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Procedural and distributive justice effects moderated by organizational identification

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Abstract

Purpose – The purpose of the research was to test whether the widely known interaction between procedural and distributive justice influences cooperation, but only when employees' identification with the organization is strong.

Design/methodology/approach – A survey study was conducted in a company, including scales assessing distributive justice, procedural justice, employees' sense of organizational identification and willingness to cooperate.

Findings – The results showed that this interaction effect was only found among those with a strong sense of organizational identification. However, the pattern of this interaction was different from the pattern found in previous studies, that is, both high procedural and distributive justice was required to best predict cooperation.

Originality/value – These findings identify yet another important moderator of the interaction between distributive justice and procedural justice, but also show that because of the cognitive content of the measure of organizational identification, the shape of the interaction is different than the one predicted by prior research.

Keywords Justice, Employee behaviour, Interaction, Corporate identity

Paper type Research paper

The issue of justice is a dominating theme in organizational life, as witnessed by employees talking and negotiating often about issues related to questions about whether they received the appropriate outcomes (i.e., distributive justice) (Deutsch, 1985) and whether correct and fair decision-making procedures have been used by management to arrive at those outcomes (i.e. procedural justice) (Tyler, 1989). The organizational justice literature early on made a distinction between these two types of justice by arguing that the issue of distributive justice is often seen as a function of the economic value of the outcome, like, for example, the possibility of a pay raise or not (Folger and Cropanzano, 1998). Presentations of procedural justice, however, have often been linked to relational or self-relevant motives. For example, authorities using fair procedures (e.g., giving voice to others) (Folger, 1977) influence significantly commitment to the group and/or organization, and people's self-esteem (e.g., Tyler, 1999), regardless of cultures. Therefore, as Cropanzano and Ambrose (2001) argue: "distributive justice has been loosely equated with economic benefits, whereas procedural justice has been loosely equated with socioemotional benefits" (p. 125).

As a consequence of this distinction, for a long period of time, organizational researchers have examined both justice concepts separately. However, in particularly the last decade considerable evidence has been found that organizational justice is better understood by integrating the procedural justice and distributive justice domains (Brockner and Wiesenfeld, 1996). A vast amount of research has indeed shown that the direct effect of distributive justice on people's reactions at the workplace is influenced by procedural justice. In fact, there is converging evidence that the effects of procedural justice are most strongly observed when outcomes are unfavorable (Brockner and Wiesenfeld, 1996). Whereas favorable outcomes may generally satisfy people, unfavorable outcomes elicit a greater need for explanation and thus focus people's attention more strongly on the procedures used to arrive at the outcome. Accordingly, with unfavorable outcomes, procedural justice will have a greater impact on people's responses to the decision (see Brockner and Wiesenfeld, 1996, for a review of these studies).

One common explanation for this interaction effect may be derived from the group value model (Lind and Tyler, 1988; Tyler and Lind, 1992). According to this model, employees use procedural justice as information about their social standing within the organization (Tyler, 1989). If procedures are perceived as fair, employees will feel respected and valued by the organization and the enacting authority, and consequently will trust this authority and their long-term relationship with him (Tyler and Lind, 1992). In addition, such signal of the authority's benevolence and trustworthiness will result in a greater work motivation in favor of the organization (Tyler, 1999). Thus, if people receive negative outcomes they will try to make sense of this situation and look for additional information. In this case, additional information can take the form of procedural justice information. As such, if they notice that fair procedures are used, they will reason that the authority can be trusted in his/her decision-making procedures and as a result will be motivated to show commitment toward the organization and engage in cooperation. In contrast, if unfair procedures are used, trust will be low, and employees will be most likely to show low commitment and low cooperation.

Recently, it has been argued that because of this relational component of procedural justice, a potential moderator of this interactive effect may be the extent to which employees assign importance to their relationship with the enacting authority and the organization as a whole (Brockner, 2002). That is, if procedural justice communicates information relevant to issues of social standing and trust within relationships, then particularly employees who focus on the relational importance of social standing and trust will show such an interactive effect between procedural justice and distributive justice. To date, however, only two empirical studies have examined this assumption in an organizational context. First, Brockner *et al.* (2000), showed in an organizational context that among employees with a collectivistic orientation or interdependent self-construal, the interactive effect between procedural justice and distributive justice was found, whereas this was not the case among employees with an individualistic orientation or independent self-construal. Second, Kwong and Leung (2002) demonstrated in their second study that procedural justice interacts with distributive when organizational commitment is high as opposed to when it is low. These studies thus suggest that a potential moderator of this interactive effect is how important one considers to be his or her relationship with the organization.

