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The impact of explanations in rejection letters on perceptions of fairness and accountability

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THE IMPACT OF EXPLANATIONS IN REJECTION LETTERS ON PERCEPTIONS

OF FAIRNESS AND ACCOUNTABILITY

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The Impact of Explanations in Rejection Letters on Perceptions of Fairness and

Accountability

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The present study was designed to test Folger and Cropanzano's (1998) Fairness

Theory as it pertains to perceptions of fairness and accountability in rejection letters.

This study was a partial replication of Gilliland, Groth, Baker, Dew, Polly and Langdon

(2001), which examined the impact of Fairness Theory variations in rejection letters on

perceptions of fairness, recommendation intentions, and reapplication behavior.

Participants in this study were applicants rejected in the first stage of the selection

process with a large, Midwest corporation. Perceptions of fairness and accountability

were collected after receiving one of four versions of a rejection letter: the company's

standard letter; a *Should-reducing* letter focusing on the company's reliable and valid

selection processes; a *Could-reducing* letter detailing the conditions precluding the

company from hiring; and a *Should-reducing* and *Could-reducing* letter containing both

explanations. Thus, a 2 x 2 *Should-reducing* (explanation versus no explanation) x

Could-reducing (explanation versus no explanation) factorial design was used.

Participants were e-mailed one of the four rejection letters. One week later, participants

were mailed a survey with attitudinal measures of outcome fairness, procedural fairness, interpersonal treatment, and recommendation intentions.

The results of this study were expected to support Fairness Theory. The hypotheses suggested that a rejection letter with more information, either detailing a reliable and valid selection process and/or an explanation for the decision, would lead to participants' higher perceptions of fairness and lower attributions of accountability toward the corporation. However, results revealed no effects of content manipulations, so direct support for Fairness Theory was not obtained. Yet, the significant and negative correlations between accountability and perceptions of fairness, recommendation intentions and overall satisfaction suggest that accountability and fairness are connected. Practical implications from the results are inconclusive, but it would appear based on these data that the specific content of the rejection letter is not a strong factor in the effect of the rejection on the applicant. However, several other factors may be at work, which are discussed.

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Chapter I

Introduction

An enduring goal of Industrial/Organizational (I/O) Psychology has been to bring

together the worlds of business and psychology. By employing research methods and

social/psychological theories to phenomena in organizational settings, I/O psychologists

attempt to develop frameworks that refine human resource management in the business

world, from performance appraisals to job interviews. The marriage between psychology

and business has had many benefits in the past. By analyzing the key responsibilities of a

job, appraisals of performance based on the key factors of the job have led to more

accurate appraisals of employees' performance. Identifying the key responsibilities of a

job has also led to better hiring techniques, enabling employers to assess qualities and

abilities in applicants that are reflective of the needs of the job. Further, by utilizing I/O

strategies, employers protect themselves from costly legal action that may be brought by

disgruntled employees.

Applying psychology to business can become even more helpful in times of

economic distress. Many businesses will continue to hire applicants, but in a time of

increasing unemployment, there are more applicants than positions available. Thus,

many businesses will inevitably be required to reject more applicants than they hire.

Although more people are applying for jobs, fewer resources are available for companies

to notify applicants of their status. The Associated Press (2002) reported that less than

half of the companies they surveyed in 1999, when the economy was favorable for

applicants, said that they would even respond in writing to unsolicited résumés. Now,

while there is a lull in the economy, the likelihood that companies will respond to applicants in any capacity is even smaller.

Although the rejection process is a part of business, identifying the most appropriate and efficient means to reject applicants can be one of the most effective tools to maintain an organization's good favor in the community. If rejected applicants can still view the organization as fair and just, their perceptions of the organization may be positive. These perceptions could lead to the rejected applicants reapplying for positions for which they are more qualified when the opportunity presents itself. Further, rejected applicants may be more willing to recommend the organization to others. On the other hand, if applicants feel they have been treated unjustly, perceptions of the organization may take on a negative tone. This could lead applicants away from the organization, and attempts to sabotage the organization may ensue. Although data are scarce regarding the effects of unjust treatment of applicants, there is research examining the effects on employees. Research suggests that employees who feel they have been treated unfairly are more likely to demonstrate retaliatory behavior to punish the organization, such as withdrawing organizational citizenship behaviors, increasing rates of absenteeism, etc. (Skarlicki & Folger, 1997). Thus, it is not surprising that one of the greatest areas of interest among I/O psychologists is in the area of organizational justice (Cropanzano & Greenberg, 1997). If I/O psychology can identify the most appropriate yet inexpensive practices that result in favorable perceptions of organizations, then the result can benefit the organization.

The present study examined applicants' reactions to selection decisions. Specifically, it studied how explanations of rejection in selection decisions affect applicants' perceptions of fairness. In recent years, the concept of fairness has been well researched. Fairness research in an employment setting, which was the scope of this study, has been addressed in the burgeoning field of organizational justice. I will first review the concepts of organizational justice. I will then address the current theories that explain how people formulate perceptions of fairness in organizations. Then, I will outline the current study, present the results of this study, and finish with a discussion of the findings and limitations of this study.

Chapter II

Organizational Justice

Perceptions of fairness are related to whether one feels s/he is being treated justly. In the field of applied psychology, research and theories of social interpersonal fairness pertaining to organizations have fallen under the umbrella of organizational justice (Greenberg, 1987). Thus, the concepts of justice and fairness are intertwined and often used in place of each other.

Gilliland (1993) states that early research on organizational justice identified two components: distributive and procedural. A third component, interactional, has since been conceptualized (Bies & Moag, 1986). Distributive justice refers to one's perceptions of fairness with respect to the outcomes of an event or action. Procedural justice deals with a person's perception of fairness with regards to the process and procedures that lead to an event or action's outcome. Interactional justice suggests that a person's perception of fairness is affected by the interpersonal treatment by the decision-maker in an event or action. Due to the importance of each of these components to the present study, I will review distributive, procedural, and interactional justice in more detail.

Distributive Justice

Homans (1961) conceptualized distributive justice in terms of expectations. Homans stated that parties engaged in a social exchange have two expectations: (a) the reward for each party will be proportional to their respective costs; and (b) the net rewards will be proportional to their respective investments. Distributive justice has

since been defined in terms of perceptions or judgments rather than expectations. Cropanzano and Byrne (2001) defined distributive justice as any judgment regarding the fairness of allocations. Specifically, distributive justice is the perceived fairness of outcomes (pay, praise, promotion, etc.) that a person receives (Folger & Cropanzano, 1998a). Oftentimes, an individual cannot determine the distributive justice of a decision or event by the outcome of that event alone. It is the perception of the relative value of that outcome that enables one to determine whether it was just. Thus, a comparison or a benchmark is needed in order to gauge the fairness. It is the perception of fairness that is formed that determines the reaction of an individual.

As discussed above, distributive justice involves the perception of fairness with regard to an outcome. For a perception to be formed, a referent has to be identified in order to compare the results or outcome. According to Cropanzano and Byrne (2001), Equity Theory (Adams, 1965) addresses distributive justice by stating that individuals develop perceptions of fairness by comparing their input (e.g., work on a task) and its subsequent outcome (e.g., pay) against a referent other's input and subsequent outcome. If the input/outcome ratios are equal, all is perceived to be fair. However, if inequity is perceived, Equity Theory suggests that an individual will either (a) alter outcomes and/or inputs; and/or (b) cognitively distort them. According to the theory, group members can feel underpaid if they perform above and beyond other group members yet must still share equally the outcome(s) of the work. However, equity theory also suggests that group members who perform below the level of the rest of the group, yet still share the outcome(s) of the work equally, will feel overpaid (Barr & Conlon, 1994).

Equity Theory is considered a distributive justice rule due to its explanations concerning the outcome, but therein lies one of its limitations in explaining how people form perceptions of fairness (Cropanzano and Byrne, 2001). First, the theory only considers outcomes a person receives, which are usually material or economic in nature, so it does not address the intangibles that are associated with procedural and interactional justice. Cropanzano and Folger (1989) state that Equity Theory has an inability to "specify, on an a priori basis, when or why people will react differently to identical outcome/input disparities." A second limitation to Equity Theory is that it is not useful in identifying whom a person holds accountable for inequity. It does not suggest whether a person will internalize (blame themselves) or externalize (blame their co-worker, supervisor, organization, etc.) for the cause of any inequity. A third limitation of Equity Theory is that it does not identify what type of actions may result from unfair treatment. The theory is only designed to identify how a person may perceive inequity, but the subsequent behavior due to the perception of inequity is not outlined. The limitations to Equity Theory are addressed by a general discussion of procedural justice followed by a discussion of Referent Cognitions Theory (Folger, 1987), which attempts to improve upon the limitations of Equity Theory.

