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THE IMPACT OF COMMUNICATION MEDIUM AND OUTCOME SEVERITY ON
THE EFFECTIVENESS OF SOCIAL ACCOUNTS

A Thesis

Presented to the

Department of Psychology

and the

Faculty of the Graduate College

University of Nebraska

In Partial Fulfillment

of the Requirements for the Degree

Masters of Arts

University of Nebraska at Omaha

by

Peter D. Timmerman

September, 2001

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Thesis Acceptance

Acceptance for the faculty of the Graduate College,
University of Nebraska, in partial fulfillment of the
requirements for the degree Master of Arts,
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THE EFFECTIVENESS OF SOCIAL ACCOUNTS

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University of Nebraska at Omaha, 2001

Advisor: Wayne Harrison, Ph.D.

The present study was designed as a partial test of the model of social accounts by Folger and Cropanzano (1998). Organizational justice researchers have shown that social accounts are effective in reducing negative reactions and displacing blame from the decision-maker following a harmful decision. Using a 2 x 3 completely randomized design, the study examined the effects of outcome severity and media choice on four types of fairness perceptions, medium appropriateness, anger, and turnover intentions. A temporary pay cut scenario was used to manipulate two levels of outcome severity, and the company president provided an explanation of the pay cut using three different media. It was hypothesized that fairness perceptions, anger, and turnover intentions would be most favorable in the low outcome severity conditions and when the social account was delivered through a medium high in media richness. It was also believed that outcome severity and media choice would interact such that the effect of media on the dependent variables would be more pronounced under high outcome severity conditions. One hundred and thirty-two undergraduate students participated in the scenario-based study. Each participant received a brief scenario that stated the president of the company for whom they worked had decided to implement a 10-week pay cut for all employees. A scenario gave detailed information on how the pay cut would affect their weekly net pay.

The participants then accessed a social account via a videotape, audiotape, or computer. The first hypothesis was partially supported. A main effect for outcome severity was found for distributive justice, anger, and turnover intentions which is consistent with the low-severity effect. The second hypothesis was not supported. However, significant differences were found in participants' judgments of the appropriateness of the medium used. The media choice results are consistent with Social Presence Theory (Rice, 1993). The effect of media was not qualified by an interaction between media choice and outcome severity for any of the seven dependent variables.

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CHAPTER I

Introduction

People often seek out and engage in various levels of group membership to meet their social, emotional, and economic needs. In meeting these needs we establish implicit and explicit norms of fairness. Many of these norms are embodied in colloquialisms such as “If you scratch my back, I’ll scratch yours.” At the core of such agreements is the understanding that mutual affiliations are frequently necessary to attain individual goals. Self-interests, however, sometimes conflict and leave one or both members feeling harmed by the interaction. It is a truism that conflict is inevitable, and for this reason fairness norms and rules are developed to guide social interactions and exchanges. The result of being harmed in a given social interaction or exchange is a topic of concern to both moral philosophers and social scientists.

For social scientists, the topic of fair or unjust actions focuses on the subjective perception of a given action. Therefore, their treatment of justice is descriptive in nature in that the aim of study is to understand how people perceive justice and respond to their *perceptions* of just and unjust actions. Moral philosophers, on the other hand, provide commentary on what actions *should* or *ought* to be done to fulfill objective demands of justice. To this end, justice is approached from a prescriptive perspective. In keeping with the social science tradition, this thesis will focus on justice as a social phenomenon based upon personal perceptions of interactions and exchanges with others.

The past two decades have seen an exponential growth in the professional literature on the topic of justice as it relates to businesses and organizations. The term,

“organizational justice,” was coined by Greenberg (1987) to refer to the growing body of theories and studies focused on social interactions and exchanges within the context of organizations. Many managerial responsibilities and nearly all human resource management activities have organizational justice implications. Personnel selection, performance appraisals, layoffs, conflict management, promotion decisions, and compensation issues comprise only a partial list of key managerial activities that can easily evoke fairness perceptions. Fairness judgments are likely to be favorable when positive outcomes result from any of these activities and when they match one’s expectations (e.g., a job offer, high ratings of performance, and so on). Policies, outcomes, and interactions judged to be fair are beneficial to an organization. Tansky (1993), for example, found that perceptions of fairness positively influence job satisfaction, organizational commitment, and quality of supervisor-subordinate relationship.

Organizations with limited resources that must contend with global competition are sometimes forced to implement policies that negatively impact their employees (e.g., hiring freezes, pay reductions, and layoffs). Organizations frequently suffer the consequences when such negative actions are implemented in a manner deemed to be unfair. Various studies have found such consequences to include lowered job performance (Greenberg, 1988a), turnover (Brockner, DeWitt, Grover, & Reed, 1990), theft (Greenberg, 1990b), increased withdrawal behaviors (Schwarzwald, Koslowsky, & Shalit, 1992) and subtle forms of retaliation (Skarlicki & Folger, 1997). These costly results of unfavorable fairness judgments can obviously be detrimental to an

organization's bottom line. To avoid negative consequences it is necessary for organizations to maintain, *at the very least*, an image of being fair. Greenberg (1988b) found in a survey of managers that there are numerous intentional actions managers do and things they say specifically for the purpose of impression management – strategies designed to reap the benefits of appearing to be fair.

In addition to actually being fair, impression management is an important skill for managers to cultivate because of the psychological processes engaged in response to perceived injustice. Bies (1987) stated that negative outcomes evoke an attributional search and a need to know why and how an allocation decision was made. “That is, people want to know the reasons for some apparent injustice, in order to judge whether they have, in fact, been unfairly treated” (Bies 1987, p. 295). This process led Bies to conclude that people can be characterized as “intuitive jurists.” The concern about outcome fairness is one of the primary sources of justice judgments commonly referred to as distributive justice. A second important source used to determine fairness is the process and/or procedures used to arrive at outcome decisions. This source is commonly known as procedural justice. A third and final source used to determine the fairness of a social exchange or interaction is interactional justice. Interactional justice refers to the interpersonal treatment used in the enactment of procedures. All three sources, distributive, procedural, and interactional justice, have rich empirical foundations that are important to this thesis. The next chapter reviews the development of justice theories and empirical findings as it relates to these three sources.

Chapter II

Sources of Justice Judgments

Historically, distributive justice was the first to develop. Distributive justice theories focus on understanding the processes individuals use to evaluate the fairness of outcome allocations and how individuals react to perceptions of unfair outcomes. Procedural justice theories drew attention to the fact that in addition to outcomes, individuals were also concerned about the process used to arrive at allocation decisions. Most recently, interactional justice research has found that the quality of the interpersonal interaction with decision-makers (e.g., the use of respectful and courteous treatment) is also an important component used to evaluate fairness.

Distributive Justice

Although a complete historical review of distributive justice is beyond the scope of this thesis, Homans' rule provided the basis of distributive justice norms (Cropanzano & Greenberg, 1997, p. 320): "According to Homans' 'rule of distributive justice', it is expected among parties to a social exchange relationship: (i) that the rewards of each will be proportional to the costs of each, and (ii) that net rewards, or profits, will be proportional to their investments." It is important to note that "costs" and "investments" are subjective assessments. Perceived injustice (e.g., violation of the distribution rule) is the result of differences in cost and investment assessments. Furthermore, social exchange theories propose that fairness perceptions are based on individual outcomes received following a collective effort.

Adams (1963), a contemporary of Homans, proposed a motivational theory of equity. Equity theory is one of the most researched applications of social exchange theory to organizations. According to Adams, individuals evaluate the fairness of allocated outcomes (e.g., salary) by comparing the ratio of their outcomes (e.g., rewards) to inputs (e.g., investments) to the ratio of outcomes to inputs of a referent other. The 'referent other' may be any person doing the same or similar job or even oneself at a previous time or for a different organization. When the ratios are equal, then a state of equity exists. Inequity exists when the ratios are not equal, either to one's benefit (e.g., overpayment) or loss (e.g., underpayment). Inequitable conditions cause tension that motivates individuals to correct the inequity. Attempts to restore equity may range from either changing one's own inputs (e.g., try harder) or outputs (e.g., demand a raise); the referent other's inputs or outputs (e.g., sabotage), or to cognitively distort the meaningfulness of one's own inputs and/or outcomes or those of the referent other.

Similar to Homans' rule of distributive justice, Adams' theory requires a social comparison to determine the fairness of one's outcomes. Outcomes are relative and based on subjective assessments. For example, an individual's outcomes may be small in comparison to one's contributions, but so long as the ratio of outcomes to inputs is equivalent to a referent other, equity theory holds that the worker will be satisfied. Stated differently, distributive justice evaluations cannot be determined without consideration of the outcome of some relevant standard or referent other.

The research on equity theory has found general support for the theory's predictions of reactions to wage inequities, particularly for underpayment conditions

(Mowday, 1991). Equity theory, however, has also been criticized because of its inability to predict how a worker will respond to perceptions of distributive injustice (Mowday, 1991). For example, a worker may either exert greater effort to increase inputs, steal from an employer to increase outcomes, or cognitively distort one's own, or the referent other's, input/outcome ratio to restore equity. Mowday (1991) notes that "this ambiguity associated with equity theory appears to result in a situation where almost any result of empirical research can be explained in terms of the theory" (p. 64). Leventhal (1980) commented on three additional problems with equity theory. First, the theory is unidimensional in its conception of justice. Justice, according to equity theory, is based solely upon a merit principle to the exclusion of other norms of distribution (e.g., need, equality, or status norms). Second, equity theory considered only the fair distribution of rewards and ignored consideration of the procedures used to determine the outcomes. Finally, Leventhal argued that equity theory exaggerated the importance of fairness in social relationships. Leventhal did not negate the motivational force inherent in concerns for fairness and justice; rather he considered them only one component in the total structure of behavior. Of the three problems noted by Leventhal, his second critique of equity theory has been echoed by numerous researchers. Indeed, subsequent justice research has shown that, in addition to outcomes, individuals depend upon other sources to evaluate fairness, namely the procedures used to determine outcome decisions.

Procedural Justice

Similar to distributive justice, procedural justice relies upon subjective assessments or judgments to arrive at fairness perceptions. Unlike distributive justice,

however, evaluating the fairness of procedures/process used to make a decision does not generally require a referent comparison. Rather, the judgment is based on a subjective appraisal of the process itself. While distributive justice focuses on *what* the outcome decision was, procedural justice perceptions are based on evaluations of *how* the decision was made, namely whether fair processes and procedures were used to arrive at the decision.

Procedural justice studies began in earnest with a series of studies by Thibaut and Walker (1975) of individual's reactions to different forms of legal hearings. Their premise was that different legal procedures (e.g., inquisitorial or adversarial) would affect a disputant's satisfaction and perception of fairness regardless of outcome. Under both conditions, decision control was abdicated to a third party. Process control, however, was retained in the adversarial condition. Process control, conceptualized by Thibaut and Walker, is the opportunity to "present one's case" in the attempt to influence the decision-maker. The results indicated that not only were the adversarial procedures judged to be more fair, but that fairness perceptions were favorable even when the disputant received an unfavorable outcome. These remarkable findings support the premise that procedures are an important source of fairness judgments and are even powerful enough to assuage the effects of negative outcomes, a startling finding that has come to be known as the "fair process effect" (Van den Bos, Lind, Vermunt, & Wilke, 1997). Folger and Cropanzano (1998) succinctly described the fair process effect as, "the more someone considers a process to be fair, the more tolerant that person is about

the consequences of the process, such as adversely unfair outcomes that a decision-making process creates when it governs the distribution of outcomes” (p. 32).

Process control, the key variable manipulated in the Thibaut and Walker (1975) studies, was later termed “voice” which can refer to any manner of communicating with a decision-maker (Folger, 1977). As a structural component of procedural justice, voice can be valued for its instrumental or expressive effects. The self-interest model has focused on the instrumental value of voice, that is, an opportunity to increase the likelihood of getting favorable outcomes (Conlon, 1993). Tyler, Rasinski, and Spodick (1985), however, posited that the instrumental value of voice is incomplete and found that individuals care about voice opportunities for purely expressive reasons. Tyler et al. found that even when individuals were led to believe that their arguments had little or no influence over their outcomes, they still valued voice and reported positive fairness perceptions despite having no control over the outcomes. The value of expressive voice supports the relational model of authority in groups formulated by Lind and Tyler (1988). Derived from social psychology theories of social identity, the relational model proposes that fair treatment is important because self-esteem and affiliation needs are fulfilled by group membership. According to Lind and Tyler, expressive voice is valued, then, because it confirms that (a) the individual is valued as a member of a group; (b) the decision-maker is neutral and lacks bias or prejudice in the decision; and (c) the group authorities can be trusted.

In addition to voice, Leventhal (1980) proposed six “rules” that are used to determine fair procedures. He argued that procedures that are (a) consistently applied,

(b) free from bias, (c) based on accurate information, (d) correctable in case of error (e.g., opportunity for appeal), (e) developed with input from a representative population, and (f) based on prevailing moral and ethical values, will be perceived as fair. The “representative rule” is quite similar to voice. The difference, however, is that an individual’s or subgroup’s concerns in a decision are communicated to the decision-maker(s) by one or more representatives.

Instrumental and expressive voice and Leventhal’s (1980) rules can be considered as structural components of procedural justice (Cropanzano & Greenberg, 1997). The implication is that the fairness of organizational decisions and policies can be enhanced to the extent that these structural aspects of procedural justice are incorporated by the decision-maker(s). This implication has been consistently supported by the research on procedural justice. Similar to unfair distributive norms, worker’s perceptions of unfair procedures can be detrimental to an organization. Literature reviews found that reactions to decisions evaluated to be procedurally unfair lead to lower organizational commitment, theft, turnover intentions, poor performance, and withdrawal of citizenship behaviors (Cropanzano & Greenberg, 1997).

While there is little debate regarding the importance of the structural aspects of procedural justice, there is still additional information people use to make fairness judgments. There is some debate whether this source of information is a third independent construct, as initially proposed by Bies and Moag (1986), or a second form of procedural justice referred to as either the “interpersonal aspects” (Greenberg, 1990a) or “social aspects” (Cropanzano & Greenberg, 1997) of procedural justice. It is agreed,

however, that fairness perceptions are influenced by factors other than simply the fairness of formal procedures (Greenberg, 1990a). I will now turn to this third source of information used to derive fairness perceptions.

Interactional Justice

Interactional justice judgments are developed in the process of enacting the formal procedures. More specifically, fairness perceptions are influenced by the quality of the interpersonal treatment shown to an individual by the decision-maker. By focusing on the interpersonal treatment, Bies and Moag (1986) made a distinction between fairness perceptions of the procedure and fairness perceptions of the behavior of the decision-maker and his/her interaction with the individual. The interaction and communication between an individual and the decision-maker may explain why people develop perceptions of injustice while simultaneously evaluating the procedures and outcomes following the interaction to be fair. Bies and Moag (1986) proposed that an allocation decision is comprised of a sequence of events and that each sequence is subject to fairness considerations. Therefore, distributive, procedural, *and* interactional fairness perceptions are possible.

Bies and Moag (1986) surveyed two groups of MBA job applicants regarding fairness criteria during interviews. The first group defined a set of criteria they expected recruiters to follow prior to interviewing. The second group of applicants was asked to describe unfair experiences after interviews using a critical incident technique. Bies and Moag found that the two groups, surveyed at different times, generated the same four general principles of fairness: (a) truthfulness, (b) respect, (c) propriety of questions (e.g.,

non-discriminatory), and (d) justification of decisions. Bies and Moag proposed that the surprising consistency found in fairness principles may be due to an absolute or objective standard used to evaluate the fairness of interpersonal interactions. This stands in contrast to the comparative standard of distributive justice and subjective appraisal of procedures required by procedural justice.

Continuing to focus on the enactment component in the allocation sequence, Tyler and Bies (1990) identified five norms of proper enactment. These include: (a) providing due consideration of employee's viewpoints, (b) suppressing personal biases, (c) applying decision making criteria consistently across employees, (d) providing timely feedback after a decision, and (e) providing an explanation for the decision. It is interesting to note that bias suppression and consistency were previously considered by Leventhal (1980) and were included under the structural framework of procedural justice. Conceptually, all five of the enactment norms could be "built into" the structural component of procedural justice. The difference is that these norms specifically target a decision-maker's interpersonal behavior rather than the procedures themselves. According to Tyler and Bies (1990), the norms act to restrain the latitude of the decision-maker's behavior in carrying out the procedures. Fairness perceptions are enhanced when people are treated with dignity and respect by a decision-maker, a behavior Cropanzano and Greenberg (1997) refer to as showing "social sensitivity."

Having reviewed some of the pertinent literature on each of the three domains which people commonly use to derive justice perceptions, it is worth noting a recent study by Skarlicki and Folger (1997), who investigated the relationship between

distributive, procedural, and interactional justice and organizational retaliation behavior. Skarlicki and Folger found that retaliation behavior was predicted by a three-way interaction among distributive, procedural and interactive justice. The interaction was such that distributive justice predicted retaliation behaviors only when there was low procedural and interactional justice. The results imply that favorable perceptions of either procedural justice or interactional justice reduce retaliatory behaviors. Stated differently, procedural and interactional justice can substitute for each other. These results are encouraging because managers concerned about retaliation may have little control over their employees' outcomes or organizational procedures. They do have control over their interpersonal relationships with their employees. It would appear that the fair process effect discussed earlier is equally true for interactional justice as it is for procedural justice.

The last enactment norm identified by Tyler and Bies (1990), providing an explanation for the decision, has recently received a great deal of attention by justice researchers. Social accounts (e.g., providing an explanation) are a unique set of behaviors within the interactional justice framework and are of special interest to this thesis.

Social Accounts

In addition to formal procedures and interpersonal treatment, justice perceptions are also influenced by the reasoning used to determine outcome decisions. Cropanzano and Greenberg (1997) referred to the process of being provided access to this information as "informational justification." It was the seminal work of Bies (1987), however, that first drew the attention of justice researchers to the importance of social accounts. He

defined social accounts as a “verbal strategy employed by a person to minimize the apparent severity of the predicament or to convince the audience that the wrongful act is not a fair representation of what the actor is ‘really like’ as a person” (Bies 1987, p. 294). Bies (1987) identified four types of social accounts: (a) causal, (b) referential, (c) ideological, and (d) penitential.

Causal accounts lessen a manager’s apparent responsibility with claims of mitigating circumstances that direct blame away from oneself. Essentially, a causal account attempts to excuse the harm because something beyond the control of the decision-maker is responsible. For example, a “poor economy” or the “CEO’s rejection” removes the manager from being personally responsible for refusing an employee’s request for a pay increase. The clear implication of a causal account is that the manager’s “hands were tied,” and the impression is created that anyone in the manager’s position would have acted the same way in that situation.

Referential accounts serve to reframe the outcome of the harm by providing a more favorable or different standard for evaluating the outcome. Referential accounts consist of three types: (a) social—engaging the victim in social comparison with others who received worse outcomes; (b) temporal—suggesting better outcomes in the future; and (c) aspirational— suggesting that the employee’s initial expectations were unrealistic. The strategy in using referential accounts is to have the victim realize that he/she is better off than first believed.

Ideological accounts are also used with the intention of reframing the action of the manager by appealing to superordinate goals such as “the good of the organization” or

that the action was intended to be “character building” for the employee. The decision-maker may acknowledge responsibility for the harmful action, but appeals to some higher value to legitimize the action.

Penitential accounts are intended to reframe the employee’s perception of the decision-maker. In contrast to abdicating responsibility or reframing the harm or the situation, the decision-maker acknowledges the harm, takes responsibility for causing the harm and offers an apology. The decision-maker expects to be pardoned in return for the expression of remorse. The intention is to convince the employee that the unjust action was not representative of the manager’s “typical” behavior.

The effectiveness of all four social accounts to influence justice perceptions has been supported by numerous empirical studies (see Folger & Cropanzano, 1998, pp. 143-149, for a recent review). Causal accounts have been demonstrated to improve MBA students’ perceptions of procedural fairness of a decision-maker’s actions (Bies & Shapiro, 1987) and as an effective strategy of conflict management in organizations (Bies, Shapiro, & Cummings, 1988). Ideological accounts have been shown to increase perceptions of interactional fairness (Bobocel & Farrell, 1996), procedural justice, and approval of decisions (Hendrickson & Harrison, 1999). Referential accounts were used to increase layoff victims’ procedural justice perceptions (Konovsky & Folger, 1991). Finally, penitential accounts, namely apologies, were used to improve customers’ perceptions of an organization (Conlon & Murray, 1996).

Although the effectiveness of social accounts to create favorable justice perceptions is impressive, social accounts should not be viewed as a panacea for

organizational acts of injustice. Bies (1987) identified three situational contexts within which social accounts are expected to be relevant. First, the harm must occur in the presence of others or be expected to become known by others. Stated differently, a decision-maker will not be motivated to justify a harmful decision if responsibility cannot be attributed to him/her. Second, the person responsible for the apparent harm must have a vested interest in the impressions and/or support of those who are likely to form unfavorable justice perceptions following the harmful decision. Finally, and perhaps most importantly, the apparent harm must take place within a context of an ongoing relationship with those directly or indirectly affected by the harm.

In addition to these three situational characteristics, the justice literature has demonstrated that the effectiveness of social accounts is dependent upon factors other than merely offering an excuse or justification for a decision. Using a critical incident technique, Bies, Shapiro, and Cummings (1988) found that decision-maker's use of a causal account mitigated conflict with subordinates only when the account was perceived as reasonable and offered in a sincere manner. The implication is that rather than following a "rote social account formula," decision-makers must realize that employees' perceptions of the content of the account and the interpersonal style also matter. After reviewing the literature on the use of social accounts in conflict situations, Sitkin and Bies (1993) summarized some of the most common determinants of social account effectiveness. They identified two "message-communicator" characteristics important in account effectiveness: (a) perceived adequacy of the account and (b) perceived sincerity of the decision-maker. Account adequacy refers to the "sufficiency and credibility" of

the reasons given by the decision-maker, while sincerity relates to the account giver's perceived honesty.

