Organizational justice: understanding, applying, and measuring
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ABSTRACT
The term ‘organizational justice’ refers to the extent to which employees perceive workplace procedures, interactions and outcomes to be fair in nature. These perceptions can influence attitudes and behaviour for good or ill, in turn having a positive or negative impact on employee performance and the organization’s success. The principles of organizational justice are not, on the whole, complex to apply and may be considered more in the vein of ‘sound managerial practice’ than ‘social technology’. While some interventions may be less successful on some occasions or in particular contexts, none is likely to be harmful, and at the very least they will promote a sense that the organization is concerned about fairness. When implemented well, they can make a significant contribution to improving performance, enhancing commitment, and preserving dignity and humaneness.

Introduction
The study of organizational justice has emerged as an extremely popular topic in industrial– organizational psychology, human resource management, and organizational behavior (Colquitt, Conlon, Wesson, Porter, & Ng, 2001; Cropanzano & Greenberg, 1997; Greenberg, 1990). Organizational justice research, which focuses on the role of fairness as a consideration in the workplace, has demonstrated that fair treatment has important effects on individual employee attitudes, such as satisfaction and commitment, and individual behaviors, such as absenteeism and citizenship behavior (Colquitt et al., 2001). In addition, research has demonstrated associations between perceived justice and individual work performance (Cohen-Charash & Spector, 2001; Colquitt et al., 2001). Greenberg and Lind (2000) have noted that most existing justice research has been “designed primarily to inform theory development, and only secondarily, organizational practice” (p. 73). Much of the research in this area has centered on the formation of justice perceptions, specifically on perceptual determinants of fairness or unfairness, and subsequent individual cognitive and attitudinal reactions. Although researchers may draw implicit relationships between individual-level and higher level outcomes (e.g., higher levels of employee satisfaction from perceptions of procedural justice should lead to lower turnover rates in organizations), we have found no published studies that empirically demonstrate a clear link between perceptions of fairness and organization-level or business-unit-level operational outcomes. We believe that the study of justice at higher levels of analysis and business-unit-level consequences of justice may better inform organizational practice. Thus, we examine such higher level relationships in this study. Most of the critical outcomes to which senior managers attend—for example, revenues, profitability, customer satisfaction—emerge at the group, business-unit, or organizational level, as these levels reflect the scope of the managers’ authority. To establish a link between fairness and organizational outcomes, we must consider the operation of fairness perceptions at the organizational level. As described by Kozlowski and Klein (2000), “many phenomena in organizations have their theoretical foundation in the cognition, affect, behavior, and characteristics of individuals, which—through social interaction, exchange, and amplification—have emergent properties that manifest at higher levels” (p. 15). As firms struggle to use their human resources more effectively in gaining competitive advantage, the employee-organization relationship always become the topic of interest for organizational researcher. According to Tekleab et.al (2005), the level of organizational justice present in management decisions about employees is directly related to the quality of resulting social exchange relationship between the individual and their employing organizations as well as between employees and organization agents such as immediate manager. Social exchange theory is an economic model of human behaviour; employees’ desire to maximize rewards and minimize losses support the interactions between them and the organization or its representatives (i.e. their supervisor) (Wat and Shaffer 2005). A large number of studies have sought to link justice perceptions to a variety of organizational outcomes, including job satisfaction, organizational commitment, withdrawal and organizational citizenship behavior (Colquitt et.al. 2001). Cropanzano et.al. (2007) argue that organizational justice has the potential to create powerful benefits for organizations and employees alike include greater trust and commitment. Like many constructs in organizational psychology, however, commitment has been conceptualized and measured in various ways (Allen and Meyer 1990). If employees perceive that they are being treated fairly by their supervisor, they will be more likely to reciprocate by holding positive attitudes about their
work, their work outcomes and their supervisor (Wat and Shaffer 2005).

**Organizational justice**

This stage reviews the organizational justice literature from its historical beginning in the work of Adams [1963; 1965] to the current work of Greenburg [1987] and Folger [1977].

