Leadership and Organizational Justice. A Review and Case Study

CRISTINA-IOANA TAT (*), (**)

(*) Faculty of Psychology and Educational Sciences, University of Bucharest
( **) Centre of Psychosociology, Ministry of Administration and Interior (Romania)

ABSTRACT

Individuals are permanently subjects of decisions within their organizations. Thus, the first question they ask after a decision was made is: “How fair is that?” The question of fairness is related to job satisfaction, counterproductive behaviours, perception of leaders, organizational commitment, performance at work, organizational citizenship behaviours, self-esteem, group commitment, positive affectivity, organizational stability and so on (Colquitt, 2001; Bechtoldt, 2007; Van Knippenberg, 2007; Den Hartog & De Hoogh, 2009). This article aims to disentangle the fairness-related notions and to specify clear manners of applying these concepts in optimising psychological climate within military units. The notion of fairness focuses first on the justice of decision outcomes, termed distributive justice (Adams, 1965). Recent studies have emphasized the justice of the processes that lead to decision outcomes, termed procedural justice (Leventhal, 1980). The interactional justice is defined as the interpersonal treatment people receive as procedures are enacted (Bies & Moag, 1986). More recent studies are concerned with construct discrimination, because previous research showed high correlations between procedural and distributive justice (from .72 to .74, apud Colquitt, 2001) and with the number of dimensions of justice. The case study refers to a military organization, where employees are complaining about unfair treatment by their employer. Our analysis is focused on specific dimensions of organizational justice that are violated, the consequences of the unfair treatment over the employees, and over the entire organization. We found that several dimensions of organizational justice were violated: distributive, procedural, interpersonal. Based on these findings, we formulate some suggestions concerning the improvement of fairness perceptions within organizations. The challenge for the future is to train leaders in respecting and developing the organizational justice perceptions of their subordinates.

Keywords: organizational justice, leadership, organizational counterproductive behaviours.

Paper Received 08/08/2011; received in revised form 04/10/2011; accepted 01/11/2011.
1. INTRODUCTION

The study of justice and fairness goes back in time, to Plato and Socrates. The term "justice" refers to what is just, fair, proper (Colquitt, 2001). Within any organization, virtually every day people are subjects of decisions. These decisions have socio-emotional and economical consequences. The importance of these consequences determines people to judge organizational decisions with a critical eye. In organizational sciences, justice is considered as a socially constructed concept. That is, an act is considered as just if most individuals perceive it to be so. Thus "their first question will be: "Is it fair?" The response to this question is derived from linking objective facets of decision making to subjective perceptions of fairness. In terms of antecedents and consequences, there are two types of perceptions: 1. the fairness of outcome distributions or allocations; 2. the fairness of the procedures used to determine outcome distributions or allocations. Thus, we discuss about distributive justice and procedural justice.

Organizational justice has become a very important issue within modern organizations. Research in the field showed nine key points where the principles of organizational justice were applied (Zlate & Zaharia, 2008): 1. theft; 2. performance appraisal; 3. employees’ discipline; 4. organizational citizenship behaviours; 5. management of organizational conflict; 6. reactions related to dismissal (reactions of dismissed employees; reactions of the "survivals"); 7. hiring selected candidates; 8. taking strategic decisions; 9. organizational change.

2. A REVIEW OF ORGANISATIONAL JUSTICE

The notion of fairness, or justice, appeared three decades ago. Initially, researchers focused on the justice of decision outcomes, termed distributive justice (Adams, 1965; Deutsch, 1975; Homans, 1961; Leventhal, 1976, apud Colquitt, 2001). Adams observed that people are not strictly preoccupied by the quantitative aspects of the payment, but the fairness of the allocation. Distributive justice is fostered whether the results are consistent with implicit norms of allocation, such as equity, equality or need. These norms differ based on the context (family or work place), organizational purposes (group harmony vs. productivity), personal motives (self or other oriented, selfish or altruistic). According to the theory of equity, in exchange relationships, people compare the proportion of their contribution (effort) to the reward (salary) received, relating it with the others. If people can establish a relation between their performance and their salary, they will be more satisfied with the payment. This relationship improves work performance (van Dijke, 2009).