Shapiro, Buttner, and Barry (1994) conducted a series of studies to examine the factors that enhanced perceptions of adequacy. They found that adequacy perceptions were influenced by the explainer's interpersonal sensitivity (i.e., style), reasonableness of the explanation, and specificity of the explanation (i.e., content). Interestingly, Shapiro et al. found that the content of the explanation accounted for more unique variance in justice perceptions than the interpersonal style. Furthermore, in Study 3, they found that sincerity and specificity interacted under high outcome severity conditions such that a high degree of sincerity actually diminished adequacy judgments when joined with a highly specific justification. They concluded that a decision-maker's extra attempts to be sincere when offering a highly specific account may create the impression that "He doth protest too much!" The importance of the interpersonal style and message content was supported by Greenberg (1994), who also found thoroughness of information and interpersonal sensitivity to be key variables in employees' acceptance of a work site smoking ban.

Situational factors are a second class of determinants of social account effectiveness identified by Sitkin and Bies (1993). The two situational factors considered by Sitkin and Bies were (a) severity of the perceived injustice and (b) specific characteristics of the audience. Regarding audience characteristics, Sitkin and Bies suggested that the information communicated in an account may need to be tailored for

specific audiences' expectations. Outcome severity has shown to be an important variable but also very complicated as evidenced by conflicting findings in the literature.

Shapiro, Buttner, and Barry (1994) surveyed second-year MBA students' experiences of receiving rejections from potential employers. In Study 1, Shapiro et al. (1994) found that social accounts were perceived to be less adequate when the applicant was rejected by a firm in which he/she had a great interest as opposed to a rejection from a firm in which the applicant was not interested. A similar main effect for high outcome severity was found by Shapiro and her colleagues in Study 2 and a three-way interaction between outcome severity and sincerity and specificity in Study 3 (a scenario-based experiment with undergraduate business students). It would appear that, all other things being equal, social accounts are more effective in changing fairness judgments when the perceived outcome is not too severe, an interaction that has come to be known as the "low-severity effect" (Folger & Cropanzano, 1998). Intuitively it makes sense that it would be easier to justify minor transgressions than major ones. If the injured party is not very upset, a specific, sincere account may be sufficient to justify the harm and restore favorable justice perceptions of the decision-maker.

The problem with the low-severity effect is the evidence for a high-severity effect—when accounts work better when the outcome is more severe than less severe. In a field study Greenberg (1984) assisted in implementing a work-site smoking ban. Using thorough and sensitive accounts, Greenberg found that those who smoked the most showed the greatest incremental rise in acceptance of the smoking ban although they experienced the greatest amount of inconvenience.

Furthermore, the high-severity effect parallels the fair process effect mentioned earlier. Recall that fair procedures improve justice perceptions when outcomes are negative. When outcomes are favorable, procedural justice is less important. After reviewing 35 articles, Brockner and Wiesenfeld (1996) demonstrated that procedural justice concerns are triggered by a high severity of negative outcomes and, conversely, that positive outcomes reduce procedural justice concerns.

In response to these contradictory findings in the literature regarding low and high outcome severity effects, Folger and Cropanzano (1998) proposed that outcome severity may moderate account effectiveness through a curvilinear effect. They stated that:

When the outcome is not severe, or when it is positive, there is at most only a weak “trigger” for injustice perceptions.... In essence, no explanation is required to explain good or neutral events.... As the outcomes worsen, however, people are moved into a negative emotional state.... At this time, an account can be useful because it mitigates these negative reactions. However, suppose the unfavorable event is even worse still. It could be extremely pernicious. It could be that in very harsh circumstances simple explanations are simply inadequate.... [Therefore,] social accounts only work when the event is moderately harmful. If the event is harmless or positive, the explanation is moot. If the event is disastrous, the explanation is feeble and impotent. (pp. 153-154)

Folger and Cropanzano’s (1998) model of social accounts (see Figure 1) is compelling because it incorporates all the relevant findings concerning the effectiveness of social accounts. The model proposes that the effectiveness of a social account is

mediated by the adequacy and honesty of the account in determining feelings of injustice, dissatisfaction and possible conflict. Furthermore, the model proposes that communication medium and outcome severity moderate the effectiveness of the account and the account's perceived sensitivity and thoroughness.

Unfortunately, Folger and Cropanzano acknowledge that the majority of the literature to date only considers social accounts delivered in an oral, face-to-face manner. Considering the wide array of media currently used by organizations to communicate, particularly electronic media, the lack of empirical studies on the effect of communication medium on account effectiveness is a glaring gap in the justice literature. Fortunately, the social psychology literature, a study by Shapiro and her colleagues (1994), and communication literature provide some understanding of how communication media may moderate the effect of social accounts on justice perceptions.

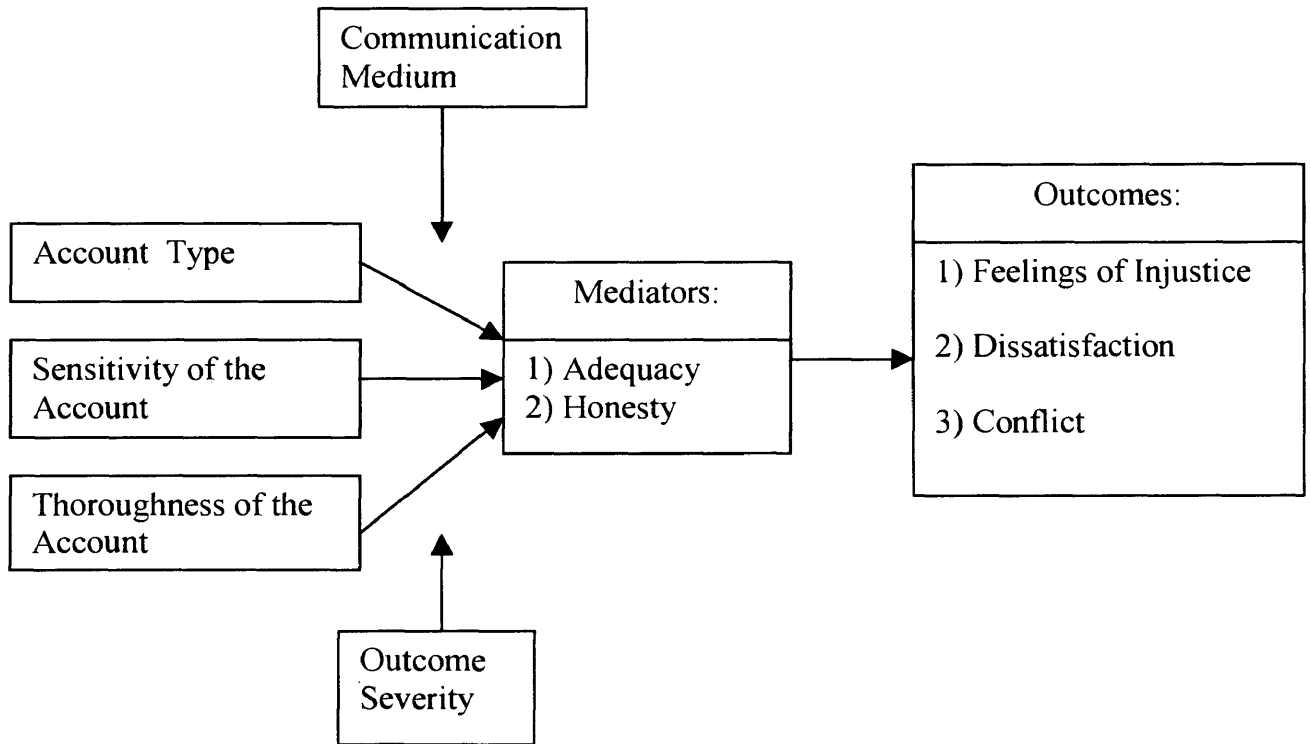


Figure 1. Model of Social Accounts (Folger and Cropanzano, 1998).

CHAPTER III

Communication Media

There are two overlapping issues to consider in seeking to understand how the communication form in which a social account is delivered can moderate the account's effectiveness. The first issue is found in the empirical evidence relating to the different *effects* that communication modalities have on the message content and on the intended audience's perceptions of the messenger. If different communication modalities can influence an individual's comprehension of the message and/or perceptions of the messenger, then the second issue is the *choice* of the proper modality so that the communication will achieve desirable outcomes. In this chapter I will review the literature related to both of these issues. In addition, due to the increasing number of communication media available to organizations, special interest will be paid to the influence of electronic forms of communication, particularly electronic mail and voice mail.

Effects of Communication Media

The communication literature on effects of media is surprisingly limited. The majority of the research focuses on determinants of media choice rather than media effects. One avenue of research has looked at the effect of communication media on task performance. Mixed results in the literature indicate that performance is largely dependent on the nature of the task (Valacich, Paranka, George, & Nunamaker, 1993). Valacich et al. found that groups using electronic communication for an unambiguous task outperformed groups using verbal communication media. They proposed that the

richness of new communication media is influenced by the concurrency (number of distinct communication episodes) a medium can support. Because computer media support an unlimited number of parallel and distinct communication episodes, their concurrency is much greater than traditional media.

Of greater relevance to organizational justice, Huff, Sproull and Kiesler (1989) found that organizational commitment was predicted by city government employees' use of computer mail and bulletin boards, while telephone and paper media were not predictive. Huff et al. found that the employees who most benefited by the electronic media were shift employees who showed a stronger relationship between electronic mail use and commitment than did regular employees.

I described earlier the series of studies conducted by Shapiro, Buttner, and Barry (1994). Recall that Shapiro and her associates surveyed MBA students regarding a recent job rejection and their perceptions of how adequately the decision was explained. Outcome severity was measured on 7-point Likert scales on which participants rated the degree to which they felt upset, despair, and anger at being rejected. Explanation features (i.e., specificity and sincerity) were also measured on 7-point Likert scales. A novel feature found in Study 2 was the consideration of how the form of communication may influence perceptions of account adequacy. Shapiro et al. reasoned that accounts delivered orally, rather than in writing, might supplement the message and perhaps exaggerate the perceptions of the decision-maker's concern and sincerity. As predicted, they found an interaction between communication form and explanation features. The interaction was such that the positive impact of an explainer's perceived concern and the

explanation's specificity (i.e., explanation features) on adequacy judgments was greater when the social account was communicated orally instead of in writing (i.e., communication form). In other words, the communication form mediated the degree to which the decision-maker seemed to be projecting concern and substance of the social account. Shapiro et al. were the first to show that communication modality does influence factors that are essential in developing interactional fairness perceptions.

Prior to the study conducted by Shapiro and her associates, social psychologists Chaiken and Eagly (1976) manipulated three types of communication media (audiotape, videotape, and written presentations) to study the persuasiveness of messages that were either difficult or easily understood. Although written presentations were comprehended better overall, videotaped presentations were found to be more persuasive when the message was easily understood. Written presentations, however, were significantly more persuasive when the message was difficult to understand. Furthermore, the data revealed that the choice of communication medium affected participants' perception of the source. The communicator in the written condition was more likely to be perceived as professional and expert than the presenter in the video and audiotape conditions. Chaiken and Eagly's study demonstrated that a message's level of complexity can moderate the persuasive impact of a communication medium and the audience's perceptions of the communicator. A relevant implication for organizational justice is that a written social account may actually be more effective in influencing justice perceptions if the explanation is difficult to comprehend. Indirectly, Chaiken and Eagly's study supports

Sitkin and Bies' (1993) argument that social accounts should be tailored to match the characteristics of the audience.

In a similar study, Chaiken and Eagly (1983) manipulated the same three types of media to test directly the effects of communicator characteristics on persuasion. They reasoned that different communication modalities may increase the salience of specific communicator cues. Media that increased the salience of favorable communicator characteristics should enhance the messenger's persuasiveness. Conversely, increased salience of unfavorable characteristics should decrease the communicator's persuasiveness. As predicted, Chaiken and Eagly found that a likeable communicator was more persuasive when using audio and videotaped presentations (versus written), but that an unlikable communicator was more persuasive using a written medium (versus audio or videotaped media). They also discovered that persistence of opinion change was marginally greater for participants in the written condition regardless of communicator characteristics.

Chaiken and Eagly's (1976, 1983) combined results, when applied to organizational justice issues, support Folger & Cropanzano's (1998) contention that communication media can moderate effectiveness of social accounts by influencing reactions to the message itself and the salience of a messenger's characteristics. Furthermore, the Chaiken and Eagly studies are consistent with the evidence found in communication literature that media differ in richness, involvement, and social presence. There are several competing models of media choice that remain to be explored in the following section.

Models of Communication Media Choice

Media Richness Theory. One of the most prominent and contested theories of media choice found in the communication literature is media richness theory (MRT), proposed by Daft and Lengel (1984). In their seminal work, Daft and Lengel proposed that communication media can be characterized by the level of information richness that is inherent to the medium. Richness is based on four criteria: (a) speed of feedback, (b) the number of cues available, (c) variety of language, and (d) level of personal focus.

Speed of feedback refers to how quickly understanding of the message can be checked and faulty interpretations corrected. For example, face-to-face communication allows for immediate feedback, whereas communicating by mail can take several days or longer.

Communication media also differ in the number of cues or channels available to convey the information. Again, face-to-face communication allows for multiple cues including body language, facial expressions, and tone of voice which convey information above and beyond the verbal message.

Variety of language inherent in a medium is a somewhat obscure concept. Daft and Lengel (1984) define it as, “various ways to transmit ideas, emotions, and concepts” (p. 195). Essentially, the number of possible interpretations of a message distinguishes between high and low varieties of language. Art, music, and painting exemplify high variety languages, whereas mathematics and statistics are considered low variety languages because the latter are restrictive in possible interpretations and convey an exact, unequivocal meaning.

The final criterion that Daft and Lengel considered in ranking the richness of a medium is the source of the communication. The source criterion is a continuum from personal to impersonal. The more personal the source of communication, the greater the richness attributed to the media. For example, face-to-face and telephone media are considered personal whereas flyers and statistical reports are impersonal.

Based on this understanding of media richness, Daft and Lengel proposed a 5-step continuum of communication media. Face-to-face is the richest form of communication followed in descending order by telephone, written personal correspondence (e.g., hand written letter), written formal (e.g., official documents or reports), and numeric formal (e.g., computer statistical report). Note that each of the media differs according to the speed of feedback, number of cues, possible interpretations, and personal focus. Each medium represents a difference in the amount of information available for processing rather than merely a difference in source.

Two key concepts related to MRT are equivocality and task analyzability. Equivocality refers to communication situations when two or more interpretations are possible creating the tendency for misunderstanding between the people engaged in the situation. Task analyzability refers to the familiarity with problems that arise in the process of task completion. Analyzable tasks are those for which predetermined solutions are available because the procedures to handle them are well understood. Unanalyzable tasks, however, require individuals to find or create novel solutions for problems that are outside the domain of established procedures or policies.

The central premise of MRT is that the richness of a medium must match the needs of the message (e.g., equivocality and analyzability) for effective communication. Daft and Lengel (1984) argue that the more obscure or complex the message, the richer the medium needed to communicate the message. A formal report (low richness), for example, may not convey the subtleties associated with an emotionally laden organizational issue or provide a means to communicate personal feelings or feedback. The use of a lean medium in such a situation may oversimplify complex issues. Likewise, using a rich medium, (e.g., a face-to-face meeting) to communicate routine information would be highly inefficient. In an interesting parallel with an organizational justice concept, Conrad and Poole (1998) called the process of balancing the least costly communication system with the need for clarity of communication and coordination, “communication adequacy” (p. 155).

In support of MRT, Lengel and Daft (1988) found that managers rated as high performers showed greater “media sensitivity” than managers rated as low performers. Stated differently, low performers were more likely than high performers to use media that did not match the needs of the message. Knowing only media selection patterns enabled Lengel and Daft to accurately predict managers rated as high performers. Based on their findings, Lengel and Daft proposed four media selection rules for managers: (a) send nonroutine, difficult communications through a rich medium; (b) send routine, simple communications through a lean medium; (c) use rich media to extend your presence throughout the organization; and (d) use rich media for implementing company strategy. Looking forward to the widespread use of electronic forms of communication,

Lengel and Daft warned managers that electronic media cannot substitute for face-to-face discussions when the issues are not routine. They concluded, “electronic communications can filter the emotional intensity of a deeply held view. Yet, the written and electronic media could easily dominate corporate information flows in the large corporation, so the wise top manager must continually seek ways to preserve rich channels of communication” (p. 231).

By extending MRT beyond the corporate setting, some studies have found Lengel and Daft’s warnings to be highly accurate. For example, Kraut, Galegher, Fish, and Chalfonte (1992) examined the choice of communication medium and the effect of media on collaborative writing assignments. Collaborative writing, Kraut et al. reasoned, is a central activity in education and science, and typical of white-collar work. MBA students were randomly assigned to three-person groups and one of four communication sequences: (a) computer (i.e., electronic mail and electronic bulletin board) and phone followed by face-to-face; (b) computer and phone followed by free choice; (c) free choice followed by computer and phone; or (d) face-to-face followed by computer and phone. In the free choice condition, the students could communicate in any manner they chose. Each student group was assigned a collaborative writing exercise. The results support MRT. During planning and revising activities, the students were more likely to choose to communicate through a rich medium. Lean media were more likely to be chosen during individual drafting activities.

In study 2, Kraut et al. constrained the media choices available to the students. Instead of assigning groups to a sequence of communication modalities, the three-person

groups were randomly assigned to either a computer and phone, face-to-face, or computer only condition. They found that students using electronic media reported substantially greater problems coordinating their work than did students in the face-to-face condition. Students using the telephone also reported less difficulty coordinating their efforts than students who could only communicate via an electronic medium. Taken together, the two studies are consistent with MRT's hypothesis that richer communication is especially appropriate for the more equivocal aspects of collaborative work.

MRT has not been without its critics. Interestingly, the most disconfirming findings of MRT are in studies that attempted to use the theory to predict media choice among various electronic modalities. Sitkin, Sutcliffe, and Barrios-Choplin (1992) adapted Daft and Lengel's (1984) model and included some of the more recently developed communication media. The Sitkin et al. study on media choice found face-to-face rated as the most rich followed in descending order by small group meetings, large group meetings, videoconferencing, telephone, electronic messages, written personal, written formal, numeric personal, and numeric formal.

Rice (1992) tested two central tenets of MRT. The first assumption is that the relationship between media choice and performance is nonmonotonic. In other words, MRT assumes that the relationship between media choice and performance changes direction along the range of media-task matches. For example, MRT predicts that "the relationship between [media] use and outcomes is positive when a medium's richness 'fits' task requirements, and negative when it does not" (Rice, 1992, p. 475). Stated most

simply, Rice tested MRT's premise that a medium's richness must match the needs of the message to ensure positive outcomes.

The second assumption of MRT that Rice challenged is that the relationship between media choice and performance effectiveness is symmetrical. Symmetry assumes that the relationships for lean media and rich media are similar but operate in the opposite direction. For example, MRT predicts that the use of lean media will be more strongly associated with favorable performance outcomes when the task is analyzable rather than unanalyzable. Conversely, the use of rich media will be associated with better outcomes when the task is unanalyzable. Recall that task analyzability refers to the familiarity with problems that arise in the process of task completion. Analyzable tasks are those for which predetermined solutions exist, whereas unanalyzable tasks require negotiating and problem solving strategies.

Rice (1992) tested these assumptions in eight organizations using one of four forms of electronic media: (a) online databases, (b) electronic mail, (c) voice mail, and (d) videoconferencing. Media usage data collected from self-report questionnaires were entered into a hierarchical multiple regression to predict performance. The results were mixed showing some support for the symmetric relationship between media choice and performance but no support for the assumption of nonmonotonicity. Based upon his findings, Rice argued that MRT neglects contextual influences on using newer forms of communication media such as organizational norms, social influences, and the user's level in the organizational hierarchy. These influences may determine media choice for reasons other than matching the needs of the message.

Rice's (1992) conclusions are supported by social influence theory. In contrast to MRT, social influence theory views media richness as a subjective quality influenced by the attitudes, statements, and behaviors of others in the workplace (Schmitz & Fulk, 1991). Schmitz and Fulk demonstrated that antecedents of electronic mail use included keyboard skills and computer experience, subjective perceptions of the medium's richness, organizational climate, and most importantly, co-worker and supervisor use of electronic mail. Electronic mail was the only medium considered by Schmitz and Fulk because its effectiveness and efficiency has resulted in its frequent use within organizations. Schmitz and Fulk demonstrated that organizational members' use of electronic mail was explained by social influence theory.

In a study similar to Rice (1992), D'Ambra, Rice, and O'Connor (1998) examined the relationship between equivocality and media richness in an organization that was implementing voice mail. D'Ambra et al. found that although managers did prefer rich media for tasks perceived to be equivocal, the relationship was not linear. Even though the managers increased their use of lean media as equivocality declined, they still preferred a face-to-face medium across a range of equivocality. Supporting the conclusions made by Rice (1992), D'Ambra and his associates concluded that media richness alone may not be a reliable predictor of media choice.

In addition to the theoretical concerns of MRT previously mentioned, El-Shinnawy and Markus (1997) examined how well MRT could predict individual preference for either electronic mail or voice mail. El-Shinnawy and Markus used self-report questionnaires and structured interviews of employees to determine media

preferences. The employees worked at the corporate headquarters of a large organization that developed and produced aerospace and defense systems. In accord with MRT, El-Shinnawy and Markus predicted that voice mail would be preferred over electronic mail to resolve equivocality and that electronic mail would be preferred over voice mail to exchange information to reduce uncertainty. The results showed that electronic mail was preferred under both conditions, supporting only the second prediction. The structured interviews allowed El-Shinnawy and Markus to offer three explanations for why electronic mail was the consistent medium of choice.

First, electronic mail was favored because of its textual communication mode. This was especially true for employees who had low voices or spoke with heavy accents. In addition, a textual mode was found to be more appropriate in exchanging numerical information, a finding consistent with MRT. Employees reported that they appreciated the ability to download into a spreadsheet numbers sent to them via electronic mail. A second explanation reported for the preference of electronic mail was its superior functionality in documenting and storing messages. Saving and organizing messages is much more convenient in electronic mail than voice mail. Finally, the preference for electronic mail was dependent upon whether one was receiving or sending the message. The employees showed a clear preference for receiving electronic messages but preferred to send voice mail messages.

Although El-Shinnawy and Markus provided partial support for MRT, their findings were consistent with Rice's (1992) conclusion that media choice is context specific. Electronic mail may be more lean than voice mail, but in a high tech

organization whose employees process and communicate large amounts of numerical data, a text-based medium may increase user's confidence that the message was received and accurately interpreted.