Cognitive dissonance [Festinger 1957] was cited by Adams as the theoretical underpinning of equity theory. Equity theory is the historical root of organizational justice [Homans 1961]. Adams [1963] mentioned that a man suffers from cognitive dissonance when things do not go in the manner as he or she expected. In the 1960s, research focused on studying what perceived inequities did in relation to pay and other extrinsic factors [Adams 1963; 1965; Blau 1964; Homans 1961].

Organizational justice currently contains three dimensions studied by research. They are distributive justice [Price & Mueller 1986], procedural justice [Thibaut and Walker 1975], and interactive justice [Bies & Moag 1986].

In the organizational context, procedural justice is considered an important resource in social exchange, where else, distributive justice considered to be more closely related to economic exchange (Loi et al. 2006). Another form of justice that focus on employees’ perceptions of the quality of the interpersonal treatment received during the enactment of organizational procedures labelled as interactional justice (Skarlicki and Folger 1997). Cropanzano et al. (2007) argued that organizational justice is a sort of ‘glue’ that allows people to work together effectively, in contrast, injustice is like a corrosive solvent that can dissolve bonds within the community and its hurtful to individuals and harmful to organization. An immediate implication of inequity can arise in one of three ways:

1. **Own inequity** (the persons’ input-outcome ratio is unbalance);
2. **Comparison inequity** (the persons’ input-outcome is balance but it is unbalance when compared with that of another person in similar circumstances);
3. **Own-comparison inequity** (the persons’ input-outcome ratio is unbalance it is also unbalance with respect to the comparison person) (Weick dan Nesset 1968).

What must be remembered about equity theory is that it involves personal perception (Altman et al. 1985). An individual may actually be receiving higher pay than others but believe that he or she is worth even more. Therefore, restoring balance employee’s perception is important to reduce social tension in workplace (Weller 1995). Since equity theory deals with perceptions of fairness or unfairness, it is reasonable to expect that inequity states may be redressed merely by altering one’s thinking about the circumstances, thus they can come to perceive inequitable situation as equitable, thereby effectively reducing their inequity distress (Greenberg and Baron 2003).

Experiment by Goodman and Friedman (1968) support this argument and found that employee who experiencing inequity having high desire to prove their ability by increasing output. Research does not consider how different types of injustice may affect the type of deviance in which an individual engages (Ambrose et al. 2002). Therefore, if one’s goal is to promote workplace justice, it is useful to consider them separately and in detail because each component is engendered in distinct ways, arising from different managerial action (Cropanzano et al. 2007).

Equity theory in its basic form predicts that individuals are motivated by the perception of inequity [Adams 1965]. The theory states that men and women are in a continual and never ending state of social comparison with a referent group of individual. Adam's traditional theory assumes that responses to injustices are more dynamic in form and entail a need to reduce that level of distress or dissonance created by the inequitable state.

Individuals constantly measure their perceived "inputs" and their "outcomes" as a ratio in comparison to a referent individual. Adams defines the "inputs" in social exchange as qualities and characteristics that a person possesses such as age, seniority, social status, education, effort, ability or skill, etc. The "outcomes" are defined as items or privileges received in social exchange such as rewards, money, increased status, authority, or enjoyable work/assignments/duties. It is crucial to note that inequity produces two different social behaviors. Here is a simplistic example. If an individual perceives inequity because his or her "inputs" far exceed his or her "outcomes" or vice-versa, one may expect that anger or guilt will follow. Blau [1964 p.88-89] mentioned that this notion of social exchange is at work in just about every facet of life. One can see this as the "keeping up with the Jones' syndrome" in neighborhoods or in people being jealous of others because they feel inequitable in some respect. The basic belief in equity theory is that when someone is in the inequity stage, he or she will then be moved or motivated to do something that will help the person regain a perception of equity in the situation. When equity is present, the belief is that the person is at peace with the social exchange and is not moved to any action other then contentment. Greenburg [1990] found that employee pay reduction without an explanation as to why the cut in pay occurred moved [motivated] employees to ratify the injustice [inequity] by raising the levels of employee-organizational theft. In another article, Greenburg [1979] studied people who subscribed with high degree to "The Protestant Ethic". By controlling this variable, Greenburg believed that the "input" and "outcome" ratio would not match the norm of equity theory. He found that in fact, people did not conform to the norm under such conditions. This finding is particularly interesting because one could posit that the religion in a border culture or the Mexican culture might affect equity as perceived by the samples.

