fairness perceptions. They also found that information communicated verbally rather than in writing was more effective in enhancing fairness perceptions. Shapiro (1991) and Bobocel, Agar, Meyer, and Irving (1998) found that fairness perceptions were enhanced when explanations shifted responsibility to an external cause. Shapiro (1991) and Brockner, DeWitt, Grover, and Reed (1990) identified several moderators of the explanation-fairness perception relationship, including the uncertainty of the decision, importance of the decision, the severity of the decision, and the adequacy of the explanation.

One important consideration in gauging whether fairness perceptions will be enhanced is an individual's scope of justice (Brockner, 1990). Scope of justice refers to the group of people an individual believes deserves fair treatment. This group is also described as an individual's social identity group. Lerner (1981) first discussed the relationship of social identity to the commitment to justice. Mollica, Gray, Trevino, and DeWitt (1999) examined social identity group membership and found that, when people perceived that members of their identity group experienced unjust outcomes, they judged them as unfair even though they were observers rather than victims of the injustice. Thus, direct experience of the justice may not be a prerequisite for stimulating perceptions of fairness. It depends on one's scope of justice.

Konovsky (2000) argued that the consequences of procedural justice have been that perceptions of procedural justice have strong effects on attitudes about institutions, authorities and employees' work attitudes. Measures of attitudes about institutions typically include organisational commitment, trust, and job satisfaction. This perspective is supported by research conducted during the 1990s (Cobb & Frey, 1996; Lowe & Vodanovich, 1995; McFarlin & Sweeney, 1992). For example, Cobb and Frey found that procedural fairness was positively related to employee satisfaction and organisational commitment. Lowe and Vodanovich found that perceptions of the outcome fairness of a job restructuring were more closely related to commitment than were perceptions of the procedural fairness of the restructuring.

Procedural justice perceptions also influence supervisor-subordinate relationships, frequently resulting in changes in employee behaviour. One such behaviour influenced by procedural justice is employees' work attitudes. Numerous studies have demonstrated that procedural justice, but not distributive justice, predicts employees' work attitudes (Ball, Trevino, & Sims, 1994; Konovsky & Organ, 1996; Konovsky & Pugh, 1994; Moorman, 1991; Niehoff & Moorman, 1993). Skarlicki and Latham (1996) demonstrated that union members whose union stewards were trained to display procedurally fair behaviour displayed higher levels of work attitudes. In another study, Skarlicki and Latham (1997) investigated leadership fairness effects and found that procedural justice mediated the relationship between transformational leadership and employees' work attitudes.

Procedural fairness is also related to the prevention of negative employee behaviors such as theft. Greenberg (1993a) and Shapiro, Trevino, and Victor (1995) found that explanations for a layoff decreased subsequent employee theft. Procedural justice also moderates the relationships between other justice variables and negative employee behaviour. Greenberg (1993b), for example, demonstrated that procedural fairness moderated the relationship between equitable payment and theft with higher procedural justice resulting in less theft associated with inequitable underpayment.

Employee turnover is causing concern to human resource managers in many Asian countries. Khatri, Fern, and Budhwar (2001) conducted a study on employees' turnover in relation to procedural justice perception in Singapore. Study results show that employees' perception of procedural justice is positively related to employee turnover intention. Khatri et al. argued that employees with lower procedural justice perception will have a lower turnover rate and would be engaged in job-hopping (employees switching jobs for better alternatives) more frequently. Veiga (1981) found that those employees changed jobs not necessarily due to desires for high compensation or fringe benefits, but for a better work environment (procedural justice). According to the author, for many of these employees mobility was related to fair treatment. For many other Asian countries such as South
Korea, Malaysia, and Taiwan, similar results were found (Barnett, 1995; Chang, 1996; Syrett, 1994).

From the above discussion, it is clear that procedural justice works as an antecedent towards employees’ perception regarding organizational outcomes. A group of researchers (Erdogan, Kraimer, & Liden, 2001; Levy & Williams, 1998; Naumann & Bennett, 2000; Skarlicki, Ellard, & Kelln, 1998; Tsui & O’Reilly, 1989; Williams & Levy, 2000) argued that procedural fairness is shaped and influenced by characteristics of employees as much as by the actual design of the procedures. In particular, there may be substantial variance (such as education level, experience and training) across raters in the way in which they apply procedures. On the other hand, employees’ characteristics (education level, level in organization, and gender) also differ, so does their perception of procedural fairness.

