Stuck in the Middle: The Impact of Implementing Corporate Decisions on Middle Managers' Justice Perceptions

Lee A. Macenczak
Kennesaw State University, lmacenczak@gmail.com
STUCK IN THE MIDDLE: THE IMPACT OF IMPLEMENTING CORPORATE DECISIONS ON MIDDLE MANAGERS’ JUSTICE PERCEPTIONS

by

Lee A. Macenczak

A Dissertation

Presented in Partial Fulfillment of the Requirements for the Degree of Doctor of Business Administration In the Coles College of Business Kennesaw State University

Kennesaw, Georgia 2014
Dissertation Defense: April 15, 2014

DBA Candidate: Lee Macenczak

The content and format of the dissertation are appropriate and acceptable for the awarding of the degree of Doctor of Business Administration.

Amy Henley, PhD
Committee Chair
Associate Professor of Management
Department of Management and Entrepreneurship
Coles College of Business
Kennesaw State University

Stacy Campbell, PhD
Committee Member
Associate Professor of Management
Department of Management and Entrepreneurship
Coles College of Business
Kennesaw State University

Neal P. Mero, PhD
Reader
Executive Director, KSU DBA Program
Professor of Management
Department of Management and Entrepreneurship
Coles College of Business
Kennesaw State University

Signature: [Signature]

Signature: [Signature]

Signature: [Signature]

Charles J. Amlaner, Jr., D.Phil
Vice President for Research and
Dean of Graduate College
Kennesaw State University

Signature: [Signature]
DEDICATION AND ACKNOWLEDGEMENTS

First, I would like to thank God for providing the means, time, and ability to participate in the doctoral program. This has truly been a dream come true and I pray that I will use the knowledge I have gained to glorify him who has blessed me so richly. Next, I would like to thank my dissertation committee, Dr. Amy Henley, and Dr. Stacy Campbell, for their mentoring, support, and friendship. Their contributions to the process were invaluable and I can never thank them enough for all of their assistance. While this is a difficult process, they made it enjoyable and I learned a tremendous amount from them. I would also like to thank my reader, Dr. Neal Mero. Dr. Mero gave me excellent feedback and has helped me to see new directions for my research. He has also done an outstanding job of leading and developing the doctoral program at KSU and is positively impacting the careers of many individuals. I would also like to thank Dr. Joe Hair for helping me learn the basic methods skills that I will need for many years to come. Most importantly, I would like to thank my wife and love of my life, Kim. She has stood beside me through this process and has been a constant source of encouragement and motivation. Without her support, I would not have made it through this process. Finally, I would like to thank my entire family. Their support has meant the world to me.
ABSTRACT

STUCK IN THE MIDDLE: THE IMPACT OF IMPLEMENTING CORPORATE DECISIONS ON MIDDLE MANAGERS’ JUSTICE PERCEPTIONS

Prior research in the field of organizational justice has primarily focused on the specific justice dimensions and their impact on individual workers. This study takes a new direction by examining justice perceptions in a previously unexamined group, middle managers. Recent studies have argued that specific dimensions of justice influence the development of an individual’s overall justice perceptions and that a focus on overall justice may provide a more complete understanding of the justice construct and more accurately capture the individual’s experience. Missing from the literature is an examination of how the justice perceptions of middle managers are impacted when implementing corporate decisions that have no direct impact on the managers themselves. Because justice perceptions are strongly linked to key organizational behaviors and attitudes, understanding how middle managers’ perceptions are influenced can give insight into how an organization can keep managers committed to the strategy of the organization. The middle management group is critical to the organization performing a “linking pin” role simultaneously representing the interest of the organization and their subordinates. Research has indicated that the middle management groups’ perceptions, behaviors, and interactions can have influence on both employees and senior leaders. The dissertation examines the link that a managers’ level of agreement with a decision
outcome has with their justice perceptions and the influence that explanations have on the relationship. The study will also propose how employee perceptions of procedural justice can impact the managers’ perceptions of justice and the role that their commitment to the employee group plays in the relationship.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copyright</td>
<td>ii</td>
</tr>
<tr>
<td>Signatures</td>
<td>iii</td>
</tr>
<tr>
<td>Dedication and Acknowledgements</td>
<td>iv</td>
</tr>
<tr>
<td>Abstract</td>
<td>v</td>
</tr>
<tr>
<td>Table of Contents</td>
<td>vi</td>
</tr>
<tr>
<td>List of Figures</td>
<td>x</td>
</tr>
<tr>
<td>List of Tables</td>
<td>xi</td>
</tr>
<tr>
<td>Chapter 1: Introduction</td>
<td>1</td>
</tr>
<tr>
<td>Chapter 2: Literature Review</td>
<td>8</td>
</tr>
<tr>
<td>2.1 Overview</td>
<td>8</td>
</tr>
<tr>
<td>2.2 Organizational Justice</td>
<td>8</td>
</tr>
<tr>
<td>2.2.1 Distributive Justice</td>
<td>10</td>
</tr>
<tr>
<td>2.2.2 Procedural Justice</td>
<td>12</td>
</tr>
<tr>
<td>2.2.3 Interactional Justice</td>
<td>14</td>
</tr>
<tr>
<td>2.3 Justice Perceptions of Middle Managers</td>
<td>15</td>
</tr>
<tr>
<td>2.4 Fairness Theory</td>
<td>22</td>
</tr>
<tr>
<td>2.5 Level of Agreement with Decision</td>
<td>25</td>
</tr>
<tr>
<td>2.6 Explanations</td>
<td>28</td>
</tr>
</tbody>
</table>
Chapter 5: Discussion, Limitations, and Future Research

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1 Overview</td>
<td>99</td>
</tr>
<tr>
<td>5.2 Key Findings</td>
<td>100</td>
</tr>
<tr>
<td>5.2.1 Managers’ Distributive Justice Perceptions</td>
<td>100</td>
</tr>
<tr>
<td>5.2.2 Managers’ Procedural Justice Perceptions</td>
<td>103</td>
</tr>
<tr>
<td>5.2.3 Managers’ Overall Justice Perceptions</td>
<td>106</td>
</tr>
<tr>
<td>5.3 Limitations and Future Research</td>
<td>107</td>
</tr>
<tr>
<td>5.4 Conclusion</td>
<td>111</td>
</tr>
</tbody>
</table>

References

Appendices

<table>
<thead>
<tr>
<th>Appendix</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Organizational Justice Measurement</td>
<td>126</td>
</tr>
<tr>
<td>B. Commitment, Public self-consciousness, Manipulation Checks</td>
<td>127</td>
</tr>
<tr>
<td>C. Experimental Scenarios</td>
<td>128</td>
</tr>
</tbody>
</table>
LIST OF FIGURES

Figure 1: Overall Model ........................................................................................................7
Figure 2: Direct/Indirect Measurements .............................................................................48
Figure 3: Study 1 Model .......................................................................................................60
Figure 4: Study 2 Model .......................................................................................................62
Figure 5: Interaction Effect .................................................................................................79
LIST OF TABLES

Table 1: Manipulation Condition Examples ...............................................................53
Table 2: Possible Responses .......................................................................................66
Table 3: Final Sample Conditions .............................................................................67
Table 4: Demographic Data .......................................................................................68
Table 5: Reliability Results .......................................................................................69
Table 6: Confirmatory Factor Analysis .....................................................................71
Table 7: Discriminant Validity ..................................................................................71
Table 8: Means, Standard Deviations, Correlations, Distributive Justice Condition ......72
Table 9: Results of Analyses of Variance – Distributive Justice Condition ...............72
Table 10: Distributive Justice Scores by Condition ..................................................74
Table 11: Means, Standard Deviations, Correlations, Procedural Justice Condition ......74
Table 12: Results of Analyses of Variance – Procedural Justice Condition ...............75
Table 13: Procedural Justice Scores by Condition .....................................................76
Table 14: Comparisons – Bonferroni Test – Dependent Variable = Procedural Justice .........................................................................................................................78
Table 15: Hypotheses Results – Study 1 ....................................................................80
Table 16: Final Sample Conditions ...........................................................................82
Table 17: Demographic Data .....................................................................................82
Table 18: Reliability Results .....................................................................................84
Table 19: Confirmatory Factor Analysis ....................................................................85
Table 20: Discriminant Validity ...............................................................85
Table 21: Means, Standard Deviations, Correlations ..................................86
Table 22: Regression Results ......................................................................87
Table 23: Recoded Conditions .................................................................88
Table 24: Regression Results ......................................................................89
Table 25: Hypotheses Results – Study 2 ....................................................90
Table 26: CMV CFA Model Summary ......................................................93
Table 27: Chi Square, Goodness-of-Fit, and Model Comparison .................93
Table 28: Reliability Decomposition .........................................................95
Table 29: Study Comparison ...................................................................96
Table 30: Managers’ DJ Perceptions – Explanation Provision ....................97
CHAPTER 1 - INTRODUCTION

Past organizational behavior research has examined the concept of organizational justice in a broad array of contexts including how individual justice perceptions are formed (Naumann & Bennett, 2000; Schminke, Ambrose, & Cropanzano, 2000), justice interactions and influences within groups (Olkkonen & Lipponen, 2006; Tyler & Blader, 2003), how employees react to mistreatment by their employers or the employers’ agent (Greenberg, 1990; Tepper, 2001), and the impact justice perceptions have on specific outcomes (Brockner & Wiesenfeld, 1996; Masterson, Lewis, Goldman, & Taylor, 2000). Such justice research has tended to use individual front-line employees as the primary focus with less effort typically directed at understanding the justice perceptions of individuals at other levels of the organization. For example, middle managers reside in a unique position within the organization maintaining access to the top management team (TMT) and upper echelons of management, while also having the closest working relationship with the majority of employees (Mintzberg, 1990).