Huseman et al. [1987] introduced a new perspective to equity theory with the notion of equity as a question of sensitivity. In the mid-eighties, studies involving issues of equity and organizational justice lead to conflicting findings. In order to address this issue, Huseman et al. developed the construct of equity sensitivity. One can see this as a logical step forward from the type of research Greenburg [1979] conducted with "The Protestant Ethic", where he found that protesters were not sensitive to the normal notion of equity theory. Huseman et al. [1987] hypothesized that individuals come to terms with equity in one of three ways. The three types of individuals are equity sensitive, benevolent, and entitled. These three types of people deal with equity in different manners.

First, equity sensitive individuals follow the traditional equity theory model of behavior and understand equity in the traditional inputs/outcome ratio with a referent group. Either form of inequity thus motivates equity sensitive individuals in that they are moved to equalize the social exchange. Regardless if equity sensitive individual's inputs exceed outcomes or vice-versa, they are easily motivated to act. Second, benevolent individuals are those that sense equity only when their inputs exceed their outcomes as compares to the referent other. One can easily understand these individuals as people who regardless
of all their efforts and other inputs seem to go unrecognized or unappreciated. The third and final category discussed by Huseman et al. was entitled individuals. The entitled individuals are those who sense equity only when their outcomes surpass their inputs.

The classic example of this individual is that of someone who seems to be rewarded more than what is deserved. In reference to the border culture and the Mexican culture, one may ask whether this area contains a higher percentage of benevolent individuals that may see the system under which they live as "just the way things are". Thus, benevolent individuals may simply accept their lot in life and continually produce far more inputs than the received outcomes. Greenburg [1987] developed a taxonomy of equity and organizational justice theories that fit into two dimensions' reactive--proactive dimension and a process—content dimension. The taxonomy helped give researchers an identification of where the research was and where research needs to go in the future. The classification of a reactive theory, according to Greenburg, focused on people's attempts to avoid or escape perceived states of unfairness. These theories examine individual's reactions to injustices. On the other hand, Greenburg mentions that the classification of proactive theories focuses on behaviors designed to promote justice, thus avoiding a future injustice. The theories belonging to the proactive dimension examine individuals who are continuously attempting to create just states. The second dimension proposed by Greenburg was process—content dimension which was developed from the area of legal research, which distinguishes between the way that verdicts are derived and what those verdicts are. A process approach, according to Greenburg, focuses on how various outcomes in the organization are determined. These theories focus on procedures used to make decisions and the implementation of those organizational decisions. By contrast, a content approach concerns itself with articles that are concerned with the fairness of the results from the distribution of outcomes in an organization. Greenburg reemphasized Adam's theory of inequity in that he stated that over-paid workers would feel guilty about their outcomes exceeding their inputs and that underpaid workers would feel angry because their inputs far outweighed their outcomes. He also stated that according to equity theory, underpaid workers should be less productive and less satisfied than equitably paid workers and that overpaid workers should be more productive and less satisfied than equitably paid workers. General support has been found for these predictions over a large variety of experimental settings.

