

## **Organizational Justice: Typology, Methodology of Research and the Methods of Development at an Enterprise**

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**Abstract:** This research collects and analyzes theoretical and empirical literature concerning the concept of organizational justice. It was defined that high level of organizational justice positively influence on the performance of a firm. In particular organizational justice increases employees' trust in their managers and their loyalty to the firm. Moreover, it promotes "organizational citizenship behavior" among employees towards their colleagues and clients. In general, expenses for development and maintenance of the organizational justice are rapidly recovered by increased labor productivity. Organizational justice can be classified on three key types: distributive justice (employee's perception of the result or reward he/she has received for his/her efforts), procedural justice (perception of the process, based on which the employee's result/reward is determined) and interactional justice (perception of relationships between the employee and other agents). In most cases in order to test the relationship between organizational justice and other parameters, researchers use similar methodology (define theoretical model for testing, collecting primary data, econometric analysis of the data and interpretation of the results) but design unique theoretical models. At the end there were drawn several recommendations for managers concerning organizational justice improvement. For example, while making a decision a manager shall take into account strategic goals of the firm as a whole, as well as capabilities/needs of each particular employee separately; use both formal and informal communication channels between managers and subordinates; involve employees in decision-making process (employees will perceive such decisions as more fair); select properly the time for some important decision announcement.

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**Key words:** Organizational justice, human resource management, labour productivity, company, Russia

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### **INTRODUCTION**

The study of justice in the organizations was the discovery in the field of business studies. "The concepts of "fairness" and "justice" are rooted in philosophy, politics and religion, as well as in other spheres of activity and can touch anyone who has experienced disrespect" (Konovsky, 2000). In business, the concept of justice is associated with a number of actions and reactions, occurring in the cases when a decision, a procedure or a social interaction are perceived as unfair ones. Justice is a uniting norm which is the main one for the fundamental principles reconciling some conflicting parties and ensuring social stability. The purpose of this article is to review the academic/practical literature on organizational justice and to provide some practical recommendations for company managers on its basis.

In this study the results of individual academic studies proving the importance of organizational justice for an enterprise will be demonstrated first of all. Then, three types of organizational justice will be defined and the differences between them will be explained. After that the theoretical and empirical models will be presented which improve the understanding of a worker organizational justice perception impact on his behavior. Finally some practical advice for managers will be provided, the implementation of which will help to avoid the problems with organizational justice and to make certain events more just in the eyes of employees.

The impact of organizational justice on an enterprise Organizational justice refers to the method of an enterprise activity perception by a worker in general and its employees/bosses in particular, as well as to a response from this perception (Greenberg, 1987). This

topic has been studied actively for >50 years but why is it so popular? The main reason is that a high level of organizational justice improves the productivity within a whole enterprise.

For example, when employees feel that they are treated fairly in a company, they perceive their bosses more positively which, in its turn, may motivate them to work harder (Cropanzano *et al.*, 2007). In addition, justice promotes the development of so called “Civil organizational behavior”, the behavior that goes beyond the limits of a duty and job descriptions (Organ, 1988). When workers feel that they are treated fairly, they often begin to follow the general policy of a company and behave themselves more altruistically and loyal in respect to his colleagues (Cohen-Charash and Spector, 2001). This positive effect can be also spread among company clients the employees will be more courteous dealing with them and will be responsible concerning the matters related to their servicing (Bowen *et al.*, 1999). This, in its turn, will make customers feel that they are treated properly, this will increase their satisfaction and loyalty to a company significantly.

Finally, the fair treatment of workers improves the perception of theirs heads or colleagues and a company as a whole. Justice strengthens an employee loyalty and trust to a company (Cohen-Charash and Spector, 2001). Undoubtedly, during the analysis of all virtues of justice, we must also not forget the respective costs for its development and maintenance (financial, time, etc.). However, in general, these costs are covered fairly quickly by increased productivity (Cropanzano *et al.*, 2007). According to the abovementioned information one may conclude that organizational justice makes a serious impact on the financial success of a company. A manager, solving the problems of workers associated with the unfair treatment to them, will be richly rewarded by the increased productivity of their subordinates and by trust, friendly relations which will be created in a team. In order to achieve this, you must have the idea about the basic concepts of organizational justice as well as about the tools which can be used for the development of justice.