Procedural Justice

As mentioned earlier, procedural justice is a second component of organizational justice. It initially encompassed the structure of the procedures and policies of the organization and the quality of treatment, which suggested that the concept of procedural justice included both the structural and interpersonal facets (Cropanzano & Byrne, 2001).

Procedural justice, like distributive justice, is also a subjective judgment of fairness, but it is based on the appraisal of the process that leads to a decision/outcome (Cropanzano & Byrne, 2001). Leventhal's (1980) Six Attributes of Fair Procedures propose that a procedure is fair if it is: (a) consistent, meaning procedures are consistent across people and over time; (b) bias free, meaning self-interest and blind allegiance to preconceptions are not in play; (c) accurate, meaning decisions are based on accurate information; (d) correctable, meaning the opportunity to modify decisions is present; (e) representative, meaning procedures represent the concerns of all parties involved; and (f) ethical, meaning procedures are compatible with moral and ethical standards.

As mentioned earlier, Equity Theory is closely associated with distributive justice. However, it does not envelop the procedural aspect of justice, the reactions dealing with the processes that lead to the eventual results (Folger, 1977; Lind & Tyler, 1988). Cropanzano and Folger (1989) state that inequity in different situations may cause individuals to react differently depending on *how* the inequity came about. Folger's (1987) Referent Cognitions Theory (RCT) was developed in an attempt to address the shortcomings of Equity Theory in explaining how fairness perceptions are formed. Cropanzano and Byrne (2001) state that RCT, like Equity Theory, uses a comparison to identify if a situation is fair, but the referent is the "awareness of procedural alternatives that would lead to a more favorable outcome." An unfair judgment is the result of a situation in which an individual believes that an alternative procedure that *should* have been used *would* have led to a more favorable outcome (Cropanzano & Byrne, 2001; Cropanzano & Folger, 1989; Folger & Cropanzano, 1998a). Skarlicki and Folger (1997)

state that RCT can be viewed as a two-component theory: (a) outcome related, meaning

unfavorable outcomes trigger aversive arousal; and (b) process related, meaning

appropriateness of the decision-maker's behavior. RCT also suggests that the perception

of fairness can vary depending on the level of referent. A low referent (i.e., a person not

aware that an alternative procedure would lead to a more favorable outcome) is not as

likely to espouse perceptions of unfairness as a high referent (i.e., a person who is aware

that alternative procedures would have led to a more favorable outcome).

RCT does address some of the drawbacks of Equity Theory. For example, RCT

helps explain the effects of distributive and procedural injustice, the feeling produced and

the action evoked. It also defines the conditions necessary to hold others accountable

(i.e., were they responsible for following alternative procedures). Cropanzano and Folger

(1989) demonstrate that perceptions of unfair treatment are affected by the interaction of

outcome and procedural factors. They found that when the decision for an

unfair/negative outcome is not in the hands of the participant and the participant is aware

that alternative procedures would have led to a more positive outcome, perceptions of

fairness were negatively affected. However, when the participant was involved in the

decision, perceptions of unfair treatment were not present. In this respect, RCT offers a

way to integrate the distributive and procedural components of organizational justice.

Although RCT goes a long way in outlining accountability for a negative

situation, it too has shortcomings (Cropanzano & Byrne, 2001). For one, RCT does not

explain the process of how accountability judgments are made. It is also limited in the

same way Equity Theory was limited by its exclusive focus on material and/or economic

referents while failing to address aspects of socioemotional referents, limiting the explanatory power of the theory. In other words, RCT does not account for interactional justice.

Interactional Justice

Interactional Justice was introduced as the interpersonal aspect of fairness that was originally considered part of procedural justice (Bies & Moag, 1986). Interactional justice refers to judgments regarding the quality of and fairness of interpersonal treatment given to an individual by a decision-maker (Cropanzano & Byrne, 2001). However, researchers have argued whether interactional justice was a subset of procedural justice or if it is a distinct component of organizational justice on its own (Tyler & Bies, 1990). Colquitt (2001) found supporting evidence that interactional justice is a separate and distinct component of organizational justice. Recently, the general consensus appears to be that although procedural justice and interactional justice are interrelated, they are distinct components (Cropanzano & Byrne, 2001). This conclusion is further supported when a person may characterize decision-making procedures and outcomes as fair yet still have perceptions of unfair treatment due to interpersonal communication (Bies & Moag, 1986).

Interactional justice itself is composed of two components, interpersonal treatment/sensitivity and explanations (Greenberg, 1990). The first component, interpersonal sensitivity, is the extent to which a person is treated politely and respectfully. The second component, explanations, refers to the information given. The second component has also been referred to as social accounts, an account or reason for

an event occurring, usually a negative event. Because social accounts are closely related

to the current study, it is pertinent to delve into social accounts in more detail.

Chapter III

Social Accounts

As mentioned earlier in this paper, interactional justice is composed of two

components: interpersonal treatment/sensitivity, being polite and respectful, and social

accounts, accounting or reasoning for an occurrence, which is usually negative. Cobb,

Stephens, and Watson (1989) state that social accounts can be defined as "explanations

one person gives another for a decision made or an action taken." Social accounts help

employees make sense out of an organization's normative structure as well as the rights

and responsibilities of the workers. Social accounts are seen as a way for an account

giver to mitigate the account receiver's reactions to an undesirable event. However, the

classification of social accounts has undergone its own evolution.

The first work with social accounts comes from Goffman (1955) who used the

term "face," defined as the social value of a person in interpersonal contact. This "face"

can be demonstrated in both verbal and nonverbal actions. "Face-work" was the

manipulation of circumstances to avoid or negate threats to a person's "face" or social

value. In essence, face-work was a general term for a social account in that a person

would try to counteract a negative situation through corrective processes.

Scott and Lyman (1968) advanced the work with social accounts by classifying

them into two categories: (a) excuses, accounts that claim the reason for a negative event

was beyond the control of the account giver (e.g., "I can't allow paid time off because

HR will not allow it."); and (b) justifications, accounts that warrant a negative event due

to a 'higher order' obligation (e.g., "We won't receive a pay raise because we need the

revenue to modernize our facilities."). More recently, work on social accounts has been used to directly assess organizational justice.

Much of the research connecting social accounts to organizational justice comes from Bies (1987). Bies classified social accounts into four categories: (a) causal accounts, (b) ideological accounts, (c) referential accounts, and (d) penitential accounts. I will discuss these accounts in greater detail next.

Causal Accounts

Causal accounts address the situational characteristics that compel an account giver to exhibit the behavior that results in the negative event. Cobb et al. (1989) further added that some situational characteristics that compel the account giver's behavior can be a part of the normative structure of an organization (e.g., "I could not attend the company training class because my department meeting went over time."), or they can come from outside the normative structure (e.g., "I could not attend the company meeting because I was sick."). Causal accounts are similar in intent as excuses proposed by Scott and Lyman (1968).

Ideological Accounts

Ideological accounts are similar to Scott and Lyman's (1968) justifications in that they attempt to reframe a negative event by identifying a greater "good" that excuses the behavior. They focus on the normative structure of the organization by making it clear to the account receiver that although they were dealt a bad hand, it was to the benefit of the organization. So, although the account giver takes responsibility for the negative event, it

is justified because it was the right thing to do (e.g., "I cannot cover your travel expenses because we need the revenue to cover the company's operating expenses this month.").

Referential Accounts

Referential accounts, as ideological accounts, also attempt to reframe the negative event by outlining a more favorable outcome or by providing a different point of view from which to view the negative event. There are three types of referential accounts: (a) social, accounts that identify a referent other with a worse negative event (e.g., "You did not get a raise, but Frank was terminated."); (b) temporal, accounts that suggest a better event/outcome will come in time (e.g., "Although you did not get the raise this quarter, there is always next quarter."); and (c) aspirational, accounts that suggest the account receiver's expectations were unrealistic (e.g., "You may not have had enough experience for the raise you wanted.").