Thibaut and Walker [1975] began to research procedural justice in the 1970s. Deutsch [1975] and Leventhal [1976] were among the first to demonstrate that procedural justice could be viewed as an extension to equity theory in that it researched the domain of the allocation process. Folger's [1977] research shifted the focus from how employees react to inequitable outcomes to how they react to unfair procedures. By changing the focus, Folger demonstrated that giving the employees an opportunity to have a voice in the decisions affecting them enhanced their reactions to the outcomes of the decision and thus avoided an inequitable state. Bies and Moag [1986] along with Tyler and Bie [1990] were among the first to begin the research of interactional justice, which is seen as a component of procedural justice. The literature has developed three constructs that make up organizational justice. The three types of justices widely adopted and researched in the literature are distributive, procedural, and interactive justice. Recall that distributive justice deals with the fairness of the allocation of an outcome or reward and is firmly grounded in equity theory that states that one's rewards should be proportional to one's inputs in regards to one's referent group [Adams 1965]. Thibaut and Walker [1975] define procedural justice as being concerned with the procedure used in the allocation of resources. Bies and Moag [1986] define interactional justice as being concerned with the quality of the treatment received from decision-makers. Interactional justice is also concerned with the extent that the formal decision-making procedures are properly enacted. Several studies have found that these three type of justices are related to job satisfaction [Moorman 1991; Leung et al. 1996].

Weick [1966] mentioned that equity theory is "among the more useful middle-range theories of organizational behavior". In the Journal of Management, Greenburg [1990] conducted a meta-analysis of organizational justice. He chronicled the history of the field of organizational justice, identified current themes, and recommended directions for the future. Greenburg cited one hundred and forty-eight articles that have developed the concepts of distributive and procedural justice. Organizational justice refers to the search for fairness in the workplace. Sheppard et al. [1992] presented a new and comprehensive framework for understanding injustices in the workplace. In their book, Organizational Justice, Sheppard et al. discuss among other things, the balancing of competing interests that modern organizations deal with today.

In recent years, distributive and procedural justice have been researched in relation to job satisfaction, selection systems, employee theft, and organizational commitment [Greenburg 1990; Gilliland 1993; Tang et al. 1996]. Procedural justice has also been researched in regards to trust, turnover, strategic decision-making, and job performance [Konovsky & Cropanzano 1991; Kim & Mauborgne 1993]. Greenburg and Bies [1992] addressed business ethics and the role that organizational justice empirical studies perform in this area of business. Studies have focused on the psychometric, self-reports, and cognitive perceptions of organizational justice [Harrison et al. 1995]. Although there are a few different theories used to explain justice perceptions, two have appeared quite frequently in the justice literature. Social exchange theory has often been used to explain justice perceptions, two have appeared quite frequently in the justice literature. Social exchange theory has often been used to explain the effect of justice perceptions on individual’s behaviors (e.g., Greenberg & Scott, 1996; Malatesta & Byrne, 1997; Masterson et al., 2000; Moorman, 1991). Social exchange theory suggests that through mutual exchanges, a pattern of reciprocal obligation (unspecified and non-financial) is established between two parties (Blau, 1964). Upon providing a benefit, an individual establishes an expectation of future return. The receiving individual becomes obligated to reciprocate (Gouldner, 1960) with some voluntary beneficial service. As a result, individuals develop a commitment to fulfill their obligations and the pattern of reciprocity is reinforced.

In support of social exchange theory, there is empirical evidence that variables indicating the existence of a social exchange relationship with the supervisor and organization mediate perceptions of organizational justice and outcomes. Mediation suggests that an indirect relationship exists between fairness and outcomes. For example, researchers showed that perceived organizational support fully mediated the relationship between procedural justice and OCBs beneficial to the organization or supervisor (Masterson et al., 2000; Moorman, 1999; Moorman, Blakely, & Niehoff, 1998).
In contrast, Tyler and Lind (1992) offer a different explanation for justice effects. Their relational model of authority, originally termed the group value model (Lind & Tyler, 1988), says that procedural justice is based on an individual’s concern about his or her status as a member of a group, and that procedural justice conveys information about that status.

Procedural justice judgments, therefore, are based on a concern about the quality of relationships with authorities and group members. Thus, a procedure is seen as fair if it indicates a positive, full-status relationship with the authority figure (e.g., supervisor). The more positive the status, the more fair the procedure.