In the present research, we will examine whether procedural justice will interact with distributive justice to influence cooperation as a function of organizational identification. Thus, the focus on organizational identification will be different than Brockner *et al.*'s (2000) focus on self-construal and Kwong and Leung's (2002) focus on organizational commitment. Organizational identification has been defined as "perceived oneness with an organization and the experience of the organization's success or failures as one's own" (Mael and Ashforth, 1992, p. 103). This form of identification is different from organizational commitment (as used by Kwong and Leung, 2002), and cross-cultural differences in orientation (see Brockner *et al.*, 2000), because it introduces a conceptually distinct cognitive component. That is, organizational identification represents the degree of a cognitive connection between the attributes and goals that a person uses to identify him- or herself and the attributes and goals that are included in the perceived organizational identity (see also Dutton *et al.*, 1994). Organizational commitment, on the other hand, is different because it is a more encompassing construct than organizational identification. That is, organizational commitment often includes "internalisation, behavioural intentions, and affect" (Mael and Ashforth, 1992, p. 23). Several reasons can be given to explain why it is important to use organizational identification as a moderator of the interactive effect.

First, no evidence – to our knowledge – exists that the importance one assigns to the organization and its welfare should matter in influencing the interactive effect of distributive justice and procedural justice. Because organizational identification is one of the primary organizational variables emphasizing the importance of the organization to how employees define themselves and their goals, this variable is very much suited to test this moderating hypothesis. Second, prior research on procedural justice has shown that the relational component of procedures should matter most for those exhibiting a strong sense of group identification (Tyler and Lind, 1992). Third, organizational identification is considered to be an important variable that has considerable influence on organizational outcomes relevant to the organizational welfare (e.g., Dutton *et al.*, 1994; Van Knippenberg and van Schie, 2000).

Following from this, we expect that the frequently observed interaction between distributive justice and procedural justice will predict employee's cooperation, but particularly so when their level of organizational identification is high. How will this interaction look like as a function of organizational identification? The two earlier mentioned studies (Brockner *et al.*, 2000; Kwong and Leung, 2002) revealed that when commitment or a collectivistic orientation was high, procedural justice had a stronger influence when outcomes were unfavorable. Thus, one could predict that procedural justice matters most when outcomes are unfavorable, but only when high organizational identification is high (*H1a*). However, an alternative prediction can be made as well. Those earlier mentioned studies used a commitment measure that was primarily affective in nature, whereas organizational identification is primarily recognized as cognitive in nature (Mael and Ashforth, 1992). Research shows that this cognitive component implies that a strong sense of organizational identification is associated with the processes of perceiving organizational and personal outcomes as interchangeable (e.g., De Cremer and Van Vugt, 1999; Van Knippenberg, 2000). Thus, own interests are seen as similar to the interests of the collective or organization.

Therefore, in this way, employees' affiliation is then also determined, at least partly, by how good employees perceive the outcomes to be (i.e., outcomes can, for example, be a positive organizational financial reputation, which leads to a positive self-definition of the individual employee and the organization as a whole). In addition to outcome concerns, Tyler and Lind (1992) argue that those with a high sense of identification wish to have long-term relationships with their organization and, therefore, to maintain the initial identification with the organization for a long-term period, the use of fair procedures is required (Tyler and Lind, 1992). Moreover, Tyler (1994, p. 852) also tentatively suggested that these relational concerns for fair procedures (i.e., long-term relationships and positive social standing) (Tyler, 1989)) might ultimately, in the long term, also lead to reasonable levels of resources from the organization (i.e., committed employees ultimately perform above average in the long term). As such, relational concerns like a long-term commitment and obtaining favorable and positive outcomes seem to go hand in hand. Consequently, all this evidence points to the fact that when a sense of organizational identification is high, both resource and relational concerns may be involved (see for a similar argument, Heuer *et al.*, 2002). Following this alternative line of reasoning, it could then also be hypothesized that procedural justice (communicating relational concerns) is most effective in predicting cooperation when outcomes are favorable (i.e., high distributive justice, and as such making sure that resources are positive), particularly among high identifying employees (*H1b*).