Penitential Accounts

The final type of account, according to Bies (1987), is the penitential account. Penitential accounts essentially offer an apology in an attempt to reframe an account receiver's perception of the account giver. By accepting the responsibility of a negative event and apologizing for the event, the account giver expects that the penitence will lead the account receiver to excuse the behavior (e.g., "I know how much you wanted the promotion, and I am truly sorry I was not able to give it to you.").

Bies's (1987) categorization of social accounts has linked the use of explanations to the realm of organizational psychology. In fact, Bies (1987) revealed that social accounts can influence the perceptions of fairness in negative events. However, Gilliland

et al. (2001, p. 670) indicate that Bies's typology of social accounts "does not provide a theoretical basis for examining how or why different accounts influence reactions to decisions." Fairness Theory (Folger & Cropanzano, 1998a) provides a basis for examining how and why different accounts influence reactions to and perceptions of decisions. When these decisions are connected to perceptions of fairness, Fairness Theory can be considered a revision of RCT. Just as RCT was an adaptation of Equity Theory, addressing the procedural aspect of organizational justice, Fairness Theory addresses the interactional aspect of organizational justice that RCT does not include.

Chapter IV

Fairness Theory

Fairness Theory (Folger & Cropanzano, 1998a) is a revision of Referent

Cognitions Theory (RCT) that substantially strengthens its position. According to

Fairness Theory, a situation will be perceived as unjust or unfair when all three of the

following conditions are present: (a) *Would* condition, (b) *Could* condition, and (c)

Should condition. Each condition triggers its own form of counterfactual thinking as a

way to understand the events (Folger & Cropanzano, 1998b). *Would* counterfactuals

develop an alternate scenario against which the negative event is compared; if the

comparison other is much better, then the feelings of unfairness are magnified. *Would*

counterfactuals address the **magnitude** of the discrepancy. *Could* counterfactuals decide

under whose control the negative event occurred; this counterfactual deals with the

feasibility of a person/thing acting differently to change the negative event. *Should*

counterfactuals address the moral and/or ethical conduct of those who could be held

accountable; did the decision-maker act as s/he **should** have, in accordance with

appropriate standards?

Would Condition

One condition that must be present in order for a person to perceive an

unfavorable event or situation as unjust or unfair is the *Would* condition. This requires

that the individual assess how the unfavorable situation would have been different; the

easier it is for the individual to imagine a more positive alternative, the greater the chance

the unfavorable situation will cause distress. In other words, people see their well-being

threatened (Cropanzano & Byrne, 2001). One strong feature of the *Would* condition is that it can be based on material things or socioemotional aspects, so it can include all three components of organizational justice described above. Because the *Would* condition deals with the ease with which a situation can be imagined to be more positive, it is considered a ***magnitude*** measure of unfairness. For instance, if the discrepancy is large between the actual event and the imagined *Would* condition, then the magnitude of unfairness would be larger than a situation where the actual event were not so extreme. An example of this can be demonstrated based on the events of the 2002 NFC Wildcard football game between the San Francisco Forty-Niners and the New York Giants.

In the waning seconds of the game, New York was trailing by one point. As New York set up to kick the game-winning field goal, a botched snap forced the kicker to pick up the football. In an attempt to win the game, the kicker tried to pass the ball to another player near the end zone. Before the ball reached the receiver, a Forty-Niner defensive player interfered. Normally, such interference would result in a penalty and New York would be given another opportunity to win the game. However, the officials did not call the penalty and time ran out, ending New York's season. In terms of the *Would* condition, the discrepancy between the actual event (New York's inability to have another play due to a referee's erroneous non-call and losing the game) and the *Would* condition (having another attempt to score and win the game) was very large. Had New York been trailing by 30 points instead of one, then the same situation would not produce the same magnitude because the discrepancy between the actual event and the *Would* condition would be much smaller. New York would have still lost the game. A

referential account (identifying how a comparable other is in a worse situation) and the penitential account (an apology for a negative event) can reduce the magnitude of a negative event's residual feeling, and thus they are related to the *Would* condition.

Could Condition

The second condition that must be present for a situation to be perceived as unfair according to Fairness Theory involves the *feasibility* of an unfavorable situation being more favorable. The individual assesses whether the target *could* have acted differently; thus this is the *Could* component (Cropanzano & Byrne, 2001). This component is strongly influenced by the social account introduced (or not introduced) by the target, which directly links the *Could* component with aspects of interactional justice discussed above. In particular, it is closely related to the causal account (situational circumstances compel a behavior that leads to a negative event). The social account can negate unfairness of the unfavorable situation. If the circumstances of the situation prohibit the target from acting in a more favorable manner, then according to fairness theory, it is not unfair. A strong aspect of Fairness Theory is that the actual entity that could have acted differently is not necessarily a person; rather, it can be a group or an organization as well. This condition can be illustrated using the same example from before, the 2002 NFC Wildcard game between the San Francisco Forty-Niners and the New York Giants. The reason New York was not able to run another play was because the referee did not call the interference penalty. This was considered unfair by New York because the referee could have called a penalty, demonstrating a *Could* condition. However, if the New York player who was thrown the ball was not an eligible receiver, then based on the rules of

the NFL, an interference penalty cannot be called. According to Fairness Theory, the outside circumstances (the rules) would not allow the referee to call a penalty. Thus, the same result would not be perceived as unfair.

Should Condition

The third component of Fairness Theory that is necessary to perceive a situation as unfair addresses the ethical component of interpersonal treatment. The *Should* component assesses whether one was treated according to an ethical principle or a moral virtue; was s/he treated as s/he should have been treated. According to Cropanzano and Byrne (2001), this is a crucial element in the theory because it was the previously unattended process in the forming of judgments. This component identifies whether or not a moral or ethical principle has been violated in the interpersonal aspect. The *Should* condition is closely related to the ideological social account (responsibility is accepted but justified by a higher-order responsibility). Again, this condition can be illustrated using the same 2002 NFC Wildcard game mentioned above. When the Forty-Niner defensive player interfered with the New York player before the ball reached him, the referee should have thrown a flag indicating a penalty occurred. Because the referee should have thrown a flag but did not, a *Should* condition resulted and the event was perceived as unfair. However, if the referee saw the play and did not feel the Forty-Niner interfered with the New York player before the ball reached him, then ethically he should not have thrown a flag indicating a penalty.

Accountability

As mentioned earlier, the *Would* condition involves the magnitude of a negative

situation. The other two conditions, *Could* and *Should*, deal with the accountability for a

negative event (Folger & Cropanzano, 1998a). In order for a decision-maker to be held

accountable for a decision, both the *Could* and the *Should* condition must be adequately

met. That is, in order to deem a decision-maker accountable for a negative event, it must

be discerned that s/he did not do what s/he could have done (i.e., it was feasible to act

differently). Although this is a prerequisite for assigning accountability, it is not

sufficient. Just because someone could have acted a certain way does not mean they

should have. This is why the *Should* condition works in conjunction with the *Could*

condition to assign accountability. If one or the other is not present, according to

Fairness Theory, then accountability cannot be assigned to the decision-maker for a

negative event. This does not preclude the event from being fair or unfair, simply that

accountability cannot be assigned to the decision-maker. Think back to the 2002 NFC

Wildcard game. If the referee should have thrown a flag indicating a penalty, and he

could have done so based on the rules, then the referee is accountable for the negative

event of New York not receiving another opportunity to score and win the game.

However, if either of those conditions is not present, the outcome is still negative from

the perspective of the New York Giants, but the referees are not accountable.

In general, fairness theory addresses many of the shortcomings of RCT.

Unfortunately, little empirical testing has been performed on this model (Cropanzano &

Byrne, 2001; Gilliland et al., 2001). Studies linking Fairness Theory with rejection

letters are fewer still. In fact, to my knowledge, only one study has examined applicants'

reactions to rejection letters via Fairness Theory (Gilliland et al., 2001). It is from the

aforementioned study that much of the current study is derived. Before discussing the

Gilliland et al. study, I will give a brief review of major terms that are of importance in

that study as well as the present study.

Review of Definitions

Counterfactuals. Fairness Theory suggests that negative events related to

unfavorable outcomes produce counterfactual thinking as a way to understand the events

(Folger & Cropanzano, 1998). Three types of conditions (*Would, Could, and Should*)

lead to three types of counterfactuals. *Would* counterfactuals involve an alternate

scenario against which the negative event is compared (if the comparison other is much

better, then the feelings of unfairness are magnified); this counterfactual deals with the

magnitude of the discrepancy. *Could* counterfactuals involve deciding whose control the

negative event was under; this counterfactual deals with the *feasibility* of person/thing

acting differently to change the negative event. *Should* counterfactuals address the moral

and/or ethical conduct of those whom could be held accountable; did the decision-maker

act as s/he *should* have, in accordance with appropriate standards?