Therefore, according to the relational model identification, a construct that communicates information about group membership, may act as a moderator to the relationship between fairness perceptions and outcomes. Moderation suggests that the size of the relationship between fairness and specific outcomes depends on the level of identification. Recent research supports this model. For example, Huo, Smith, Tyler, and Lind (1996, p.42) showed that individuals who strongly identified with a superordinate group (e.g., “I am proud to think of myself as a member of the organization I work for”) tended to rate their treatment by authority figures as more fair than those who were weak identifiers. Brockner, Tyler, and Cooper-Schneider (1992), in a twostudy paper, examined how people react to experiences with authorities. They found that those who were more highly committed before a layoff and who judged the layoff decision as fair, responded more positively to the layoff than those with weak prior commitment.

In the past, a few justice researchers have pitted social exchange theory against the relational model of authority, and vice versa (Holbrook & Kulik, 2001; Huo et. al., 1996; Tyler & Degoe, 1995). In addition, justice researchers have tended to use only one theory at a time to explain fairness perceptions within the supervisor-subordinate or organization-employee relationships only. However, neither theory negates the other, nor do the theories suggest that one explanation is the best for understanding and predicting justice perceptions. By taking a new approach and integrating these two theories (i.e., social exchange and the relational model of authority; one can derive the hypotheses that follow for predicting the nature of justice perceptions between coworkers in a team environment and the effect of coworkers’ fairness perceptions on organizational outcomes. This extension to the research is important because of the pervasiveness of teams in organizations and potential impact that coworkers’ have on the behavior and attitudes of one another.

Research on fairness shifted to an emphasis on procedural justice in the 1980s (Schminke et.al. 1997). In the organizational context, procedural justice is considered an important resource in social exchange (Loi et.al. 2006). Procedural justice refers to the perceived fairness of the means used to determine the amount of benefits (Folger and Konovsky 1989). Past research demonstrates that procedural justice often is more predictive of a variety of work attitudes, including organizational commitment (Warner et.al. 2005). The fairness of the decision-making process itself seems to be more important than the actual amount of compensation that is received by individual (Tepestra and Honoree 2003). Cropanzano et.al. (2007) argued that fair process lead to intellectual and emotional recognition, thus in turn, creates the trust and commitment that build voluntary cooperation in strategy execution. This, procedural justice perspective focuses on the fairness of the evaluation procedures used to determine ratings (Greenberg 1986). Folger and Konovsky (1989) found that opportunities for employees to express their feelings when evaluated predicted a measure of perceived fairness and accuracy of performance evaluation. If the process is perceived as just, employees show greater loyalty and more willingness to behave in an organizational’s best interest (Cropanzano et.al. 2007). Fair procedures let employees feel they will get a ‘fair shake’ from the company and its representatives should they perform well in future (Loi et.al. 2006). As Weiner (1982) suggested that normative commitment develops as a function of socialization experiences, such as societal or familial experience. Employees can develop a sense of obligation to their organization for reasons other than socialization, including the receipt of benefits that invoke a need for reciprocity (Meyer et.al. 2002).

Justice research began to focus on interactional justice that focus on the fairness of the interpersonal treatment the individual receives from the decision maker (Ambrose et.al. 2007). A person is interactionally just if he or she appropriately shares information and avoids rude or cruel remarks and since interactional justice emphasizes one-on-one transactions, employees often seek it from their supervisor (Cropanzano et.al. 2007).

The perception of the supervisor as supportive and respectful of subordinates’ dignities in the interaction process will improve perceived interactional justice and positively influence subordinates’ trust in supervisor (Wat and Shaffer 2005). According to Greenberg (1990), interactional justice has come to be seen as two specific type of interpersonal treatment; (1) interpersonal justice, reflects the degree of which people are treated with politeness, dignity and respect by others; and (2) informational justice that focuses on the explanation provided to people that convey information about why procedures were used in a certain way or why outcomes were distributed in a certain fashion. Interactional justice suggests that perceptions of procedural justice can originate from an organization’s procedures and how those procedures are implemented (Tyler and Bies 1990). Cheng and Stockdale (2003) found that affective commitment was significantly predicted by perceived equity, peer group cohesion, and personal importance. This variables are best to relate to the interactional justice (interactional and informational justice) which help the employee to perceived equity, strengthen peer group cohesion and feel some recognition from the supervisor.