Social Presence Theory. In a vein similar to MRT, Rice (1993) used social presence theory to understand when new or traditional media would be used by an organization. The distinctive difference between media richness theory and social presence theory is that the former focuses on a medium's ability to bridge different frames of reference or reduce ambiguity, while the latter is concerned with the degree to which a medium is capable of conveying the perception of presence among the communicating members. Rice proposed that the perceived appropriateness of a particular medium can be determined by amount of social presence required by the message.

To support this hypothesis Rice pooled data from six previous studies conducted at six different organizations where respondents rated media appropriateness on a 5-point scale for 10 common communication activities: exchanging information, negotiating or bargaining, getting to know someone, asking questions, staying in touch, exchanging timely information, generating ideas, resolving disagreements, making decisions, and exchanging confidential information. Each activity yielded a different order of media appropriateness. Rice included seven communication media in the study. According to the overall mean on the full appropriateness scale (based on the composite average), the media ranked, from highest to lowest, face-to-face, phone, meeting, videoconference, voice mail, text, and electronic mail. It is noteworthy that the ranking of the seven media

for resolving disagreements closely matched the overall mean on the full appropriateness scale. The rank order of media appropriate for resolving conflict was not more than one unit different from the overall appropriateness scale. The implication of these results is that to the extent that social accounts are used in resolving conflict, face-to-face communication may be the most appropriate medium, while voice mail and electronic mail media may be the least appropriate.

The brief review of media richness theory and social presence theory indicates that each model captures an important component of the determinants of media choice. Not surprisingly, Weber and Trevino (1995) found that media richness and social presence theories are complementary rather than competing theories in media choice research. Weber and Trevino's data suggest that both models should be included in a comprehensive model of media choice. Though Weber and Trevino convincingly argued that media richness and social presence explanations are complementary, they paid only cursory attention to the role of symbolic cues provided by communication media.

Media Symbolism. Media richness theory, as originally proposed by Daft and Lengel (1984), briefly considered the symbolic value of media and suggested that it be a topic of future research. Trevino, Lengel, and Daft's (1987) exploratory study of 65 managers demonstrated that media symbolism was an important determinant of media choice. The face-to-face medium was selected for symbolic reasons, while telephone and electronic mail were more often chosen due to time constraints. The face-to-face medium was thought to symbolize concern or caring. Trevino et al. noted that "the medium of communication may be selected for symbolic meaning that transcends the explicit

message. In this way, the medium itself is a message” (p. 558). Sitkin, Sutcliffe, and Barrios-Choplin (1992) also acknowledged that communication media have “dual functions,” carrying both data and meaning. For this reason, a standardized handwritten thank you letter may be perceived as more personal than a computer generated form letter that merged person and gift specific language. Both letters use a written medium, but greater symbolism (personal attention) may be attributed to the handwritten letter. Sitkin et al. also noted that the meaningfulness attributed to a medium relies on normative definitions of what is meaningful. For example, an electronic mail message could symbolize organizational values of innovation, efficiency, or even treatment fairness if all employees have universal access to the medium. In this situation, the meaningfulness is determined by the organizational culture.

Information Technology and Communication Media

The previous review of the models of media choice included numerous examples of how electronic media may be evaluated and their potential strengths and weaknesses. What remains to be shown, if not already apparent, is how pervasive information technology is in today’s organizations and the impact of technology on organizations. The very survival of a competitive organization is contingent upon its effectiveness in gathering, monitoring and filtering information as the “computer age” continues to give way to the “information age” (Huseman & Miles, 1988).

In a descriptive study of how information technology is changing organizational communication, Huseman and Miles provided three implications for organizations. First, computer mediated media will dramatically increase the directional flow of

communication. Vertical flow (i.e., between supervisor and subordinate) is predicted to decrease in importance and horizontal flow increase. In other words, the title of the person who provides the information will be secondary to the information itself. The second implication is the potential for a lack of perceptual congruence (i.e., mutual understanding) as a result of using impersonal, asynchronous communication media that lack the capacity for interactive dialogue (e.g., lean media). The final implication is communication overload—the inability of employees to effectively process large amounts of information as rapidly as it is received. If used effectively, Huseman and Miles predict that computer-mediated media can reduce communication overload. For example, menu-driven databases can reduce the amount of information needed to attend to and the amount of time needed to find the relevant information.

A limitation of Daft and Lengel's (1984) original model is the consideration of only traditional communication media. The dramatic evolution of information technology (IT) has made many more communication media available to organizations. A short 14 years after Daft and Lengel proposed MRT, Conrad and Poole (1998) reported that, "in most U.S. organizations IT has become so much a part of everyday operations that it is an integral part of the organization. It plays just as important a role in the organization and its communication system as face-to-face conversation or a telephone call" (p. 166). The availability of telecommunication systems such as voice mail, fax technology, teleconferencing, videoconferencing, and electronic mail has drastically altered organizational communication and organizations themselves.

Conrad and Poole (1988) focused on the exponential growth of three new organizational forms as a direct result of the IT evolution. First is the development of dynamic networks. Dynamic networks are disaggregated organizations that are assembled electronically to meet a particular set of demands and disassembled when the need for them is done. A second new organizational form is the virtual organization. Virtual organizations have no physical existence, but perform like older self-contained organizations and are commonly used by catalog sales companies to establish their sales “division.” Finally, there is the dramatic increase in the practice of telework where employees spend most, if not all, of their time outside of the traditional office and conduct their work via computer or telecommunications linkages.

The limited amount of empirical evidence on the effects of communication media on justice perceptions noted by Folger and Cropanzano (1998) was previously noted by Sitkin, Sutcliffe, and Barrios-Choplin (1992) and again by Cropanzano and Greenberg (1997). The purpose of this study is to examine the effect of conveying a social account via different media under different outcome severity conditions on perceptions of fairness and satisfaction.

CHAPTER IV

Research Design and Hypotheses

I used a 2 x 3 completely randomized design. The independent variables were outcome severity (low and high) and communication medium (videotape, audiotape, and written). These media are believed to best represent the modes of communication that are commonly used in many organizations. A videotaped presentation of a causal account was used to represent a group meeting that allowed for face-to-face contact with the communicator, but has less media richness than a one-on-one conversation. An audiotape presentation was used to represent voice mail. Audiotape and voice mail both eliminate visual cues and are asynchronous modes of communication lacking the capacity for interactive dialogue. A written presentation was used to represent electronic mail. Electronic mail is asynchronous and eliminates visual and auditory cues. The same causal account was provided in all conditions. The dependent variables were distributive, procedural, and interactional fairness perceptions, anger, and turnover intentions.

The justice research literature provides clear support for the use of social accounts to mitigate the negative effects of injustice and reduce conflict in work organizations. Managers are frequently faced with situations in which they cannot fulfill requests from subordinates or must convey news of an unfavorable outcome (e.g., failure to receive a desired promotion). Causal accounts are a useful way to legitimize the outcome decision and reduce the manager's responsibility for the outcome. The justice literature shows that causal accounts are most effective when they are judged to be adequate explanations of the outcome decision (Bies, Shapiro, & Cummings, 1988). An adequate account

requires that the explanation be thorough and delivered in a sensitive interpersonal style (Greenberg, 1990b). Folger and Cropanzano (1998) predicted that outcome severity would moderate the effectiveness of a social account (see Figure 1). Sitkin and Bies (1993) referred to the severity of the perceived injustice as a situational factor and also believed that this would partially determine the effectiveness of a social account. The low-severity effect, as it has come to be known, is intuitively clear: all other things being equal, social accounts are more effective in changing fairness judgments when the perceived outcome is not too severe. For example, if an injured party is not very upset by a minor transgression, a specific, sincere account may be sufficient to justify the harm and restore favorable justice perceptions of the decision-maker. Therefore, I expect that a thorough and sincere causal account presented by a decision-maker to an injured party following a mild negative outcome will lead to more favorable fairness perceptions than the same causal account presented under a high outcome severity condition.

Hypothesis 1: Participants' fairness perceptions will be greater and anger/turnover intentions will be lower in the low outcome severity condition than the high outcome severity condition.

As shown by Shapiro, Buttner, & Barry (1994), the communication medium used to deliver a social account can also influence the effectiveness of the account. This finding is consistent with the communication literature previously reviewed which showed that the medium in which a message is conveyed is a critical determinant of the effectiveness of a message. The medium can influence (a) how well a message is understood (Chaiken & Eagly, 1976), (b) the persuasiveness of a message (Chaiken &

Eagly, 1976), (c) perceptions of the communicator (Chaiken & Eagly, 1983), (d) collaborative task performance (Kraut, Galegher, Fish, & Chalfonte, 1992), (e) the degree of “presence” conveyed among communicating parties (Rice, 1993), and (f) the meaningfulness of the message (Trevino, Lengel, & Daft, 1987). Using a causal account is an attempt to persuade the victim that the decision-maker is not truly responsible for the negative outcome and to restore favorable perceptions of the decision-maker.

Consistent with Chaiken and Eagly (1976, 1983), a rich medium is more likely to have these effects than a lean medium. Furthermore, the decision-maker’s sincerity is likely to be more salient when using a rich medium. And finally, the adequacy of the causal account is likely to be evaluated more favorably when communicated through a rich medium. Although a rich medium’s effects may be constrained by unique situations (e.g., when the topic of communication concerns information that is equivocal or unanalyzable), it is believed that rich media that convey a strong sense of social presence will be more effective in conveying a causal account than lean media. Specifically, fairness perceptions will be the most favorable when a social account is given in a group setting (videotaped condition), followed by voice mail (audiotape condition) which, in turn, will be greater than electronic mail (written condition).

Hypothesis 2: Participants’ fairness perceptions will be greater and anger/turnover intentions will be lower when the causal account is delivered via a rich medium than a lean medium. Specifically, fairness perceptions and anger/turnover intentions will be most favorable in the group setting (videotaped condition),

followed by voice mail (audiotape condition), and then electronic mail (written condition).

Finally, I believe that the main effects previously hypothesized will be qualified by an interaction such that the effect of the medium on the effectiveness of social accounts will be more pronounced at the higher level of outcome severity. An explanation for a minor transgression or negative outcome that is not very important to a victim might easily be viewed as adequate even if communicated via a nonpersonal, lean medium such as electronic mail. A truly insignificant harm may even go by undetected by the victim. If the decision-maker chose to follow up the insignificant harm with a brief electronic message to the victim, the victim may appreciate the thoughtfulness of the communication, but give it little attention due to the nature of the harm.

If an outcome is more severe, however, the victim is more likely to experience a negative emotional state. Under this condition, the explanation for the harm or negative outcome is not only more meaningful to the victim; I believe it is also evaluated with great scrutiny. Here, the adequacy of the causal account and the decision-maker's sincerity are carefully taken into consideration. The decision-maker's facial expressions and voice inflections become important channels of information. The social sensitivity of the decision-maker and the dignity and respect shown to the victim become tell-tale indications of whether the decision-maker truly empathizes with the victim, or is only attempting to get out of an uncomfortable position. Because the interpersonal interactions and procedures used to arrive at a decision are weighed more heavily in the high severity condition, using a lean medium to communicate the causal account may

cause more harm than good. A brief electronic message from the decision-maker in this condition may be viewed as inappropriate and interpreted as a sign that the decision-maker does not care enough to take the time to meet with the victim. Even if the causal account is written in a thorough and sensitive manner, the symbolic implication of the lean medium may be interpreted by the victim to mean that the decision-maker is uncaring and insensitive to the victim's plight.

These two scenarios paint two very different conditions with implications for media choice. Under the low severity condition, I expect that participants' fairness perceptions will be invariant to the media condition. However, participants' fairness perceptions will vary under high outcome severity conditions, with the videotaped presentation of the social account yielding the most favorable fairness perceptions followed by audiotape and written media (see Figure 2 for hypothesized interaction effect).

Hypothesis 3: There will be a significant interaction between outcome severity and communication medium such that the impact of the communication medium on fairness perceptions and anger/turnover intentions will be greater at the higher level of outcome severity.

A recurring argument against media richness theory is that it does not account for contextual factors that influence media choice. It is likely that those who use electronic mail more often may have a greater appreciation of its use to convey timely information in an informal manner. The context of familiarity with electronic mail may make it more effective in conveying a social account than for those with limited familiarity. Therefore,

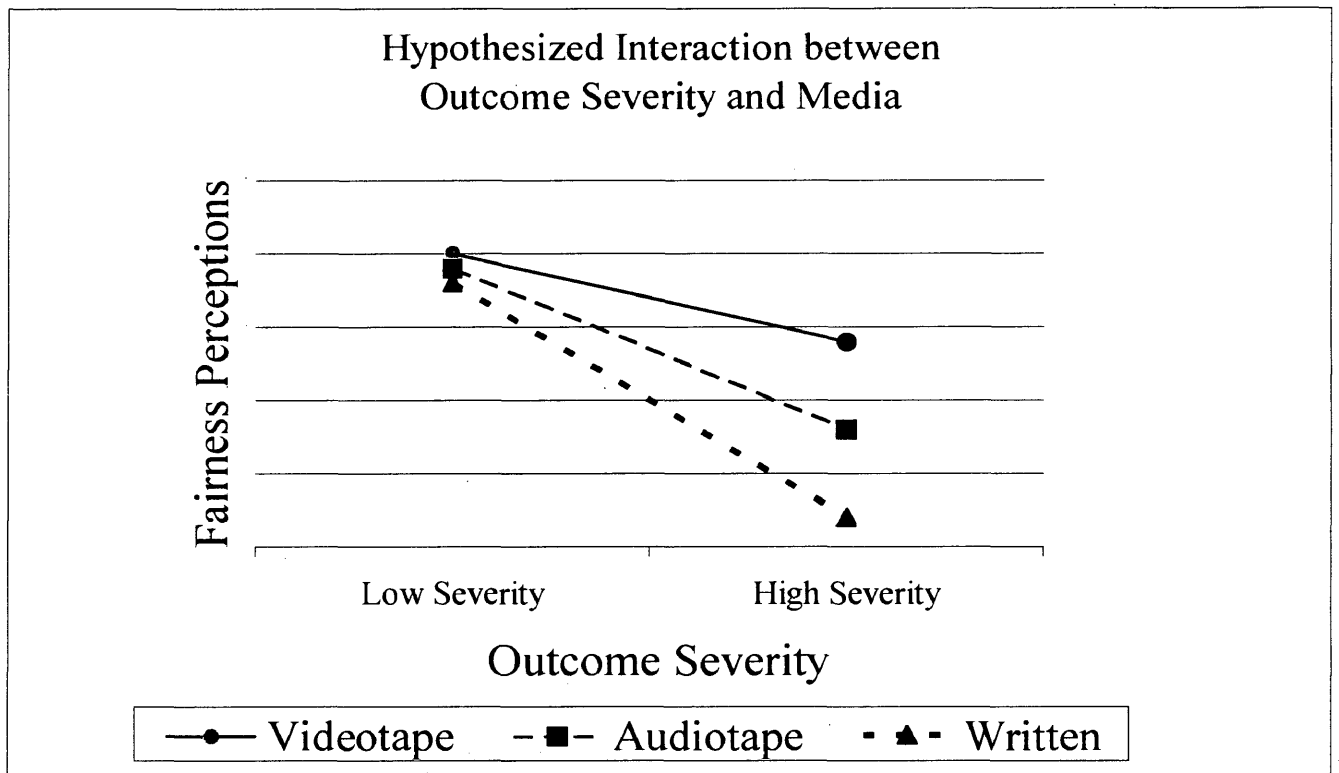


Figure 2. Hypothesized Outcome Severity x Media Interaction.

an exploratory analysis will look at the association between familiarity with electronic media and fairness perceptions of social accounts delivered via these media. It may be that part of negative fairness perceptions is due to a discomfort with the technology.

CHAPTER V

Method

Participants

Undergraduate college students at a public, metropolitan, Midwestern university were solicited to participate in this study. Participants were solicited through a sign-up sheet that requested participants for a study on fairness perceptions in the workplace. Each participant was compensated for his or her participation with extra-credit points that counted toward his or her grade. An alternate activity to receive extra credit was provided for those who did not wish to participate. Data were collected from 143 participants. Four cases were eliminated because of missing data. Seven more cases were randomly eliminated to create equal cell sizes. Of the remaining 132 participants, 83 were women (62.9%). The average age was $M = 21.18$ ($SD = 4.78$) and ranged from 18 to 56 years.

Participants were asked to indicate if they had used voice mail or electronic mail in the past, and if so, how familiar they were with the technology and how frequently it was used. Ninety-five participants had used voice mail (72%) and 91 (68.9%) reported being moderately to very familiar with the medium. Use of electronic mail was even greater with 129 (97.7%) participants reporting having used the technology and 121 (91.7%) being moderately to very familiar with the medium.

One hundred and ten of participants (83%) were employed at the time of participating in the study. The hours worked per week ranged from 5 to 60. Sixty-eight percent of the employed participants worked between 20 and 40 hours per week and 10%

worked 40 or more hours per week. Participants were randomly assigned to the six treatment conditions in blocks of six ($n = 22$).

Design

The experimental design was a 2 x 3 completely randomized design. The independent variables were outcome severity (low and high) and communication medium (group, voice mail, electronic mail) used to deliver a social account. Dependent variables included the participants' perceptions of distributive, procedural, and interactional fairness, account adequacy, anger, and turnover intentions.

Measures

The participants completed 36 7-point rating scales of fairness perceptions, anger, and turnover intentions. The format for all items was a 7-point Likert-type format ranging from -3 (very strongly disagree) to +3 (very strongly agree). The various scales were formed by summing the item raw scores and then dividing by the number of items in the scale to create an average score for all participants on each scale. Using the averaged score maintained a uniform 7-point scale for all dependent variable measures.

Distributive justice. Seven questions were used to measure perceptions of distributive justice. Six of these items are based on items developed by Ball, Trevino, and Sims (1993). The Ball et al. measure was presented in a bipolar format. For the current study, the format was changed to a 7-point Likert-type format, (e.g., "The pay cut was fair"). See Appendix A, questions 1 through 7 for distributive justice items.

Procedural justice. Six items were used to measure perceptions of procedural justice that, in part, are based on Leventhal's (1980) six rules of fair procedures (e.g.,

“My pay cut was based on accurate information”). Two of the procedural justice items (questions 9 and 12) were eliminated prior to conducting any analyses to increase the scale’s internal consistency. See Appendix A, questions 8 through 13 for procedural justice items.

Account adequacy. Six items were used to measure perceptions of the social account. The participants rated the adequacy, thoroughness, and sufficiency of the account on 7-point scales. Participants also rated whether the pay cut decision was the result of mitigating circumstances, thus meeting the description of a causal account (e.g., “The temporary pay cut was necessary because of conditions that were outside of Mr. Keller’s control”). See Appendix A, questions 14 through 19 for the social account items.

Interactional fairness. Eight items were written to measure perceptions of the decision-maker’s sincerity, sensitivity, and truthfulness in communicating the pay cut to the employees, (e.g., “Mr. Keller was sincere when explaining the pay cut). See Appendix A, questions 20 through 27 for interactional fairness items (but note the modifications below).

Medium appropriateness. It was originally believed that the impact of the communication medium would have its greatest effect on perceptions of interactional fairness. Therefore, two items (see Appendix A, questions 25 and 27) directly asked the participants to rate the appropriateness of the communication medium (i.e., “My employer chose an appropriate means to communicate with me”). Both of the items written to tap the appropriateness of the medium evidenced low inter-item correlations with the interactional fairness scale. Therefore, instead of eliminating both items, they

were removed from the interactional fairness scale and were used to create a “medium appropriateness” measure.

Anger. Anger was measured with four questions based on those developed by Bies, Shapiro, and Cummings (1988). In the Bies et al. study, the internal consistency of the four-item scale was .92. To remain consistent with the previous questions, the format of the Bies et al. items was changed to the 7-point Likert-type format (see Appendix A, questions 28 through 31).

Turnover intentions. Turnover intentions were measured by five items that required the participants to rate their level of agreement with future plans to remain on the job (e.g., “I plan to stay with my current employer indefinitely”). Two of these items (questions 34 and 36) were eliminated from the scale prior to the analyses to increase the internal consistency of the scale. See Appendix A, questions 32 through 36 for turnover intention items.

Perceptions of scenario. Finally, a check on accurate perception of the scenario consisted of four questions to determine if the participant accurately interpreted the scenario. Two questions required the participant to fill in the percent of the pay cut (5% or 25%) and the length of time the pay cut was expected to last (10 weeks). The two other questions were multiple choice format and required the participant to identify the cause of the pay cut provided in the explanation (the recent loss of a major contract) and the decision-maker’s title in the company (the President).

Procedure

Participants were solicited through a sign-up sheet that contained a brief description of the study, dates and times the study would be conducted, and a tear-off reminder slip. Participants were contacted by phone the evening prior to when they were scheduled to participate to remind them of the time and place of the study.

Approximately one-third of the participants who were randomly assigned to the “group” condition were requested to participate one week later than the date they originally signed up for, at the same time of day. It was explained to the participants that the group they were randomly assigned to would not be meeting that week. This was done to ensure that there would be three or more participants in the group condition. Participants who were assigned to come back the following week were again contacted by phone the night prior to the scheduled time to be reminded of the time and place of the study.

The participants arrived in groups ranging from four to twelve people. Upon arriving the participants were asked to read and sign a voluntary consent form (Appendix B) and then given brief instructions. It was emphasized to the participants that they were participating in a scenario study that required them to actively imagine the scenario that they would read. The participants were instructed to place themselves in the role of an employee at Computer Central and to respond to the questionnaire items as an employee.

The participants in the voice mail and electronic mail conditions were assigned to individual rooms. The participants assigned to the group condition were sent to a room with a large table in the middle of the room with nine chairs seated around the table. Each participant was given a packet that included a questionnaire that contained the

rating scales for the dependent variables. The last page of the questionnaire contained 12 demographic items. Also included in the packet was one of six scenarios. All of the packets were identical with the exception of the scenario. A scenario of a temporary pay reduction, based upon Greenberg's (1990b) study, was used to manipulate outcome severity. A pilot test was run to ensure that the two outcome severity levels were perceived as intended.

At the beginning of the scenario, the participants were asked to imagine that they have been employed full time for the past three years for "Computer Central," a large company that produces and sells computers and related equipment. However, due to hard economic times and loss of a major contract, the company has decided to implement a temporary 5% (low severity condition) or 25% (high severity condition) pay reduction for all employees. The scenario stated that Tom Keller, the company president, was quite concerned about the impact of the pay reduction on the employees and decided to address the issue with each employee.