More recent research was focusing on the justice of the processes that lead to outcome decision, calling it procedural justice (Leventhal, 1980; Leventhal, Karuza & Fry, 1980; Thibaut & Walker, 1975, apud Colquitt, 2001). The studies showed that people were willing to give up control in the decision stage as long as they retained control in the process stage. They perceived the fairness of the procedure if they perceived that they had process control. Procedural justice is fostered by having a voice during a decision-making process or influence over the outcome, or by adherence to fair process criteria, such as consistency, lack of bias, correctability, representation, accuracy and ethicality (Colquitt, 2001). Research integrating procedural and distributive justice has found consistent support for a two factor conceptualization of organizational justice. Sweeney & McFarlin (1993, apud Colquitt, 2001) specified a structural equation model in which distributive justice was related to personal-referenced outcomes, such as pay satisfaction, whereas procedural justice was related to organizational-referenced outcomes, such as organizational commitment.

The clarity of this bi-factor model was shadowed by the introduction of a new concept: interactional justice, defined as the interpersonal treatment people receive
during the application of procedures (Bies & Moag, 1986, *apud* Colquitt, 2001). The interactional justice is fostered when the decision makers treat people with respect and care, explaining the rational of the decisions that concern them. Some scholars consider that this type of justice is a different concept, others conceptualize it as an component of the procedural justice. Greenberg (1993, *apud* Colquitt, 2001) shows that respect and care are facets of distributive justice, while they affect the reactions to outcome decisions. They also can be considered facets of procedural justice, but this conceptualization has not yet been tested.

Some authors (*apud* Colquitt, 2001) identifies two facets of the interpersonal treatment: **interpersonal justice** (the degree to which people are treated with politeness, dignity and respect) and **informational justice** (the explanations provided that convey information explaining why procedures were used in a certain way or why outcomes were distributed in a certain fashion). Colquitt (2001) identifies a forth factor of organizational justice, informational justice, which refers to trust and inclusion, aiming to reduce secrecy and lack of honesty (Tyler & Bies, 1990). Interpersonal justice affects perceptions of leaders by their subordinates. The high correlations between the two types of justice (.72-.74, *apud* Colquitt, 2001) suggest the existence of a single factor. Still, the relationship between them differs by the way the concepts are operationalised (Colquitt, 2001). Interpersonal and informational justice are highly correlated, but not enough to mislay their conceptual independence (Colquitt, 2001).

**Dimensions of the procedural justice:** consistency (the consistent enactment of the rules, independently of the person and), lack of bias (the decision makers are neutral), information accuracy (procedures are not based on incorrect informations), the opportunity to correct (there are appeal procedures), representativity (the sub-groups have a voice) and ethics (the process stands for high levels of ethics and morality) (Lenventhal, 1980, *apud* Colquitt, 2001). Tyler (1989, *apud* Colquitt, 2001) mentioned other criteria: neutrality, trust, attitude (e.g. interpersonal treatment). Lind’s (1985, *apud* Colquitt, 2001) revised these criteria as: neutrality, benevolence and status recognition.

**Dimensions of distributive justice.** Distributive justice is fostered where outcome distribution is consistent with the purposes of a particular situation, such as maximizing productivity or optimizing cooperation. Thus, the importance of equity rule (a normative rule, which establishes that the rewards and resources are distributed based on individual contribution, it is the proportion between individual effort and reward). The dimensions refer to procedures, result, decident (who applies the procedure).

**Dimensions of interactional justice:** justification (explaining the basis of decision), trust (an honest figure), respect (being polite), propriety (not making improper remarks).

In practice, these dimensions are reducing to: explanations and care.

Folger & Bies (1989, *apud* Colquitt, 2001) identified "managerial responsibilities associated with ensuring fairness in the implementation of decision-making procedures in organizations": giving adequate consideration to employees' viewpoints, suppressing biases, applying decision-making criteria consistently across employees, giving timely feedback after a decision, providing a justification after a decision was made, being truthful in communication and treating employees with courtesy and civility.

Colquitt (2001) showed that justice predicted the following set of outcomes: the interpersonal justice predicted agent-referenced outcomes (leader evaluation, helping) and procedural justice predicted system-referenced outcomes (rule compliance, group commitment), and identifies the following effects of organizational justice:

1. Outcome satisfaction: the perception of distributive justice is a predictor of outcome satisfaction more than the other types of organizational justice.
2. Work satisfaction is predicted by distributive justice.
3. Organizational commitment is predicted by procedural justice.
4. Trust is predicted by procedural justice.
5. Evaluation of the authority is predicted by procedural justice.
6. Organizational citizenship behaviour is linked to procedural justice.
7. Negative reactions, such as theft, are related to the fairness perception in general, but especially to interactional justice.
8. Interactional justice affects work performance (Masterson et al., 2000).