Method

Sample

The study was conducted at a multinational company in Germany. This company is a major producer of medicines and medical equipment. Data were collected by a research assistant who did his probation at this company and who approached all employees of four different production departments. These employees were asked to complete a questionnaire containing the scales as described below. If they were willing to participate, the research assistant handed over the surveys to the employees and respondents mailed the completed surveys directly to the research assistant. In total, 250 employees were contacted and 198 of them completed the questionnaire and returned it to the research assistant (79 percent response rate). Of the respondents, 87 percent were male, 11 percent were female (2 percent could not be identified), and 65 percent were between 31 and 50 years of age.

Measures

All items were answered on a five-point scale, ranging from very much so (1) to not at all (5). Higher scores indicated higher distributive justice, procedural justice, organizational identification, and cooperation.

Distributive justice. Distributive justice was measured by two items (taken from Colquitt, 2001): "The outcome of my work is appropriate for the work that I have completed", and "The outcome of my work reflects what I have contributed to the organization" (Cronbach's $\alpha = 0.81$).

Procedural justice. Procedural justice was measured by the six items as constructed by Colquitt (2001), and which were adapted to the context of the present organization. The scale focuses on Leventhal's six procedural justice rules: consistency, representativeness, bias suppression, accuracy, correctability, and ethicality

(Leventhal, 1980). The scale includes items like "I am able to express my views during the work-procedures", and "My chiefs judge me in an objective and fair manner" (Cronbach's α = 0.84).

Organizational identification. Seven items adapted from Mael and Ashforth (1992) were used to assess employees' organizational identification. These items were "When someone criticizes (name of organization), it feels like a personal insult", "When I talk about this organization, I usually say 'we' rather than 'they'", "I am very interested in what others think about (name of organization)", "(name of organization) successes are my successes", "If a story in the media would criticize (name of organization), I would feel embarrassed", "People in my community think highly of (name of organization)", and "Employees from other companies look down at (name of organization)". These items were combined to form one average identification score (Cronbach's α = 0.82). The scale has been shown to be reliable (Mael and Ashforth, 1992; van Knippenberg and van Schie, 2000).

Cooperation. Cooperation was measured by four items (taken from van Knippenberg and van Schie, 2000, and Moorman and Blakely, 1995): "The work that I do makes sense", "My work is it worth that I am committed to it", "I am always willing to share my knowledge with my colleagues", and "I encourage those colleagues who hardly say anything to express their opinions" (Cronbach's α = 0.71).

Results

Means, standard deviations, and intercorrelations for the study variables are displayed in Table I. To test the hypotheses, we conducted a hierarchical regression analysis in which cooperation was predicted by main effect terms (distributive justice, procedural justice, and organizational identification) at Step 1, the two-way interactions at Step 2, and the three-way interaction at Step 3 (see Table II). Following Aiken and West (1991), distributive justice, procedural justice, and organizational identification were centered and the interaction terms were based on these centered scores. Also, because lower-order interactions cannot be interpreted if the higher-order interactions are significant (Aiken and West, 1991), we considered only the three-way interaction of interest in the present research. Table II shows the regression results: As expected, organizational identification ($\beta = 0.21$, $p < 0.01$) and procedural justice ($\beta = 0.39$, $p < 0.001$) were significantly related to cooperation. Also, the expected three-way interaction was significant ($\beta = 0.20$, $p < 0.05$). We analyzed this interaction following recommendations by Aiken and West (1991). Analyses showed that among those with high organizational identification, the

Variable	M	SD	1	2	3	4
1. Distributive justice	2.99	1.04	(0.81)			
2. Procedural justice	3.50	0.85	0.51***	(0.84)		
3. Organizational identification	2.75	0.76	0.38***	0.45***	(0.82)	
4. Cooperation	3.97	0.67	0.35***	0.52***	0.41***	(0.71)

Table I.
Descriptive statistics and intercorrelations

Notes: $N = 198$. Internal reliabilities (coefficient alphas) are given in parentheses on the diagonal. ***$p < 0.001$