To explain the cause of the pay cut and how he came to the decision to implement the pay cut, Mr. Keller (a) called a meeting of all employees (group condition), (b) left a message on all employees' voice mail boxes which they can access through the phone on their desk (voice mail condition), or (c) wrote an electronic mail message that was distributed to each employee (electronic mail condition). In each of these conditions, the participants watched/listened/read the exact same thorough and sensitive social account that explained why the pay cuts were needed. Large sections of the account were taken verbatim from the account used by Greenberg (1990b). Greenberg found that theft rates

for employees who received the sensitive and adequate account for a temporary pay reduction were significantly lower than for employees who received an account scripted to be inadequate and insensitive. The account was modified and expanded for use in this thesis (see Appendix C for a transcript of the account).

After reading the scenario, the participants in the group condition were asked to imagine that they were at a meeting called by Mr. Keller to address the temporary pay cut. The researcher turned on a television placed at the end of the table in view of all the participants and played a videotape of Mr. Keller's social account (see Appendix D and E). The researcher left the room while the videotape was playing and returned to turn off the equipment at the end of the social account.

The participants in the voice mail conditions listened to an audio recording of Mr. Keller's social account recorded from the videotape (see Appendix F and G). To access the social account, participants were instructed to place head phones over their ears and push play on a tape player that was located on the desk in their "office." At the end of the audio message, a female voice stated "end of message." The video and audio recorded social account lasted five minutes and 30 seconds.

The participants in the electronic mail conditions were instructed to access Mr. Keller's social account from the computer on their desk (see Appendix H and I). A program was written in Visual Basic to emulate the process of receiving an e-mail. After double clicking on an e-mail icon, a flash screen appeared for two seconds identifying the program as "Computer Central E-Mail." Next, an "inbox" screen appeared for two seconds and then a dialogue box appeared over the inbox with the message

“Downloading e-mail. Please wait.” A status bar showed that the message was being retrieved. Finally, an e-mail addressed to “All Computer Central Employees” appeared in the center of the monitor. To read the entire social account, the participant had to use the scroll bar located on the right side of the e-mail. After the participants received the social account, they were instructed to take the questionnaire out of their packet and again to imagine how they would feel as an employee at Computer Central and how they would respond to the temporary pay cut.

The social account ended with Mr. Keller inviting questions from the employees in the group condition. Participants in the voice mail condition were invited to call Mr. Keller with their questions and to leave him a voice mail message if he was not in. Participants in the electronic mail condition were invited to send their questions to Mr. Keller in an e-mail. In both the voice and electronic mail conditions, Mr. Keller assured that he would “see to it that your question gets answered.”

After the questionnaires and scenarios were collected, each participant was debriefed and dismissed.

CHAPTER VI

Results

Scenario Perceptions

Four items were used to determine if the participants correctly understood the scenario. Of the 132 participants, 129 (97.7%) correctly identified the percentage of the pay cut and the duration of the pay cut, 131 (99%) correctly identified the cause of the pay cut, and all participants correctly identified the company President as the decision-maker.

Scale Reliabilities and Correlations

Table 1 shows the internal consistency reliability (Cronbach's alpha) and the correlations between each of the dependent variables. After eliminating two items each from the procedural justice and turnover intention scales, the internal consistency reliability for all seven scales (including medium appropriateness) was found to be above .75 and therefore acceptable to be used in further analyses (Nunnally & Bernstein, 1994). As expected, the correlation matrix of the dependent variables showed moderate to high positive correlations between fairness measures (distributive, procedural, and interactional fairness) and account adequacy. Anger and turnover intentions were negatively correlated with the fairness measures and account adequacy, and as expected, were positively correlated with each other. These results indicate that positive fairness perceptions are associated with reduced feelings of anger and intentions to turnover. However, feelings of anger regarding perceptions of unfairness are associated with intentions to voluntarily leave the organization.

Table 1

Correlations for Dependent Variables (N=132)

	Items	DJ	PJ	AA	IF	MA	ANG	TURN
Distributive Justice (DJ)	7	(.89)						
Procedural Justice (PJ)	4	.74	(.82)					
Account Adequacy (AA)	6	.69	.77	(.88)				
Interactional Fairness (IF)	6	.55	.71	.76	(.92)			
Medium Appropriateness (MA)	2	.40	.43	.45	.54	(.75)		
Anger (ANG)	4	-.73	-.65	-.62	-.56	-.41	(.87)	
Turnover Intention (TURN)	3	-.56	-.47	-.44	-.51	-.34	.60	(.75)

Note. Reliabilities on the diagonal. All correlations are significant $p < .01$ (2-tailed).

Descriptive Statistics of Conditions

Table 2 shows the means and standard deviations for all dependent variables in each of the six conditions. Figures 3 through 9 display the means by condition for each of the seven dependent variables.

Hypotheses

Consistent with the model of social accounts by Folger and Cropanzano (1998), I predicted a main effect for outcome severity. Specifically, I predicted the results would be consistent with the low-severity effect, as it has come to be known. That is, all other things being equal, social accounts are more effective in changing fairness judgments when the perceived outcome is not too severe. Therefore, I expected that a thorough and sincere causal account presented by a decision-maker to an injured party following a mild negative outcome will lead to more favorable fairness perceptions than the same causal account presented under a high outcome severity condition.

The second hypothesis predicted a main effect for medium. Consistent with the findings by Shapiro, Buttner, & Barry (1994), I expected to find that the communication medium used to deliver the social account would influence fairness perceptions, anger, and turnover intentions. Specifically, I predicted that fairness perceptions, anger, and turnover intentions would be more favorable when the social account was delivered through the use of a rich medium than a lean medium.

The third hypothesis predicted that the main effects previously hypothesized would be qualified by an interaction such that the effect of the medium on the effectiveness of social accounts will be more pronounced at the higher level of outcome

Table 2

Means and Standard Deviations for All Conditions (n=22)

Condition Dependent Variable	Low Severity		High Severity	
	<u>M</u>	<u>SD</u>	<u>M</u>	<u>SD</u>
Group				
Distributive Justice	.82	1.16	-.00	1.25
Procedural Justice	1.39	.97	.75	1.37
Account Adequacy	1.18	1.28	1.08	1.30
Interactional Fairness	1.51	1.13	1.24	.89
Medium Appropriateness	1.30	1.35	.84	1.05
Anger	.00	1.61	.74	1.61
Turnover Intention	-.64	1.29	.47	1.19
Voice Mail				
Distributive Justice	1.16	1.21	.16	1.58
Procedural Justice	1.65	.75	1.10	1.42
Account Adequacy	1.78	.68	1.46	1.48
Interactional Fairness	1.77	.77	1.76	1.34
Medium Appropriateness	-.14	1.43	-.32	1.84
Anger	-.36	1.29	.64	1.63
Turnover Intention	-.24	1.06	-.00	1.47
Electronic Mail				
Distributive Justice	1.00	.97	.26	1.15

Table 2 Continued

Means and Standard Deviations for All Conditions (n=22)

Condition Dependent Variable	Low Severity		High Severity	
	<u>M</u>	<u>SD</u>	<u>M</u>	<u>SD</u>
Electronic Mail				
Procedural Justice	1.17	1.04	1.18	1.29
Account Adequacy	1.67	.90	1.13	1.28
Interactional Fairness	1.39	1.09	1.37	1.18
Medium Appropriateness	-.11	1.84	-.27	1.80
Anger	-.32	1.26	.55	1.35
Turnover Intention	-.67	1.26	-.00	1.34

Note. Scores range from -3 to +3 where higher values indicate greater perceived justice, account adequacy, interactional fairness, appropriateness of medium, anger, and turnover intention.

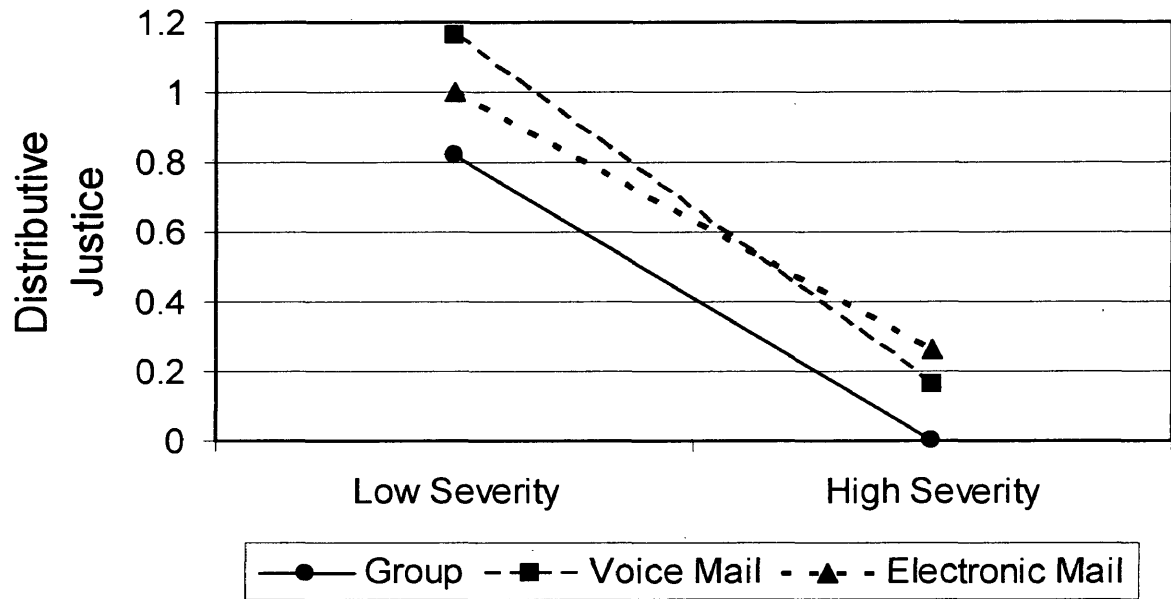


Figure 3. Mean ratings of distributive justice perceptions by media and severity conditions.

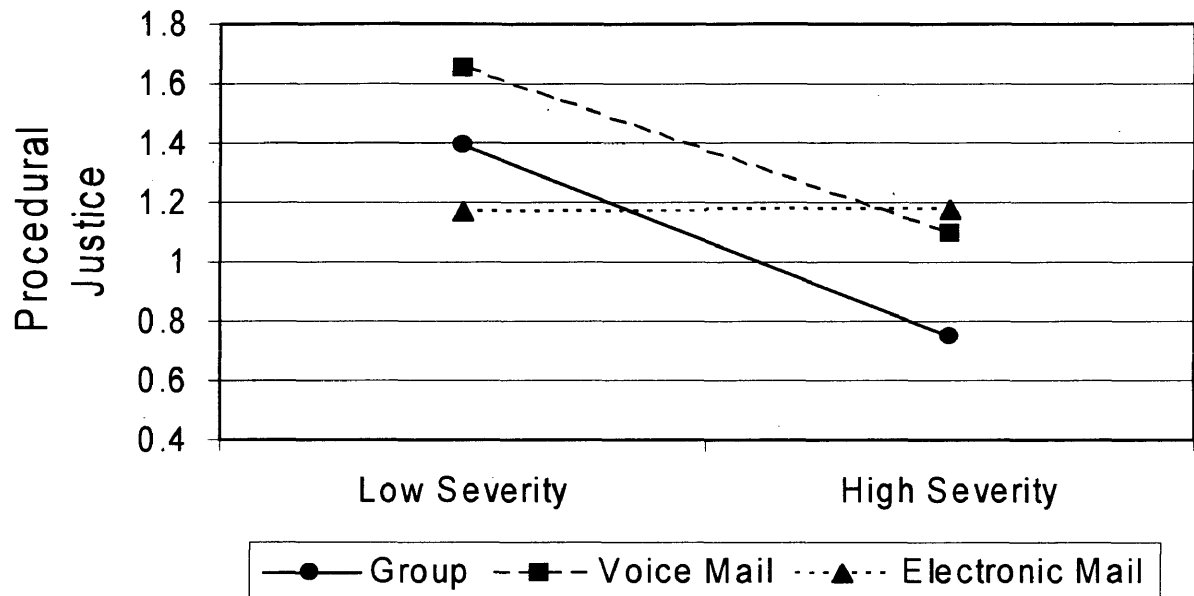


Figure 4. Mean ratings of procedural justice perceptions by media and severity conditions.

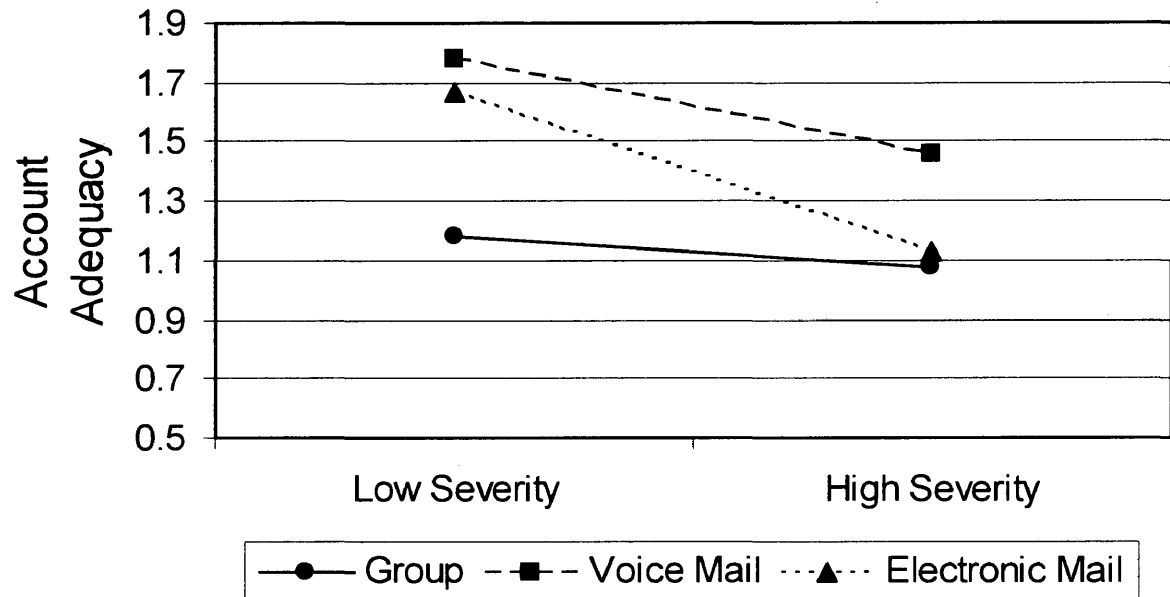


Figure 5. Mean ratings of account adequacy perceptions by media and severity conditions.

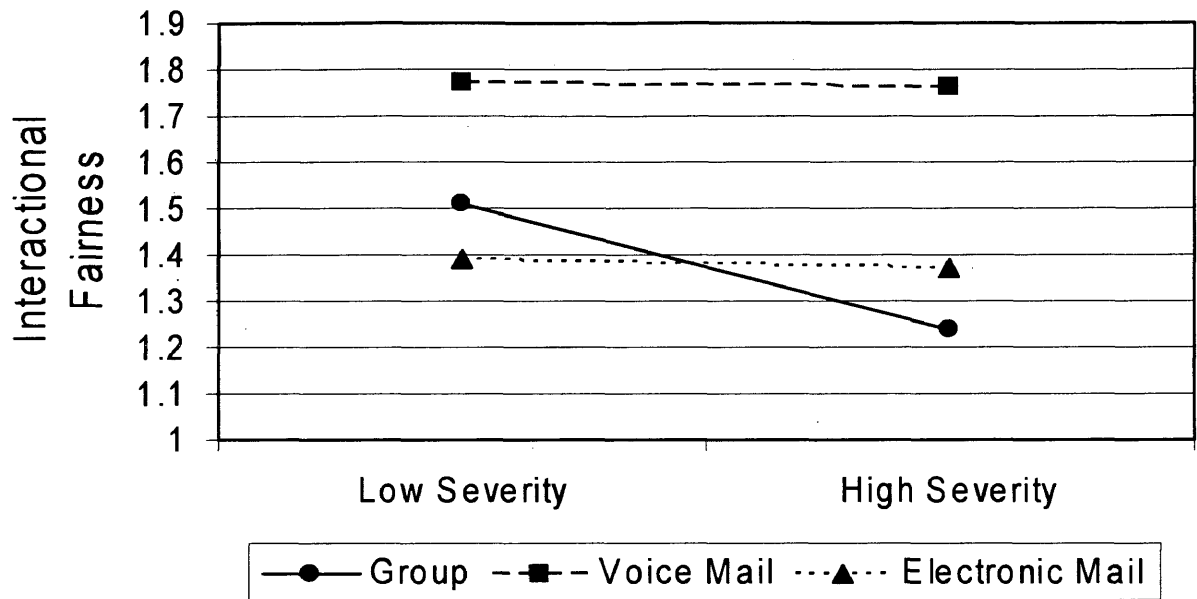


Figure 6. Mean ratings of interactional fairness perceptions by media and severity conditions.

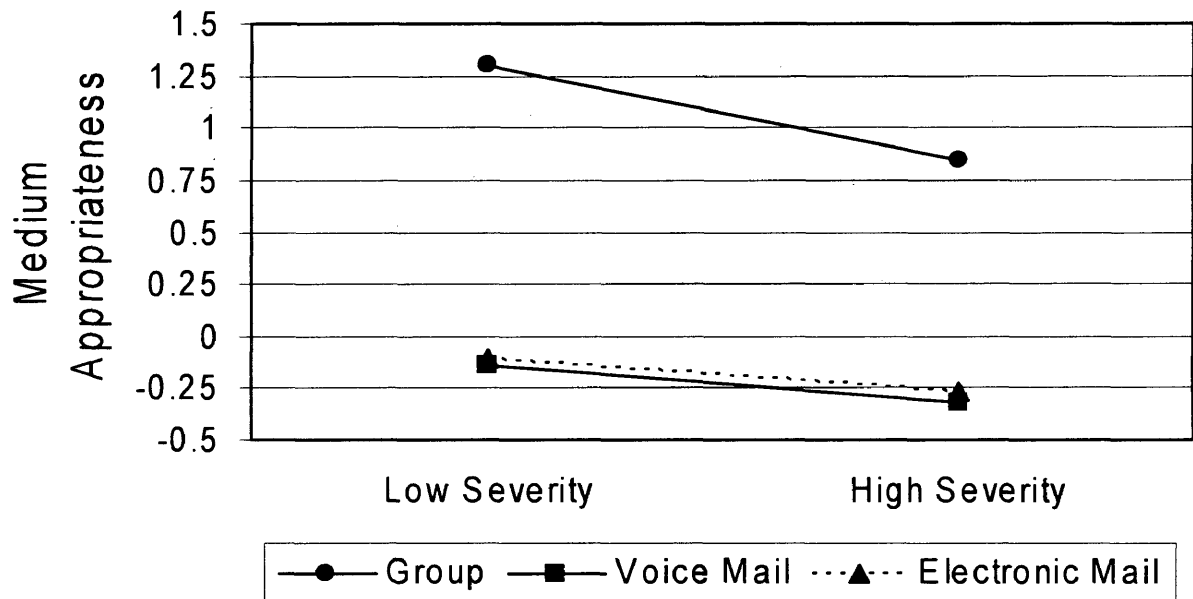


Figure 7. Mean ratings of medium appropriateness by media and severity conditions.

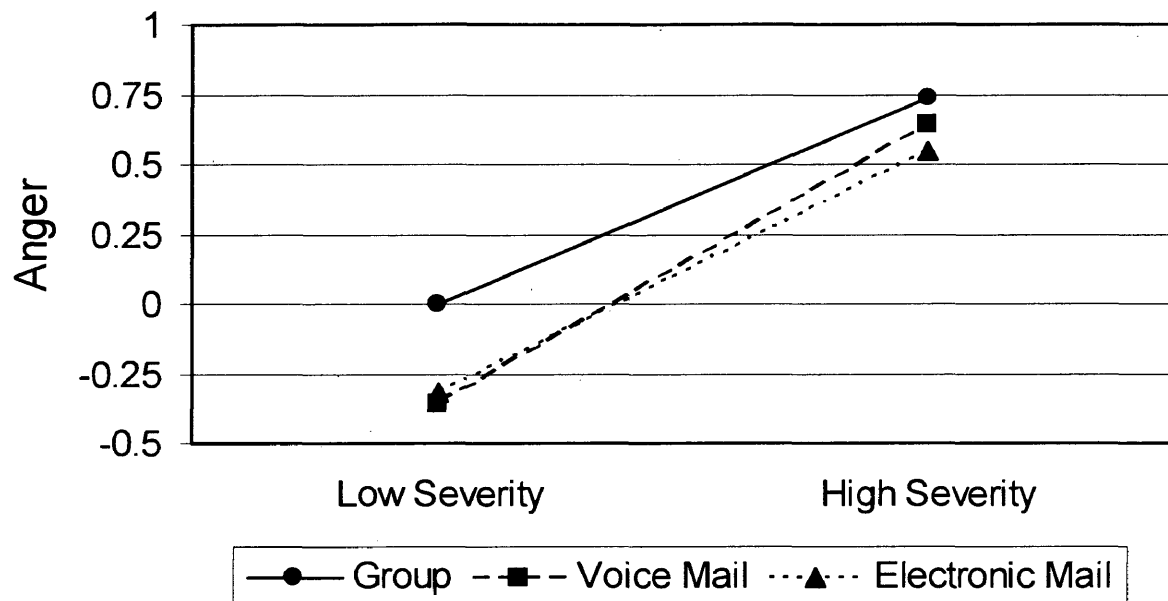


Figure 8. Mean ratings of anger by media and severity conditions.