Erdogan, Kraimer, and Liden (2001) argued that employees’ characteristics are related to procedural justice perception. Erdogan et al. who conducted a study in a commercial bank in Turkey supports this distinction. The study examined a set of employees’ characteristics (employees’ level in the organization, education level, and gender) as antecedents of procedural justice. Organizational level has been found to be positively related to procedural justice. This study indicated that what is fair for higher-level employees may be unfair to lower level employees. According to Erdogan et al., the reason for this may be that those in higher positions may have developed higher levels of loyalty to the organization because of the higher degree of control they have over organizational decisions and higher levels of rewards they receive or expect from the organization. Their study also found that employees’ education level and gender are related to perceptions of procedural justice. If the rater and ratee are from the same demographic background, employees’ perceptions of procedural justice tend to be high.

Research has shown that higher-level employees in organizations have expectations about a higher level of procedural fairness (Lerner & Miller, 1978; Lott & Lott, 1986; Skarlicki, Ellard, & Kelln, 1998). Findings show that high-level employees have the attitude that they deserve to be treated more fairly.

It has been argued that the demographic similarity within the managers and the employees’ dyad may be related to justice perception. For example, Wesolowski and Mossholder (1997) contended that demographic dissimilarity would be related to lower levels of procedural justice, and they found this effect to be true for race dissimilarity. Jeanquart-Barone (1996) also found that race dissimilarity was a predictor of lower levels of procedural justice.

According to Jeanquart-Barone when individuals are demographically similar, they perceive themselves as being similar to the other individual, which in turn results in mutual attraction. This attraction may influence the relationship between dyad employees both in general and with regard to organizational outcomes. Using the similarity attraction paradigm, Tsui and O’Reilly (1989) found that similarity in gender and education was associated with higher levels of affect and linking in dyads. Due to this linking, when the ratee is similar to the rater, the rater may behave in a fairer manner regarding the organizational outcomes. Ratees may have more trust in raters who are similar to themselves and therefore may perceive higher levels of procedural justice from the rater than is true of relatively less similar raters.

Research results indicate that knowledge (education level and training) of employees is a determinant of procedural justice perception. Two studies have shown that the perceived system knowledge of the managers’ or employees’ belief of how well managers understand the system is related to justice perceptions (Levy & Williams, 1998; Naumann & Bennett, 2000; Williams & Levy, 2000). In addition, Tang and Sarsfield-Baldwin (1996) found that employees’ education level is an important determinant of managers’ understanding of the system.

Studies carried out in Singapore and South Korea on the demographic profile also found that there is a stable relationship with procedural justice and organizational outcomes in Asian countries (Khatri, Fern, & Budhwar, 2001; Wai & Robinson, 1998). Their research included age, tenure, level of education, level of income and job category of managers and employees. Analysis of the results (Khatri et al., 2001) indicated that job category is positively related to perception of procedural justice while the Wai and Robinson study in Korea found that the education level is positively related to fairness perception. The latter findings suggested that more educated employees are more
concerned about fairness of treatment, and that less fairly treated employees tend to quit jobs more often.

In Singapore, despite the increasing participation of females in the workforce, they work basically to supplement the family income. The traditional belief is that females should be subdued and accept the given situation. As a result, as long as females are getting financial benefits they will continue with their jobs while males are more concerned about freedom, workplace environment, and fair treatment. Studies conducted by Cotton and Tuttle (1986) in Singapore found that males are more likely to leave jobs due to unfair treatment. However, studies by Berg (1991), and Miller and Wheeler’s (1992) reported no relationship between gender and procedural justice in Singaporean society.

The discussion of procedural justice effects continues below by examining some of the contexts in which the procedural justice effects occur.

V. THE CONTEXTS FOR PROCEDURAL JUSTICE EFFECTS

Procedural justice effects have been demonstrated in numerous contexts. This study will discuss the procedural justice effect on human resource management with particular reference to the research problem. The effect of procedural justice in human resource areas is one of the most challenging managerial issues in the 21st century. Many visionary and successful organizations in the 1990s attribute their success to the efforts of their people (Collins & Porras, 1997), and thus, effective human resources management is closely linked to organizational effectiveness.

**Procedural Justice in Human Resources Management**

Nowhere are the practical implications of procedural justice research so evident as in the human resources management arena. The influence of procedural justice has been investigated in the areas of personnel selection and staffing, performance evaluation, and compensation, to name a few. Procedural justice has also been shown to have a positive effect on employees’ acceptance of policy implementation such as smoking bans (Greenberg, 1994) and parental leave policies (Grover, 1991).

**Personnel Selection.** Two goals of the selection practices are evident in the literature: accuracy and fairness. Accuracy refers to the ability of a selection device to correctly gauge an individual's true ability to perform tasks associated with a particular job. Historically, accuracy has been the focus of selection practices (Gilliland, 1993; Schmitt & Gilliland, 1992). More recently, justice researchers have recognized the importance of social fairness perceptions with regard to selection practices. The perceived fairness of selection practices is associated with important organizational consequences such as refusal to apply for a job, refusing to accept a job, and questions about future commitment to a job (Singer, 1992, 1993). The most frequent procedural justice element associated with positive selection outcomes is open and honest communication from the organization (Schmitt & Gilliland, 1992; Singer, 1992).