Accountability. In order for a decision-maker to be held accountable for a

decision, both the *Could* and the *Should* condition must be adequately met. That is, in

order to deem decision-makers accountable for a negative event, it must be discerned that

they did not do what they could have done (i.e., it was feasible for them to act differently)

and they should have done the alternative (i.e., they should have followed the normal

procedure for hiring). If one or the other is not present, according to the Fairness Theory, then accountability will not be assigned to the decision-maker for a negative event.

Reducing explanations. These are explanations that attempt to decrease the probability of the *Would*, the *Could*, and the *Should* counterfactuals occurring; when adequate, they should increase the perception of fairness. And, if the *Could-* or the *Should*-reducing explanations are adequate, then accountability should not be placed on the account giver.

Gilliland et al. (2001) Study

Using the tenets of Fairness Theory, Gilliland et al. (2001) explored the combined effects of multiple explanations on applicants' perception of fairness in receiving rejection letters. The authors conducted three studies to test five hypotheses. The first three hypotheses concerned outcome fairness, which is associated with distributive justice. Hypothesis 1 was that rejection letters with *Would*-reducing explanations would be perceived as having more outcome fairness than rejection letters without them. The second hypothesis stated that rejection letters with *Would-* and *Should*-reducing explanations would be perceived as having more outcome fairness than rejection letters lacking either or both explanations. The authors' reasoning in support of the second hypothesis was that a *Should*-reducing explanation (e.g., outlining the criteria used for selection was stringent and fair to all applicants) on its own would not necessarily negate an applicant's feeling that although the process is fair, s/he is still highly qualified and deserving of the position. The *Would*-reducing explanation (which outlined the characteristics of the selected applicant) would be necessary to fully allay the applicant's

perception of why s/he didn't get the job. The third hypothesis in the study proposed that a rejection letter with a Could-reducing explanation would be perceived as having more outcome fairness than a letter without one.

The fourth hypothesis dealt with procedural fairness. It stated that perceptions of procedural fairness would be positively influenced by *Should-* and *Could*-reducing explanations but not by *Would*-reducing explanations. The authors predicted this because their *Would*-reducing explanation that explained the qualifications of the selected applicant did not address the fairness of the procedures of the selection process per se. Instead, it only indicated that the applicant who was hired was more qualified.

The final hypothesis stated that perceptions of interpersonal treatment would be positively influenced by the inclusion of any of the three explanations. The authors supported this hypothesis by suggesting that because the *Should-*, *Could-*, and the *Would-*reducing explanations are not typically added to rejections letters, these explanations would be considered demonstrations of openness and honesty. Because perceptions of interpersonal treatment should be positively influenced by demonstrations of honesty and openness, these explanations should increase applicants' perceptions of interpersonal treatment. I next describe in detail the three studies the authors conducted to test these hypotheses.

Study 1. Volunteers from a jury pool were asked to place themselves in the role of a person with strong credentials and experience who had just been laid off and was applying for a new position. The role involved them applying for a Senior Marketing Manager with a Fortune 500 company in which a slightly inadequate selection process

was used. Subsequently, each volunteer was given one of four rejection letters. The results demonstrated support that rejection letters with *Would*-reducing explanations would be perceived as having more outcome fairness than rejection letters without them.

As mentioned earlier, the rejection letters in the *Should*-reducing condition explained that the selection process was based on a job-related method developed specifically for selecting the best candidates while treating all applicants consistently. The *Would*-reducing condition rejection letter explanation identified specifically the qualifications of the candidate who was selected for the position. Dependent measures included attitudinal measures for outcome fairness, procedural fairness, interpersonal treatment, and recommendation intentions. Explanation adequacy was also assessed.

The results of Study 1 demonstrated main effects of *Should* and *Would* on explanation adequacy; furthermore, the explanation adequacy of the combination of the two counterfactual-reducing explanations provided additive, not interactive, results. Results also demonstrated a main effect for a *Would*-reducing explanation on all three dependent measures of fairness (outcome fairness, procedural fairness, and interpersonal treatment). Interestingly, no main effects were found on any of the dependent measures for the *Should*-reducing explanation in isolation. A *Would*-reducing by *Should*-reducing interaction was observed for procedural fairness and recommendation intentions. However, it should be reiterated that this was a scenario-based study, and the answers to the attitudinal measures were collected directly after the scenario was presented to participants.

Study 2. Gilliland et al.'s Study 2 is one of the only studies examining Fairness Theory and selection in a corporate context. It examined the utilization of the *Could-*reducing explanation. Participants included 254 applicants for a real tenure-track position in a large southwestern university. Due to budget concerns, the university placed the tenure-track position on hold, so all the applicants were notified by mail that they were not selected for the position. Gilliland et al. manipulated the type of rejection letter that the applicants received. Half of the applicants received the standard rejection letter with a *Could-*reducing explanation that explained that the cause of them not receiving the position was due to the hiring freeze. Thus, no one was selected for the position. The other half of the applicants simply received the standard rejection letter. Although the standard letter told the applicant that the university was not able to hire anyone, it did not explain the reasons behind the inability to hire.

Dependent measures included evaluations of procedural fairness, interpersonal treatment, and recommendation intentions. However, Study 2 also included reapplication behavior. Also different from the first study, this study did not measure outcome fairness because the authors concluded that they should not ask for perceptions of outcome fairness from applicants that were not hired.

Participants in the *Could-*reducing condition judged the selection process as being fairer and perceptions of interpersonal treatment as more favorable than those participants who received the standard rejection letter. Also, those in the *Could-*reducing condition were more likely to recommend the organization to others as well as reapply with the organization for a subsequent position.

Study 2 had several strong points. As mentioned earlier, this study was conducted in a corporate context that actually examined the effect of explanations in rejection letters. This manipulation brings the world of theory closer to application. This study also measured an actual behavior, reapplication behavior, along with attitudinal measures. This further triangulated the effect of the manipulation. Study 2 also demonstrated that different types of explanations do indeed have an effect on the perceptions of fairness. Although this study does have its strengths, there are a few limitations.

The first limitation of this study involves the manipulation of the *Could*-reducing explanation. The standard rejection letter mentions that the university was unable to hire anyone for the position. Although the standard letter does not explain why the university was unable to hire, as the *Could*-reducing letter does, the fact that it mentions the inability to hire seems to resemble the purpose of a *Could*-reducing explanation. It is possible that from the standard rejection letter explanation an applicant may perceive the inability for the university to hire, which may have the same effect a *Could*-reducing explanation is supposed to have. Although the predicted effects were obtained, this potential confounding may have reduced their magnitude.

Another limitation was that only the *Could*-reducing explanation was tested. It did not compare the effectiveness of the *Could*-reducing explanation to the *Should*- and *Would*-reducing explanations, nor it did gauge the potential interactive properties of each combination. Finally, by not including a *Should*-reducing manipulation, the effects of explanations in rejections on accountability were not measured. Gilliland et al. (2001)

conducted a third study that incorporated all three types of counterfactual-reducing explanations.

Study 3. Study 3 examined the use of all three *Would-*, *Should-*, and *Could-*reducing explanations. The third study was similar to the first study in that it was a scenario-based experiment using a mixture of business students at the undergraduate and the graduate levels. It used a 2 x 2 x 2 factorial design (*Would* versus No *Would*; *Should* versus No *Should*; *Could* versus No *Could*). One difference from the scenario used in the first study and the one used in Study 3 was that participants were told that they were looking for a position that would advance their career instead of looking for a position after being laid off. Thus, the scenario placed the participant in more of a volitional position than the participants in Study 1.

The independent manipulations were similar to those in the previous studies. The rejection letter with the *Would-*reducing explanation outlined the characteristics of the top candidates for the position. The *Could-*reducing explanation identified a drop in sales, resulting in a hiring freeze. The *Should-*reducing explanation outlined the validity and reliability of the selection process. The dependent measures were the same as in the first study, namely attitudinal measures of outcome fairness, procedural fairness, interpersonal treatment, recommendation intentions, and explanation adequacy.