3. LEADERSHIP AND ORGANIZATIONAL JUSTICE

The relationship between leadership and organizational justice is important, because the main question of leadership refers to leader’s capacity of mobilizing and motivating subordinates. He or she accomplishes this goal through the decisions he or she is taking on a daily basis. People respond better to organizational challenges, if they feel they are treated fairly by their leaders and organization. Leaders are responsible for the decisions taken, which affect both directly and indirectly the subordinates. This is why subordinates are usually concerned about their leader’s fairness in this process. Recent studies (Piccolo, 2008) showed that a high quality of the relationship between leader and his or hers followers affects the impact of justice on three dimensions: the feeling that you are obliged to the organization, organizational citizenship behaviour and withdrawal. The strongest relationship was there where employees reported a good relationship with the leaders and a strong organizational justice.

Leaders are sources of justice in organizations. The relationship between distributive justice of the leader and his/her efficiency is quite modest, but the effects of leader’s justice are positive in the followers.

Research in the field of leader’s procedural justice is more frequent. Van Knippenberg (2007) mentions some studies that identified the effects of the leader’s procedural/interactional justice in several areas: trusting the leader, organizational commitment, work satisfaction and organizational citizenship behaviours. When this impact is positive, subordinates are more cooperant, have higher self-esteem and positive affectivity, trust, group attachment.

Interactional justice of the leader has a negative relationship with organizational deviance. Contingent reward is associated with the positive perception of organizational justice. The punishment has opposite effects. The direct observation of followers by their leader is associated with the perception of procedural and interactional justice, but not with distributive justice. Abusive leadership (lacking respect) is seen by subordinates as being less procedurally correct, perception which diminishes the frequency of organizational citizenship behaviours. A leader behaving in a fair manner in regards of procedures being applied, is perceived more as a mentor. Transformational leadership is perceived as being more procedural fair. Transactional leadership is a good predictor for distributive justice, but not for trust, work satisfaction and organizational citizenship behaviour.

Recently, there is a growing interest towards ethics-based leadership. Den Hartog & De Hoogh (2009) mention some studies that define the ethical leadership as one based on integrity, ethical conscience, people orientation, empowering, management of ethical responsibility and so on. The use of power and influence is accomplished with social responsibility, clarifying roles, showing concern for the others. Brown (2005, apud Den Hartog & De Hoogh, 2009) defines leadership as the demonstration of a fair behaviour, concerning the norms, through personal actions and interpersonal relationships and also the promotion of such behaviours in front of the followers, through open communication, reward and decision. Ethical leaders are role models, and promote these behaviours in front of their subordinates. Such a leader is trustful, honest, fair, considerate. He takes transparent decisions, communicates openly, does what is morally correct from an internal obligation, engage in altruistic behaviours. He
promotes loyalty, trust, organizational commitment, altruistic behaviours and cooperation. As an antecedent of this leadership style, we can find high levels of moral and cognitive development. The perception of leader’s ethical behaviour increases trust in management, normative and affective organizational commitment. The perception of leader’s fairness and integrity is based not only on the way people are treated individually, but also on the manner their colleagues are treated; therefore, it depends as well on the degree to which the leader exhibits his/her values in public, and on his/her’s trustfulness.

The concept of self-preservation (Grahm, 1991; Greenleaf, 1970, 1977, apud Mayer, 2008) is defined by the following aspects. To be this kind of leader, one has to make his or hers highest priority the subordinates’ needs. The leader helps followers grow. The explicit concentration on subordinates’ needs is the difference between servant leadership and other ethical based theories of leadership (such as transformational leadership). Different scholars showed the relation between the gratification of personal and professional needs and the organizational justice. If the employees have a positive perception of organizational justice, they feel that their needs are accomplished.