Conclusion

Increasing attention has been paid in recent years to the issue of organizational justice and its impacts on organizational outcomes. The concept of justice is central to understanding a wide range of human behaviors in the organizational setting (Hartman, et al., 1999). Organizational justice, a term coined by Greenberg (1987) refers to employee perceptions of fairness in the workplace. It has shown to be associated with several outcomes such as job satisfaction, work motivation (Suliman, 2007; Fernandes & Awamleh, 2006; Cropanzano, et al., 2001; Moorman, 1991), intention to turnover (Colquitt, et al., 2001), work performance (Suliman, 2007; Fernandes & Awamleh, 2006; Phillips, et al., 2001), commitment (Folger & Konovsky, 1989), organizational citizenship behavior (Moorman, 1991).

Organizational justice focuses on employees’ perception of fairness and is considered to be one of the core values that
organizations covet (Reithel, et al., 2007). It describes the individual’s or group’s perception of the fairness of treatment received from an organization and their behavioral reactions to such perceptions (Greenberg, 1993). Organizational justice is typically conceptualized with three components: distributive, procedural, and interactional justice (Cropanzano, et al., 2001; Masterson, et al., 2000; McDowall and Fletcher, 2004).

Distributive justice is concerned with perceptions of fairness about organizational allocations and outcomes (Adam, 1965; Saunders, et al., 2002). Organizations convey a sense of concern for employee well-being and their contribution to organizational success when rewards and resources are fairly distributed (Peele III, 2007). Perceptions of distributive justice are based largely on comparisons with others (Greenberg, 1987).

At the work setting, employees are likely to use multiple referents of comparison (Bonache, et al., 2001; Tremblay & Roussel, 2001) including comparison to other fellows within the same organization (assessment of internal equity), to employees occupying similar jobs in other organizations (assessment of external equity), and to employees performing similar jobs within the same organization (assessment of relative equity). The result of comparison (negative or positive) is strongly associated with the employee’s perception of, and reaction to, the system. If the comparison result is positive, they are likely to feel positive toward the system. However, if the result is negative, they may wish to challenge the system that has given rise to this state of affairs (Suliman, 2007). Moreover, a number of potentially adverse behavioral reactions may follow from this perception such as reduced job performance, embarking on the use of withdrawal behavior such as absenteeism, turnover, and reduced cooperation (Folger & Cropanzano, 1998). While distributive justice is concerned with perceptions of fairness about organizational allocations and outcomes, procedural justice refers to the perceived fairness of the processes used to determine organizational outcomes (Colquitt, et al., 2001; Folger & Konovsky, 1989). It derives from the perceived equity of organizational policies and procedures determining resource allocation and other managerial decisions (Peele III, 2007).

Employees judge the equity of procedures by the amount of bias, the breadth and accuracy of information gathering, number of relevant parties given voice in the decisions, ethical standards applied, and the consistency and universality of decision implementation (Stecher & Rosse, 2005). Consistency in procedures has shown to be an important determining factor of fairness across differing allocation situations (Greenberg, 1987). Decisions based on procedures that are perceived as fair are more likely to be accepted by those they affect, than decisions arising from procedures that are not perceived fair (Cropanzano & Greenberg, 1997). Interactional justice focuses on employees’ perceptions about the fairness of the interpersonal treatment received during implementation (Bies & Moag, 1986). It refers to the quality of interpersonal processes and treatment of individuals (i.e. being treated with dignity and respect), as well as the extent to which to which reasons behind the outcomes are explained (Bies & Moag, 1986). Perceptions of interactional justice result from supervisor trust-building behaviors such as “availability, competence, consistency, discreetness, fairness, integrity, loyalty, openness, promise fulfillment, receptivity, and overall trust” (Deluga, 1994, p. 317).

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