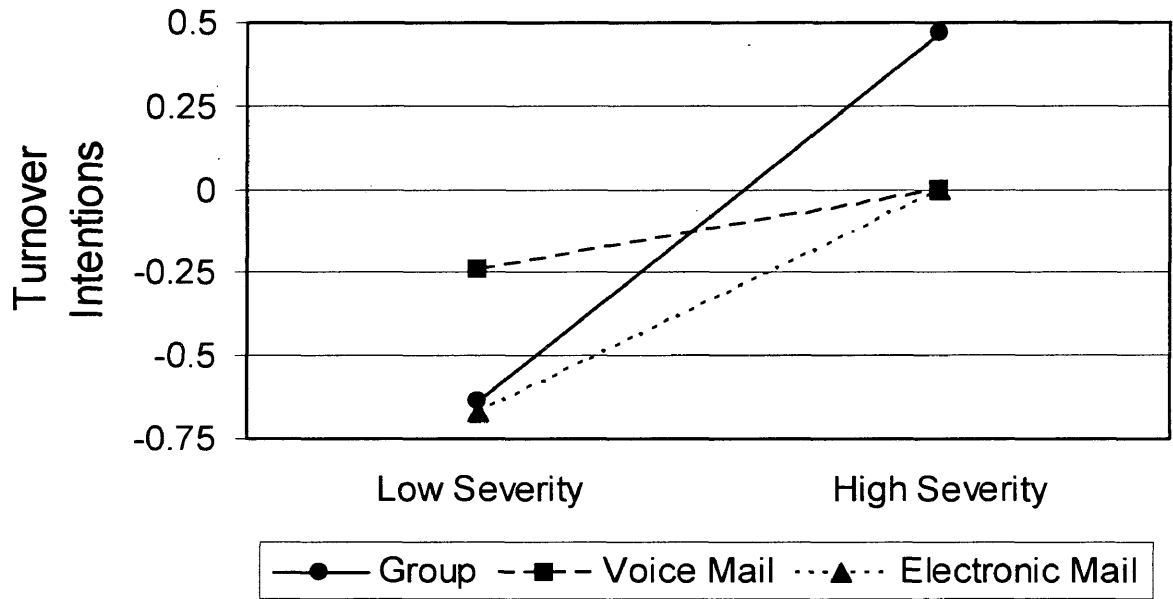


Figure 9. Mean ratings of turnover intentions by media and severity conditions.

severity. In other words, under high severity conditions, I predicted that the victim would more closely scrutinize the message and therefore require more channels of information such as the decision-maker's facial expressions and voice inflections.

To test the main effects of outcome severity, communication media, and the interaction, I conducted seven 2 x 3 ANOVAs, one analysis for each of the dependent variables. To compensate for an inflated alpha due to the multiple analyses, alpha was set at .01 to guard against Type I error.

Distributive justice. The main effect for outcome severity was significant. Participants in the low severity condition perceived the pay cut as more fair ($M = 1.00$) than participants in the high severity condition ($M = .13$), $F(1, 126) = 16.11$, $p = .001$, $\eta^2 = .11$. The mean scores for the three media conditions were .41, .66, and .63 for group, voice mail, and electronic mail, respectively. Neither the main effect for medium nor the interaction was significant, $F(2, 126) < 1.0$, ns, for each.

Procedural justice. The mean scores for outcome severity conditions were in the predicted direction (1.40 and 1.01 for low and high severity respectively), but the main effect for outcome severity was not significant, $F(1, 126) = 3.72$, $p = .06$. The mean scores for the three media conditions were 1.07, 1.38, and 1.18 for group, voice mail, and electronic mail, respectively. Neither the main effect for medium, $F(2, 126) < 1.0$, ns, nor the interaction $F(2, 126) = 1.00$, $p = .37$, was significant.

Account adequacy. Similar to procedural justice, the mean scores for outcome severity conditions were in the predicted direction (1.38 and 1.22 for low and high severity respectively), but the difference was not statistically meaningful, $F(1, 126) <$

1.0, ns. The account was rated to be most adequate in the voice mail condition ($\underline{M} = 1.62$) followed by electronic mail ($\underline{M} = 1.15$) and then group ($\underline{M} = 1.13$). The main effect for medium was not significant, $\underline{F}(2, 126) = 2.45$, $p = .09$, nor was the interaction between outcome severity and medium, $\underline{F}(2, 126) < 1.0$, ns.

Interactional fairness. The means were 1.56 and 1.46 for low and high outcome severity, respectively. Again, the voice mail mean score was the highest of the three media conditions ($\underline{M} = 1.77$) followed by a tied score for group and electronic mail conditions ($\underline{M} = 1.38$). Neither the main effect for outcome severity, $\underline{F}(1, 126) < 1.0$, ns, nor the main effect for medium, $\underline{F}(2, 126) = 1.88$, $p = .16$ was significant. The interaction term was also not significant, $\underline{F}(2, 126) < 1.0$, ns. Apparently, neither the severity of the outcome nor the richness of the medium used to deliver the social account affected perceptions of the decision-maker's sincerity and expression of concern for his employees.

Medium appropriateness. Although the effect of media on fairness perceptions and account adequacy was not evident in the previous measures, participants' ratings of the appropriateness of the medium used to deliver the social account were significantly different. Participants in the group condition rated the face-to-face account the highest ($\underline{M} = 1.07$) followed by electronic mail ($\underline{M} = -.19$) and then voice mail ($\underline{M} = -.23$), $\underline{F}(2, 126) = 9.59$, $p = .001$, $\eta^2 = .13$. To further investigate the differences between the three media conditions, multiple comparisons were performed using the Scheffé test. The group condition ratings of the appropriate use of medium were significantly higher than the voice mail and the electronic mail conditions (see Figure 7). The two electronic media

conditions were not statistically different. The ratings of medium appropriateness did not differ by severity condition (.35 and -.01 for low and high severity respectively), $F(1, 126) < 1.0$, ns. The interaction between media and outcome severity was also not significant, $F(2, 126) < 1.0$, ns.

Anger. The main effect for outcome severity was significant. Participants in the high severity condition responded with a higher level of ill-feelings regarding the pay cut ($M = .64$) than participants in the low severity condition ($M = -.20$), $F(1, 126) = 10.85$, $p = .001$, $\eta^2 = .08$. The mean scores for the three media conditions were .41, .14, and .11 for group, voice mail, and electronic mail, respectively. Neither the main effect for medium, $F(2, 126) < 1.0$, ns, nor the interaction term, $F(2, 126) < 1.0$, ns, was significant.

Turnover intentions. As predicted, the main effect for outcome severity was significant. Participants in the high severity condition reported greater intentions to leave Computer Central ($M = .17$) than participants in the low severity condition ($M = -.52$), $F(1, 126) = 9.46$, $p = .003$, $\eta^2 = .07$. The medium did not significantly affect turnover intentions, $F(2, 126) < 1.0$, ns. The means for the media conditions were -.01, -.11, and -.33 for group, voice mail, and electronic mail conditions, respectively. The interaction between outcome severity and media was not significant, $F(2, 126) = 1.91$, $p = .31$.

In summary, the prediction that low outcome severity would lead to greater fairness perceptions and more favorable anger and turnover intentions was only partially supported. Results consistent with the low-severity effect were found in regards to perceptions of distributive justice, but not with perceptions of procedural justice,

interactional fairness, or account adequacy. As predicted, high outcome severity was related to higher levels of reported anger and greater turnover intentions.

The second hypothesis stated that greater fairness perceptions and more favorable anger and turnover intention scores would be found when the decision-maker used a rich medium rather than a lean medium. This prediction was unsupported. In fact, the means for the three media conditions consistently favored voice mail over the group condition and sometimes electronic mail condition means were higher than the group condition. However, the two-item scale that measured the decision-maker's appropriate use of media strongly favored the group condition over the other two methods. There was no difference between voice and electronic mail in regards to appropriateness.

The third hypothesis predicted that the two main effects would be qualified by an interaction such that the effect of media would be more pronounced at the higher level of outcome severity. The data did not provide any evidence to support this hypothesis.

Content Coding of Open-ended Questions

The questionnaire included two open-ended questions. Question 42 asked the participants to write any questions they would have for Mr. Keller, the decision-maker. Question 44 asked the participants to write how they would have handled the situation differently if they were in Mr. Keller's position. As in the previous analyses, only the data from the 132 participants were included in the analyses of the open-ended questions.

Question 42. Ninety participants (68%) responded that they would have asked Mr. Keller a question if given the opportunity. The participants wrote a total of 143 questions (see Appendix J for transcript of all responses). However, only the first

response was coded for participants who wrote two or more questions. Fifty-three subsequent responses were eliminated leaving 90 responses for the content analysis (i.e., one response per participant). The content of the questions was coded to fall into one of seven categories that were developed after reviewing all of the responses.

Two independent judges who were blind to the experimental conditions coded all responses into one of the seven categories. When there was a disagreement between judges, they were asked to discuss the response and reach a consensus in how the response should be coded. If a consensus could not be reached, the response was not to be coded. The judges were able to reach consensus on all 90 responses considered. The seven content categories were questions regarding: (a) job security (e.g., how will the company avoid this situation in the future?); (b) compensation (e.g., will we be compensated for the lost pay when times get better?); (c) options (e.g., what other options besides cutting our pay were considered?); (d) situation (e.g., why did the company lose the contract?); (e) medium (e.g., why didn't Mr. Keller call a meeting and tell us face-to-face?); (f) fairness (e.g., will everyone get the same pay cut?); and (g) other.

To increase cell sizes, the six experimental conditions were collapsed into the three types of media (group, voice mail, and electronic mail) for the first set of analyses (see Table 3 for observed frequencies). A second set of analyses was conducted after collapsing the experimental conditions into the two outcome severity conditions (low and high outcome severity). Table 4 shows the observed frequencies by outcome severity conditions.

Table 3

Frequency Table of Participant Questions by Media Conditions (N = 90)

Content of Question	Media Condition		
	Group	Voice Mail	Electronic Mail
Job security	12	14	9
Compensation	4	1	1
Options	7	5	11
Situation	5	6	3
Medium	0	2	4
Fairness	1	3	1
Other	0	0	1
Total	29	31	30

Note. $n = 44$ per media condition.

Table 4

Frequency Table of Participant Questions by Outcome Severity Conditions (N = 90)

Content of Question	Outcome Severity	
	Low	High
Job security	14	21
Compensation	2	4
Options	10	13
Situation	8	6
Medium	4	2
Fairness	2	3
Other	0	1
Total	40	50

Note. n = 66 per outcome severity condition.

Chi-square goodness-of-fit tests were used to determine if there were differences in the proportion of participants per condition who chose to question the decision-maker and if differences existed in the frequency a particular question was asked by condition. As can be seen in Table 3, only questions that were related to job security and options contained enough responses for the expected frequency to be five or greater.

The chi-square for proportion of total responses by media condition was not significant $\chi^2(2, N = 90) = .07, p > .05$. The difference between the observed and expected frequencies in asking questions about job security or other options considered was not significant across the three media conditions, $\chi^2(2, N = 90) = 1.09, p > .05$ and $\chi^2(2, N = 90) = 2.43, p > .05$ respectively.

A similar pattern of nonsignificant differences was found for the two outcome severity levels. Low and high outcome severity conditions did not significantly differ in the total number of questions asked, $\chi^2(1, N = 90) = 1.11, p > .05$, the number of questions asked concerning job security, $\chi^2(1, N = 90) = 1.40, p > .05$, or the number of questions asked about other options that were considered, $\chi^2(1, N = 90) = .39, p > .05$.

In summary, the content analysis of question 42 found that participants in the different media conditions and different severity levels did not vary in the total number of questions asked or in the topic of questions asked. As might be expected, the majority (64%) of questions (i.e., evidence of participants' concerns) regarded issues of job security and options the decision-maker considered other than a pay cut.

Question 44. Sixty-eight participants (52%) stated that they would have handled the situation differently if in the decision-maker's position. The 68 participants made a

total of 96 responses (see Appendix K for transcript of all responses). However, only the first response was considered for participants who made two or more responses. Twenty-eight subsequent responses were eliminated leaving 68 responses for the content analysis (i.e., one response per participant).

I developed four general categories that appeared to capture the changes the participants indicated they would have made if in the decision-maker's position. The same method used to code responses to question 42 was used with question 44. Two independent judges who were blind to the experimental conditions coded all responses into one of the four categories. The judges were able to reach consensus on all 68 responses. The four categories were (a) used a more personal communication method (i.e., a richer medium); (b) given more detail regarding how the decision was made (i.e., account adequacy); (c) chosen a different alternative rather than a pay cut; and (d) included employees' input prior to making the decision (i.e., voice).

To increase cell sizes, the six experimental conditions were collapsed into the three media conditions (group, voice mail, and electronic mail) for the first set of analyses and then collapsed into the two severity conditions for a second set of analyses. See Table 5 for the observed frequencies by media condition and Table 6 for the observed frequencies by outcome severity.

Following from the research hypotheses, I expected participants in the electronic media conditions and in the high severity conditions to offer more suggestions for change. Specifically, I expected participants in the electronic media conditions to more

Table 5

Frequency Table of Suggested Changes by Media Conditions (N = 68)

Category of Change	Media Condition		
	Group	Voice Mail	Electronic Mail
More personal medium	4	21	16
Detail	2	1	2
Alternatives	6	5	8
Include employees	0	0	3
Total	12	27	29

Note. $n = 44$ per media condition.

Table 6

Frequency Table of Suggested Changes by Outcome Severity Conditions (N = 68)

Category of Change	Outcome Severity	
	Low	High
More personal medium	18	23
Detail	1	4
Alternatives	10	9
Include employees	2	1
Total	31	37

Note. n = 66 per outcome severity condition.

frequently suggest using a more personal method of communicating the social account than participants in the group condition.

The chi-square goodness-of-fit test showed differences in the total number of suggestions for change by media condition, $\chi^2 (2, N = 68) = 7.62, p < .05$. The electronic media conditions (voice mail and electronic mail combined) accounted for a disproportionate number (82%) of total suggestions. As seen in Table 5, the discrepancies between media conditions were most pronounced in the suggestion to use a more personal method of communicating the social account. The chi-square test showed that the frequency in suggesting the use of a more personal medium was significantly different across media conditions, $\chi^2 (2, N = 68) = 11.17, p < .01$. Ninety percent of the suggestions to use a more personal communication method came from participants in the two electronic media conditions.

In contrast to the significant differences in media conditions, the two outcome severity conditions did not differ in the total number of suggested changes, $\chi^2 (1, N = 68) = .53, p > .05$, or in suggestions that a more personal method of communication be used, $\chi^2 (1, N = 68) = .61, p > .05$.

In summary, the content analysis of question 44 found that participants in the voice and electronic mail conditions would have communicated the pay cut decision through a more direct and personal method. In other words, the participants in those conditions found Mr. Keller's method of communicating the pay cut to be inappropriate given the subject matter. In contrast, the types of changes the participants would have made if in the decision-maker's position did not differ as a function of outcome severity.

Exploratory Analysis

Frequent use and/or familiarity with electronic media may have been a contextual factor that influenced fairness perceptions, anger, and turnover intentions. No hypothesis was made regarding how media familiarity and frequency would influence perceptions of fairness, anger, and turnover intentions after a social account was delivered by an electronic medium. The context of familiarity with and/or frequent use of electronic media may have made the social account more or less effective for those with limited exposure to the medium.

Frequency of using voice and electronic mail was measured on a 4-point continuum. Participants indicated if they received (a) less than 10, (b) 11 to 20, (c) 21 to 30, or (d) 31 or more voice mail/electronic mail messages per week (see Table 7 for descriptive statistics of voice and electronic mail frequency items). Familiarity was measured using a 7-point Likert scale (1 = not at all familiar; 7 = very familiar). Table 8 displays the descriptive statistics of familiarity with voice and electronic mail items. Within the voice mail conditions, frequency of using voice mail and familiarity with voice mail were positively correlated in the low outcome severity condition ($n = 14$, $r = .56$, $p = .04$), but were not related in the high outcome severity condition ($n = 17$, $r = .32$, $p = .21$). The distribution of responses to the voice mail frequency variable was positively skewed with the majority of participants (93.5%) indicating that they received 20 or fewer voice mail messages per week. The restricted range of responses to the voice mail frequency item may indicate that the item was not sensitive enough to adequately

Table 7

Descriptive Statistics for Frequency of Receiving Electronic Messages

Response	VM-Freq			EM-Freq		
	<u>n</u>	<u>M</u> *	<u>SD</u>	<u>n</u>	<u>M</u>	<u>SD</u>
less than 10	20	1.45	.72	12	2.40	1.16
11 to 20	9			13		
21 to 30	1			7		
31 or more	1			11		
Total	31			43		

Note. VM-Freq = Number of voice mail messages received per week; EM-Freq =

Number of electronic mail messages received per week.

* Means and standard deviations for frequency responses were calculated based on “less than

10” = 1, “11 to 20” = 2, and etcetera.

Table 8

Descriptive Statistics for Familiarity with Electronic Messages

Response	VM-Fam			EM-Fam		
	<u>n</u>	<u>M</u>	<u>SD</u>	<u>n</u>	<u>M</u>	<u>SD</u>
1 (not at all familiar)	3	5.05	1.94	0	5.95	1.29
2	4			0		
3	3			3		
4	3			3		
5	10			10		
6	7			5		
7 (very familiar)	14			23		
Total	44			44		

Note. VM-Fam = Familiarity with using electronic mail; EM-Fam = familiarity with using electronic mail.

detect sufficient variance in responses. Therefore, the voice mail familiarity item was not used in subsequent analyses.

Within the electronic mail conditions, frequency and familiarity were positively correlated in both the low ($n = 21$) and high ($n = 22$) outcome severity conditions ($r = .59$, $p = .005$ and $r = .60$, $p = .003$, respectively). The internal consistency of the frequency and familiarity items was .75 within the electronic mail conditions. Therefore, to simplify further analyses, the frequency and familiarity items were standardized and combined into a single scale of “experience” with electronic mail.

A series of multiple regressions was conducted within the two electronic media conditions to determine if a relationship existed between the dependent variables and participants’ use of electronic media. Fairness perceptions, anger, and turnover intentions were used as the dependent variables. Within the two voice mail conditions, voice mail familiarity and outcome severity were the independent variables. Within the electronic mail conditions, experience (the scaled score of frequency of use and familiarity with electronic mail) and outcome severity were the independent variables. The independent variables were entered in a single step.

Neither voice mail familiarity nor experience with electronic mail revealed significant relationships with any of the seven dependent variables. In other words, familiarity with voice mail and experience with using electronic mail were not related to perceptions of fairness, anger, and turnover intentions for participants in the electronic media conditions. The participant sample reported a high degree of familiarity with both electronic media. Frequency of receiving electronic mail messages was fairly high with

72% of the participants receiving 11 messages or more per week. Frequency of receiving voice mail messages was much more limited. However, the participants' exposure to electronic media does not appear to be a contextual factor that influenced perceptions of fairness, anger, or turnover intentions upon receiving a social account via an electronic medium.

CHAPTER VII

Discussion

The purpose of this study was to partially test the model of social accounts by Folger and Cropanzano (1998). Their model (see Figure 1) holds that the type of social account and the sensitivity and thoroughness of the account are moderated by communication medium and outcome severity in determining the effectiveness of social accounts. To test this model, a sensitive and thorough causal account was written to explain a temporary pay cut to participants who took the role of employees in a scenario-based study. The causal account was delivered via a group meeting (video-taped condition), a voice mail message (audio-taped condition) or an electronic mail message.

Each participant received the same thorough and sensitive causal account after discovering that their employer had decided to cut all employees' pay for ten weeks by 5% (low outcome severity) or 25% (high outcome severity). The low outcome severity scenarios indicated that the pay cut would result in a loss of less than \$24.00 from the weekly paycheck. Scenarios for the high outcome severity conditions stated that the pay cut would result in approximately a \$118.00 reduction in the weekly paycheck. In the social account (see Appendix C), the decision maker explained that although he regretted having to reduce the employee's pay, the pay cut was necessary to reduce expenses after the company lost a major contract.

Interaction Effects

The discussion of the findings in this study begins with the interaction effects which, if significant, would take precedence over the main effects. The third hypothesis

predicted that the main effects of outcome severity (first hypothesis) and media (second hypothesis) would be qualified by an interaction. The form of the hypothesized interaction was such that the effect of communication media on the effectiveness of social accounts would be greater at higher levels of outcome severity. It was thought that greater harm would amplify participants' sensitivity to the social account content and lead to a closer scrutiny of the context in which it was delivered. For example, if participants who received a 5% pay cut perceived the use of an electronic medium as inappropriate and therefore caused the participants to be irritated by the decision-maker's insensitivity, then participants who received an electronic message following a 25% pay cut should have been even more outraged compared to the group meeting condition. Conceptually, a social account delivered via electronic media may have caused more harm than good if the electronic media was interpreted as a sign that the decision-maker was uncaring and insensitive to the victims' plight. However, the results did not support this hypothesis for any of the dependent variables. Therefore the discussion that follows will consider only the two independent main effects.

Outcome Severity Effects

Negative outcomes such as hiring freezes, pay reductions, and layoffs are frequently unavoidable in organizations due to limited resources and increasing national and global competition. Studies have found that consequences to such negative outcomes include lowered job performance (Greenberg, 1988a), turnover (Brockner, DeWitt, Grover, & Reed, 1990), employee theft (Greenberg, 1990b), withdrawal behaviors (Schwarzwald, Koslowsky, & Shalit, 1992), and other forms of subtle retaliation

(Skarlicki & Folger, 1997). Avoiding these consequences is possible if those subjected to the negative outcomes perceive that the decision was fair (Adams, 1963), that the decision-maker used a fair process in making the decision (Leventhal, 1980; Van den Bos, Lind, Vermunt, & Wilke, 1997), and if the decision-maker displayed sensitivity to the plight of those affected by the decision (Cropanzano & Greenberg, 1997).

Providing explanations (i.e., using social accounts) is an effective strategy used by decision-makers to reduce the consequences of a negative outcome by maintaining perceptions of having acted fairly, or at the very least, to create the impression that the decision-maker was not personally responsible for the outcome (Bies, 1987). Providing information regarding how and why a harmful decision was made can justify the decision to the victim(s) and remove blame from the decision-maker (Cropanzano & Greenberg, 1997). The effectiveness of social accounts in mitigating unfavorable justice perceptions, however, is moderated by the severity of the outcome. Negative outcomes that are minimally harmful do not require an explanation and extremely harsh outcomes may be too severe for an explanation to be of any help (Folger & Cropanzano, 1998). Therefore, social accounts are effective in reducing negative reactions only when the outcome is moderately severe. It should be noted that this study included only two levels of outcomes severity. The two levels have been differentiated as low and high. However, the low outcome severity condition (i.e., the 5% pay cut) is consistent with Folger and Cropanzano's conception of a moderately severe outcome. I intentionally omitted inclusion of a pay cut so low that its impact would be trivial.