Unlike front-line employees or the TMT, the middle managers’ organizational position affords them a unique opportunity to view corporate decisions from a multifaceted perspective. These managers are able to see decisions from the viewpoint of the management team, but also as representatives of their employees while still cognitively processing their own individual thoughts and concerns about the appropriateness of a
decision made by upper management. As a result of their position within the organization, middle managers have one of the most complete views regarding decision-making activities of an organization and how the various groups and individuals respond to the decisions. A review of the justice literature, however, shows that there is a paucity of research on how being the primary implementer of organizational decisions perceived unfavorably can impact middle managers’ attitudes and personal perceptions of the overall justice of the organization.

In the normal course of operations for an organization, middle managers are often asked to implement corporate initiatives that have been decided by the top management team. These decisions are sometimes discussed and decided upon by only a select group of people at the top of the organization. Often, such decisions may not seem fair to those who maintain the responsibility for actually implementing the decision. While the participation of middle managers’ in developing and implementing corporate decisions has been examined (Clair & Dufresne, 2004; Dewitt, Trevino, & Mollica, 2003; Folger & Skarlicki, 1998; Molinsky & Margolis, 2005), missing from prior research is the potential impact that implementing such corporate decisions can have on the justice perceptions of these middle managers. The development of such managers’ justice perceptions can differ from that of the front-line employees based on the managers’ ability to consider information from all levels of the organization, their unique third-party role in the implementation process, and the expectations of implementation conveyed upon them from the TMT and their employees.
The study of organizational justice helps to build an understanding of what people want from their work lives and contributes to the story about how organizations and the people who populate them function and think (Lind, 2001b). The fact that people within an organization may routinely receive different treatment means that there are often employee concerns about justice and fairness that have broad implications for the individual and organization (Colquitt, Greenberg, & Zapata-Phelan, 2005). Results from prior research have linked individual perceptions of organizational justice and fairness with important consequences for both individuals and organizations. Positive justice environments can effectively bring a workplace together while a negative environment can be caustic and dissolve bonds within an organization (Cropanzano, Bowen, & Gilliland, 2007). In this dissertation the terms justice and fairness will be used interchangeably consistent with the practice in existing literature.

The middle management group plays a vital role in the organization’s functional operations, and keeping this group committed to the strategies of the firm is an important task (Guth & MacMillan, 2006). Results have shown that when individuals are highly committed to the firm, they identify with the goals and objectives of the organization and are motivated to perform at a high level in achieving goals (Mowday, Steers, & Porter, 1979). Research has supported the idea that justice perceptions strongly influence these levels of commitment, whether the employee is a front-line employee or leader (Brockner, Grover, Reed, DeWitt, & O'Malley, 1987; Folger & Konovsky, 1989). For example, results have found that leaders of multi-national divisions, who perceive that the organization’s strategic planning process has been operated in a fair manner, have higher
levels of commitment to the plans of the organization (Kim & Mauborgne, 1991). As research has shown that an individual’s perception of fairness impacts organizational commitment and several other global attitudes (Cropanzano, Prehar, & Chen, 2002; Gerstner & Day, 1997; Graen & Uhl-Bien, 1995; Schaubroeck, Lam, & Peng, 2011), understanding how managers’ fairness perceptions are formed is critical.

The lack of examination of this unique perspective that middle managers hold when forming justice perceptions presents an opportunity for addressing gaps within the literature on both organizational justice and middle managers. The current model will contribute to the literature by expanding the understanding of how implementing corporate decisions can impact middle managers’ views of specific justice dimensions and overall justice. Returning to early research in the organizational justice domain which suggested that overall justice is framed by distributive and procedural justice rules, there has been a growing interest in how the specific dimensions of justice influence the development of overall justice perceptions. While the specific dimensions contribute to the development of overall justice perceptions, recent studies have argued that overall justice perceptions are a separate, distinct dimension of justice which provides a more parsimonious approach to examining justice that can expand the areas in which justice is examined (Ambrose & Schminke, 2009). The current model endeavors to expand the knowledge of overall justice by examining overall justice perceptions in a previously unstudied group, middle managers. Middle managers play a unique role within the organization, and understanding how their overall justice perceptions are impacted in a specific environmental situation is a new direction for the literature.
This dissertation will examine two factors that impact managers’ fairness perceptions when implementing corporate decisions that do not impact them directly: managers’ level of agreement with the decision outcome and their employees’ perceptions of procedural justice (figure 1). The managers’ position within the organization gives them the opportunity to evaluate decisions based on information received from broad, diverse sources within the environment. This environmental information, as well as the managers’ values and beliefs, produces a level of agreement with a decision outcome. A low level of agreement with a decision outcome may produce feelings of dissonance leading to thoughts of a more desirable alternative outcome leading to lower perceptions of distributive justice. This dissertation will also examine the moderating impact that TMT explanations have on the proposed relationship.

Research has shown that explanations are capable of producing positive effects in a variety of situations (R. J. Bies, Shapiro, & Cummings, 1988; Brockner, DeWitt, Grover, & Reed, 1990) and that providing an explanation promotes fairness (R. J. Bies & Moag, 1986).

Since middle managers work in close proximity with the majority of employees and their employees are an important part of the managers’ environment, an important contribution of this dissertation is to determine how the procedural justice perceptions of middle managers’ employees influence the development of the managers’ procedural justice perceptions. While previous research has examined how managers’ justice perceptions trickle-down to influence their employees’ perceptions (Masterson, 2001), the current model will examine how the employees’ procedural justice perceptions can
flow up to impact managers’ procedural justice perceptions. Research on third-party justice perceptions has indicated that how others within an individual’s social-network are treated can impact the third-parties justice perceptions (Lamertz, 2002). Since managers are expected to represent the organizational unit (Mintzberg, 1990) and the employees are part of their environment, the perceptions of their employees can have an impact on how managers perceive the fairness of a decision. The model will also examine the moderating impact that managers’ commitment to their employees has on the proposed relationship. Utilizing Reichers’ (1985) proposal that an individual can maintain commitments to more than one group within an organization, this dissertation will examine how managers’ commitment to their employees will impact their view of procedural justice.

Research has indicated that while the specific justice dimensions contribute to the development of overall fairness perceptions, overall fairness is not just the cumulative effect of the specific justice dimensions but rather a distinct dimension related to specific, global outcomes (Jones & Martens, 2009). This dissertation will examine the mediating role that distributive justice perceptions play in the relationship between the managers’ level of outcome decision agreement and managers’ overall justice perceptions and the mediating role that managers’ procedural justice perceptions play in the relationship between the employees’ perceptions of procedural justice and managers’ overall justice perceptions. A moderated-mediated relationship will also be examined utilizing the provision of an explanation and managers’ commitment to employees (figure 1).
Figure 1 – Conceptual Model

Explanation

+ H2

Mgr. Outcome Decision Agreement

+ H1

Mgr. Perceptions of DJ

+ H5

Mgr. Perception of Overall Fairness

+ H6

Employee Perceptions of PJ

+ H3

Mgr. Perceptions of PJ

+ H4

Mgr. Commitment to Employees
CHAPTER 2 – LITERATURE REVIEW

2.1 Overview

In this section, a comprehensive review of the literature will be presented and a model proposed that focuses on the overall fairness perceptions of middle managers in regards to decision implementation. Organizational justice and the specific justice dimensions will be discussed first followed by an examination of the current state of both strategy and behavioral research on the middle management group. Fairness theory and third-party justice perceptions will then be examined to show how counterfactual thinking can impact managers’ justice perceptions while executing the implementation process of a decision with which they may not agree or about which their employees have a negative procedural justice perception. The moderating impact of explanations and managers’ level of commitment to their employees on overall justice perceptions will also be examined.