The historical development of organizational justice concept The study of organizational justice began with the development of distributive justice concept. Despite the significant contribution to the understanding of the processes occurring in companies during the early 1980's, the concept of distributive justice was discredited (Locke and Henne, 1986). It was noted that the participants of any conflict in a company, reacted not only to the result but also to the procedures according to which this result was obtained (Nowakowski and Conlan,

2005). This led to the development of a procedure justice concept. However, more and more researchers were interested in organization procedures during the 1990's. This interest was caused by the detection of a new problem-different employees evaluated the same procedures differently (in terms of their justice). This led to the emergence of the third element of organizational justice, the justice of relations (Bies and Moag, 1986).

### **Justice types**

**Distributive justice:** Distributive justice is the perception of some result by some agent which he received as the result of social exchange or interaction, in terms of this result validity (Nowakowski and Conlan, 2005). Initially, this form of justice was considered in terms of “fairness” (Adams, 1965). According to the researcher, people first compare the spent efforts with the result and then compare it with some pre-set value (a formal or an informal one) to determine the justice degree of a received reward. If an employee thinks that the distribution of resources was “unfair” and the reward was not just, he will doubt the distribution justice. Despite the fact that many studies of justice distribution were based on the rule of “honesty”, a further development of the concept led to the identification of other norms, such as equality, authority, need and responsibility applied in certain cases.

**Procedural justice:** If the distribution of justice according to Adams (1965) refers to the justice degree of a made decision, (e.g., the decision on remuneration) in a worker's opinion, then the justice of the procedures is related to the process justice degree due to which this result was obtained. This concept was considered thoroughly in the works by Thibaut and Walker (1975) which states that “sometimes conflicting parties may cede the result control to a third party, if they are able to retain the control over the process due to this”. In other words, a key aspect of a fair procedure is to allow all agents to participate in the decision-making process concerning the distribution of resources. In this case, even if a final result is not a satisfactory one for an employee, the right to vote during the decision making will reduce his level of discontent.

**Interactional justice:** By the 1990's, a large number of procedures was developed in business environment, for example, in order to make a decision about an employee hiring, to assess his effectiveness, etc., However, even within the same company the same procedure could lead to different reactions from workers, depending on the way the managers used them (Nowakowski and Conlon, 2005). In contrast to procedure justice, a fair treatment is

associated with more informal aspects of relationship. It includes, inter alia, the relationship of managers to workers, their honesty, compassion and respect (Bies and Moag, 1986). In some works (Nowakowski and Conlon, 2005) the justice of relations is divided into two types:

- An interpersonal one which means the demonstration of respect, courtesy and responsiveness from managers to subordinates
- Informational one, in which the workers explain the procedures used in a company, as well as the reasons according to which these procedures exist

According Colquitt *et al.* (2001), the main advantage of this model is a more precise specification of justice. Its use simplifies the identification of procedure elements which need to be changed to improve the perception of justice by workers. As you can see, the concept of organizational justice changes constantly but only the newest version of the concept will be studied in detail which includes all three types of justice. The main approaches to the study of organizational justice will be described in the next chapter.

## **MATERIALS AND METHODS**

Despite the fact that researches offered a large number of organizational justice models used for their testing the methods are virtually indistinguishable. First of all researchers determine a theoretical model which they want to test. Once the model was selected and the initial hypothesis was set, the researchers collect the data to test an appropriate model/hypothesis. Most academic works use questionnaires which apply a 5 point scale (where 1 means "strongly disagree" and 5 means "totally agree"), in order to evaluate the perception of organizational justice and other parameters by employees (DeConinck, 2010; Aberson, 2003). Some types of questionnaires are still considered as more reliable and suitable for the study of justice (Price and Mueller, 1986; Colquitt *et al.*, 2001). Sometimes researchers slightly adjust them to fit their needs but the basis of a questionnaire remains the same. The next step is the statistical analysis of the obtained data. The sequence of the key elements for such an analysis is shown below:

- The zero hypothesis is determined that is, the claim which an author wants to test in his work
- Cronbach's alpha is calculated to assess whether a used questionnaire is reliable enough
- An obtained sample is analyzed in order to make sure that it is not a biased one

- The hypothesis is tested: in most cases, the correlation analysis is used but more extensive and detailed studies may also find the structural equation modeling (DeConinck, 2010) which allows not only to estimate the linear relationship between the parameters but also the cause and effect relationship between them
- The results of the study are provided in the form of a text, tables and charts and the practical recommendations are provided

In general, the same methodology is used in all studies. The theoretical models developed by the authors - that's what makes their works really unique ones.

**Theoretical models:** The easiest theoretical model type in use considers the relationship between organizational justice (or the parts thereof) and certain parameters which can be divided into two types: the long-term ones, such as trust and loyalty to a company and the short-term ones such as a job satisfaction. Some authors extend the models by relationship evaluation between different types of justice. According to the results (Sweeney and McFarlin, 1997), the most accurate model for this kind of analysis is a 2 factor model. However, a new trend has appeared recently. It was noted that the workers with different "personal qualities" or working within different "corporate cultures" are more likely to perceive the same rules and results differently. Therefore, researchers introduced the external (for example, professional and cultural norms) and internal/personal (for example, gender, age, personality type) moderators that influence the perception of justice by an employee (Gilliland and Steiner, 2001; Nowakowski and Conlon, 2005) state that "the moderators weaken or on the contrary reinforce the relationship between the personal perception of justice and an actual result, making this relationship dependable on the individual and situational factors".

## **RESULTS AND DISCUSSION**

**The ways of organizational justice development:** Due to the development of statistical methods and the theoretical models of organizational justice, it becomes more and more clear with each year that certain rules and practices influence the behavior of workers. However, among other things, we need to understand that organizational justice is more related with an individual perception and not a real situation. That is, there is no "absolute justice" in an organization. However, managers can get rid of injustice signs at an enterprise and avoid the unfair treatment of workers. According to the studied literature on the

subject, a number of key recommendations is provided for the managers who want to make their work environment more “fair”.

First, prior to any decision making, a manager must take into account the objectives of a company and adjust the personal motivation for these purposes accordingly. During this process, a manager must also take into account the personal qualities and the needs of workers, giving them the detailed comments or rewards (financial or social-emotional ones). This will make employees feel that a manager cares about them which in its turn will improve the perception of organizational justice (Cropanzano *et al.*, 2007). Secondly, a company must create a formal and informal channels of communication between managers and subordinates. According to the “fair process effect”, people see results better if they were involved in its preparation. As soon as the dissatisfaction or the concerns of workers are expressed and heard by a head, then it will be much easier to deal with them, employees will feel more comfortable psychologically. That is, if managers listen to their employees and encourage their activity in the provision of their ideas and suggestions, their productivity and the perception of fairness will be improved. Thirdly, a manager must choose the right time of talk with his subordinates on certain topics. The selected time influences significantly the perception of organizational justice, because some emotions accumulate over time and become stronger. For example, if a manager is going to announce some bad news, it is best to do it at the end of a working day at the beginning of a week. Workers will be able to reconsider the news at home and then the next day he may come to work and try to solve it during the rest of the week (Nowakowski and Conlon, 2005).

In the academic literature one can find a lot of such recommendations but only the most popular were selected in this work. Managers are recommended to study the work written by Nowakowski and Conlon (2005) for a more detailed understanding. This work describes two meta-analyzes of academic works on the topic of organizational justice.

### CONCLUSION

The main purpose of this study was the examination of organizational justice concept and the appropriate methodology for its study. This study will be useful for managers who want to understand the importance of organizational justice, the way it can be quantified the way it affects the behavior of workers and the approaches which can be used to improve the perception of justice by workers. This study presents the “foundation”, based on

the studies of employee behavior in an organization which can be useful for “justice strategies” development which began to appear “in the unstable 21st century, when rapid changes and the increasing complexity of personnel management problems became more important issues for the life of an organization” (Konovsky, 2000).

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