Several main effects were found in this study, which support many of the authors' hypotheses. The main effect found for the *Could-*reducing manipulation for each of the three fairness measures (outcome, procedural and interpersonal) is in agreement with the authors' hypothesis. Similarly, the main effect of *Would-*reducing explanations on

perceptions of outcome fairness and interpersonal treatment and the main effect of

Should-reducing explanations on perceptions of procedural fairness and interpersonal

treatment were consistent with the authors' hypotheses. However, some main effect

findings contradicted the authors' hypotheses. For instance, perceptions of procedural

fairness were unaffected by *Would*-reducing explanations. Also, *Should*-reducing

manipulations had no main effect on outcome fairness.

The results of the third study also demonstrated that the greatest positive effects

on outcome and interpersonal fairness were observed when two of the three reducing

explanations were used. That is, any combination of two explanations (*Would* x *Could*,

Would x *Should*, or *Should* x *Could*) led to a greater perception of outcome and

interpersonal fairness than any explanation in isolation or no explanation. Further, two

explanations were just as effective as three explanations on outcome and interpersonal

fairness perceptions. Effects on recommendation intentions were similar to those of the

effects on outcome and interpersonal fairness. That is, two explanations led to the most

positive effects.

There were a few strengths of the third study conducted by Gilliland et al. First,

this study manipulated all three components of the Fairness Theory. By manipulating all

three components, the authors were able to compare both main effects and interactions

between each. This study also added to the support of the previous two studies for

Fairness Theory. In general, providing explanations that reduce counterfactual thinking

increases perceptions of fairness. Also, the use of all three components of the Fairness

Theory led to findings that were not originally identified. The authors suggested a

connection between the results of this study and the concept of accountability as it pertains to Fairness Theory. Namely, they found that any combination of two reducing explanations was as effective as three on perceptions of fairness. According to Fairness Theory, if either a *Could-* or a *Should*-counterfactual can be negated by a reducing explanation, then accountability for a negative event will not be placed on the decision-maker.

The results of Gilliland et al. (2001) indicate that indeed explanations that reduce the likelihood of imagining a more positive scenario increase perceptions of fairness. The authors conclude that applicants' perceptions of fairness on negative events can affect their reactions to those events and their subsequent behavior. They found that *Would-* and *Could*-reducing explanations had positive effects on fairness and recommendation intentions. However, the Should-reducing explanations needed to be accompanied by a *Would-* or a *Could*-reducing explanation in order to have a significantly positive effect on perceptions of fairness and recommendation intentions. As mentioned in the discussion of Study 3, the presence of two of the three reducing explanations presented the strongest positive perceptions of fairness and recommendations intentions. The authors purport that this finding may be linked to the concept of accountability; if either *Could* and *Should* counterfactuals are present then the organization can not be held accountable for a negative event. This suggests that only one explanation to reduce the *Could* or the *Should* counterfactual would be sufficient to take accountability away from the company.

Chapter V

Research Design and Hypotheses

The current study was a partial replication of Gilliland et al. (2001). Specifically, I tested Folger and Cropanzano's (1998) Fairness Theory by examining the effect of counterfactual-reducing explanations in rejection letters on perceptions of fairness. Results from Gilliland et al. (2001) provided evidence of main effects for *Would-*, *Should-*, and *Could*-reducing explanations in rejection letters on perceptions of outcome fairness, procedural fairness, interpersonal treatment, recommendation intentions, and reapplication behavior in three studies. Instead of using scenario-based experiments as Gilliland et al. used in Studies 1 and 3, the present study used a real-world situation much like Study 2 in Gilliland et al., excluding reapplication behavior. The present study also measured three of the same four dependent variables in Gilliland et al. However, unlike Gilliland et al., the present study also measured the effects of counterfactual-reducing explanations on accountability.

Like Gilliland et al. (2001), the present study involved sending rejection letters to real applicants. But instead of a university setting, the present study was conducted in a large corporation in the Midwest. For this reason, a *Would*-reducing manipulation was not included in this study. This decision was based on three factors: (a) the study was based on several jobs, so it was impractical to identify the qualifications of the top candidates for all positions; (b) applicants may have felt their qualifications were better than those listed in the *Would*-reducing explanation, leaving the corporation open to litigation; and (c) based on the design that will be discussed later, rejection letters may

have gone out before a qualified candidate was identified, negating the use of a *Would-reducing* explanation.

In order to replicate the findings that the *Could-* and *Should-reducing* explanations affect perceptions of fairness and recommendation intentions in an applied setting and to examine the connection to accountability proposed by Gilliland et al. (2001), the following hypotheses were tested:

Hypothesis 1: A *Could-reducing* explanation will favorably affect perceptions of fairness, recommendation intentions, and reduce perceptions of accountability of the organization.

Hypothesis 2: A *Should-reducing* explanation will favorably affect perceptions of fairness, recommendation intentions, and reduce perceptions of accountability of the organization.

Gilliland et al. (2001) found that the combination of any two counterfactual-reducing explanations was more effective than no explanation or one explanation in isolation. Their research also revealed that the interaction of two counterfactual-reducing explanations were as effective as three explanations. Gilliland et al. purported that these findings could be related to perceptions of accountability. They based this reasoning on their definition of accountability: a decision-maker is held accountable for a negative event if s/he could have and should have acted differently. So, according to the authors, if there are at least two counterfactual-reducing explanations present in a rejection letter, then one has to be either a *Could-* or a *Should-reducing* explanation. If either explanation is present, the decision-maker should not be held accountable. Although Gilliland et al.

did not measure accountability, their findings would support a possible negative relationship between perceptions of fairness and accountability. The present study examined this possibility.

Hypothesis 3: An interaction between the *Should-* and *Could*-reducing explanations will result such that the combination of both explanations will favorably affect perceptions of fairness and recommendation intentions above and beyond the additive effects of each explanation separately. No interaction effect on accountability was proposed because, by definition, only one of the two reducing explanations is necessary to discount the attribution of accountability. The inclusion of both explanations should not discount it above and beyond each in isolation.

Chapter VI

Method

Participants

Participants included 1069 applicants for a variety of entry- and mid-level

positions with a large, international, Midwest-based company. The positions varied from

entry-level to managerial. The applicants varied in age, race, and gender. The

participants were applicants who were rejected at the initial phase in the application

process. That is, participants had submitted a résumé through the company's website but

did not qualify to be considered past the first hurdle in the application process. Typically,

these applicants receive a rejection letter via e-mail either when they are identified as not

a match or as soon as the position is filled.

Design

The design consisted of a 2 (*Should* versus No *Should*) x 2 (*Could* versus No

Could) factorial design. Participants were randomly assigned to one of four treatment

conditions in blocks of four. The independent variables were the explanations contained

in the rejection letter. These explanations were: (a) control (the standard rejection letter),

(b) *Should*-reducing, (c) *Could*-reducing, and (d) *Should*- and *Could*-reducing.

Dependent variables included participants': (a) perceptions of outcome, procedural, and

interactional justice/fairness, (b) recommendation intentions, and (c) perceptions of

accountability. All applicants were rejected, so the *Would* condition was treated as a

design constant. That is, because no applicant received a job offer, the magnitude of the

negative event was constant amongst all applicants. So there was no independent measure of a *Would*-reducing explanation.

Measures

Participants completed a survey adapted from Gilliland et al. (2001). The survey was one page and consisted of 10 questions (Appendix E). The coding structure for analyses appears on Appendix E in parentheses. The questions reflected the attitudinal measures, representing two dependent variables. The first dependent variable was accountability. The second dependent variable was actually a cluster of variables related to perceptions of fairness. The cluster of variables were: (a) outcome fairness, (b) procedural fairness, (c) interactional fairness, and (d) recommendation intentions. The type of job was not used as a variable because the surveys were returned anonymously, so the job for which applicants had applied was unknown. Finally, considering the nascence of the research regarding perceptions of fairness in real-world settings, exploratory measures were included. These exploratory measures included explanation adequacy of the rejection letter, overall satisfaction with the selection process, and demographic information such as sex, age, and race.

Accountability. An open-ended question assessed accountability ("Please state in a few sentences why you feel you did or did not receive a job offer"). The decision to use an open-ended format was based on the perspective of the sponsoring corporation. Wording in a close-ended question would have involved asking participants to rate how accountable they held the corporation. This wording may have suggested to participants

that the corporation was accountable, perhaps fueling feelings of retribution. In an open-ended format, this possibility seemed less likely.