The first hypothesis stated that fairness perceptions would be higher in the low outcome severity condition than in the high outcome severity condition. This hypothesis was partially supported by the results of this study. Participants in the 5% pay cut condition perceived the pay cut as more fair (distributive justice) than those in the 25% pay cut condition. However, there was no difference between the two outcome severity conditions in regards to participants' fairness perceptions of the process used to make the pay cut decision (procedural justice), perceptions of the reasonableness of the explanation (account adequacy), or perceptions of the decision-maker's sincerity and honesty (interactional fairness). The second part of the first hypothesis stated that participants' anger and turnover intentions would be greater in the high outcome severity condition than in the low severity condition. The results were consistent with this hypothesis. Participants in the 25% pay cut condition expressed greater levels of ill-feelings regarding the pay cut and greater intentions to voluntarily sever their employment relationship with the organization than participants in the 5% pay cut condition.

Distributive justice is primarily concerned with perceptions of the outcome. Therefore, it is not surprising that the main effect of outcome severity was found only for distributive justice and not for the other fairness measures. The procedures, explanation, and the decision-maker's interpersonal treatment were held constant in both outcome severity conditions and therefore any difference in these measures would have been due to the media used to deliver the explanation or an interaction between outcome severity and media conditions. Although differences in anger and turnover intention ratings could have theoretically been due to perceptions of unfair procedures, inadequate explanations,

or unfair interpersonal treatment, the differences appear to be the result of differences in perceptions of the fairness of the pay cut itself. In other words, participants in the 25% pay cut condition were angrier and had higher intentions to quit their jobs because they perceived their pay cut as less fair than those in the 5% pay cut condition. Taken together, these findings are consistent with the low-severity effect (Folger & Cropanzano, 1998). That is, social accounts are more effective in changing fairness judgments when the outcome is not too severe.

Media Effects

Consistent with Folger and Cropanzano's (1998) model of social accounts, Shapiro, Buttner, and Barry (1994) found that perceptions of a decision-maker's concern and sincerity were more favorable when a social account was orally delivered (by phone or face-to-face) than social accounts that were in writing. Furthermore, the oral explanations were perceived to be more specific than written accounts. Shapiro et al. reasoned that oral explanations supplemented the message content and exaggerated perceptions of the decision-maker's concern and sincerity.

Chaiken and Eagly's studies (1976, 1983) focused on the effects of communication media on the persuasiveness of the communicator. They demonstrated that the type of medium used by the communicator moderated the communicator's persuasiveness. Specifically, Chaiken and Eagly found that communication media affected perceptions of the communicator. In the 1976 study, Chaiken and Eagly found that the communicator was perceived as more professional and expert in the written condition than the presenter in the videotaped and audiotaped conditions. In their second

study, Chaiken and Eagly (1983) manipulated the communicator's characteristics to either be favorable or unfavorable to the audience. They found that a likeable communicator was more persuasive when communicating via audio and videotaped than in writing. Conversely, an unlikeable communicator was more persuasive when using a written medium than an audio or videotaped presentation.

Media richness theory (MRT) by Daft and Lengel (1984) states that rich media are needed to communicate obscure, complex, and nonroutine messages. Daft and Lengel proposed that media richness is based on the speed of feedback, number of cues, variety of language, and level of personal focus that is inherent in the media. According to MRT, face-to-face communication is the richest form of communication followed by telephone, written personal correspondence, written formal correspondence, and numeric reports. Daft and Lengel warned that electronic media cannot substitute for face-to-face discussions for nonroutine issues. The pay cut scenario used in this study would obviously be considered a nonroutine communication and therefore, according to MRT, face-to-face meetings, the most rich medium, should have been used to communicate the social account to the employees. MRT proposed an objective standard for choosing an appropriate medium such that the message matches the medium. In other words, nonroutine and novel situations require a rich medium while routine and simple messages can efficiently be communicated via a lean medium.

In contrast to MRT, social influence theory (SIT) views media richness as a subjective standard. Various contextual influences including organization norms, level in the organizational hierarchy, (Rice, 1992) personal attitudes, behaviors, keyboard skills,

and computer experience (Schmitz & Fulk, 1991) all contribute to subjective perceptions of a medium's richness. Social presence theory (SPT) also proposes a subjective standard of media richness. Richness, according to SPT, is determined by the amount of social presence required by the message (Rice, 1993). MRT focuses on a medium's ability to reduce ambiguity whereas SPT is concerned with the perceived appropriateness of a medium due to the medium's ability to convey the presence among the communicating members.

Consistent with previous findings, the second hypothesis predicted participant's fairness perceptions would be greater and anger/turnover intentions would be lower when the social account was delivered via a rich medium than a lean medium. Because of the increased number of cues available and the personal level of communication via the group conditions (videotaped), I predicted fairness perceptions and anger/turnover intentions would be most favorable in the group setting followed by voice mail, and then electronic mail. Because voice mail is a richer medium than electronic mail, I hypothesized fairness perceptions and anger/turnover intentions would be more favorable in the voice mail conditions than the electronic mail conditions.

The results regarding the second hypothesis were not as expected. None of the six original dependent measures revealed a main effect of medium. In other words, participants' perceptions of the fairness of the outcome, procedures used to arrive at the pay cut decision, adequacy of the social account, interpersonal treatment received by the decision-maker, anger, and turnover intentions were not reliably different across the three media conditions. Therefore, the results from this study do not support Folger and

Cropanzano's (1998) model of social accounts and are inconsistent with the results found by Shapiro, Buttner, and Barry (1994). The explanation given in the group meeting (videotape condition) was not judged to be more adequate than either of the two electronic media conditions.

Surprisingly, participants' perceptions of the decision-maker's concern and sincerity were immune to the effect of media conditions. Rather than supplementing the message and exaggerating the decision-maker's concern and sincerity, the visual cues in the group condition apparently distorted these qualities and made the decision-maker appear less concerned and sincere. One might think that using "broadcast" electronic media to communicate sensitive material would reflect poorly on the communicator and generate negative perceptions of the communicator, which in turn, might lead to greater levels of dissatisfaction, anger, and turnover intentions. As reasonable as this scenario might appear, the data did not support this conclusion.

Even more perplexing is the finding that the participants reliably differentiated the appropriate use of the three media. In other words, although there were no differences across media conditions in respect to the adequacy of the account or the decision-maker's perceived sincerity and concern, the participants in the electronic media conditions perceived the method used to communicate the explanation as inappropriate and found the communication impersonal. In contrast, participants in the group condition rated the method of communication as appropriate and personal. However, these differences did not affect perceptions of the decision-maker's interpersonal treatment or judgments of the adequacy of the explanation.

The finding that participants differed in their perceptions of the appropriateness of the decision-maker's choice of communication medium to communicate the social account is also supported by the results of the content analysis of question 44. When the participants were given the opportunity to suggest how they would have handled the situation differently than the decision-maker, the first response that a substantial proportion of participants in the electronic media conditions offered was to have used a more personal method of communication. Forty-two percent of the participants in the electronic media conditions recommended using a more personal medium of communication. In contrast, only 9% of those in the group condition suggested using a more personal method of communication. This suggests that given the sensitivity and importance of the subject matter, participants in the electronic media conditions found the method of communicating the social account inappropriate.

The effect of media condition on judgments of the appropriateness of media is further underscored when considering that recommendations to use a more personable method of communication did not differ by outcome severity condition. This suggests that if an explanation is going to be provided to justify a negative outcome, regardless of how severe the outcome, those affected by the decision will expect the decision-maker to use an appropriate medium. In this case, the appropriate medium is the one that is most personal and direct. Paradoxically, however, when use of a personal and direct medium is not feasible, a thorough and sensitive explanation may still be perceived as adequate and the decision-maker may still be perceived as sincere, genuine, and truthful when communicating a negative outcome via electronic media. In other words, while the

audience may expect a personal method of communication, their response to the message may be influenced more by the content of the message than the medium through which it was delivered. It should be noted that the social account used in this study was scripted to be highly sensitive and thorough. Therefore, the findings are necessarily limited to similar social accounts. The effect of using a lean medium on the dependent measures might have shown a bigger difference with a social account that was less sensitive and/or less thorough.

I initially believed that effective use of electronic media to communicate negative outcomes may also be dependent upon the recipients' previous exposure to electronic media. The exploratory analysis, however, found that participants' experience with electronic mail and familiarity with voice mail were independent of their fairness perceptions, anger, and turnover intentions. Psychometric limitations of the electronic media exposure items should be considered, however, before concluding that previous exposure to electronic media is not an important contextual issue. As previously noted, the voice mail frequency item was not a sensitive measure which may have caused a restricted range of responses. Furthermore, the high frequency and familiarity ratings for electronic mail may have created a ceiling effect. Because all students had access to electronic mail services by virtue of having been enrolled in college courses, a range restriction may have suppressed significant relationships between the electronic mail frequency and familiarity items with the dependent variables.

In summary, despite failing to find a relationship between previous exposure to electronic media and the dependent variables, further research may be needed to

determine if these results are in fact true. Better measures of previous experience with electronic media may find that the intended recipients' frequency of use and/or familiarity with electronic media is an additional contextual issue for consideration in choosing to deliver social accounts via a lean medium.

Implications for Media Choice Theories

Four theories of media choice were considered in developing the research hypotheses. Media richness theory (MRT) as proposed by Daft and Lengel (1984) is one of the most prominent and contested models of media choice. According to MRT, media choice should be determined by an objective criterion. The criterion is effective communication. To be effective, the richness of the medium must match the equivocality of the communicating situation and the analyzability of the task. Ambiguous situations (i.e., equivocal) and complicated tasks (i.e., non-analyzable), according to Daft and Lengel, require a rich medium for effective communication. Conversely, lean media are effectively used for routine and simple communicating situations.

Social influence theory (SIT), social presence theory (SPT), and media symbolism theory are based on subjective standards. Media richness, according to SIT, is determined by various situational contexts including organizational norms (Rice, 1992), computer experience (Schmitz & Fulk, 1991), and personal preference (D'Ambra, Rice, & O'Connor, 1998; El-Shinnawy & Markus, 1997). SPT is similar to MRT in that a message-medium match is required. However, unlike MRT, the match is determined by the perceived appropriateness of the medium according to SPT (Rice, 1993). Finally, Sitkin, Sutcliffe, and Barrios-Choplin (1992) argued that the medium carries a symbolic

value in addition to message content. The context and norms of the organization frequently determine the symbolic value of the medium.

The results of the current study question the utility of MRT in explaining media choice in contexts where electronic media are an option. The results indicated a high degree of understanding of the key components of the scenario and the social account by participants in all three media conditions. Furthermore, despite Daft and Lengel's (1988) warning against using electronic media for non-routine communicating situations, there is no evidence that participants' perceptions of fairness or anger and turnover intentions, the criteria of interest in the current study, were adversely affected by communicating the social account via electronic (i.e., lean) media. In summary, the three media conditions did not differ in their ability to reduce ambiguity or affect responses to the social account. MRT is unable to explain these results.

Social influence theory does offer a plausible explanation for the results. Because the context of the scenario was set in an organization that produced and sold computers and computer-related equipment, participants may have inferred that using electronic media for organizational communication was a common and acceptable practice. Participants were also told that the organization, Computer Central, was a "large" company. Depending on how "large" was interpreted, participants may have concluded that using electronic media was the most efficient means available to the decision-maker to communicate with all the employees. In some situations, particularly in selection contexts, timely communication is an antecedent to favorable fairness perceptions (Gilliland, 1993; Tyler & Bies, 1990). Therefore, participants' fairness perceptions might

have been favorably influenced by receiving the explanation for the pay cut in a timely manner. In high tech industries, appreciation for timely, sensitive, and thorough explanations may outweigh perceptions of the method of communicating. In this context, lean media might have had a greater symbolic value than less timely methods of communicating that are more rich.

Despite the interpretations of the context, participants were sensitive to the appropriateness of the medium used to communicate the social account. The findings in this study regarding judgments of medium appropriateness are consistent with social presence theory. Results from multiple methods indicated that participants in the electronic media conditions perceived the media used to communicate the explanation as less appropriate than participants in the group conditions. In other words, providing a social account for a negative outcome appears to require richness in social presence among the communicating members. Social accounts are used as a strategy to resolve conflict following a negative outcome. The results of this study are consistent with Rice (1993) who found that face-to-face communication is the most appropriate medium to resolve conflict whereas voice mail and electronic mail are the least appropriate.

Responses to the open-ended question soliciting how participants would have handled the matter differently from the decision-maker exemplify the lack of social presence in the electronic conditions. One participant in the low severity, voice mail condition wrote “I would have called a meeting with all employees explaining the situation. I’d present [Mr. Keller’s] ideas but ask for opinions and feelings. I’d come face-to-face and not hide behind the computer” [emphasis added]. Another participant in

the same experimental condition wrote, “I would have informed my employees personally. A voice mail seems cowardly [emphasis added]. I would have had a meeting with them so that they could see that I felt bad about cutting their wages. It would comfort them if I would look them in the eyes as I said those things, so that’s what I’d do. I’d say the same things he said though.” A participant in the low outcome severity, electronic mail condition wrote, “I feel e-mail is a great way to deliver a message in a quick time, but with a topic such as this, it seems informal and maybe too easy for Mr. Keller to hide.” Another participant in the same experimental condition wrote, “Sending the [electronic] message was too impersonal. It made Mr. Keller seem cold-hearted. I felt he didn’t really care because he only took the time to type an e-mail.” A participant in the high outcome severity, electronic mail condition wrote, “Although the e-mail was polite, it was also an impersonal way to communicate a 25% pay cut. If it would’ve been possible to meet with employees face-to-face, in perhaps a conference room or rented hall, that would probably be a better way to break the news.” Note that these responses are primarily focused on the appropriateness of the medium-message match. The content of the message is not debated in these responses. In fact, some participants indicated that they would have said the same things as the decision-maker, but would have used a more appropriate medium.

In summary, although the purpose of this study was not to test theories of media choice, it is evident that using an objective standard of medium-message match, such as proposed by media richness theory, is unable to explain the results. Specifically, MRT fails to explain why understanding of the message content and why fairness perceptions

in reaction to the message were consistent across the three media conditions that differed in media richness. Social influence theory may be supported if the participants inferred that using electronic media for organizational communication was a common and acceptable practice at Computer Central. However, because participants' inferences and conclusions drawn from the scenario were not measured, the study's findings are inconclusive in regard to social influence theory. Social presence theory is supported by the current results. Message recipients' subjective evaluation of the appropriateness of the medium-message match is an important component when choosing the best medium through which to communicate a social account. Although the current study only considered three types of media, it was evident that the most rich, direct, and personal medium was favored over efficient, lean, and "broadcast" media types common to various electronic communication modalities. Despite the pervasive use of electronic media in the current age of information technology, managers and organization decision-makers would do well to consider the importance of social presence when communicating with subordinates, particularly when using social accounts to explain a negative outcome. An efficient communication medium may not be an adequate substitute for a medium rich in social presence.

Methodological Concerns

Before concluding this discussion, several methodological concerns need to be mentioned. The first limitation is that the current study was conducted in a research laboratory. Studies carried out in research laboratories provide the researcher a high degree of control over potential confounds and convenience in manipulating the

independent variables of interest. However, the contrived setting may not be an adequate substitute for the real-world setting in which people live and work. Furthermore, the employment context was developed and the outcome severity variable was manipulated through the use of scenarios. This is a real limitation in the design of the study due to the emphasis placed on participants' reactions to a communicated message from a fictional employer. Conrad and Poole (1998) noted that even simple communication interchanges are influenced by:

histories of past communication with the other person..., expectations about future interactions with one another, goals for the interchange and for the relationship, assumptions about how people are supposed to communicate with one another, certain levels of communicative skills, and so on. During the interchange people create and exchange a complex set of messages with one another and by doing so create meanings for each message and for the interaction itself. (p. 5).

Obviously, the participants in this study did not have any history of communicating with the decision-maker in the scenario. Perceptions of the decision-maker were based entirely upon a 1-paragraph scenario and a mere five and a half-minute video or audio recorded message, or a written message. Considering the participants' absence of a personal history with the decision-maker and exposure to a social account, only the strongest effects might be expected to be observed.

A second methodological concern is the manipulation of the media conditions. The electronic mail condition was probably the most realistic due to a Visual Basic

program that closely simulated the stages of retrieving an electronic message. The participants in the electronic mail conditions were required to “double-click” on an icon and operate a scroll bar to read the entire message; these behaviors are common in accessing real electronic mail messages. The voice mail conditions were less realistic because the participants “retrieved” the message by listening to an audio recording through a headset connected to a tape recorder that they operated. One might argue that different perceptions are formed from listening to a message through a telephone voice mail account than from playing a tape player. The group meeting conditions were the least realistic because of using a video-recorded message. Use of the video recording was important to ensure consistency across all group conditions. However, one participant in a group condition stated during the debriefing period that even though she tried to mentally place herself in a “group setting,” she could not get past the fact that she was watching the decision-maker on a television.

Another weakness inherent in the manipulation of the media conditions is that all three conditions were in fact asynchronous media that lacked the capacity for interactive dialogue. Similar to the electronic media conditions, the video conditions were asynchronous allowing only communication from the decision-maker to the participants and restricting communication from the participants to the decision-maker. The group meeting conditions were designed to create the impression of a rich communication medium in two distinct ways. First, the video recording exposed the participants to the decision-maker’s nonverbal cues such as facial expressions and hand gestures that were inherently restricted in the electronic media conditions. Second, the video “faded to

black” immediately after the decision-maker called upon an employee in the audience who was to ask a question following the social account and the decision-maker’s invitation to answer questions. However, these attempts to portray a real group meeting may not have been sufficient to create the impression of an interactive dialogue between the communicating members. Thus, the “rich” communication medium may not have been perceived to be as rich as intended.

This may explain why some of the fairness-perception mean scores were higher in the audio condition than the video condition. Several participants in the group conditions remarked during the debriefing period that the decision-maker appeared to be “acting” and “reading from cue cards.” The actor playing the role of the decision-maker did in fact, read the social account from two teleprompters located in the recording studio. Perhaps the visual cues made the undesirable characteristics of the decision-maker more salient much like Chaiken and Eagly (1983) found with their unlikable communicator. The visual cues may have also elicited negative impressions based upon the actor’s age or appearance. Greater familiarity with the social account script and better acting skills might have created more favorable impressions of the decision-maker in the group conditions.

The third methodological concern is the combined effect of using an undergraduate student population from which the sample was drawn and a generous salary in the scenario. The mean age of the sample was $M = 21.18$ ($SD = 4.78$) and ranged between 18 and 56 years. The majority of the participants were in their late teens and early 20’s. Twelve percent of the participants were 24 years and older. Although the

majority of the participants were employed at the time they participated in the study and therefore were likely to be exposed to fairness issues in their workplace, age was negatively correlated with all four of the fairness measures and positively correlated with anger and turnover intention measures. This indicates that older participants perceived the pay cut decision, the procedures used to make the decision, the adequacy of the account, and the decision-maker's interpersonal treatment less favorably than younger participants. Furthermore, older participants reported greater anger and were more likely to retaliate by voluntarily quitting their jobs than younger participants. There are several possible explanations for these findings.

The scenarios included the weekly take-home salary the participants made prior to the pay cut, the amount per week that would be lost during the 10-week pay cut, and the amount the participants would make per week during the 10-week duration. This was done to make salient the effect of the pay cut. The weekly salary was calculated based upon a \$30,000 yearly salary. The weekly net pay in both outcome severity conditions prior to the pay cut was \$473.07. This amount was reduced to \$449.42 in the 5% pay cut condition, a loss of \$23.65 per week, and \$354.80 in the 25% pay cut condition, a loss of \$118.27 per week.

The negative relationship between age and fairness perceptions might have been due to younger participants' willingness to tolerate perceived injustices because the pay, even after the pay cut, was higher than they were used to making. It is unlikely that participants in a part-time job were making as much money per week as they would be even in the high severity condition. Therefore, younger participants, who tended to work

fewer hours per week than older participants, might have been enticed by the salary. Perhaps the salary alone was enough to override younger participants' perceptions of injustice resulting from the pay cut. Therefore, younger participants might have expressed greater satisfaction with the pay cut and willingness to stay with the company for the duration of the pay cut because a little money temporarily taken from a lot of money still resulted in making more money than they were used to making.

Another possible explanation for the negative relationship between age and fairness perceptions is that older participants are more likely to have greater financial responsibilities than their younger counterparts. The financial burdens of dependent children, home mortgages, car payments, and other bills may have made the pay cut more salient to the older participants. Therefore, a temporary pay cut might have had more severe ramifications for older participants. In either situation, the relationship between age and the dependent variables presents a potential confound to this study. If the salary was too generous to begin with for younger participants or the pay cut too severe for older participants, then these factors alone may have reduced or increased the intended effect of the pay cut resulting in different fairness perceptions based on the life situation of the participant.

The final methodological concern is related to the overall favorable scores of the dependent variables. Table 2 shows that none of the six experimental conditions resulted in a mean fairness perception score less than the middle point (i.e., 0) on the 7-point Likert scale. Furthermore, none of the mean scores for anger and turnover intention exceeded one unit past the middle point on the Likert scale for any of the six

experimental conditions. In other words, the overall scores indicate an above “average” favorability in regards to fairness perceptions and near average favorability for anger, and turnover intentions. This is particularly true for mean ratings for account adequacy (see Figure 5) and interactional fairness (see Figure 6) in which the mean scores in the six conditions ranged between one and two units above the middle on the Likert scale. The overall favorable scores might have been due to the potential confound of the age of the participants as previously discussed. However, there is another possible explanation.

The high ratings for account adequacy and interactional fairness suggest that the social account given by the decision-maker was effective in mitigating negative reactions to the pay cut – perhaps too effective. The social account (see Appendix C) consisted only of 750 words and lasted a mere five and a half minutes when read by the decision-maker. As previously indicated, the account was written using large sections of the account used by Greenberg (1990). The tone of the account was sensitive and respectful of the employees. The majority of the account was dedicated to explaining the financial situation of the company and why the pay cut was needed. The account explained that the pay cut was effective for all employees “across the board,” including the decision-maker himself. In addition to the “factual” information, three times the decision-maker expressed remorse for having to impose the pay reduction saying “I really regret having to do this,” “it hurts me to take away what you have worked so hard for,” and “I really wish there were a different way....” Respectful statements included: “we [at Computer Central] are no stronger than our employees,” “it is because of your hard work and

loyalty that we have come so far,” and, “I must tell you how grateful I am for your loyalty to Computer Central.”