The multiple needs model of justice (Cronpanzano, 2001, apud Mayer, 2008) shows that people care about the justice, because this helps them fulfill their needs. Injustice affects needs like: self-esteem, control, affiliation. The justice consolidates interpersonal relationships, encourages cooperation, reinforcing the feeling of belonging. Through the achievement of a relationship between facts and results, it grows the feeling of control. The model stipulates that injustice affects employees’ self-esteem. Thus, organizational injustice is an important antecedent of multiple basic needs. Their satisfaction represents an important motivational resource, as the theory of auto-determination stipulates (Deci & Ryan, 1985, apud Mayer, 2008). This theory defines needs as „innate psychological nutrients, essential for psychological growth, integrity and well-being”. Three needs are central to this theory: 1. autonomy (the feeling of control over the environment); 2. competency (feeling confident and capable); 3. communion (feeling connected to others)

The perception of organizational justice is a major factor impacting these three needs: the feelings of autonomy and control are fostered when a person is rewarded; when the rewards are fairly distributed, employee’s competency is also fostered, as it is the effort invested in achieving success; the fair treatment stimulates the feeling of group commitment and the fact that the organization cares about him/her. The overall effect is a growing work satisfaction. Practically, a servant leader can raise work satisfaction and the fulfilment of subordinates’ needs, through their perception of the organizational justice. Managers should utilize a fair reward system, transparent and fair procedures, treat their employees with respect. Knowing their needs, he should behave in such a manner that their personal and professional development is encouraged. The trust in leader and the trust between the employees have as a result a better organizational stability. Cook & Wall (1980, apud Den Hartog & De Hoogh, 2009) are defining trust as the extend to which a person ascribes positive intentions and trusts others’ words and actions. The trust attracts cooperation, performance and reduces withdrawal. Organizational commitment is important, because it connects the individual with the organization and its goals, improving organizational stability. Especially procedural justice raises trust within the organization.

4. ORGANIZATIONAL COUNTERPRODUCTIVE BEHAVIOURS

The understanding of the organizational justice phenomenon is important in explaining organizational counterproductive behaviours (OCB). Which are the reasons people lack quality in their work or take sick leaves without being ill? The explanations found by researchers, until now, go from finding the antecedents of
absenteeism or sabotage, to finding dispositional basis for these behaviours. Thus, Marcus & Schuler (2004, *apud* Bechtoldt, 2007), suggested that lack of self-control is an important factor of OCBs. These authors describe a cognitive model, in which OCB is a result of the perception of an imbalance, which is organizational injustice. OCB appears as an emotion regulation strategy aiming to reduce the justice imbalance.

The perception of workload can lower the threshold, facilitating the occurrence of OCB. OCB were defined as „voluntary behaviours which violate significant organizational norms and thus, threatening the organizational well-being, members' well-being or both” (Robinson & Bennett, 1995, *apud* Bechtoldt, 2007).

Spector & Fox (2005, *apud* Hittian & Noel, 2009) consider OCB as a „set of volitional acts (not accidental or unwitting) that harm or intend to harm organizations and their stakeholders (clients, colleagues, consumers, supervisors)”. OCBs are not identical to illegal behaviors, although they deviate from organizational norms. OCB is a hierarchical concept, with many subcategories.

Organizational deviance refers to acts which affect the organization, interpersonal deviance includes negative behaviours oriented toward people. Robinson & Bennett (1995, *apud* Bechtoldt, 2007) discriminate minor and major forms of deviance. The authors defined deviance relative to propriety as referring to sabotage, fraud, theft. The deviance relative to production includes minor forms of organizational deviance, violating work-related norms (leave early, take excessive breaks, slow down on work rhythm, waste resources). Personal aggressions are interpersonal behaviours, such as sexual harassment, verbal aggression, theft from the colleagues. Political deviance subsumes minor forms of OCB, such as favouritism, backbiting and accusations of colleagues.

Although only o few of these behaviours are clearly illegal (theft, fraud, sabotage), these OCBs bring immense prejudice to the organizations. Gottfredson & Hirschi, 1990, *apud* Bechtoldt, 2007) show that the potential of OCB to satisfy immediately a person’s needs and wishes, together with the risk of future punishment and the negative consequences on the long run are common to OCB and illegal acts in general.