2.2 Organizational Justice

The study of justice and fairness has been of interest to scholars for many years and can be traced back to the times of Plato and Aristotle who examined the fairness of distribution of resources among individuals (Ross, 1925). The study of justice used by early philosophers applied a prescriptive approach that conceived of justice as a normative ideal and attempted to determine what actions were just. Scholarly
examination of justice research began to change when social psychology first started to study fairness in the organizational setting during the second half of the 20th century (Adams, 1963; Heider, 1958; Thibaut & Walker, 1975). This new way of thinking about justice and fairness concepts established by social psychologists utilized a descriptive approach which did not attempt to establish a moral code to guide individual behavior but rather focused on justice as it is perceived by individuals as well as the subsequent consequences (Greenberg & Bies, 1992). Following the descriptive approach, Cropanzano, Bowen, and Gilliland (2007) have fittingly described organizational justice as the “members’ sense of the moral propriety of how they are treated” (p.34).

While businesses are primarily viewed as economic institutions, they actually are much more complex. Therefore, if leaders do not focus on non-economic factors, such as justice, there can be a multitude of problems within the organization. Employees desire tangible benefits from the organizations in which they work; however, it is also important for people to feel as though they have been treated fairly (Cropanzano et al., 2007). Employees like to be able to predict how they will be treated over the long-term, understand that they are valued within the organization, and know that they will be treated ethically (Cropanzano, Rupp, Mohler, & Schminke, 2001). (Cropanzano et al., 2001). It is important to stress that fairness and justice are in the eye of the beholder (Mikula & Wenzel, 2000; Van den Bos & Lind, 2002). There is sometimes a tendency to treat fairness and justice as objective truths but in reality these perspectives contribute to a psychological effect, constructed by the recipient or the observer of the action (Skarlicki & Kulik, 2005; Van den Bos, 2005). In the past, research on organizational
justice has primarily focused on three distinct areas: distributive justice, procedural justice, and interactional justice, with recent research arguing that interactional justice can be divided into two dimensions, informational and interpersonal justice (Colquitt, 2001). Each of these dimensions of justice will be discussed in greater detail in the following sections.

2.2.1 Distributive Justice

Distributive justice is focused on the fairness of resource distributions where outcomes are disproportionate to some perceived standard (Adams, 1963; Homans, 1961; Leventhal, 1976a). Whether an outcome is perceived to be fair is usually judged by individuals according to three different standards: equity, equality, and need. These standards are described fully in the discussion below. Which standard is used by an individual when making judgments about fairness is primarily determined by what strategic goal the organization is trying to accomplish (Colquitt et al., 2005). For example, if economic productivity is the primary focus, then the equity is the dominant model of distributive justice. If the organization is trying to foster cooperative relationships, then the equality of distributive justice would be the dominant model. If the organization is concerned about personal development and welfare, then the need model of distributive justice would be the dominant model (Deutsch, 1975).

Utilizing equity theory, Adams (1963) has argued that people were not always concerned about the absolute level of outcomes but, instead, whether the outcomes were fair. The equity model is defined in terms of a perceived ratio between outcomes to inputs. Individuals compare their level of contribution, or inputs, to their outcomes and
then compare the ratio to some others or to themselves at an earlier time. When the outcome/input ratio comparison is seen to be out of balance, an inequity or unfairness is perceived and psychological tension or a negative emotional state is created that motivates individuals to restore the balance in equity (Austin & Walster, 1974).

The equality standard is focused on providing outcomes that are equal for all parties. While using equity can be somewhat disruptive in social settings, equality helps to foster better relationships through building mutual respect and enjoyable personal relations (Deutsch, 1975). Employees want to see themselves as a part of a community and allocating social-emotional rewards equally signals that everyone is respected and their contribution respected (Cropanzano et al., 2007). The need standard is focused on providing for the development and welfare of those who require the most. Organizations foster the development of groups and then allocate their resources based on the needs of the group (Deutsch, 1975). While research has been conducted examining the equality and need standards, the equity standard remains the dominant conceptualization of distributive justice in the workplace (Colquitt et al., 2005).

Regardless of the standard being utilized, when an individual perceives an inequity in the level of rewards received, cognitive dissonance is introduced and behavior will change in some way in order to change the level of inputs received (Greenberg, 1990). Research has supported this idea and has indicated that distributive justice has strong effects on attitudes about specific personal–referenced outcomes such as pay (Folger & Konovsky, 1989) and satisfaction (Sweeney & McFarlin, 1993). Links have also been shown between distributive justice and turnover intentions (Hendrix, Robbins,
Miller, & Summers, 1998), workplace sabotage (Greenberg, 1990), and organizational citizenship behavior (Cohen-Charash & Spector, 2001). When individuals perceive that a situation is balanced in their favor and they are receiving more outcomes as compared to their inputs, research has shown that performance of such individuals can increase (Greenberg, 1988). Likewise, when individuals perceive that the balance is not in their favor, results indicate a rise in negative behaviors such as workplace sabotage (Ambrose, Seabright, & Schminke, 2002) and employee theft (Greenberg, 1993a).

2.2.2 Procedural Justice

Procedural justice focuses on the fairness of the decisions-making procedures that lead to outcomes and attempts to understand how the process is defined and implemented (Leventhal, 1976b; Leventhal, Karuza, & Fry, 1980; Thibaut & Walker, 1975). Early examination of procedural justice focused on two criteria in the legal setting: process control and decision control. Process control was defined as the ability to voice one’s views during a procedure while decision control was the ability to influence the actual outcome (Thibaut & Walker, 1975).

Research on the procedural justice concept then expanded into non-legal, organizational settings while also adding to the criteria to judge the procedural justice of a decision. Research has defined six core criteria that help to determine whether a decision has been made with fair procedures as consistent application, absence of bias, accuracy, ability to correct, ethical nature, and ability to input or representativeness (Leventhal, 1980). Decisions made consistent with these criteria are more likely to be considered fair and have the “fair process effect” (Cropanzano et al., 2007). The “fair
process effect” describes the power that procedures have in mitigating the negative effects of undesirable outcomes. Results have shown that when people perceive that the process used to make a decision is fair, they are more accepting of a decision’s negative outcomes (Brockner et al., 1994; Sweeney & McFarlin, 1993; Van den Bos, Vermunt, & Wilke, 1997). For example, previous research has shown that when managers in subsidiaries of multi-national firms believed that the top leaders had used a fair planning process when making allocation decisions, the managers were more supportive of the plan and committed to their employer, even if the plan did not favor their division (Kim & Mauborgne, 1991; Kim & Mauborgne, 1993).

There are two models that suggest why procedural justice is valued by individuals, instrumental (self-interest model) and relational (group-value model). In the instrumental model, procedural justice is valued because it shows that outcomes are protected due to the existence of a level playing field thus equating justice with the promotion of personal goals (Colquitt, 2001), while injustice is seen as putting goals in jeopardy (Cropanzano, Goldman, & Folger, 2003). In contrast to the instrumental model, the relational or group-value model suggests that procedural justice is important because it shows that the people are valued by leaders and the organization to which they belong increasing both their self-worth and self-esteem (Tyler & Lind, 1992) and indicates their standing within the social group (Cropanzano et al., 2003).

Research has found links between procedural justice and organizational commitment, counterproductive work behaviors, job performance, and evaluations of supervisors with results indicating that procedural justice is an important predictor of
outcomes related to evaluating an organization or its representatives (Folger & Konovsky, 1989; Konovsky, 2000; McFarlin & Sweeney, 1992). An environment with a high perception of procedural justice has been shown to influence individuals’ perceptions of their leadership, their organization and their willingness to follow the leader’s rules and directions (Colquitt, 2001; Lind, 1995). Lind (1995) has proposed a clear link between organizational justice and reactions to organizational authority with procedural justice being a much stronger determinant of acceptance and obedience to authority. When the process is perceived to be fair, people follow the decision handed down by management worrying less about being exploited or rejected by the leader. In many instances, an individual’s perception about the fairness of a process will be developed before the outcome of the decision is known. Lind (1995) has posited that process information anchors a fairness judgment to such a degree that outcome information can only make relatively minor adjustments.

2.2.3 Interactional Justice

Interactional justice is focused on the nature of interpersonal treatment and refers to the quality of the interaction between a supervisor and their subordinate (R. J. Bies & Moag, 1986). Results have found interactional justice to be the best predictor of supervisory commitment and citizenship behaviors that benefit the supervisor (Masterson et al., 2000). When the interactional justice construct was introduced to the justice literature, there were four criteria used when studying interpersonal treatment: justification, truthfulness, respect, and propriety (R. J. Bies & Moag, 1986). Research has typically combined these criteria into two dimensions, interpersonal and informational
(Greenberg, 1993b), with results showing that the two dimensions have independent effects of one another (Greenberg, 1993c; Shapiro, Buttner, & Barry, 1994). Research has since established that organizational justice is best conceptualized in four dimensions with interactional justice being divided into informational and interpersonal justice dimensions (Colquitt, 2001).