	B	SE B	β	R^2
Step 1				0.31***
Distributive justice (DJ)	−0.11	0.05	0.07	
Procedural justice (PJ)	0.31	0.06	0.39***	
Organizational identification (OI)	0.19	0.06	0.21**	
Step 2				0.02
DJ × PJ	0.02	0.05	0.02	
DJ × OI	−0.10	0.06	−0.11	
PJ × OI	−0.04	0.08	−0.04	
Step 3				0.02*
DJ × PJ × OI	0.13	0.05	0.20*	

Notes: Final model: F (7, 190) = 14.35, $p < 0.001$; total $R^2 = 0.35$. B indicates unstandardized regression coefficient. β indicates standardized regression coefficient. *$p < 0.05$; **$p < 0.01$; ***$p < 0.001$

Table II.
Hierarchical regression
analysis for cooperation

interaction between distributive and procedural justice was a significant predictor of cooperation ($\beta = 0.22$, $p < 0.05$), whereas this was not the case among those low in organizational identification ($\beta = -0.14$, ns). Figure 1 shows that procedural justice is more strongly and positively related to cooperation when distributive justice is high among those high in organizational identification, but not among those low in organizational identification.

Discussion
The topic of organizational justice has received increasing attention from the field of organizational-industrial psychology and human resource management (Folger and Cropanzano, 1998; Greenberg, 1990). In addition to observing separate main effect of procedural and distributive justice, the last decade considerable evidence has been found that both types of justice interact in affecting employees' attitudes, cognitions and behavior (Brockner and Wiesenfeld, 1996). Of course, an important question from the perspective of organizational and managerial effectiveness is when does this interactive effect occur?

Based on initial evidence provided by Brockner *et al.* (2000) and Kwong and Leung (2002), we proposed that the interaction between procedural and distributive justice is most likely to be observed when employees show a strong sense of affiliation with their organization. The present study was the first to use organizational identification as an operationalization of employees' sense of affiliation. Thus, organizational identification was expected to moderate the interactive effect between procedural and distributive justice. The present findings indeed showed that this interactive effect is qualified by employees' level of organizational identification, but contrary to previous research, indicated that procedural justice only had an effect when outcomes were favorable. The other two studies using affiliation as moderator showed that procedural justice only had an effect when outcomes were unfavorable and a sense of affiliation was strong. As such, the present finding supports the alternative hypothesis (*H1b*) proposing that organizational identification constitutes an important cognitive moderator, and due to this cognitive nature of this moderator (see, e.g. van Knippenberg and van Schie, 2000, for an elaboration on the cognitive dimension of organizational identification) those
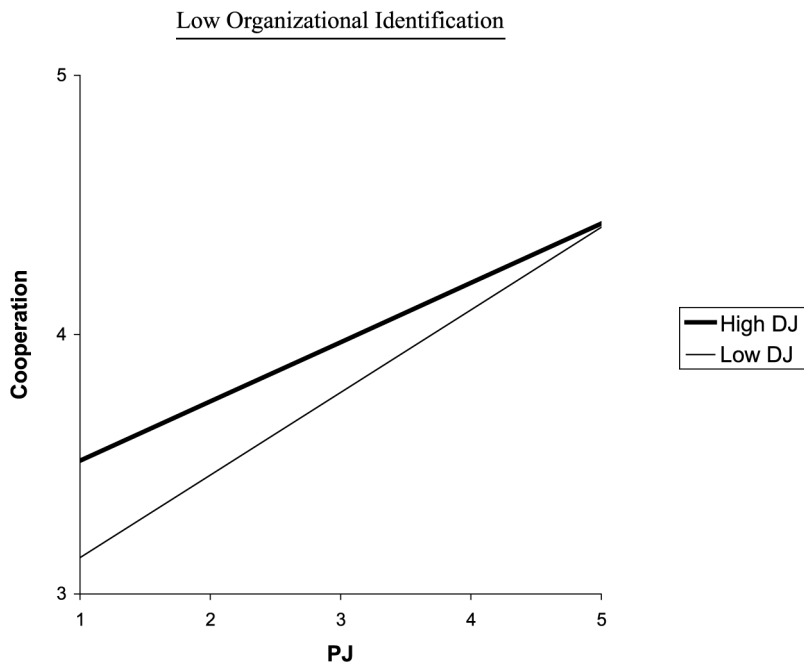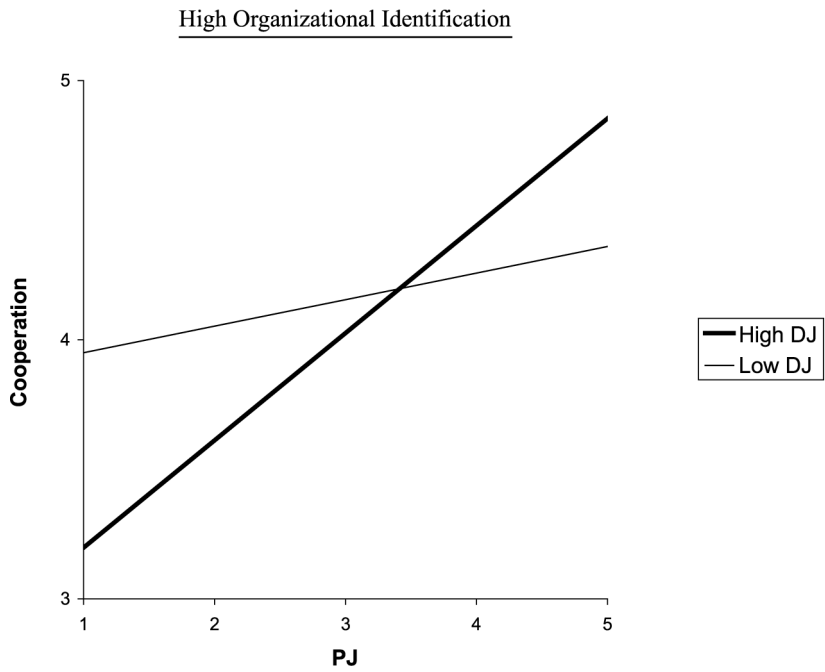
Figure 1.
Cooperation in terms of
organizational
identification, procedural
justice, and distributive
justice. High and low
distributive justice are,
respectively, 1 SD above
and 1 SD below the mean