Interestingly, the selection tools that applicants perceive to be most fair do not always correspond to the selection tools that research demonstrates are most valid (Cropanzano & Greenberg, 1997; Folger & Cropanzano, 1998). Cropanzano and Konovsky (1995) refer to this as the “justice dilemma.” For example, Latham and Finnegan (1993) found that job applicants view unstructured interviews as more fairly than structured interviews even though the research demonstrates that unstructured interviews have lower-validity coefficients than structured interviews. Thus, it appears that there are trade-offs between the goals of accuracy and fairness in selection practice. Folger and Cropanzano (1998) recommend three strategies for dealing with this trade-off, that is, substituting unfair tests with fair tests, modifying existing instruments to make them fairer, and decreasing outcome negativity. This latter suggestion is based on research findings indicating that concerns about procedural fairness are especially salient when outcomes are extremely negative.

**Performance Evaluation.** Although the goal of accuracy in performance appraisal has historically been a single-minded pursuit, more recent justice-based analyses of performance appraisal indicate a need for performance appraisals to meet a goal of procedural fairness (Folger & Greenberg, 1985). Without this fairness goal, performance appraisal is often driven by political interests. Folger, Konovsky, and Cropanzano (1992) proposed a due
process model of performance appraisal as a guide for avoiding the breakdown of the performance appraisal process. The due process model stipulates three essential features of due process that must characterize performance appraisal: adequate notice, fair hearing, and judgment based on evidence. In their test of the due process model, Taylor, Tracy, Renard, Harrison, and Carroll (1995) found that when the three elements of due process were present in performance appraisal, employees not only rated the process as more fair, they also reported that the appraisals were more accurate, displayed higher levels of satisfaction, and evaluated their managers more positively. Positive results in the form of higher satisfaction, greater resolution of work group problems, and less distortion of appraisal results characterized management's reactions to evaluation by due process. These positive results occurred in spite of the fact that, in the Taylor et al. study; employees received lower evaluation results under the due process appraisal than under a more standard appraisal form and process (Holbrook, 1999a, 1999b).

Compensation. Concerns about distributive justice have prevailed in the pay context (Hundley & Kim, 1997; Miceli, 1993). Concerns about procedural justice, however are increasing. For example, in examining the factors that contribute to pay satisfaction, Miceli (1993) identified the important and positive role that effective organizational communication has regarding pay differentials and pay levels that determine pay satisfaction.

Procedural justice also influences employees' perceptions of, and reactions to, alternative compensation schemes such as group level incentive pay: gain sharing programs and skill based pay. As with individual level incentive pay, important aspects of procedural justice such as communication and understanding positively influence employees' reactions to group-level incentives (Dulebohn & Martocchio, 1998). Cooper, Dyck, and Frohlich (1992), for example, noted that numerous studies demonstrated that participation represents perhaps the most crucial factor in determining the success of gainsharing programs. Their research showed that participation in the development of fair gain sharing rules increased worker productivity. Welbourne, Balkin, and Gomez-Mejia (1995) demonstrated that procedural justice in gain sharing programs also enhanced mutual monitoring, one factor important for the success of gain sharing programs. Finally, Konovsky (2000) demonstrated that fairness perceptions resulting from communication and the understanding of a skill based pay program were important factors in determining pay satisfaction. Communication also turns out to be an important factor in determining employee reactions to pay policies. Schaubroeck, May, and Brown (1994) demonstrated that providing explanations for a pay freeze mitigated negative effects on turnover intentions, satisfaction, and organizational commitment.

VI. THE RELATIONSHIP BETWEEN PROCEDURAL JUSTICE AND DISTRIBUTIVE JUSTICE

As noted by Greenberg (1990), one of the most basic tasks faced by justice researchers is establishing that the distinction between distributive justice and procedural justice is more than a theoretical convenience. The bulk of the early research on procedural justice and distributive justice validates the theoretical distinction between the two. For example, many studies were able to construct measures of procedural justice and distributive justice that were only moderately correlated with each other and that predicted different consequences. Folger and Konovsky (1989), among others, found that procedural justice predicted attitudes toward authorities and organization, whereas distributive justice predicted attitudes toward specific outcomes such as increase in pay level. Joy and Witt (1992) determined that the strength of the relationship between procedural justice and distributive justice was moderated by the time frame with which employees viewed their organizations. Procedural justice and distributive justice were more highly related for those employees with a long-term perspective compared to employees with a short-term organizational perspective.