Greenberg (1993b) has posited that interpersonal justice refers to perceptions about the extent to which authorities treat people with sensitivity, dignity, and respect during the enactment of procedures. This differs from procedural justice by being more focused on the enactment rather than on the development of the procedures. Informational justice refers to the perceived adequacy of the explanation authorities provide about procedures and outcomes that affect people (Colquitt, 2001). Explanations that are adequate (clear, reasonable, and detailed) and provided in a timely manner can contribute to the development of justice perceptions in an individual (Skarlicki, Barclay, & Pugh, 2008). Previous research has indicated that the provision of an adequate explanation can have a positive impact on an individual’s perception of fairness (Brockner et al., 1994) and reduce negative reactions (Shapiro et al., 1994).

2.3 Justice Perceptions of Middle Managers

Because justice perceptions are strongly linked to key organizational behaviors and attitudes (Colquitt, Conlon, Wesson, Porter, & Ng, 2001), understanding how middle managers’ perceptions are influenced can give insight into how an organization can keep managers committed to the strategy of the organization. While the TMT, or upper echelon, is seen as the senior executives who make up the organizations’ dominant
coalition (Carpenter, Geletkanycz, & Sanders, 2004) the middle managers have been seen as the managers located below the TMT all the way to first-level supervisors in the organization (Dutton & Ashford, 1993). For the purposes of this dissertation, the above definition of middle managers is considered to be too broad. Middle managers will have varying experiences and views of the activities of the organization based on their level of management within the organizational structure. For example, middle managers higher in the organizational structure may have more influence over the decision making process and less direct interaction with front-line employees, while activities of lower level middle managers may be more focused on implementing decisions and front-line employee management (Mantere, 2008). Since the proposed model is focusing on the managers’ attitudes during the implementation process and the managers’ relationship with their employees, the definition of middle managers for this model has been narrowed to focus on first level managers that have direct responsibility for overseeing front-line employees as well as implementing decisions made by leaders above them in the organization. While the justice effects proposed in this dissertation could be seen at any level of management to some degree, the expected results are more likely to be experienced at this first level of management because these managers have far less input into the decision making process but are relied upon for their skills in supporting and implementing corporate initiatives (Mantere, 2008; Shrivastava, 1986).

The middle management group is critical to the organization performing a “linking pin” role simultaneously representing the interest of the organization and their subordinates (Likert, 1961). Middle managers are expected to maintain simultaneous
roles acting as order-giver and order-taker (Ghidina, 1993) and subordinate and superior (Graen & Scandura, 1987). The dual roles that middle managers are asked to fulfill in the organization can lead to potential conflicts of interest, both within middle managers themselves and between the managers, their employees, and the upper level of the organization (Floyd & Wooldridge, 2000). Research has indicated that the middle management groups’ perceptions, behaviors, and interactions can have influence on both employees and senior leaders. Results have shown that managers’ view of justice can trickle down to influence the justice perceptions of their employees (Masterson, 2001), that their behaviors can influence team trust, attitudes, and performance (Gerstner & Day, 1997; Graen & Uhl-Bien, 1995; Schaubroeck et al., 2011), and influence development of strategy through their interaction with the TMT (Raes, Heijltjes, Glunk, & Roe, 2011).

Thus, due to the TMT’s and employees’ expectations of middle managers, their role in the organization can be quite complex, possibly producing conflict. Middle managers are responsible for delivering both good and bad organizational news to the same employee recipients with whom they have a mutually dependent relationship (Izraeli & Jick, 1986). The maintenance of the interdependent relationship with the employees is a concern for the middle manager as employees’ behaviors have consequences for the work outcomes of the manager themselves (Izraeli & Jick, 1986). Thus, middle managers are expected to represent faithfully corporate decisions to different audiences even when they may disagree with the story they are telling or when the decision complicates their role in the organization. As Sims (2003) has said, “middle
managers have no right to silence, and instead are forced to give voice even if they have no conviction in what they are saying” (p. 1209).

The predominant focus in the literature has been to examine how middle managers are involved in the implementation of strategy within the organization (Wooldridge, Schmid, & Floyd, 2008). Prior research has suggested that while all managers are involved in the strategic process, strategy formulation is usually relegated to a few top managers while the middle managers’ primary role is implementation and bottom-up information flows (Mantere, 2008; Shrivastava, 1986). Middle managers are uniquely positioned to have influence up, down, and across the organization. The middle managers’ strategic leadership role consists of upwardly championing strategic alternatives, synthesizing and upwardly communicating ideas to more senior leaders, facilitating adaptability across the organization, and implementing initiatives in such a way that the unit’s actions are aligned with the organization’s strategic intent (Floyd & Wooldridge, 2000; Shrivastava, 1986). Such a broad span of influence highlights the uniqueness of middle managers’ role in that they are considered to be part of the management team coupled with knowledge of operations and relationships across the organization (Raes et al., 2011).

As the primary implementers within the organization, middle managers usually have first access to decisions made by the TMT and have access to information and relationships from the various levels in the organization (Balogun & Johnson, 2004). Due to middle managers’ influence in all directions across the organization, they have the power to impact strategies by supporting or accelerating implementation or by negatively
impacting implementation or even sabotaging it completely. Research has indicated that managers may be resistant to new strategies if they perceive the strategy to be flawed, not in their best self-interest, or not aligned with their goals (Guth & MacMillan, 2006). Incongruence in managers’ perception of an initiative and the organization’s interest is likely to result in actions such as verbal assaults against the initiative, unproductive actions, roadblock creation, setting low priorities to actions, and sabotage all of which can result in ineffective implementation (Guth & MacMillan, 2006).

As research has indicated that most decisions in organizations fail to achieve their objectives due to initiatives failing during implementation (Nutt, 1999), understanding how managers perceive a corporate decision may be important to improving an organization’s strategic success. Most individuals who have spent time in middle management positions understand that there will be times when they are asked to implement decisions made solely by the TMT. Managers may be asked to give input into the decision making process but may not always agree with or be impacted by the decision, but as part of the organization’s leadership, there is an expectation that they will support and implement decisions as effectively as possible (Sims, 2003). For example, over the past few years, outsourcing work off-shore has been a popular strategy for companies looking to reduce costs (Ellram, Tate, & Billington, 2008). Due to the impact of the strategy, outsourcing decisions are usually made by the TMT and then handed off to the middle management group for implementation. The outsourcing of work usually involves job loss or job scope changes that directly impact employee groups while middle managers’ job content can be left unchanged. These decisions may go against the
personal values of managers, violate their desire to give input to the decision process, or elicit emotional responses from employee groups who may direct their feelings at the middle management group due to the managers’ proximity and involvement in the implementation of the decision.

Research examining middle managers’ reactions to implementing corporate initiatives has generally been focused on situations involving employee layoffs (Clair & Dufresne, 2004; Dewitt et al., 2003; Grant, Molinsky, Margolis, Kamin, & Schiano, 2009; Molinsky & Margolis, 2005). In layoff situations, managers are called upon to implement the layoffs and deal with the emotions of impacted and surviving employees while also dealing with their own emotions (De Vries & Balazs, 1997; Dewitt et al., 2003). Results have suggested that managers involved in implementing layoffs experience a high degree of stress and guilt (De Vries & Balazs, 1997; Wright & Barling, 1998), modify their own behaviors to cope with the situation (Folger & Cropanzano, 1998), and distance themselves from the situation and those negatively impacted (Clair & Dufresne, 2004). Further research has proposed that managers may react to layoff situations differently based on their preference for control of the situation versus the control actually exercised. Managers that prefer and exercise a high level of control experience the least negative affect and will have the highest organizational commitment while managers that prefer control and are only able to exercise a low level of control will experience high negative affect and have low organizational commitment (Dewitt et al., 2003).
Molinsky and Margolis (2005) have defined layoffs as one type of a necessary evil. The term necessary evil refers to work-related tasks that an individual must perform as a part of their job that causes others emotional or physical harm in the service of achieving a perceived greater good. These authors have proposed that individuals implementing a necessary evil will have emotions and thoughts that are unleashed as a result of an appraisal of the situation. Individuals appraise the decision by examining the dimensions of the situation (e.g., complexity, cause, involvement, magnitude of the harm) along with their experience and psychological state.