The accountability measure was intended to measure the level of accountability the participants held toward the organization for the negative event of being rejected for employment. Thus, the responses to the open-ended accountability question were compared against the following scale: (a) No Company Accountability = 1; (b) Little Company Accountability = 2; (c) Much Company Accountability = 3; and (d) Sole Company Accountability = 4. Once the surveys were collected, the responses to the open-ended accountability questions were distributed and scaled by two PhD students in an Industrial/Organizational Psychology program. The inter-rater reliability produced an alpha = .85.

Outcome fairness. Gilliland et al. (2001) did not assess outcome fairness because no one in the study received a job offer. Thus, measuring perceptions of outcome fairness would not have been appropriate. However, the present study measured outcome fairness. Normally, it would seem potentially inappropriate to ask an actual applicant how they felt about the outcome of a rejection letter. However, participants in the present study did not know the survey was measuring their reactions to the rejection. The survey was sent to participants one week after they were notified that they did not receive the position. Also, the survey used neutral wording, suggesting that it was not known whether or not the participant received the job. Because this study was in the position to measure perceptions of outcome fairness, it was able to identify possible trends amongst the other measures. This was not done in Study 2 from the Gilliland et al. article, but it

was in both Study 1 and 3. One question appraised outcome fairness ("I feel the hiring decision was fair").

Procedural fairness. Two questions appraised procedural fairness. These questions were adapted for this study. The questions ("The selection process seemed fair to me" and "I feel that the selection process was unbiased") revealed an internal consistency alpha = .79.

Interpersonal fairness. Two questions appraised interpersonal fairness ("I was treated with a high degree of respect and sincerity" and " [Company name] was concerned with the way they treated applicants"). The internal consistency of these two questions was moderate (alpha = .78).

Recommendation intentions. The following two items assessed recommendation intentions: "If I hear about other positions at [Company name], I would be interested in applying for them" and "I would recommend [Company name] to others." The internal consistency of these two questions was high (alpha = .90).

Demographic information. The final three questions on the survey were used to collect optional information on participants' sex, age, and ethnicity.

Explanation adequacy. To be consistent with prior research by Gillilland et al. (2001) in fairness and selection, explanation adequacy was assessed as well with the same item they used ("The rejection letter provided an adequate explanation").

Overall satisfaction. A question measuring participants' overall satisfaction was included in the survey ("Overall, the application process was satisfactory"). This question was not used in the Gillilland et al. (2001) studies. However, this author added

it in an exploratory fashion to identify connections between the attitudinal measures of fairness and accountability, as well as the connection with the reapplication behavior.

Procedure

As soon as an applicant was identified as not qualified for a position or when a vacant position was filled, a rejection letter was sent. Participants for this study were randomly assigned to one of four treatment groups. The first treatment group received the company's standard rejection letter (Appendix A). The second treatment group received a rejection letter containing the *Should*-reducing explanation (Appendix B). The third treatment group received a rejection letter with the *Could*-reducing explanation (Appendix C). The final treatment group received a rejection letter with the *Should*- and the *Could*-reducing explanations (Appendix D). Each letter had at least the information in the standard rejection letter in order to meet the company's standard operating procedures. One week after the rejection letters were sent, I sent the rejected applicants a single-page survey with the assessment items and demographic questions (Appendix E) in a postage-paid return envelope.

Chapter VII

Results

Table 1 displays the return rates of the surveys. As can be seen, 1,069 surveys

were mailed and 160 were returned, representing 14.6% return rate. This return rate was

almost identical to the return rate within each condition.

Table 2 presents the frequencies of the demographic information. Most of the

participants were white (84.4%), male (66.9%), and between the ages of 41 and 50

(33.8%). Preliminary statistics were calculated to ensure the assumptions of ANOVA

were not violated. Tests for normality were significant for almost all conditions across

the dependent variables, indicating that the data were not normally distributed. Data

transformations were used in an attempt to normalize the skewed data to better meet the

assumptions of normality, but they were unsuccessful. However, there were no outliers

in the data set and tests of the homogeneity of variance assumption were not significant.

Because homogeneity of variance was not affected by the nonnormality and MANOVA is

robust to violations of normality, the analyses were performed as planned.

Table 3 displays means, standard deviation, and correlations of the demographic

information and the measures. The measure that has the highest mean is

Recommendation Intentions ($\underline{M}$ = 3.46). All other measures had a mean slightly higher

than the scale midpoint of 2.5. All measures were significantly correlated with each other

($\underline{p}$ < .01). Interestingly, accountability was significantly negatively correlated with all the

other measures. This indicated that as perceptions of fairness, recommendation

intentions, and overall satisfaction increased, the accountability the participant espoused

Table 1

Survey Return Rates

Condition	Number sent	Number returned	%
Standard	253	36	14.23%
Should	280	44	15.71%
Could	281	40	14.23%
Could and Should	255	40	15.69%
Total	1069	160	14.57%

Table 2

Frequencies for Sex, Age, and Ethnicity

Demographic	Group	Frequency	Percent	Cumulative Percent
Sex	Male	107	66.9	66.9
	Female	49	30.6	97.5
	No data	4	2.5	100.0
Age	Under 20	0	0.0	0.0
	20-30	28	17.5	17.5
	31-40	49	30.6	48.1
	41-50	54	33.8	81.9
	51-60	21	13.1	95.0
	Over 60	3	1.9	96.9
	No data	5	3.1	100.0
Ethnicity	White	135	84.4	84.4
	Black	14	8.8	93.2
	Latino	0	0.0	93.2
	Asian	5	3.1	96.3
	Native Am.	0	0.0	96.3
	Other	0	0.0	96.3
	No Data	6	3.7	100.0

Table 3

Means, Standard Deviations, and Correlations

	M	SD	1	2	3	4	5	6	7	8	9	10
1. Sex	1.31	0.49										
2. Age	3.50	1.00	-.13									
3. Ethnicity	1.19	0.59	.09	-.18*								
4. Outcome Fairness	2.70	1.16	-.08	-.12	.14	(^)						
5. Procedural Fairness	2.88	1.01	-.05	-.14	.05	.85**	(.79)					
6. Interpersonal Fairness	2.72	1.01	-.00	-.13	.13	.83**	.84**	(.78)				
7. Recommend Intentions	3.46	1.20	.09	-.18*	.06	.73**	.72**	.71**	(.90)			
8. Explanation Adequacy	2.52	1.18	.07	-.07	.01	.52**	.55**	.59**	.50**	(^)		
9. Overall Satisfaction	2.61	1.22	-.03	-.18*	.07	.79**	.77**	.82**	.71**	.60**	(^)	
10. Accountability	2.54	1.07	-.09	.15	-.01	-.49**	-.52**	-.52**	-.47**	-.27**	-.47**	(.85)

* Significant at the 0.05 level (2-tailed).

** Significant at the 0.01 level (2-tailed).

Values along diagonal represent internal consistency estimates.

^ Single-item measures.

All variables measured on 5-point scales, except Accountability used a 4-point scale.

to the organization decreased. This finding suggests support for Hypotheses 1 and 2, which claimed that either a *Could-* or a *Should-*reducing explanation in a rejection letter would reduce perceptions of accountability towards the organization. However, this support for the first and second hypotheses did not actualize in the data.

A 2 (*Could-*reducing explanation) x 2 (*Should-*reducing explanation) MANOVA was conducted to test for main effects and for an interaction on the dependent variables. This analysis fits the paradigm suggested in this study, and it follows the procedures used in the Gilliland et al. (2001) study from which the current study is modeled. Table 4 displays the means and standard deviations for the measures based on each condition.

Hypotheses

Tables 5, 6, 7, 8 and 9 display the MANOVA summary tables for Outcome Fairness, Procedural Fairness, Interpersonal Fairness, Recommendation Intentions, and Accountability, respectively. Hypothesis 1, which proposed that a *Could-*reducing explanation in a rejection letter would favorably affect perceptions of fairness, recommendation intentions, and reduce perceptions of accountability toward the organization, was not supported. Likewise, Hypothesis 2, which predicted that the use of a rejection letter with a *Should-*reducing explanation would favorably affect perceptions of fairness, recommendation intentions, and reduce perceptions of accountability toward the organization, was not supported. Although statistical support was not found for Hypotheses 1 and 2, it appeared there was partial support for Hypothesis 3.