The difference between the ones who are engaging in OCB and the ones who are not is given by the self-control, defined as the tendency of retaining from behaviours having long term negative effects that exceed immediate reward. Self-control seems to be the best predictor of the absence of OCB, when the other factors are being controlled (situational, motivational variables). The perception of organizational injustice is positively related to OCB, especially distributive justice (Bechtoldt, 2007).

### 5. A PRACTICAL ILLUSTRATION

In a Romanian military unit, each year, a limited number of incentives are distributed to the employees.

Every time incentives are distributed, there are discontented people, who think that these bonuses are not fair to everybody. The guard detachment has specific responsibilities, that cannot be broken without bad consequences. Because it is difficult to distinguish people based on fulfilling their charges (everybody is obliged to respect the orders and regulations), commanders decided that every employee should have his bonus based on a range (“the row rule”), so that nobody is left aside.

The problem is that older employees think they fulfil their jobs better than the new ones, so, they merit the bonus more than the new comers (who are not trained enough and make some mistakes during their jobs). Commanders also make their own decisions based on the sanctions they have to apply sometimes to the subordinates. As a consequence, the punished ones don’t get incentives. People are discontented, because they miss the row.
In this situation, all dimensions of organizational justice are violated: distributive, procedural, interactional and informational justice. Concerning procedural justice, consistency is a non-respected principle: the “row rule” is broken. Distributive justice concerns equity and equality, which are also not respected. Interpersonal dimension of organizational justice was not fulfilled, because decision makers did not always explained the rationale of their decisions (when, for instance, they infringed the row rule). This also apply to the informational dimension of justice: the communication was not open, detailed and tailored to individuals’ specific concerns and needs.

The violation of organizational justice appeared because of the rule violation that commanders themselves established in the beginning of the process, that is, “the row rule”. The consequences of the unfair treatment are (according to Colquitt, 2001):

a) instrumentality: people don’t see the linkage between their performance and the incentives (the experienced employees, who consider their fulfilling of job responsibilities being superior to the new comers’ abilities, but also the less experienced employees, who miss the row in case of punishment). People made their complaints to the commanders, saying that it is not fair to give incentives to everybody, regardless of their abilities. They also discussed a lot between them about this treatment and accused the new ones of being privileged.

b) group commitment: group effectiveness is affected, because the members don’t accept and don’t identifies with team goals. Their reactions showed they loses interest in fulfilling the charges, they acted superficial and expressed their complaints in terms of: “it doesn’t matter how much I work, everybody gets incentives, so I can work less…”

c) helping behavior: the more experienced employees have the moral obligation, in that unit, to help the new comers, to train them, to explain them the rules. As a consequence of interpersonal justice violation, they feel betrayed by the employer and don’t invest time and effort in training their new colleagues, helping them adjust to organizational culture.

d) collective esteem: the employees did not feel that their role and status were appreciated by commanders and colleagues. Newcomers begun to be excluded from the group by the more experienced (based on envy and revenge), who felt no more respect and appreciation from the commanders (because they didn’t gave them incentives).

6. SUGGESTIONS AND CONCLUDING REMARKS

Organization justice is a developing concept. It is not yet clear if there are indeed many forms of justice perceptions or if one single factor is central, having many facets. Despite theoretical debate, we can agree upon the fact that organizational justice as such has an important impact on organizational climate within every institution. Being based on the way people receive and process information, leaders have an important role on creating fairness perceptions and on maintaining a proper organizational climate within the organization.

The fairness notions, together with the practical example given help us draw a few suggestions and concluding remarks for improving the perception of organizational justice within the employees:

a. having clear, transparent procedures, to be respected during outcome distribution within the organization;

b. treating subordinates with respect and dignity, openness to their opinions;

c. having appeal procedures, known by all employees;

d. concentrated actions for the integration of newcomers within their teams;

e. fostering the belief that the organization cares for its employees;

f. leaders must be seen as models;
g. punishments and rewards must be allocated immediately and without any biases.

The military (and military-like) organization disposes of numerous regulations; this is a clear advantage in establishing outcome distribution. The shortcoming might be the fact that people feel they only have to follow orders, they are not encouraged to discuss those orders or to be part of the decision process. Thus, it can be easy to deteriorate perceptions of procedural and interactional justice. Still, recently, military organizations, police are undergoing rigorous reforms, due to changes being made at higher economical, political, social levels. In some aspects, these reforms could ameliorate fairness perceptions in law enforcement settings.

REFERENCES