While layoffs continue to be pervasive due to the ongoing changing economic environment, this dissertation proposes that the justice perceptions formed by middle managers in non-crisis working conditions should also be examined. Middle managers serve as the key link between top management and the majority of employees, playing the role of champion, facilitator, synthesizer, and implementer (Floyd & Wooldridge, 2000). The different roles managers play means that they are frequently involved in situations in which they are implementers of upper echelon decisions that produce emotional reactions in both the manager and employees (Izraeli & Jick, 1986). However, unlike necessary evils, these decisions do not always cause emotional or physical harm to others, yet managers must still perform a sense-making process to understand their own emotions and the environment (Balogun & Johnson, 2004). While they themselves are not always directly impacted by a decision, managers’ opinions about decisions can be influenced by their environment and perceptions formed through their own cognitive processes.
A focus of research in the field of organizational justice has been to establish an integrative justice model which, rather than focusing on a specific justice dimension, seeks to determine how the combined effects of justice dimensions interact to influence overall justice perceptions (Colquitt et al., 2005). One such integrative theory of organizational justice, fairness theory, focuses on how accountability and counterfactual thinking influence an individual’s fairness perception (Nicklin, Greenbaum, McNall, Folger, & Williams, 2011). Utilizing fairness theory, this dissertation examines how middle managers’ perceptions of justice when they are implementers of corporate decisions, is influenced by two different factors, the level of agreement with a decision outcome and their employees’ perception of procedural justice.

2.4 Fairness Theory

Fairness theory (Folger & Cropanzano, 1998; Folger & Cropanzano, 2001) was originally developed as a successor to referent cognitions theory. In referent cognitions theory, Folger (1986) has argued that resentment about a decision would be highest when a better state of affairs could be imagined by an individual experiencing unfairness, there was little hope that future outcomes would be better for them, and there was low justification for why the event occurred. The theory posits that individuals are most likely to experience injustice when they feel disadvantaged relative to a comparative other. Folger (1993) subsequently has found that referent cognitions theory inadequately distinguished between causal responsibility and moral obligation. The successor to referent cognition theory, fairness theory, attempts to explain through the use of counterfactual thinking when someone will be held accountable for an injustice (Folger &
Counterfactual thinking is a cognitive process whereby an event is undone by imagining the outcome in a more favorable state of affairs (Roese, 1997) or more simply, is the perception of what might have been (Colquitt et al., 2005). Counterfactual thinking can generate alternative outcomes that are better than actual (i.e. upward counterfactuals) or worse than actual (i.e. downward counterfactuals) (Markman, Gavanski, Sherman, & McMullen, 1993) with upward counterfactuals being generated spontaneously far more frequently (Roese & Olson, 1997).

Folger and Cropanzano (1998) have argued that counterfactual thinking can be activated by any event and can be triggered by expectations, experiences, or social comparisons. Individuals experience dissonance whenever their knowledge, opinion, behaviors or beliefs are inconsistent with one another. The magnitude of the dissonance is a function of the number and importance of the dissonant (inconsistent) relative to the number and importance of the consonant (consistent) cognitions (Festinger, 1957). The inconsistency in the individual’s cognition generates a negative intrapersonal state (dissonance) that motivates the individual to change states (Elliot & Devine, 1994). The need to reduce the dissonance is strongest when the individual experiences one of these factors: irrevocable commitment, foreseeable consequences, responsibility for consequences, or effort (Lowell, 2011). During dissonance reduction efforts, individuals attempt to reduce the discrepancy between their beliefs and the action by changing attitudes, behaviors, or values (Folger & Cropanzano, 1998).
For an event to be perceived as unfair, the affected individuals must be able to imagine a better, alternative outcome. The magnitude of the discrepancy or dissonance between their actual experience and the imagined outcome will indicate the level of harm that is perceived to have been experienced (Nicklin et al., 2011). Research has shown that people who perceive the harm as severe are more likely to generate counterfactuals than someone who only experiences mild harm (Seelau, Seelau, Wells, & Windschitl, 1995). Similarly, Folger (1986) has suggested that an individual will have the largest negative reactions to a decision when both procedural and distributive justice are low, as the individual can more easily construct more favorable alternative outcomes. When interpreting an event, an individual may add thoughts or interpretations or even change facts for a contrasting perspective that is used as a frame of reference (Folger & Cropanzano, 2001; Roese, 1997). The thoughts are considered counterfactual because the interpretations run counter to the actual event and create a more beneficial state from what is considered an aversive state (Folger & Cropanzano, 2001).

Fairness theory posits that blame will be placed when three counterfactual questions are answered in a positive manner:

1) *Would* I have been better off if a different outcome or procedure had occurred?

2) *Could* the authority have behaved differently?

3) *Should* the authority have behaved differently?

The *would* counterfactual question shows that harm has occurred by producing an alternative scenario against which the outcome is compared. The *could* counterfactual question identifies the party responsible for the decision and reasons whether the
individual has the authority to make another decision. The *should* counterfactual question addresses whether appropriate levels of standards have been followed (Folger & Cropanzano, 2001; Nicklin et al., 2011).

Each of these judgments is decided upon by comparing reality against a counterfactual scenario. Whether the individual is attempting to understand outcomes, procedures, or interactions, counterfactual contrast is the underlying psychological mechanism (Folger & Cropanzano, 2001). Since fairness theory can be used to explain the development of justice perceptions across all dimensions, this dissertation will utilize the theory to explain the relationship between the situational variables and the specific justice dimensions.

2.5 Level of Agreement with Decision Outcome

When a decision is made by the TMT or members of the upper echelon and delegated to middle management for implementation, the level of management agreement with the decision may not be considered by the TMT. Major strategic changes or initiatives that address poor financial performance can be held within a small circle of leaders due to the sensitive nature of the decisions or possible legal implications. For example, Security Exchange Commission (SEC) regulations regarding disclosure in publicly held firms can prevent an organization from including too many people in a decision process as it can violate market communication guidelines if the impact of the decision has a material impact on the organization’s financial state (McCarthy, 2003). Employee reductions, benefit or pay changes, or facility closings may be considered material changes in a business, and broad discussion of these decisions in a broad
audience may be in violation of SEC regulations regarding disclosure of non-public information.

Even in situations where there is no direct impact to them, middle managers involved in the implementation of a corporate decision will determine their own level of agreement with the decision. The intensity of such agreement may impact their perception of the distributive justice of that decision. While the process used by the TMT to make the decision could be examined in relation to managers’ procedural justice perceptions, in many instances managers may have a high level of disagreement regarding a decision outcome even when they have positive perceptions regarding the procedural justice of the decision. Thus, the focus of this dissertation will examine the link between managers’ level of decision agreement and their perception of distributive justice.

While fairness theory is generally applied to individuals that are the direct recipient of the decision outcomes (Folger & Cropanzano, 1998; Folger & Cropanzano, 2001), Skarlicki and Kulik (2005) have posited that the general principles also extend to third-party cases. Third parties form their perceptions of justice based on direct and indirect experiences and information. The managers have close proximity to the parties and issues surrounding a decision outcome during the implementation process which gives them an opportunity to gather information from a wide array of sources. When managers develop a strong level of disagreement with a decision outcome, their negative perceptions can trigger a sense-making process utilizing the same three counterfactuals associated with the two-party assessment (Skarlicki & Kulik, 2005). Thus, managers’
proximity to the decision outcomes and participation in the implementation process suggests that fairness theory can still be applicable.

In forming their level of agreement with a decision outcome, managers may examine their level of agreement with the strategy, their comfort with the perceived harm, their perception of the legitimacy of the decision, their agreement with the expected benefits, and the identity of the target of the decision (e.g. Molinksy & Margolis, 2005). Because of their dual roles of being an order-taker and order-giver (Ghidina, 1993) and their direct involvement in the implementation process, managers may experience internal dissonance when they have a strong level of disagreement with the decision as it may produce inconsistent opinions, behaviors, or beliefs (Festinger, 1957). When the managers are expected to implement the decision, their level of dissonance can lead to rationalized behaviors and self-justification which can lead to a reappraisal of motives and attitudes (Lowell, 2011) or lead to behaviors which negatively impact the implementation of the decision (Guth & MacMillan, 2006). The high levels of dissonance that managers experience when there is disagreement with a decision outcome are likely to lead an individual to consider the fairness of the decision activating the counterfactual thinking process since counterfactual thinking is most often triggered by negative emotional experiences (Roese, 1997) and when people perceive the harm as severe (Seelau et al., 1995). Managers may begin to consider whether a different, more desirable outcome could have been possible, leading to a lower perception of distributive justice as their level of agreement with the decision outcome decreases. Based on fairness
theory and the creation of counterfactual assessments, the following relationship is proposed:

_Hypothesis 1 – As middle managers’ level of agreement with the corporate decision decreases, his/her perceptions of distributive justice will decrease._

2.6. Explanations

Bies and Moag (1986) posited that an organizational allocation decision consists of three events: the following of the procedure, the interaction between the allocator and recipient(s), and the allocation of the outcome. The authors further said that in order to promote positive perceptions of fairness, certain principles should be followed during the interaction phase such as providing an explanation for the decision. When middle managers are given a corporate decision to implement, many times an explanation will accompany the instructions given to them. Research regarding explanations has shown that they are capable of producing positive effects for individuals and organizations mitigating the negative effects of layoffs and pay cuts, increasing retention, and fostering organizational trust (Brockner et al., 1994; Schaubroeck, May, & Brown, 1994). Explanations are an attempt to influence a person’s perceptions of responsibility for an incident or action, motives for an incident or action, or the unfavorableness of an action or incident (Sitkin & Bies, 1993). People use explanations to legitimize actions, alter causal attributions, manage subordinate impressions, reframe negative consequences, manage conflict, or promote perceptions of distributive and procedural justice (Leventhal, 1976a; Leventhal, 1980; Sitkin & Bies, 1993).
In the context of fairness theory, Folger and Cropanzano (2001) discussed the use of explanations and the relationship with counterfactual thinking. They posited that explanations that point to some mitigating circumstances making the decision unavoidable are sometimes called causal social accounts or mitigating accounts and are related to the *could* counterfactual. Explanations related to furthering the common interests of a larger group are sometimes called ideological accounts, justifications, or exonerating accounts and speak to the *should* counterfactual. The authors went on to argue that if people cannot imagine a better outcome for the situation – the *would* counterfactual – there is no reason for them to focus cognitively on *should* and *could* issues. Research indicates that explanations hold less importance when there are favorable outcomes (Colquitt & Chertkoff, 2002) and that when there is a large gap between what actually occurred and what managers think should have happened, there is a greater need for an explanation (Wong & Weiner, 1981).