Hypothesis 3 predicted an interaction between *Could-* and *Should-*reducing explanations on perceptions of fairness and recommendation intentions, which did not

Table 4

Means and Standard Deviations

Dependent Variables	Condition			
	Standard	Should	Could	Should and Could
Outcome Fairness	2.75 (1.21)	2.58 (1.16)	2.78 (1.08)	2.72 (1.21)
Procedural Fairness	2.92 (1.00)	2.72 (1.03)	2.97 (.99)	2.91 (1.04)
Interpersonal Fairness	2.58 (0.78)	2.70 (0.98)	2.81 (1.13)	2.79 (1.11)
Recommendation Intentions	3.47 (1.24)	3.36 (1.04)	3.68 (1.17)	3.34 (1.37)
Explanation Adequacy	2.50 (0.90)	2.35 (1.18)	2.71 (1.29)	2.52 (1.31)
Overall Satisfaction	2.41 (1.19)	2.65 (1.19)	2.63 (1.28)	2.70 (1.24)
Accountability	2.62 (1.06)	2.50 (1.11)	2.57 (1.05)	2.45 (1.13)

Note. Standard deviations enclosed in parentheses.

All variables except Accountability were measured on 5-point scales; Accountability was measured on a 4-point scale.

Table 5

Analysis of Variance for Outcome Fairness

Source	SS	df	MS	F	p
Could	.210	1	.210	.159	.691
Should	.289	1	.289	.219	.641
Should*Could	.746	1	.746	.564	.454
Error	154.773	117	1.323		
Total	1029.000	121			

Table 6

Analysis of Variance for Procedural Fairness

Source	SS	df	MS	F	p
Could	.557	1	.557	.541	.463
Should	.605	1	.605	.587	.445
Should*Could	.191	1	.191	.186	.667
Error	148.429	144	1.031		
Total	149.938	147			

Table 7

Analysis of Variance for Interpersonal Fairness

Source	SS	df	MS	F	p
Could	.952	1	.952	.920	.339
Should	.087	1	.087	.084	.772
Should*Could	.168	1	.168	.162	.688
Error	147.981	143	1.035		
Total	149.092	146			

Table 8

Analysis of Variance for Recommendation Intentions

Source	SS	df	MS	F	p
Could	.304	1	.304	.211	.647
Should	1.844	1	1.844	1.277	.260
Should*Could	.579	1	.579	.401	.528
Error	212.254	147	1.444		
Total	215.050	150			

Table 9

Analysis of Variance for Accountability

Source	SS	df	MS	F	p
Could	.090	1	.090	.076	.783
Should	.480	1	.480	.406	.525
Should*Could	.001	1	.001	.001	.978
Error	164.282	139	1.182		
Total	164.825	142			

garner support from the analyses. However, Hypothesis 3 suggested that there would be

no statistical significance between the *Should*-reducing and the *Could*-reducing condition

above and beyond either condition on their own. According to the definition, only one

reducing explanation is needed to discount the attribution of accountability. Table 8

demonstrates that there was no difference among the three conditions. Unfortunately,

there is no statistical difference among the three manipulated conditions and the

control/standard condition. So, instead of providing partial support for the third

hypothesis, the lack of differentiation between the control and the manipulated conditions

only demonstrates a failure to disprove the null hypothesis.

Exploratory Measures

  Exploratory analyses were conducted to determine the applicants' perception of

the adequacy of the explanation given in the rejection letter and their overall satisfaction

with the application process. The results of these analyses, as seen in Table 10 and Table

11, denote no statistical difference between the conditions.

  In order to better understand the factors at work in this study, further exploratory

analyses were conducted by examining the effects of sex, age, and ethnicity

independently with the original factorial design. In order to discern whether or not there

were sex differences, a 2 x 2 x 2 *Should*-reducing (explanation versus no explanation) x

Could-reducing (explanation versus no explanation) x Sex (male versus female) factorial

design was analyzed. The results of this analysis failed to find main effects or

interactions. This suggested that gender was not an influencing factor in the lack of

significant findings in the original 2 x 2 design. A similar analysis was performed for age.

In the original survey sent out to participants (Appendix E), age had six levels. However, due to the disproportionate representation in the groups for age (67.4% of the applicants were between the ages of 31 and 50), the coding was changed to collapse the original six categories into two groups: 40 and under or over 40. As was the case with sex, a 2 x 2 x 2 *Should*-reducing (explanation versus no explanation) x *Could*-reducing (explanation versus no explanation) x Age (40 and under versus over 40) factorial design was the result. Also similar to the results of the exploratory analysis of sex, age failed to find significant effects. This suggests that differences in the sub-set of age did not influence the findings of the overall 2 x 2 analysis. The last exploratory analysis involved ethnicity.

Similar to age, there was a disproportionate representation of whites in this study (84.4%). Thus, ethnicity was recoded into two groups as well: white and other. The results of these analyses did not yield a statistical difference between the conditions, suggesting that for this data set sex, age and ethnicity did not affect the dependent variables.

Table 10

Analysis of Variance for Explanation Adequacy

Source	SS	df	MS	F	p
Could	1.126	1	1.126	.797	.374
Should	.938	1	.938	.665	.416
Should*Could	.014	1	.014	.010	.921
Error	180.733	128	1.412		
Total	182.970	131			

Table 11

Analysis of Variance for Overall Satisfaction

Source	SS	df	MS	F	p
Could	.711	1	.711	.472	.493
Should	.926	1	.926	.614	.434
Should*Could	.280	1	.280	.186	.667
Error	220.058	146	1.507		
Total	221.793	149			

Chapter VIII

Discussion

Originally, I expected this study to provide further support for Folger and

Cropanzano's (1998) Fairness Theory. Specifically, it was expected that: (a) Hypothesis

1: A *Could*-reducing explanation would increase perceptions of fairness and reduce

perceptions of accountability towards the organization; (b) Hypothesis 2: A *Should*-

reducing explanation would increase perceptions of fairness and reduce perceptions of

accountability towards the organization; and (c) Hypothesis 3: The combination of a

Could- and a *Should*-reducing explanation would have the greatest beneficial effect on

perceptions of fairness. However, these expectations were not supported.

The original work by Gilliland et al. (2001), which this study was modeled on,

supported that *Could*-reducing and *Should*-reducing explanations characterized in

Fairness Theory reduce the automatic response of imagining a more favorable outcome

and thus increasing the perceptions of unfairness. Study two in the Gilliland et al. study,

which most closely reflects the work done in this study, found that participants who

received a *Could*-reducing explanation rejection letter found the process to be fair. The

present study did not support that finding. It is plausible that the reason the results of this

study did not support the findings of Gilliland et al. is because Fairness Theory is

incorrect or incomplete. However, it would be premature to come to that conclusion. It

is likely that other factors contributed to the lack of support for Fairness Theory (e.g.,

weak manipulations of the independent variables, employment climate at time of study,

etc.), and these factors will be addressed shortly. Even though direct support for Fairness Theory was not found in this study, there is still reason to be positive.

Although no significant findings came about due to these analyses, there was one encouraging finding. The significant negative correlation between accountability and all the other measures indicates that, in general, as perceptions of fairness and recommendation intentions increase, the accountability an applicant places on the organization for the rejection decreases. This finding does not directly support Fairness Theory because Fairness Theory suggests that only the inclusion of a *could-* and/or a *should*-reducing explanation would result in the discounting of accountability, but the negative correlation identified is a fundamental aspect of Fairness Theory. That being said, the connection between accountability and perceptions of fairness are fundamental elements of other theories and research, including Referent Cognitions Theory and Attribution Theory (Folger, 1987; Heider, 1958). If some of the limitations to this study can be eliminated, which will be discussed shortly, the specific connection between accountability and fairness proposed by Fairness Theory may come to fruition. Because this finding could be particularly useful to researchers and practitioners alike, future studies should try to focus on making this connection.

<u>Limitations</u>

Though I would like to say this study had no agents working against it, there are some limitations that may have contributed to the lack of significant findings. The first limitations of this study are the actual manipulation used. Recall that participants in this study were actual applicants searching for employment. The independent variable, the

phrasing of the rejection letter, was manipulated via e-mail. This method was chosen because of its cost-effectiveness, its efficiency, and its compliance with the standard operating procedure for the company that was sponsoring the research. However, it is likely that an e-mail notification of rejection (despite the variation in verbatim) is too weak of a manipulation to elicit an effect and too impersonal for such an overwhelmingly personal event like being rejected for a position. The Gilliland et al. (2001) study manipulated the rejection notification through an actual letter that was mailed to the applicant. Due to the seriousness of the situation, the difference between a simple e-mail response versus a typed letter may be enough to explain the difference in results between the studies.