A final issue regarding the relationship between procedural justice and distributive justice is the presence of interaction effects. One striking and important finding in the literature is that the negative effects of outcome severity can be mitigated by the presence of high levels of procedural justice: the more severe the outcome, the more salient the procedural fairness effect (Brockner, Tyler, & Cooper-Schneider, 1992).
This result was observed in a variety of organizational contexts (Cropanzano & Konovsky, 1995; Shapiro & Kirkman, 1999). The reverse effect also occurs. Receiving favorable outcomes can mitigate the negative effects of low procedural justice. Brockner and Wiesenfeld (1996) reviewed the voluminous literature in which interaction effects of outcomes and procedures were observed. Brockner and Wiesenfeld noted when a negative event occurs individuals initiate sense-making or information-seeking activities to search for clues about why it occurred. This information search heightens individuals’ susceptibility to be influenced by salient external cues. If the negative event included unfair procedures, this heightens people's sensitivity to the outcomes they received. If a negative outcome was received, this heightens people's sensitivity to the procedures used to determine the outcome. This heightened sensitivity is manifested by the interaction effect of procedural justice and distributive justice.

VII. CONSIDERATION OF PROCEDURAL JUSTICE VARIABLES IN CROSS-CULTURAL SETTINGS

Procedural justice and its antecedents and consequences have been conceptualized and measured mainly at the individual level (Mossholder, Bennett, & Martin, 1998; James, 1993). Almost wholly absent from consideration has been the influence of procedural justice including culture and organization or group-level procedural justice antecedents and consequences. This study will first consider the role of culture in influencing procedural justice judgments and effects, and then consideration will be given to group-level effects.

Some research indicates that procedural justice judgments are similar across cultures (Lind, Tyler, & Huo, 1997) and that voice, in particular, is associated with justice judgments in different cultures. Price et al. (1999), for example, found that voice was equally important in four countries including Great Britain, Mexico, the Netherlands, and the United States. Giacobbe-Miller, Miller, and Victorov (1998) found that voice was important in choosing the method of payment affected distributive justice judgments in Russia. In sum, the voice effect appears to be similar in magnitude across cultural boundaries (Lind & Earley, 1992).

Individualism and collectivism also influence procedural justice judgments (Lind & Earley, 1992). Leung and Lind (1986) found that people in individualistic cultures such as the United States prefer higher levels of process control, whereas those in collectivistic cultures such as China show no such preference. Kozan (1997) explains this phenomenon in his model of conflict resolution where he describes individualistic cultures as confrontational and collectivistic cultures as oriented toward harmony. Research also indicates that power distance influences procedural justice judgments, with cultures high in power distance showing a preference for more autocratic processes compared to cultures low in power distance (McFarlin & Sweeney, 1998).

With regard to the effects of procedural justice, two studies indicate that cross-cultural differences exist. In a sample from Mexico, Konovsky, Elliot, and Pugh (1995) found distributive justice was more important than procedural justice in predicting trust and citizenship behaviour. Konovsky and Pugh (1994) found the opposite in a sample from the United States where procedural justice, not distributive justice, predicted trust and citizenship behaviour. Similarly, Pillai and Williams (1999) found that procedural justice was a stronger predictor of trust in the United States and India, but distributive justice was a slightly stronger predictor of trust in Germany. Collectively, the studies reviewed above indicate similarities across cultures in the predictors of justice judgments, but differences in the consequences of procedural justice and distributive justice judgments across cultures were evident.

For only a decade has procedural justice itself been conceptualized and examined at group levels. For example, Sheppard, Lewicki, and Minton (1992) introduced the concept of systemic justice, or the fairness of the system, within which outcomes and procedures are generated. Mossholder et al. (1998) proposed and found that group-level procedural justice perceptions explained variance in individual level satisfaction beyond that explained by individual level procedural justice perceptions.

VIII. CONCLUSION

The review of recent literature on organizational justice has distinguished between procedural justice and distributive justice and has examined the relationships between them. It was revealed
that procedural justice is an important determinant of a variety of important work outcomes, such as organizational commitment, turnover intentions, organizational citizenship behaviors, and job satisfaction. Especially consequential is the manner in which procedural justice theories have been applied to a host of managerial practices, including selection, theft-prevention, promotion, and conflict-resolution. When procedural justice is incorporated into these practices, beneficial outcomes accrue to both individuals and the organizations employing them.

This analysis demonstrates that procedural justice is a common theme that cuts across all aspects of work life, providing coherence an unity to an array of organizational practices that otherwise might appear unconnected. Procedural justice partially determines how an organization and its members treat one another. It provides a framework within which individuals and organizations interact. However, procedural justice researchers have accomplished much in the 1990s, especially with regard to understanding the organizational contexts and the consequences of procedural justice effects. Procedural justice researchers have accomplished less in the way of conceptual development and theoretical integration. Hopefully, by tunneling through this maze, this guided tour of the literature has convinced readers that the journey is worthwhile.

REFERENCES