Past research has examined explanations from a variety of perspectives. Some studies have studied the impact of providing an explanation (Colquitt & Chertkoff, 2002), while others have examined the impact of the adequacy (Brockner et al., 1990; Shapiro et al., 1994), type (Bobocel & Farrell, 1996; Conlon & Murray, 1996), and frequency (Sitkin & Bies, 1993). While these questions are different in nature, each provides valuable insight as to the impact explanations have in given situations. However, since one of the primary focuses of this dissertation is specifically on how middle managers’ agreement with a decision impacts their justice perceptions, this model will limit the
examination of explanations to consider only whether one has been provided, thus contributing to a focused, parsimonious model.

As previously hypothesized, fairness theory suggests that when managers have a high level of disagreement with a decision outcome, their own distributive justice perceptions will be negatively impacted. As research has previously shown that explanations can have positive effects on justice perceptions after unfavorable outcomes (Colquitt & Chertkoff, 2002), it is expected that when managers who strongly disagree with decisions are given explanations, justice perceptions will be positively influenced weakening the relationship between disagreement with a decision and justice perceptions. Thus, the following relationship is hypothesized:

Hypothesis 2 – The provision of an explanation to middle managers will positively moderate the relationship between middle managers’ decision agreement and middle managers’ perception of distributive justice such that this relationship will become more positive when an explanation for the decision is provided.

2.7 Third Party Justice Perceptions

Skarlicki and Kulik (2005) define third parties as “individuals who form impressions of organizational justice often based upon an indirect and vicarious experience of an organizational event” (p. 184) that come from diverse groups such as co-workers, customers, and investors. Anyone within an individual’s social network can be viewed as a potential third party. Third parties gain information about how others have been treated through firsthand knowledge or through less direct means like hearing a story from a co-worker or through a form of media. While managers are not typically
considered a third party to their employees, their participation in the implementation of a corporate decision gives them the opportunity to form opinions about a decision based on the same factors that are used to interpret decisions by more traditionally defined third parties.

There are two theories that have discussed why third parties care about the justice of others: self-interest formulations and justice as a moral imperative. Many theories have supported the notion that individuals are self-interested. Social exchange theory says people follow rules to further their self-interests (Blau, 1964) while equity theory outlines why people have negative perceptions if their output/input ratio falls below a certain level (Thibaut & Walker, 1975). Most self-interest theories support the idea that individuals care about others only when it signals a problem for them (Lerner, 1980; Skarlicki & Kulik, 2005). Justice can also be seen as a moral imperative in which actions are seen as violating moral norms. The psychological state brought about by social conduct which is seen as violating moral norms has been termed deontic justice (Folger, 2001). Individuals performing deontic judgments use ethical standards of right and wrong that are developed through value-based systems rather than making judgments based solely on psychological control or self-esteem considerations that do not consider whether a decision harms others or violates ethical principles (Cropanzano et al., 2003). In this state, individuals react not to self-interest motivations but rather are motivated more just to do the right thing, even if that means experiencing undesirable results such as sacrificing financial gain (Cropanzano et al., 2003; Turillo, Folger, Lavelle, Umphress, & Gee, 2002).
Skarlicki and Kulik (2005) have proposed that while fairness theory has generally applied to two-party interactions, third party counterfactuals can be driven similarly as two-party counterfactuals. When an individual has perceived that another individual has been treated unfairly, whether for self-interest or in violation of moral norms, this perception can trigger the sense-making process in which the third party develops a perception of whether the outcome is fair. The individual will go through the counterfactual questioning process to ascertain whether the outcome was justified. It has been argued that injustice perceptions will be strongest when the third party believes that the victim could and should have been treated differently.

Salancik and Pfeffer (1978) have argued that the fundamental premise of social information processing theory is that individuals adapt attitudes and behaviors to their social context and to the reality of their own past and present behaviors and situations. The theory has suggested that one can learn most about an individual’s behavior by examining the information and social environment in which the behavior occurs. As facts can sometimes be hard to obtain and situations complex, the social environment is a critical source of information that provides cues which individuals use to interpret events and develop their attitudes. The authors have argued that the social context can influence the development of attitudes and perceptions by providing direct feedback, helping focus an individual’s attention on the most salient information, providing help on interpreting environmental cues, and communicating which needs are important.

Research has supported that the environment provides information that is used to interpret events and can influence perceptions of outcome negativity (Brockner et al.,
1987). Thus, when managers are implementing corporate decisions that have no impact on them, they will scan the social context and environment for cues as to how others perceive the situation. How others within their environment are discussing the decision, the identification of information that is salient to the outcome, and the cues the environment provides regarding the meaning of the decision will all influence the development of their perceptions (Salancik & Pfeffer, 1978). Since middle managers are usually structurally closer to their employees and make up a part of the managers’ environment, they are likely to be more attuned to their employees’ emotions and perceptions and will become a part of the environment that managers use to interpret how fairly they view the situation (Huy, 2002). Thus, the following relationship is hypothesized:

Hypothesis 3 – As their employees’ perceptions of procedural justice decrease, the procedural justice perceptions of middle managers will also decrease.

2.8 Middle Managers’ Commitment to Their Employees

Reichers (1985) multiple commitments perspective argued that research has tended to view the organization as an undifferentiated entity that stimulates an identification and attachment on the part of the individual. She suggests that instead of viewing the organization as a whole, the organization is really made up of smaller coalitions and constituencies that are more aligned with their own goals. Employees’ view of the organization can be described as an abstraction that is represented by co-workers, superiors, subordinates, customers, and other groups. Rather than just consisting of employees’ commitment to the organization, organizational commitment is more
accurately understood as a collection of multiple commitments to the various groups or foci in which the individual identifies.

Research has supported the multiple commitments perspective in various environments. Results indicate that commitment to the work group, supervisor, and top management account for variance in dependent variables beyond that explained by overall organizational commitment (Becker, 1992). Employees have been shown to differentiate between their commitment to their supervisor and the organization with commitment to the supervisor exerting more influence on performance than overall organizational commitment (Becker, Billings, Eveleth, & Gilbert, 1996). Studies have also examined the factors associated with an expatriates’ commitment to the parent company and their foreign assignment. The factors have been found to be distinctive with differing antecedents predicting the two different commitments (Gregersen & Black, 1992). The implication of these studies taken together offer support to the idea that individuals can and do have varying levels of commitment to different foci that impact their behaviors in different ways (Lavelle, Rupp, & Brockner, 2007).

Because the middle manager position serves multiple roles representing both the TMT as well as their organizational units (Mintzberg, 1990), these managers are likely to experience feelings of commitment to several different constituencies and may even experience internal conflict due to their different commitments. Their role as managers dictates that they must carry out the TMT’s corporate direction, while their relationship with their employees and the knowledge of their emotional needs (Huy, 2002) may influence their perception of the corporate decision. Research has indicated that how
employees’ respond to a situation can influence how managers experience the situation (Wright & Barling, 1998) and that middle managers will communicate vertically, laterally, and horizontally in trying to make sense of a decision (Balogun & Johnson, 2004).

Kelman (1958) has suggested that individuals accept influence in three distinct ways: compliance, identification, and internalization or value-congruence. Compliance occurs when people try to obtain specific rewards or avoid punishment and do not necessarily share beliefs. Identification occurs when an individual desires to be associated with a satisfying, self-defining relationship with another person or group in which individuals share respect but where values are not necessarily adopted. Internalization occurs when the induced attitudes and beliefs are congruent with the individual’s values. Thus, a manager may experience influence from the organization in implementing a corporate decision through compliance pressure, while simultaneously being influenced by their employees’ perceptions of a decision through identification or internalization.