Another limitation to this study was the lack of a *Would*-reducing manipulation. A *Would*-reducing manipulation would have outlined the specific qualities and experience of a selected applicant. The decision not to use this was based on three factors: (a) the impracticality of identifying the qualifications of the top candidates for all positions; (b) the potential of leaving the corporation vulnerable to litigation; and (c) the rejection letters may have gone out before a qualified candidate was identified, negating the use of a Would-reducing explanation. Although the reason for not manipulating the *Would*-reducing explanation is justified, it does limit this study by comparing the potential main effects and interaction with the other conditions on the dependent measures.

A third limitation to the present study is that the type of employment climate in which this study was conducted may have affected the results. Currently, unemployment

is higher than it has been in years. The high unemployment may have skewed the results of the dependent measures. The applicants varied between those looking to advance their careers and those needing a job to support themselves, their families, etc. It stands to reason that a rejection letter may have had less of an effect on applicants who currently have a job and are solely looking for advancement. However, applicants who need jobs may care little about fair procedures and interpersonal treatment. These applicants may hate the company and thus not care to recommend it to others, but their need for employment may be the cause of their behavior to reapply rather than a general feeling of fairness.

One more possible limitation may be that the manipulations for this study were not distinctly differentiated from or accurate reflections of true domains. First, the baseline letter used in this study (Appendix A) is relatively thorough and informative. It is possible that the information provided in the other letters did not distinguish itself from that in the standard letter. Couple this with the possibility that the *Could*-reducing explanations used for this study may not accurately reflect the true *Could* and *Should* domain, and the probability of finding significant results could be further attenuated. It is possible that the explanation used to demonstrate that the organization was unable to select them (the *Could*-reducing explanation, Appendix C) was not effective in demonstrating the lack of feasibility on behalf of the organization. The *Should*-reducing explanation was very similar to the one used in the Gilliland et al. (2001) study, so similar results could be expected. However, this study made more pronounced changes to the *Could*-reducing explanation to accommodate the organization that collaborated

with this study. Considerable effort went into developing an appropriate *Could*-reducing explanation for this study to mirror the effect given by the explanation used by Gilliland et al., but it is possible that the slight variance may have affected this study's results.

Another possible limitation to this study came from the applicant pool. Considerable time was taken to identify applicants who had applied for a position and were rejected after the first hurdle in the selection process. However, identifying applicants in this manner did not preclude including participants who had already applied for a position with the company. Steps were taken to ensure one applicant was not sent more than one of the rejection letters in this study, but some applicants may have had applied to the company before and this may have influenced their perspective. These applicants may be so accustomed to receiving rejection letters that they stopped reading the entire letter. It is difficult to discern the effect this may have had on the results, but future research should include the extra precaution of excluding participants that had already received a rejection letter prior to the onset of the study.

Future research should attempt to reduce the limitations of this study to accurately evaluate the validity of the Fairness Theory. As mentioned earlier, the key limitation to focus on for future research should be the manipulation of the independent variable. It is possible that when dealing with a sensitive process such as employment rejection, a more personal touch is necessary to trigger differences in perceptions of fairness and accountability.

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Appendix A

Standard Rejection Letter

[Date]

[Applicant Name]
[Applicant Address]

Dear [Applicant Name]:

Thank you for submitting a résumé in response to our opening.

The decision to select the best-suited candidate for a position is difficult, and our current search certainly has been no exception. However, we have concluded that our requirements can be more closely satisfied by the qualifications of another candidate.

Should you have a continued interest in employment in our corporate offices, we encourage you to regularly visit the [company name] web-site at http://www.[company name].com. Please direct your résumé to us specifying interest in a particular position for which you are qualified.

Again, thank you for your interest in [company name].

Sincerely,
The Human Resources Team

Appendix B

Rejection Letter with *Should*-Reducing Explanation

[Date]

[Applicant Name]
[Applicant Address]

Dear [Applicant Name]:

Thank you for submitting a résumé in response to our opening.

The decision to select the best-suited candidate for a position is difficult, and our current search certainly has been no exception. In order to identify the best candidate, we have developed the following selection process. The process starts with a thorough job analysis of the position to identify the key tasks and responsibilities that are necessary for success. Then we match these key tasks and responsibilities with the characteristics of applicant résumés. This process ensures that all candidates receive equal consideration and has proven to be highly effective for identifying successful candidates. However, after following this process, we have concluded that our requirements can be more closely satisfied by the qualifications of another candidate.

Should you have a continued interest in employment in our corporate offices, we encourage you to regularly visit the [company name] web-site at http://www.[company name].com. Please direct your résumé to us specifying interest in a particular position for which you are qualified.

Again, thank you for your interest in [company name].

Sincerely,
The Human Resources Team

Appendix C

Rejection Letter with *Could*-Reducing Explanation

[Date]

[Applicant Name]
[Applicant Address]

Dear [Applicant Name]:

Thank you for submitting a résumé in response to our opening.

The decision to select the best-suited candidate for a position is difficult, and our current search certainly has been no exception. We appreciate the time and effort involved in submitting your résumé. Unfortunately, we were unable to complete our hiring process. In the middle of our recruiting process, we experienced department restructuring that added uncertainty to our hiring plans. The restructuring has forced us to make some tough strategic choices regarding the type of candidate that would best fill our short- and long-term needs. Consequently, we are unable to pursue candidates for this position at this time. We were impressed by the quality of many of the applicants for this position, and our inability to hire represents our loss.

Should you have a continued interest in employment in our corporate offices, we encourage you to regularly visit the [company name] web-site at http://www.[company name].com. Please direct your résumé to us specifying interest in a particular position for which you are qualified.

Again, thank you for your interest in [company name].

Sincerely,
The Human Resources Team

Appendix D

Rejection Letter with *Should-* and *Could-*Reducing Explanation

[Date]

[Applicant Name]
[Applicant Address]

Dear [Applicant Name]:

Thank you for submitting a résumé in response to our opening.

The decision to select the best-suited candidate for a position is difficult, and our current search certainly has been no exception. In order to identify the best candidate, we have developed the following selection process. The process starts with a thorough job analysis of the position to identify the key tasks and responsibilities that are necessary for success. Then we match these key tasks and responsibilities with the characteristics of applicant résumés. This process ensures that all candidates receive equal consideration and has proven to be highly effective for identifying successful candidates.

Unfortunately, we were unable to complete our hiring process. In the middle of our recruiting process, we experienced department restructuring that added uncertainty to our hiring plans. The restructuring has forced us to make some tough strategic choices regarding the type of candidate that would best fill our short- and long-term needs. Consequently, we are unable to pursue candidates for this position at this time. We were impressed by the quality of many of the applicants for this position, and our inability to hire represents our loss.

Should you have a continued interest in employment in our corporate offices, we encourage you to regularly visit the [company name] web-site at http://www.[company name].com. Please direct your résumé to us specifying interest in a particular position for which you are qualified.

Again, thank you for your interest in [company name].

Sincerely,
The Human Resources Team

Appendix E

How did we do?

We would greatly appreciate you taking a few minutes to answer the following questions to help [company name] refine and improve our selection process. Do not write your name on this questionnaire. Thus, your responses will be **strictly anonymous** and **confidential**. Thank you.

Sex: Male _____   Female _____

Age: Under 20____   20-30____   31-40____   41-50 ____   51-60____   Over 60____

Ethnicity: Asian__   Hispanic__   White__   Black__   Native American__   Other__

Please circle the response that most accurately reflects opinion your for each question:	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
1. The selection process seemed fair to me.					
2. I feel that the selection process was unbiased.	SA	A	N	D	SD
3. I was treated with a high degree of respect and sincerity.	SA	A	N	D	SD
4. [Company name] was concerned with the way they treated applicants.	SA	A	N	D	SD
5. I feel the hiring decision was fair.	SA	A	N	D	SD
6. If I hear about other positions at [company name], I would be interested in applying for them.	SA	A	N	D	SD
7. I would recommend [Company name] to others.	SA	A	N	D	SD
8. Please state **in a few sentences** why you feel you did or did not receive a job offer.					
9. (if you received a rejection letter) The rejection letter provided an adequate explanation.	SA	A	N	D	SD
10. Overall, the application process was satisfactory.	SA	A	N	D	SD