It may be that the statements of remorse and the ingratiating comments by the decision-maker, in addition to the financial information, made the social account so powerful that negative reactions to the pay cut were nearly undetectable. Perhaps a less powerful social account, or conditions that received no social account, would have showed stronger negative reactions to the pay cut and to the use of electronic media.

Future Research

The widespread use of electronic media in most organizations today and the effectiveness of social accounts in mitigating negative reactions to harmful decisions underscore the importance of the research question addressed by the current study. The favorable fairness perceptions reported by those in even the 25% pay cut condition indicate the strength that a sensitive, thorough, and respectful causal account has to “soften the blow.” The lack of a significant main effect for media or significant interaction effect should not be understood to imply that the choice of media is unimportant in deciding how to deliver a social account. Rather, future research is needed to understand how the media used to deliver a social account can affect employees’ perceptions of the message and the message-sender. To this extent, I offer six areas for further investigation.

First, future research should be designed that incorporates media that are truly distinct in levels of richness. It was previously noted that the “rich” medium used in the current study might not have been perceived as such. It would be valuable to compare

the effects of media that allow for interactive, real-time dialogue among the communicating members with asynchronous media in communicating a social account. It may be impractical to conduct multiple “live” meetings between the decision-maker and groups of employees, particularly if the employees are located in different geographic regions. But, perhaps a real-time teleconference meeting would be perceived as more rich than asynchronous media such as a voice mail and electronic mail. All three are classified as electronic media, but only the teleconference medium offers opportunities for interactive dialogue. The interactive dialogue would allow for questions to be raised and immediately answered and for misunderstandings to be corrected, or at least clarified. Although most costly, the teleconference option might reap greater dividends in the long run if the medium is perceived as more rich and appropriate when communicating sensitive information.

A second direction for future research should be in determining how media richness is perceived. The present investigation is consistent with recent research (D’Ambra, Rice, & O’Connor, 1998; Rice, 1993) that suggests richness is judged by a subjective standard. This implies that individual differences may play a role in how media richness is defined. In addition, organizational context and norms, and perceptions of appropriateness of the medium-message match seem important in determining media richness. Further research should focus on how employees define “appropriateness” of communication media and under what circumstances, if any, an electronic medium would be considered appropriate to deliver a social account.

A third research question is how recipients' experience of electronic media may affect their perceptions of social accounts delivered through that media. The current study found that participants' previous exposure and experience with electronic media were independent of their perceptions of fairness, anger, and turnover intentions. However, the relationship between recipient usage of electronic media and fairness perceptions was not thoroughly or adequately addressed in this study. It remains to be seen if previous experience with electronic media is an important individual difference in how perceptions are formed from electronic messages and therefore is deserving of further attention.

A fourth area for further research that has risen from this study is the tension between efficient and impersonal communication modalities, such as electronic media, and less efficient but highly personal communication modalities such as one-on-one meetings and small group meetings. Efficiency, speed of communication, mass distribution, and paperless communications are some of the reasons that have made the use of electronic media commonplace in today's organizations. Booher (2001) found that 71% of employees spend between 1-2 hours per day reading and responding to electronic mail messages. The volume of electronic messages is likely only to increase. This indicates that managers must learn to balance the need for efficient and fast communication with the cost of personal communication. It is evident from the current study that the use of a personal communication modality was viewed as more appropriate in delivering a social account than more efficient, less personal methods. However, judgments of distributive justice, procedural justice, account adequacy, and interactional

fairness were not affected by choice of communication media. The question then is when does a decision-maker's concern for employees' perceptions of fairness outweigh the need for efficient and timely communication with one's subordinates? Media choice and organizational justice theorists and researchers should consider the factors that determine when efficiency must be sacrificed for the sake of maintaining perceptions of having acted fairly. Perception of medium appropriateness is one such factor, but there are likely to be others. Furthermore, it would be helpful to identify the factors that individuals consider when judging whether a particular medium is "appropriate." The organizational context, recipients' experience with different forms of media, and the nature of the content of the message are likely to be some of the factors that determine appropriate choice of media.

The fifth suggestion for further research is to replicate the current study with an older, non-student sample. The optimal situation would be to manipulate different media to communicate a social account within an organizational setting. All communication takes place within a context. A real organizational context with established relationships between employees and managers might very well yield different results than those found in the current scenario-based study with undergraduate college students. The possibility to conduct an empirical study within an organization may be difficult due to decision-makers' reluctance to provide researchers the opportunity to design and carry out a study using employees who receive a negative outcome. There are also clear ethical considerations in conducting such a study. A replicated scenario-based study using part-time MBA students would be more feasible than a field study within an organization and

perhaps would provide more realistic reactions than an undergraduate sample. Therefore, I recommend that the results of the current study be compared to a replicated study using an older participant sample, preferably within an organizational setting.

The final avenue for further investigation is to determine the effects of using electronic media on fairness perceptions with different types of social accounts. The current study used a causal account. A causal account is used to explain the rationale behind a decision that led to a negative outcome with the hope of justifying the decision and excusing the decision-maker from personal responsibility for the harm caused by the decision. Causal accounts are strengthened by a clear and thorough explanation of the facts. A negative outcome due to a “poor economy” or “loss of a major contract” can be justified by explaining, preferably in dollar and cents, the impact of the precipitating event on the organization and why the harmful decision was necessary. Factual information is easily and effectively communicated via electronic media, particularly electronic mail. A referential account, used to convince the victim that he/she is better off than first believed, may be less effectively communicated via electronic media than a causal account. It may be even more difficult to communicate an ideological account via electronic media in which the decision-maker appeals to a higher good, such as explaining how a negative outcome will “build character” in the victim. Perhaps electronic media would be the least effective when communicating a penitential account where the decision-maker takes responsibility for causing the harm and offers an apology to the victim. An electronic mail message containing a penitential account from a decision-maker may seem less sincere and more calloused than a causal account. These

speculations can be empirically tested and may prove to be fruitful areas for further research.

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Appendix A

Measures

Now, after having received Mr. Keller's explanation for the pay cut, imagine how you would feel if you were an employee at Computer Central. Please read each of the following statements carefully and circle the response that corresponds to how strongly you agree or disagree with each of the following statements. In each question, respond according to your perception of the statement. There are no right or wrong answers. Answer every question.

	-3	-2	-1	0	1	2	3
	strongly disagree	disagree	somewhat disagree	neither agree nor disagree	somewhat agree	agree	strongly agree
1. The pay cut was fair.	-3	-2	-1	0	1	2	3
2. The pay cut was improper.	-3	-2	-1	0	1	2	3
3. The pay cut was justified.	-3	-2	-1	0	1	2	3
4. The pay cut was unreasonable.	-3	-2	-1	0	1	2	3
5. The pay cut was appropriate considering the circumstances.	-3	-2	-1	0	1	2	3
6. The pay cut was too severe.	-3	-2	-1	0	1	2	3
7. Adjusting to the reduced pay would <u>not</u> be too difficult for me.	-3	-2	-1	0	1	2	3
8. Mr. Keller (President of Computer Central) considered other options to reduce costs before choosing to reduce my pay.	-3	-2	-1	0	1	2	3

	-3	-2	-1	0	1	2	3
	strongly disagree	disagree	somewhat disagree	neither agree nor disagree	somewhat agree	agree	strongly agree
9. Considering alternatives other than a temporary pay cut was appropriate.	-3	-2	-1	0	1	2	3
10. My pay cut was based on accurate information.	-3	-2	-1	0	1	2	3
11. Mr. Keller was biased in his choice to cut my pay.	-3	-2	-1	0	1	2	3
12. I was given an opportunity to express my views and feelings to Mr. Keller regarding the pay cut.	-3	-2	-1	0	1	2	3
13. The procedures used to arrive at the decision to cut my pay were fair.	-3	-2	-1	0	1	2	3
14. Mr. Keller gave an adequate explanation regarding the reason for the pay cut.	-3	-2	-1	0	1	2	3
15. Mr. Keller was <u>not</u> very thorough in communicating the necessity of the pay cut.	-3	-2	-1	0	1	2	3
16. Mr. Keller gave a sufficient amount of information regarding the pay cut.	-3	-2	-1	0	1	2	3
17. The pay cut was needed to reduce expenses.	-3	-2	-1	0	1	2	3
18. Mr. Keller's explanation regarding the pay cut was reasonable.	-3	-2	-1	0	1	2	3
19. The temporary pay cut was necessary because of conditions that were outside of Mr. Keller's control.	-3	-2	-1	0	1	2	3

	-3	-2	-1	0	1	2	3
	strongly disagree	disagree	somewhat disagree	neither agree nor disagree	somewhat agree	agree	strongly agree
20. Mr. Keller was sincere when explaining the pay cut.							
	-3	-2	-1	0	1	2	3
21. Mr. Keller genuinely cares about the welfare of my fellow employees and me.							
	-3	-2	-1	0	1	2	3
22. Mr. Keller communicated in an open and honest manner.							
	-3	-2	-1	0	1	2	3
23. In his communication, Mr. Keller addressed my fellow employees and me with dignity and respect.							
	-3	-2	-1	0	1	2	3
24. Mr. Keller was truthful in explaining the pay cut.							
	-3	-2	-1	0	1	2	3
25. Mr. Keller chose an appropriate method to communicate his concern over the pay cut.							
	-3	-2	-1	0	1	2	3
26. Mr. Keller explained the reason for the pay cut in a sensitive manner.							
	-3	-2	-1	0	1	2	3
27. Mr. Keller was very personal in his communication.							
	-3	-2	-1	0	1	2	3
28. I am angry about the pay cut.							
	-3	-2	-1	0	1	2	3
29. I am resentful about how the pay cut decision was handled by my employer.							
	-3	-2	-1	0	1	2	3
30. I am outraged by the pay cut.							
	-3	-2	-1	0	1	2	3

- | | -3
strongly
disagree | -2
disagree | -1
somewhat
disagree | 0
neither agree
nor disagree | 1
somewhat
agree | 2
agree | 3
strongly
agree |
|--|----------------------------|----------------|----------------------------|------------------------------------|------------------------|------------|------------------------|
|--|----------------------------|----------------|----------------------------|------------------------------------|------------------------|------------|------------------------|
31. I am upset because of the pay cut.
- | | | | | | | | |
|--|----|----|----|---|---|---|---|
| | -3 | -2 | -1 | 0 | 1 | 2 | 3 |
|--|----|----|----|---|---|---|---|
32. I would like to stay employed at Computer Central.
- | | | | | | | | |
|--|----|----|----|---|---|---|---|
| | -3 | -2 | -1 | 0 | 1 | 2 | 3 |
|--|----|----|----|---|---|---|---|
33. I will not quit my job, but I will begin looking for a new job immediately.
- | | | | | | | | |
|--|----|----|----|---|---|---|---|
| | -3 | -2 | -1 | 0 | 1 | 2 | 3 |
|--|----|----|----|---|---|---|---|
34. I will stay at my current job, but will leave if the pay cut does not end after 10 weeks.
- | | | | | | | | |
|--|----|----|----|---|---|---|---|
| | -3 | -2 | -1 | 0 | 1 | 2 | 3 |
|--|----|----|----|---|---|---|---|
35. If I were offered a similar job at a different company that paid the same amount that I had been making before the pay cut at Computer Central, I would take the new job.
- | | | | | | | | |
|--|----|----|----|---|---|---|---|
| | -3 | -2 | -1 | 0 | 1 | 2 | 3 |
|--|----|----|----|---|---|---|---|
36. I would like to quit my job at Computer Central immediately, even without having a new job to go to.
- | | | | | | | | |
|--|----|----|----|---|---|---|---|
| | -3 | -2 | -1 | 0 | 1 | 2 | 3 |
|--|----|----|----|---|---|---|---|
37. My employer said that my pay was going to be reduced by (fill in number)
_____ %
38. My employer said that the cause of the pay cut was due to (circle correct response)
- a. conflict with the employees' union
 - b. a recent loss of a major contract
 - c. a rise in the wholesale cost of computer equipment
 - d. increasing the company's competitive leverage

39. The explanation for the pay cut was given by Computer Central's (circle correct response)
- a. Vice-President of Finance
 - b. Chief Executive Officer
 - c. Senior Accountant
 - d. President

40. The imposed pay cut was expected to last (fill in number)

_____ weeks.

41. Mr. Keller ended his communication by stating that he was open to any questions that you or other employees might have.

Would you have a question for Mr. Keller? (Circle one) YES / NO

42. If you answered "Yes" to question 41, what would you ask him? (Print your question in the space provided below)

43. If you were in Mr. Keller's position, would you have handled this matter differently? (Circle one) YES / NO

44. If you answered yes to question 43, what would you do differently? (Print your question in the space provided below)

Finally, please tell us a little about yourself by answering the questions on the following page.

1. Sex: (Check one) Male _____ Female _____
2. Age: (fill in years) _____
3. Year in School: (Check one)

Freshman _____	Sophomore _____
Junior _____	Senior _____
Nondegree _____	
4. Major: (fill in) _____
5. Are you currently employed? (circle correct response) YES NO
6. If employed, how many hours, on average, do you work a week? (fill in)

7. Have you ever received voice mail before? (circle response) YES NO
8. If you have used voice mail, approximately how many messages do/did you receive per week? (Leave blank if you have never used voice mail before)
(Check one) _____ less than 10 _____ 11 to 20 _____ 21 to 30 _____ 31 or more
9. How familiar are you with voice mail? (Circle a number)

1	2	3	4	5	6	7
not at all familiar						very familiar
10. Have you ever received e-mail before? (circle response) YES NO
11. If you have used e-mail, approximately how many messages do/did you receive per week?
(Check one) _____ less than 10 _____ 11 to 20 _____ 21 to 30 _____ 31 or more

12. How familiar are you with e-mail? (Circle a number)

1	2	3	4	5	6	7
not at all						very
familiar						familiar

After you have finished filling out the questionnaire, please put it back in the envelope provided to you and return it to the student assistant. After you are finished you will have an opportunity to discuss any concerns or unanswered questions you may have. Your answers will be confidential.

Appendix B

Informed Consent Form

You are invited to participate in a research study. You are eligible to participate if you are a student in an undergraduate psychology class at the University of Nebraska at Omaha (UNO) and can read and understand English.

The purpose of this study is to investigate the perceptions and reactions of employees to negative outcomes on the job. Your participation will take approximately 20 to 30 minutes. You will be asked to read a short story regarding a situation at a workplace. After receiving an explanation of the situation, you will be asked to imagine yourself being one of the characters in the story and to answer several questions about yourself and how you felt about the situation.

There are no known risks or discomforts associated with participating in this research.

If you choose to participate in this study, you may elect to receive a summary of the results so as to gain a better understanding of social science research. You will be awarded research exposure point(s) for every half-hour of participation. Your psychology course has alternative ways available to you to earn these points.

Your responses will be recorded by participant number, not by name. Your responses will be kept completely confidential and you will not be associated with the information you provide.

Participation in this study is voluntary. Your decision whether or not to participate will not affect your present or future relationship with the University of Nebraska at Omaha, the researchers, or your psychology instructor. If you decide to participate, you are free to stop at any time. You will be given a copy of this informed consent form to keep.

I AM VOLUNTARILY MAKING A DECISION TO PARTICIPATE IN THIS STUDY.
MY SIGNATURE CERTIFIES THAT I HAVE DECIDED TO PARTICIPATE
HAVING READ AND UNDERSTOOD THE INFORMATION PRESENTED ABOVE.

Signature

Date

Principle Investigator:
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Wayne Harrison, Ph.D.

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Appendix C

Social Account

Hello. I am Tom Keller, the President of Computer Central. One thing that we take pride in here at Computer Central is not laying off any of our employees, even during tough times. We believe that our employees are the reason for our success. However, as you probably already know, we have recently lost a key national contract with Bank of America.

Another institution bought out Bank of America and the new management has canceled their contract with us because they are already locked into a contract with their own computer vendor. There was nothing we could do about it; legally they had the right to back out of the contract with us during the provisional period. No one at Computer Central is to blame for the loss of this contract.

The bad news is that this contract would have produced 10 million dollars in revenue for Computer Central over the next five years. This means that things are going to be pretty tight around here for a little while. Because of this, we need to cut some of our expenses, and we have come up with a plan that will get us through these tough times. I have been working with Lisa Schmitt, the vice president of finance for Computer Central, and the entire accounting department, and we have come up with a plan that we know will work. First of all, we have sold some of our assets and have eliminated as many expenses from the budget as we could. However, like many companies, our largest expense is our payroll.

Other companies in our situation would have simply laid off employees to make up the difference. We do not believe this is the right thing to do; none of you deserves to be fired because of this setback. I also do not want to reduce your benefits like vacation time and health insurance; many of you depend upon your insurance, especially those of you with children. So, after much deliberation and discussion, I have decided that we must implement a temporary pay cut for all employees.

Starting next Monday, we will each take a flat pay cut for 10 weeks. This applies to you, to me, to everyone who works here at Computer Central. If we do it this way, there will be no reduction in benefits and no layoffs – just an across the board pay reduction. Will it hurt? Of course it will. But it will hurt us all alike. We are all in this together. Let me add that I really regret having to do this, and the decision did not come easily. We considered all possible avenues, but no other option was feasible. I think of our employees as family, and it hurts me to take away what you have worked so hard for. But for the next 10 weeks, we just have to tough it out. I really wish there were a different way, but there just isn't.

I want you to understand that what we are experiencing is a temporary setback, and one that I hope will never happen again. After looking at all of our expenses, the best course of action from our accounting department is clear: the pay cuts will work, and they will not have to last longer than 10 weeks. The new orders that we have picked up with Fidelity Insurance Company, Union Telephone, and Hewlett Department Stores will really help us get back on our feet and on solid financial ground. Hopefully, by then we will be stronger than ever. Of course, I know that we are no stronger than our employees and I personally want to thank each and every one of you for your strength and your commitment to Computer Central. There has never been a better work force in the computer industry than the one we have right here at Computer Central. It is because of your hard work and loyalty that we have come so far. We will get through this, and we will get through it together. Once again, I must tell you how grateful I am for your loyalty to Computer Central.

Group Meeting Condition: Now, I suspect that many of you will have some questions regarding the pay cut, and I want to take the time needed to address them. If you have a question, just put up your hand so I can see you. Yes, Bob, what is your question?
[Video tape fades to black]

Voice Mail Condition: Now, I suspect that many of you will have some questions regarding the pay cut, and I want to take the time needed to address them. If you have a question, just call me at my office and leave a message on my voice mail if I am not in. I will see to it that your question gets answered. [Female voice states: "End of message."]

Electronic Mail Condition: Now, I suspect that many of you will have some questions regarding the pay cut, and I want to take the time needed to address them. If you have a question, just send me an e-mail message and I will see to it that your question gets answered. [Written message ends]

Appendix D

Low Outcome Severity, Group Meeting Condition

Please do not talk to anyone else in the room from this point on. If you have a question, raise your hand and the student assistant will come to you.

Please read the following scenario carefully. As you read, imagine that you are an employee of the company in the story. Think of how you would feel and how you might respond to the events that take place in the story. After you have read the scenario, follow the instructions printed below.

Imagine that you work full-time for Computer Central, a large company that produces and sells computers and computer-related equipment. You have worked at Computer Central for several years. You have enjoyed a fairly good salary and are respected by your co-workers and supervisor as a good worker. However, due to hard economic times and loss of a major contract, the company has decided to implement a temporary 5% pay reduction for all employees. You recently received a letter from the Accounting Department announcing the pay cut. The letter stated that the pay cut would last for 10 weeks. This means that after taxes, your pay will be reduced from \$473.07 per week to \$449.42. In other words, you will be making \$23.65 less per week than you previously had been making. The President of Computer Central, Tom Keller, is quite concerned about the impact that the 5% pay reduction will have on the employees and has decided to address the issue with all employees. To address his concerns, Mr. Keller has called a meeting of all employees to explain why the pay cut was needed.

Instructions:

After everyone in the room has finished reading the above scenario and these instructions, the student assistant will play a videotape of Mr. Keller speaking to the employees of Computer Central. Listen carefully to Mr. Keller's presentation. As you watch and listen to Mr. Keller's explanation, imagine that you are at this meeting along with all of your co-workers. Pay attention to how you feel and how you would respond to Mr. Keller's message.

After the videotaped presentation is finished, remove the questionnaire from your envelope and answer all of the questions. When you are finished with the questionnaire, place it back inside the envelope and return it to the student assistant. If you have any questions regarding these instructions or the instructions on the questionnaire, please see the student assistant.

Appendix E

High Outcome Severity, Group Meeting Condition

Please do not talk to anyone else in the room from this point on. If you have a question, raise your hand and the student assistant will come to you.

Please read the following scenario carefully. As you read, imagine that you are an employee of the company in the story. Think of how you would feel and how you might respond to the events that take place in the story. After you have read the scenario, follow the instructions printed below.

Imagine that you work full-time for Computer Central, a large company that produces and sells computers and computer-related equipment. You have worked at Computer Central for several years. You have enjoyed a fairly good salary and are respected by your co-workers and supervisor as a good worker. However, due to hard economic times and loss of a major contract, the company has decided to implement a temporary 25% pay reduction for all employees. You recently received a letter from the Accounting Department announcing the pay cut. The letter stated that the pay cut would last for 10 weeks. This means that after taxes, your pay will be reduced from \$473.07 per week to \$354.80. In other words, you will be making \$118.27 less per week than you previously had been making. The President of Computer Central, Tom Keller, is quite concerned about the impact that the 25% pay reduction will have on the employees and has decided to address the issue with all employees. To address his concerns, Mr. Keller has called a meeting of all employees to explain why the pay cut was needed.

Instructions:

After everyone in the room has finished reading the above scenario and these instructions, the student assistant will play a videotape of Mr. Keller speaking to the employees of Computer Central. Listen carefully to Mr. Keller's presentation. As you watch and listen to Mr. Keller's explanation, imagine that you are at this meeting along with all of your co-workers. Pay attention to how you feel and how you would respond to Mr. Keller's message.