Due to the unique relationships that managers have in an organization, it is possible to experience a high level of commitment with one party while at the same time having low levels of commitment with other parties (Lavelle et al., 2007). For example, managers may have a low level of commitment to the organization but simultaneously have a high level of commitment to their employees. If the goals of the parties are in conflict, research has indicated that both interrole and intrarole conflict may occur (Van Sell, Brief, & Schuler, 1981).
While middle managers may have commitments to other diverse parties within the organization that may also be influential to the development of their justice perceptions, the organizational decisions in the model have the most direct impact on the employees of middle managers. Because the employee group receives the most impact from these decisions, the most salient foci of commitment for the managers will be the employees. As managers scan the environment looking for cues on how to interpret a decision, negative emotions from the employee group regarding their procedural justice perceptions may be known by managers since managers are structurally closer to the employee group and are more likely to be more attuned to their emotional state (Huy, 2002). This structural closeness to the employee group may drive a psychological commitment to the employees due to the proximity of their location (Reichers, 1985). The employees’ emotions may cause emotional dissonance in managers stimulating the managers to develop alternative scenarios through counterfactual thinking. The strength of managers’ relationships with the employee group will exert influence on the degree that the employees’ perception of procedural justice influences the development of managers’ justice perceptions. Thus, utilizing Reichers’ (1985) multiple commitment perspective, it is hypothesized that the managers’ level of commitment to their employees will influence the relationship between the employee and managers’ perceptions of procedural justice such that when managers have a high level of commitment to their employees, the relationship between the employees’ procedural justice perceptions and managers’ perceptions will be strengthened.
Hypothesis 4 – Middle managers’ level of commitment to their employees will positively moderate the relationship between the employees’ perception of procedural justice and middle managers’ perceptions of procedural justice such that the relationship will be strengthened when middle managers’ level of commitment to their employees is high.

2.9 Overall Justice Perceptions

The current focus on overall justice actually takes the research back to its original foundations. Early research has suggested that overall fairness has been framed by distributive and procedural rules (Leventhal et al., 1980; Leventhal, 1980) and that procedural justice has played an equal role with distributive justice in determining overall justice judgments (Lind & Tyler, 1988). Lind (2001) has said “people can certainly distinguish between different types of justice, in the sense of giving distinct and distinguishable responses to questionnaire items asking about distributive justice, procedural justice, or interactional justice, the real impact of justice judgments depends on a more general overall perception of the fairness of a given relationship” (p.221). Research has indicated that while the specific justice dimensions contribute to the development of overall fairness perceptions, overall fairness is not just the cumulative effect of the specific justice dimensions but rather a distinct dimension related to specific, global outcomes (Jones & Martens, 2009).

There has been a growing number of studies suggesting that overall fairness judgments may provide a more complete understanding of the justice construct and may capture an individual’s justice experience more accurately (Ambrose & Arnaud, 2005;
Hauenstein, McGonigle, & Flinder, 2001; Lind, 2001b). It has also been suggested that when individuals form impressions of justice, they make holistic judgments using whatever relevant information is at hand (Greenberg, 2001) and that victims of injustice don’t worry about types of justice but rather their general experience (Shapiro, 2001).

The focus on the unique variance produced by each dimension of justice on specific outcomes has fueled a debate within the justice research concerning the independence of each of the justice types (Colquitt, 2001; Colquitt & Shaw, 2005). While high correlations have been found between the specific justice dimensions, research has shown that they are distinct constructs that can be empirically distinguished from one another (Colquitt et al., 2001). However, Ambrose and Arnaud (2005) have argued that while focusing on unique variance has been beneficial in establishing the importance of each of the justice types, the results have obscured the similarities of the constructs and their relationships. Research has argued that since justice dimensions share meaningful common variation with each other, they are likely to capture common variation in outcomes that may distort the strength of the relationship between the focal form of justice and the outcome of interest (Ambrose & Arnaud, 2005; Hauenstein et al., 2001).

For example, when examining the effect of procedural and distributive justice on an outcome variable, regression will show the significance of both individual justice types as well as the overlapping effect. Studies have been so focused on explaining the unique variance that each justice type reflects in the outcome variable that the overlapping effect or overall impact of fairness on the outcomes variable is obscured, thus missing an opportunity to explain a greater portion of the variance (Ambrose & Arnaud, 2005).
A focus on overall justice changes the way researchers think about justice and enables a broadening of the topics for possible examination. Overall justice can be examined as an outcome of the specific justice dimensions or a mediator between the specific justice dimensions and specific outcomes (Ambrose & Schminke, 2009; Jones & Martens, 2009). Researchers have argued that specific types of justice impact an individual’s view of overall justice but that overall justice has more influence on outcomes (Greenberg, 2001; Shapiro, 2001). The literature has suggested that researchers should match the specificity of the justice construct being investigated to the specific outcome of interest. Global outcomes such as organizational commitment or job performance would be best examined with a global measure of justice (Colquitt & Shaw, 2005).

Recent studies have examined the relationship that overall justice has with each of the specific justice dimensions as well as the relationship with specific outcome variables (Ambrose & Schminke, 2009; Jones & Martens, 2009). Ambrose and Schminke (2009) have studied whether overall justice mediates the relationships between distributive, procedural, and interactional justice and job satisfaction, commitment, turnover intentions, task performance, organizational citizenship behaviors (OCB), and organizational deviance. Results have indicated that overall justice fully mediated the relationships with each of the justice dimensions showing a correlation with overall justice, while overall justice had direct effects on each of the outcomes. This result is consistent with the Colquitt and Shaw (2005) proposal that has questioned whether global attitudes, such as commitment or job performance, would be more appropriately
measured utilizing overall justice. Jones and Martens (2009) have found similar evidence that overall justice mediated relationships between specific justice dimensions and outcomes such as perceived managerial support, affective commitment, and job satisfaction. This study also has indicated that overall fairness is a distinct construct from the other justice dimensions with overall fairness explaining variance in the outcome variables incremental to that variance by the justice dimensions.

A gap within the current research is how the overall fairness perceptions of middle managers are influenced in the normal course of performing their roles. As research has indicated that the middle manager role is critical for organizational success (Guth & MacMillan, 2006) and that overall justice perceptions impact key behaviors and attitudes (Ambrose & Schminke, 2009; Jones & Martens, 2009), understanding more fully how managers’ overall justice perceptions are influenced can provide insight into this important group. Since the proposed model has posited that managers’ level of agreement with a decision outcome and the employees’ view of procedural justice will influence the managers’ level of distributive and procedural justice perceptions, the literature suggests that middle managers’ overall perceptions of justice will be similarly influenced by the specific justice dimensions (Ambrose & Schminke, 2009; Jones & Martens, 2009). As results from previous studies have indicated, specific justice dimensions directly influence overall justice perceptions (Ambrose & Schminke, 2009; Jones & Martens, 2009), and similar results are predicted when considering middle managers’ perceptions of overall justice. Thus, the following relationships are hypothesized:
Hypothesis 5 – Middle managers’ perceptions of distributive justice will be positively related to middle managers’ overall justice perceptions.

Hypothesis 6 – Middle managers’ perceptions of procedural justice will be positively related to middle managers’ overall justice perceptions.

Research has indicated that the specific justice dimensions have contributed to the development of overall fairness perceptions (Ambrose & Schminke, 2009; Jones & Martens, 2009); this suggests that the specific justice dimensions will mediate the relationships between the antecedents and managers’ overall perception of fairness. Prior research regarding overall justice perceptions has indicated that the use of this construct is valuable in understanding how justice perceptions impact other key organizational behaviors (Ambrose & Schminke, 2009; Jones & Martens, 2009) and that the use of the specific justice components of fairness have provided meaning only when considered in relation to the overall fairness of the situation (Törnblom & Vermunt, 1999). As individuals react to decisions, they will use whatever information is salient and available to form their overall justice perceptions whether that is based on outcomes, process, or interactions (Greenberg, 2001). Thus, the following relationships are hypothesized:

Hypothesis 7 - Middle managers’ perceptions of distributive justice will mediate the relationship between middle managers’ level of decision agreement with a decision outcome and middle managers’ overall justice perceptions and will be strongest when an explanation is provided.

Hypothesis 8 - Middle managers’ perceptions of procedural justice will mediate the relationship between the employees’ perception of procedural justice and
middle managers’ overall justice perceptions and will be strongest when middle managers have a high level of commitment to their employees.