with high organizational identification are supposed to maintain their affiliation via two cognitive processes.

First, because of the perceived interchangeability of organizational and personal outcomes (i.e., previous research demonstrated that high identifiers perceive the organizational interests as their own in such a way that, for example, helping to improve the organization's reputation and financial situation is pursued because these are aims that the high identifying employee values most as well; De Cremer and van Vugt, 1999), they wish to receive favorable outcomes, and, second, fair procedures are preferred to maintain their initial high level of affiliation on the long term (i.e., being treated fairly translates the initial attraction to the organization in a long-term commitment; Tyler and Lind, 1992). Extending these lines of thought to the present research, we predicted that if these cognitive processes associated with employees' sense of affiliation are activated, employees will attend to the fairness of the used procedures, but mainly so if their outcomes are favorable. This is exactly what the present findings show. However, we hasten to say, that a limitation of the present study is that we did not measure these underlying cognitive processes. Therefore, future research in this area is urged to include employees' perceptions of how much they value the organizational welfare and how attracted they are to the organization in a long-term perspective.

Further, because hardly any empirical studies have been conducted to examine this triple interaction, and because the present study is to first to make explicit this distinction between cognitive and affective affiliation to organizations, consequently revealing different types of interactions between procedural and distributive justice, it is our hope that future research will devote attention to better understanding why and how procedural justice and distributive justice interact as a function of people's affiliations.

An important task of managers is to attend to issues of profitability, organizational satisfaction, but also to the satisfaction, self-esteem, and commitment of the individual employee. Indeed, because of changing business conditions, which has witnessed an increasing trend towards employee involvement in decision making, organizational research has begun to devote more attention to the role of managers and leaders in shaping individual employees' self-esteem and motivation (e.g., McAllister and Bigley, 2002; Pfeffer, 1998).

Consequently, the last decade it has become increasingly clear that self-esteem, social standing, trust, and motivation of the individual employee are not only important psychological needs, but also important economic needs (Branden, 1998). These concerns, in turn, are of major importance in the process of how employees, at different levels in the organization, reason, decide, and regulate action (e.g., Wiesenfeld *et al.*, 2000). Therefore, the present findings indicate that it is important for managers to include the management of both fair procedures and fair outcomes in their behavioral repertoire. In the employment of these functions, it is important to monitor how committed employees perceive themselves to be to the organization, because as a function of their sense of organizational identification both types of justice may interact in different ways when predicting their willingness to work for the organization.

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