After the videotaped presentation is finished, remove the questionnaire from your envelope and answer all of the questions. When you are finished with the questionnaire, place it back inside the envelope and return it to the student assistant. If you have any questions regarding these instructions or the instructions on the questionnaire, please see the student assistant.

Appendix F

Low Outcome Severity, Voice Mail Condition

Please read the following scenario carefully. As you read, imagine that you are an employee of the company in the story. Think of how you would feel and how you might respond to the events that take place in the story. After you have read the scenario, follow the instructions printed below.

Imagine that you work full-time for Computer Central, a large company that produces and sells computers and computer-related equipment. You have worked at Computer Central for several years. You have enjoyed a fairly good salary and are respected by your co-workers and supervisor as a good worker. However, due to hard economic times and loss of a major contract, the company has decided to implement a temporary 5% pay reduction for all employees. You recently received a letter from the Accounting Department announcing the pay cut. The letter stated that the pay cut would last for 10 weeks. This means that after taxes, your pay will be reduced from \$473.07 per week to \$449.42. In other words, you will be making \$23.65 less per week than you previously had been making. The President of Computer Central, Tom Keller, is quite concerned about the impact that the 5% pay reduction will have on the employees and has decided to address the issue with all employees. To address his concerns, Mr. Keller has recorded an explanation for why the pay cut was needed and sent it to all employees' voice mail accounts (that they can access through the phone on their desk).

Instructions:

Imagine that you are at your desk at work. Locate the tape player and headset on your desk. Put on the headset and adjust it to fit comfortably. Push "play" on the tape player (identified with a green sticker) to listen to the voice message that Mr. Keller sent to the employees of Computer Central. Adjust the volume as needed. Listen carefully to Mr. Keller's message. As you listen to Mr. Keller's explanation, imagine that you have retrieved the message through your voice mail account at work. Pay attention to how you feel and how you would respond to Mr. Keller's message.

After you have carefully listened to Mr. Keller's message, remove your headset and turn off the tape player (by pushing the button marked with a red sticker). Remove the questionnaire from your envelope and answer all of the questions. When you are finished with the questionnaire, place it back inside the envelope and return it to the student assistant. If you have any questions regarding these instructions, the instructions on the questionnaire, or experience difficulty operating the equipment, please see the student assistant.

Appendix G

High Outcome Severity, Voice Mail Condition

Please read the following scenario carefully. As you read, imagine that you are an employee of the company in the story. Think of how you would feel and how you might respond to the events that take place in the story. After you have read the scenario, follow the instructions printed below.

Imagine that you work full-time for Computer Central, a large company that produces and sells computers and computer-related equipment. You have worked at Computer Central for several years. You have enjoyed a fairly good salary and are respected by your co-workers and supervisor as a good worker. However, due to hard economic times and loss of a major contract, the company has decided to implement a temporary 25% pay reduction for all employees. You recently received a letter from the Accounting Department announcing the pay cut. The letter stated that the pay cut would last for 10 weeks. This means that after taxes, your pay will be reduced from \$473.07 per week to \$354.80. In other words, you will be making \$118.27 less per week than you previously had been making. The President of Computer Central, Tom Keller, is quite concerned about the impact that the 25% pay reduction will have on the employees and has decided to address the issue with all employees. To address his concerns, Mr. Keller has recorded an explanation for why the pay cut was needed and sent it to all employees' voice mail accounts (that they can access through the phone on their desk).

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Appendix H

Low Outcome Severity, Electronic Mail Condition

Please read the following scenario carefully. As you read, imagine that you are an employee of the company in the story. Think of how you would feel and how you might respond to the events that take place in the story. After you have read the scenario, follow the instructions printed below.

Imagine that you work full-time for Computer Central, a large company that produces and sells computers and computer-related equipment. You have worked at Computer Central for several years. You have enjoyed a fairly good salary and are respected by your co-workers and supervisor as hard worker. However, due to hard economic times and loss of a major contract, the company has decided to implement a temporary 5% pay reduction for all employees. You recently received a letter from the Accounting Department announcing the pay cut. The letter stated that the pay cut would last for 10 weeks. This means that after taxes, your pay will be reduced from \$473.07 per week to \$449.42. In other words, you will be making \$23.65 less per week than you previously had been making. The President of Computer Central, Tom Keller, is quite concerned about the impact that the 5% pay reduction will have on the employees and has decided to address the issue with all employees. To address his concerns, Mr. Keller has written an explanation for why the pay cut was needed and sent it to all employees' e-mail accounts (that they can access through the computer on their desk).

Instructions:

Imagine that you are at your desk at work. Using the mouse at your desk, double click on the e-mail icon located in the lower right-hand corner of the computer monitor. After several screens, you will automatically receive the e-mail message that Mr. Keller sent to the employees of Computer Central. Carefully read Mr. Keller's message. You will need to use the vertical scroll bar on the right side of the e-mail to scroll down to the end of the message. As you read Mr. Keller's explanation, imagine that you have retrieved the message through your e-mail account at work. Pay attention to how you feel and how you would respond to Mr. Keller's message.

After you have carefully read the e-mail, click on the "Exit" button on the top of the e-mail to close it. Then, remove the questionnaire from your envelope and answer all of the questions. When you are finished with the questionnaire, place it back inside the envelope and return it to the student assistant. If you have any questions regarding these instructions, the instructions on the questionnaire, or experience difficulty operating the equipment, please see the student assistant.

Appendix I

High Outcome Severity, Electronic Mail Condition

Please read the following scenario carefully. As you read, imagine that you are an employee of the company in the story. Think of how you would feel and how you might respond to the events that take place in the story. After you have read the scenario, follow the instructions printed below.

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After you have carefully read the e-mail, click on the "Exit" button on the top of the e-mail to close it. Then, remove the questionnaire from your envelope and answer all of the questions. When you are finished with the questionnaire, place it back inside the envelope and return it to the student assistant. If you have any questions regarding these instructions, the instructions on the questionnaire, or experience difficulty operating the equipment, please see the student assistant.

Appendix J

Responses to Question 42 by Experimental Condition

Mr. Keller ended his communication by stating that he was open to any questions that you or other employees might have. Would you have a question for Mr. Keller? If so, what would you ask him?

Low Severity, Group Condition

- If this was to be longer than 10 weeks, how probable and what kind of notice would we be given?
- I would ask him what expenses did he get rid of. And were the expenses necessities or not?
- What happens if the company does not get back on its feet in 10 weeks? Would our jobs be in danger then?
- As another alternative, why not look at getting another contract with someone else?
- So we lost a major contract, what guarantee do I have that someone up high won't lose another? Secondly you have sold off assets to pay expenses, why wouldn't we the employees think you are going to close your doors next?
- What would happen if the decrease didn't end after 10 weeks? Would any overtime hours be compensated for? Would a min/max work hour load be implemented?
- Do to the short time period you came up with the pay cut, are you sure there were options you overlooked?
- At what point will profit sharing begin for employees so that we will get back the money we lost?!?!?
- How can they promise pay will go back up?
- What happens after 10 weeks? Is there any way to take a lower pay cut and cut budget anywhere else?
- What the other expenses were that they cut back on 1st and if we were guaranteed that we'd get our precious salary back after the 10 weeks.
- I would have ask him if we would be repaid for the previous 5% pay cut over the past 10 weeks. If it would come as a bonus, lump sum, and/or if we would see anything.

High Severity, Group Condition

- How he is certain that a pay reduction will only last 10 weeks.
- Are we going to be compensated for our loss at the end of the pay cut?
- 25% flat rate is unfair. He has to remember 25% for the average worker is much more than people in upper-management.
- Is there anyway of improvising the pay cut? 25% is a little harsh – 15% would be better for me in the long run?

- Is there anyway that in the future those of us who stay through the pay cut could receive a bonus once the company is on its feet again?
- Exactly how much is the pay cut going to save the company? Precisely how does this help the company “get back on its feet?” Can we be guaranteed the pay cut will only last for 10 weeks?
- What other alternatives had been considered? Would the pay cut withheld be repaid to the employees? Could a smaller reduction for a longer period of time take place? Why couldn't people take accrued vacation leave or optional unpaid leave at this time instead?
- Why is our company's payroll and success based on one contract? What would happen if we had lost two or more contracts?
- Why we needed a pay cut. We did not have on before the contract, so why did we need one even though we did not get the contract.
- Is he prepared to lose workers due to the pay cut and not being able to live off the weekly decreased check?
- Exactly how long would this decrease in pay last? Are there chances for anymore decreases in the future?
- Would you notify us if the pay cut will extend past the 10 week limit and if so, when?
- Are you saying there are absolutely NO other alternatives and that the pay cut has to be as high as 25%? Will we get a raise later on to makeup for this terrible pay cut?
- Couldn't you have got alternative ways, other than the pay cut, from us (the employees) to make money the next 10 weeks?
- What other methods were researched? Could we have gotten by with only a 10, 20 or 15% pay reduction.
- How can he be sure this is only 10 weeks? What if it is not?

Low Severity, Voice Mail Condition

- Why do we need a pay cut when in the message, you explained that we have just acquired 3 new big accounts? Are we guaranteed that the pay cut will only last 10 weeks? Why right away, how come the pay cut can not wait to see if we gain new accounts?
- How come he did [not] have a meeting so he could talk face to face with the company?
- Were did you come up with 10 weeks, why not less/longer? How did you decide that all the employees, new and or old should be affected?
- How much of a pay reduction is he getting, being the president?
- What makes you think your employees will respect you if you don't give them the opportunity to make alternative suggestions?
- If it could be shortened
- Would we receive another pay cut if we lose another major contract
- Could I be provided with a report of finances to further explain the cut in pay?

- I would ask Mr. Kelly if the pay cut would absolutely stop after 10 weeks. How does he know the business will be financially stable after 10 weeks?
- To have contracts made up and signed by all employees stating that the decreased pay period would last only 10 weeks and after that not matter what the circumstances pay should be raised again. Even if the budget needs to be reevaluated.
- I would ask Mr. Keller what other specific options did he explore as opposed to an employee pay cut as a solution.
- What he plans to do if the pay cut is not sufficient.

High Severity, Voice Mail Condition

- What caused the loss of the contract? What are we going to do for 25% less money per week? When do you realistically plan to resolve this
- Are you sure there are no other ways to prevent this pay cut? Are you sure it will last the 10 weeks?
- I would ask about more details and about alternatives if the pay cut did last longer than 10 weeks.
- Why did you choose to leave voice mail instead of confronting employees face to face?
- Will this happen again
- What if the new accounts also fall through and finances don't work out? Will the pay cut increase? Would it just last longer? When would laying people off come into play in a worse case scenario? Who would be the candidates to lose their jobs?
- Couldn't you have the two new accounts prepay for equipment to be delivered? What about the people directly responsible for the loss of the account at Bank of America? You never, ever reduce your employees' pay!
- For sure, including him, everyone is taking a pay cut? What about the VP's, CEO's, chairman of the Board?
- What were the other expenses the company cut before cutting our pay?
- Why don't the executives and such get a greater decrease since we can barely live on what I'm making now? We will be dramatically influenced by it, whereas our bosses won't.
- Is there any chance of the pay cut lasting more than 10 weeks? If so, how long could it last. Is there a chance our pay will be cut more? How much more?
- How do you know it will only last 10 weeks? What will you do if it has to last longer?
- Will there be any compensation, such as temporary increase in pay, for the loss of salary?
- Is it a definite that the pay cuts are only going to last 10 weeks? If it lasts more than 10 weeks would we see more pay cuts?
- I would simply ask him if he could guarantee this pay cut would only last 10 weeks.

- This situation should have been looked into before the contracts were signed. This isn't the employees fault, it's the fault of the contract makers, don't cut our pay, cut theirs.
- Is he absolutely sure that the pay cut will end after 10 weeks and never happen again?
- If there would be any way to have less then a 25% reduction. That's a lot of money lost. What about a much smaller reduction for a longer period?
- Would the pay cut ever exceed 25%?

Low Severity, Electronic Mail Condition

- If this company was during the provisional period – it should not affect our pay. Our pay was the same before the company agreed to a provisional period. It should be a no gain or loss in my eyes. Please explain clearer.
- Why didn't you communicate the information about the pay cut in a meeting Vs. email?
- How could he guarantee the pay cut would only last 10 weeks?
- How have you calculated the 10 week cut period? How about the security of the come back?
- Why can't the company take the loss and not the employees?
- What if the pay cut lasts a longer time than 10 weeks, then what are you going to do.
- What is something else the company could cut instead of the employees pay rate.
- Why you (Mr. Keller) can not discuss this serious situation with me and the rest of the employees in person. Also why should this have to effect everyone?
- What alternate methods did you consider, and why weren't these feasible?
- I would like to know what other options he was considering and what may be done in the future when something like this occurs again. Also, I would like to know how he is dealing with investor relations. Mainly though I want to be assured that is in deed "temporary."
- You said that you sold some of your assets and cut spending in various areas. What areas did you cut spending in? What assets were sold and which ones were kept? How can you be sure this will only last 10 weeks?
- How high is the possibility that this could occur again?
- Is this pay cut, for sure, only temporary? Did you consider absolutely every alternative? Why wasn't a meeting held?
- What other alternatives were considered? Why were employees not asked if any other alternatives were more desirable than a pay cut?
- What were the different avenues explored before the cut? Could it have been more of a cut for lesser time with more notice?
- Did you look into some other options or alternatives before deciding pay cuts were the best way.

High Severity, Electronic Mail Condition

- Why do all employee's receive a 25% pay cut? When considering pay cut did things such as length employed or how well you worked or sick days, such as attendance, come into play?
- Why would you alert us via email? Why couldn't you host a Q&A session so we can hear other employee's concerns and questions? How could you expect us to work just as hard if not harder than before, now that we are making less? How could you use reverse psych on us by saying how valued we are and loyal to our comp. central "family" we are when comp central isn't going to treat us with respect of loosing \$?
- If there equipment or any other way of handling the pay cuts? Does the pay cut have to be continuously can you spread the 10 weeks out for family purposes?
- Can we use paid vacation time during the 10 week period? If yes, how will it work? What promises or assurances do you have that in 10 weeks, I will be back to regular pay? What will you do if a similar situation like this happens in the future?
- How long would it really last? What does he plan to do in the future? What is his plan? Can we give suggestions?
- Mr. Keller said pay cut would last 10 weeks. What if pay cuts were still occurring? What will happen to our salaries? Once we get back on our feet, will there be opportunities or reward programs to earn cash that we had lost?
- I would ask him what the proposed plan of action would be if the pay cut did in fact last longer than ten weeks, and when we got back on track – could we expect extra pay for what we lost.
- I know there are other ways to cut expenses, so why must you use payroll?
- What are you going to do if the original 10 weeks is not long enough and you need to extend the time of the pay cuts? Will it be possible for the pay cut to end sooner than 10 weeks?
- What exactly are the other alternatives that you considered?
- Explanation to what else he did instead of the pay cut.
- I don't think its lawful to cut someone's pay without getting consent first. It wasn't his lawful choice.
- I would want to know if the pay cut was for sure only going to take 10 weeks. Also what he plans to do to keep this from happening again.
- How will you go about preventing this from happening in the future?
- I was not able to view all options. Is this the best way to solve this problem?

Appendix K

Responses to Question 44 by Experimental Condition

If you were in Mr. Keller's position, would you have handled this matter differently? If so, what would you do differently?

Low Severity, Group Condition

- I would continue to look at where I could cut expenses – ways around the problem (i.e., no more hiring, get rid of poor employees – poor meaning those who do not work hard).
- 1st a layoff – never reduce salaries, rather layoff then increase \$ or work ethic.
- I would have talked about some kind of way employees would get knowing 10 week.

High Severity, Group Condition

- If the buyout of a company was the cause for the loss of contract, it would have been evident earlier enough for him and the company to plan a head.
- I would have broken the building down to compartments – explaining to each section on a more personal level than a speech to all the workers.
- Vacations accrued to be taken immediately. Take out a loan. Smaller amounts in reductions over a longer period of time. Bonuses paid to those who stay until end (get back what was withheld). Bonuses or spiffs to those who can get new contracts immediately. Ask employees for their ideas on how to save.
- I would have explored in more depth other ways of dealing with the situation.
- Spoke individually or in small group.
- I think I would have handled the questions in a more personal manner – maybe discussing one on one.
- Look for other alternatives like cutting something out of companies budget or doing a fundraiser or quickly/promptly getting a new contract with a different company.
- I would have gone into more detail about the cut.
- I would have talked to each and every employee separately. Not as a group.

Low Severity, Voice Mail Condition

- I would wait a month or two to see if we are able to gain multiple new accounts to take the place of the major account lost.
- Hold a meeting of all employees and consider differences in performances of my employees.
- I would have called a meeting with all employees explaining the situation. I'd present his idea but ask for opinions and feelings. I'd come face to face and not hide behind the computer.

- Entire company meeting. Everybody would get to take off work, first person basis, questions would be more likely to arise, giving a general sense of satisfaction.
- I would talk to my employees face to face. I would hold meetings to talk to them. If they had questions I would be able to answer them right away.
- I would've had a more personal way of telling my employees. Maybe a company meeting.
- I think he should have met with employees in small groups to discuss this.
- I would still have made the pay cut, but I would have addressed my employees personally in a group setting.
- I would have informed my employees personally. A voice mail seems cowardly. I would have had a meeting with them so that they could see that I felt bad about cutting their wages. It would comfort them I would look them in the eyes as I said those things, so that's what I'd do. I'd say the things he said though.
- I may have laid off a few employees after evaluating positions in the company.
- If I were Mr. Kelly, I think I would have held a meeting and told my employees in person about the pay cut. I think his message was somewhat impersonal.
- Made contracts up legally.
- I understand that it would have been more difficult to explain the situation in person, I still would have set 2 or 3 possible times for employees to come to a meeting with Mr. Keller to discuss the issue in person and have the opportunity to directly ask him questions.
- I think that I would lay off newer employees rather than cut the pay of older, reliable employees.

High Severity, Voice Mail Condition

- I would talk to the employees to their face. Whether it be a huge company meeting, or an individual visit with each one, I would do it on a more personal level.
- I would have approached separate departments and talked to employees one on one, even though they may react negatively. Voice mail was impersonal and I would want employees to have a chance to offer more suggestions.
- Held a meeting to talk to the people in person.
- I would have had a group meeting. I would have spoken with all my employees at the same time.
- Face to face conversations with employees.
- A large meeting wouldn't be practical.
- I would never reduce my employees' pay for any reason. I would rather go under or die trying to find other money making opportunities for my company. I would go door-to-door selling computers if I had to!
- I would have had a meeting with all the employees.
- I would have explained it a little better, stating that executives would also be affected. Should have meeting to explain it and answer questions – that would have been more personal.

- At least address employees in person.
- I would have held a conference/meeting and told my employees face to face and answer their questions right there.
- I would have done the explanation in a meeting format and addressed the issue before the pay cut was enforced so the employees would have the some knowledge it was coming.
- I wouldn't have left a voice mail on their phones, I would have had a meeting.

Low Severity, Electronic Mail Condition

- I would have had group meetings in person to each and every employee.
- I would have held a company meeting before making a final decision. I would ask for any other options if the employees could think of reasonable ways to handle this besides a wage decrease.
- Some statistics of the company revenue could just tell a lot more than words. Some numbers of income and expenses could justify better the cut back in salary. Stating company wage increasing and promotions of company on the past could have been a good proof and a point for cut-back.
- I would have the company take the loss.
- I would have tried to talk to as many individuals face to face, instead of an e-mail to every employee.
- Looked at cutting company expenses.
- I would have told this situation to my employees in person, which is a much better way to handle it. Also I would have reduced pay cut on a matter of seniority and hard work of the employee.
- Instead of telling the employees by e-mail, I would've tried to do it face-to-face.
- I feel e-mail is a great way to deliver a message in a quick time, but with a topic such as this, it seems informal, and maybe too easy for Mr. Keller to hide. Perhaps a company meeting at which Keller tells employees and employees can react. Frequent e-mail updates too.
- I would not have sent out an e-mail. I would have held a conference with all of my employees.
- Sending the message was too impersonal. It made Mr. Keller seem cold hearted. I felt he didn't really care because he only took the time to type an email. He needed to have a meeting (or a couple of meetings) with the employees.
- Poll the employees prior to a pay cut. Let the employees voice their opinions on matters that affect them.
- I would have had face to face meetings with employees, which is to say I would have made myself available. I would also have had a large group meeting so concerns could be raised in a public forum and questions could have been answered for everybody. The email wasn't bad but it should have been just the starting point.
- I would have searched for alternatives ways to cut back or expressed to employees about alternatives and why I chose pay cuts.

High Severity, Electronic Mail Condition.

- If all employees were being treated the same, why not hold a meeting in person to explain the situation.
- Not alerted employees via email, told them where else the budget was cut, asked for input on the problem before I made the decision to cut everyone's pay.
- Made sure the contract wouldn't effect the workers payroll. Would have done everything in my power to prevent, or even sued the company for money that was lost.
- Perhaps choose the most recently hired employees and lay them off (temporarily). They could collect unemployment and when our financial situation was different, I could rehire them. That way current, long lasting employees wouldn't be hurt due to the less in contract and would remain loyal and happy with Computer Central. Not announce via e-mail.
- I would talk to the employees face to face not by e-mail. I would have asked the opinion from the other employees.
- In the memo he sent out, I would have included a detailed list of where the needed money is coming out of besides payroll. That would give employees a chance to see that payroll was not the only source of money.
- I would have 1st sent out the email, but then set up a ? and answer time and meeting that everyone who wanted to could attend. I feel that this could help retention because it is more personal and people's voices are being heard.
- I would have gotten a loan, cut invaluable employees, obtained business.
- I would have had a meeting with all the employees to explain the situation and gotten their opinions on what to do before I initiated a pay cut.
- I think it's only fair that people who have seniority get treated better. People get laid-off in the work force, it's gonna happen.
- I would talk to my employees face to face rather than a mass email.
- Although the email was polite, it was also an impersonal way to communicate a 25% pay cut. If it would've been possible to meet with employees face-to-face, in perhaps a conference room or rented hall, that would probably be a better way to break the news.
- Instead of sending a e-mail to everyone I would call a meeting and do it on a more personal basis.
- If its only to last 10 weeks than I would let my profits decrease a little so I could do the right thing for my employees.
- Employee input and a part in the final decision process would be my suggestion.