2.10 Summary

Utilizing fairness theory (Folger & Cropanzano, 1998), this dissertation proposes that managers’ level of agreement with a decision, as well as their employees’ perceptions of the procedural justice, can impact managers’ own justice perceptions. Managers receive informational cues from sources across their environment (Salancik & Pfeffer, 1978) which can impact how they perceive a situation even if they receive no direct impact from the decision. Managers occupy a unique, influential position within the organization that allows them to gather and process information from a wide variety of sources while simultaneously influencing both the TMT and employees (Mintzberg, 1990). Research has indicated that third-party participants in situations develop perceptions about decisions through their relationships with participants or knowledge of the situation (Skarlicki & Kulik, 2005). While serving as a third-party to many decisions, the middle managers’ direct participation in the implementation process of that decision gives them access to information regarding the decision that other employees are not in a position to know. Thus, this model proposes and examines how managers’ justice perceptions are influenced in two different situations, by their level of decision agreement interacting with the provision of an explanation and by the employees’ procedural justice perceptions interacting with the middle managers’ commitment to their employees.

This dissertation attempts to contribute to the literature on organizational justice, both at the specific component and overall justice levels, and to that on middle managers
by examining the development of managers’ justice perceptions in a new environmental situation. While many times research has grouped the entire management team together without distinguishing among the various levels, the current model recognizes the different responsibilities and relationships of middle managers and how those differences can influence the development of their justice perceptions. The dissertation is also a response to the recent call in the justice literature for additional examination of the potential cumulative effects of specific justice dimensions on the construct of overall justice (Ambrose & Arnaud, 2005; Ambrose & Schminke, 2009).
CHAPTER 3 - RESEARCH METHODOLOGY

3.1 Overview of Research Methodology

This section details the process followed in examining the research model. First, there will be a review of the identification of the sample participants followed by a discussion of the scenario design used in the experiment. Each of the independent and dependent variables will be discussed along with the methods used to measure each of the variables. Finally, there will be a discussion of the analytical methods used to analyze and interpret the data. Since data for the studies was solely collected from one source, middle managers, information regarding the methods used to minimize the amount of common methods bias will also be discussed.

3.2 Experiment Participants

Data to test the proposed model was collected via two different experimental studies. Study 1 was in a field setting and utilized a group of middle managers from a functionally operating organization. Study 2 was in a controlled setting with extensive manipulations and utilized a group of graduate level business students. Examining the proposed model in the two different experimental settings allowed for the model to be examined in both a realistic operating environment and also a more controlled setting. While utilizing students in experimental testing supplied a convenient sample and a controlled environment for the study (Hair, Celsi, Money, Samouel, & Page, 2011), there may be concerns that the control achieved through the artificial experimental conditions
limits the ability to generalize the results to real-life situations (I. P. Levin, 1999). While field experiments have a high degree of realism, there are constraints in the organizational environment that hinder the use of complex manipulations and limit the amount of control over extraneous variation (Cook & Campbell, 1979). Thus, this dissertation utilized both a controlled setting and an experimental field environment to balance experimental control and realism. The setting with graduate students offered a high degree of control in terms of the environmental and the manipulation of the independent variables (I. P. Levin, 1999). The experimental field setting allows for a broader test of the hypotheses outside of a pure controlled setting as managers participating in a field experiment are more likely to be more emotionally invested in their organizations and in the relationships with their teams. Consequently, middle managers participating in the field test will offer a more realistic test of specific conditions in the proposed model (Korsgaard, Schweiger, & Sapienza, 1995). When the results from the field experiments mirror those obtained in the controlled setting, they provide convincing evidence of the validity and usefulness of the phenomena being examined (Lind & Tyler, 1988).

As the model is examining justice perceptions of middle managers who are required to implement corporate level decisions and interact with a group of their own employees, all of the participants in each sample met specific criteria in order to participate in the study. Research indicates that scenarios that deal with a situation in which the respondents have experience and understanding provide the most validity (Lind & Tyler, 1988). The first requirement was that each of the participants be
experienced in a management position that directly managed an employee group. Having some experience in a management role will have given the participant the time to experience the different aspects and requirements of the manager’s position such as developing relationships with employees and having to implement corporate decisions made by senior level leaders. Second, participants must have had experience in a position in which they were expected to implement decisions made by leaders at higher levels within the organization; thus, the participant could not be a CEO or hold another chief-level position. As organizations are diverse structures, it was acceptable for different levels of managers to be included in the study. The manager’s level within the organization was captured in the data collection process.

The acceptable sample size was determined utilizing information regarding the effect size, desired significance level, and the desired level of power (Cohen, Cohen, West, & Aiken, 2003). The estimated effect size for this dissertation was estimated at .10, which represents a small effect size, a conventional choice for behavioral science and business research (Mazen, Hemmasi, & Lewis, 1987). The level of desired significance, the estimated effect size, and the desired level of power were used to determine the sample size for the studies (Cohen et al., 2003). Both studies have an estimated effect size of .10, a desired significance level of .05, and a desired power level of .95. Study 1 is comprised of two different conditions, each with 2 independent variables that are not predicting any influence on the other. Utilizing procedures provided by Cohen et al. (2003), Study 1 required a sample size of 139. Based on the same procedures utilized
above, Study 2, which has 4 independent variables all influencing the same independent variable, required a sample size of 167.

3.3 Measurements

The measures used in the examination of the model were drawn from existing literature in each discipline where appropriate. In some cases, the specific questions were modified to fit the situation being measured. As most justice research has focused on the justice perceptions of the impacted individual, questions were modified to capture the third-party nature of the proposed model. Any modifications from the original work are noted.

Lind and Tyler (1988) were the first to discuss that there were two ways to measure justice, the direct and indirect approach. Direct measures of justice are designed to measure explicitly an individual’s perception of fairness related to an outcome, process, or interaction. Direct justice measures ask the individual to form evaluative justice judgments about the outcome or process. Indirect measures of justice are designed to assess the rules that foster a sense of fairness by asking the individual to rate characteristics of the event. An example of indirect measurements would be Leventhal’s (1980) rules of procedural justice (Colquitt & Shaw, 2005). Which approach to use when measuring justice is related to whether justice is an exogenous or endogenous variable in the model. Colquitt and Shaw (2005) have recommended that when justice is endogenous in the causal system, researchers should utilize a direct measure. Thus, since the three different justice constructs used in the proposed model were endogenous, the dissertation utilized direct measures of justice.
Another decision facing researchers examining justice issues is the nature of the measurement repetition (figure 2) (Colquitt & Shaw, 2005). When a study is using indirect measures of justice, the measurement repetition is usually done by referencing multiple fairness rules, such as multiple items from Leventhal’s rules of procedural justice (1980). When utilizing direct measures, researchers have used synonyms for the word “fair” substituting “just” or “proper” (Earley & Lind, 1987; Lind & Tyler, 1988) as well as “felt good about” and “satisfied with” (Shapiro & Brett, 1993). As this dissertation utilized direct measures, substitutions and synonyms were used in the measurement repetition.

Figure 2 – Direct/Indirect Justice Measurements

Overall justice perceptions were measured with indicator items utilized in previous studies (Ambrose & Arnaud, 2005). Distributive and procedural justice perceptions were measured utilizing direct indicator items that were modified from their original state (Earley & Lind, 1987; Lind & Tyler, 1988). The distributive justice construct included 3 items and was measured by a seven point Likert scale ranging from
“strongly disagree” to “strongly agree.” An example of the items used to measure distributive justice is “The leadership team made a fair decision.” The procedural justice construct included 3 items and was measured by a seven point Likert scale ranging from “strongly disagree” to “strongly agree.” An example of the items used to measure procedural justice is “The process used by the management team to make the decision was fair.” The overall justice construct included 5 items and was measured by a seven point Likert scale ranging from “strongly disagree” to “strongly agree.” An example of the items used to measure overall justice is “In general, I can count on my organization to be fair.” A complete list of justice measurement items is included in Appendix A.

In both studies, independent variables were manipulated within the scenario to elicit emotional responses. To insure that the respondents interpreted the description of the situation properly, manipulation checks were utilized (Hair et al., 2011). Manipulation checks were performed for provision of an explanation, employee perceptions of procedural justice, and the managers’ commitment to their employees. Each manipulation check was measured with one “yes” or “no” item to determine whether the manipulation within the scenario produced the desired emotional state. A complete listing of manipulation check items can be found in Appendix B. Respondents that did not respond to the manipulation check with the correct choice were excluded from the study.

3.4 Setting & Data Collection

To examine the model, two different studies were conducted. Studies were administered following all policies and procedures for conducting subject-based research
of the Institutional Review Board (IRB) at Kennesaw State University. The researchers associated with this dissertation were IRB certified. Material used in this dissertation was submitted to the IRB for approval prior to any data collection.

The scenarios and measurements utilized in both studies were distributed via commercial internet software with data being captured electronically. No personal identifying information was collected from the participants. Demographic information including gender, age, level of education, years of managerial experience, and nationality was gathered. To encourage participation, incentives were utilized with the student sample in Study 2. Participants received bonus course credit for their participation, if their instructor allowed, and were entered into a drawing for one of four $50 Amazon gift cards if they supplied their name and email address. In keeping with their own internal practice, the organization in Study 1 chose not to use incentives for encouraging participation in the study.

Lind and Tyler (1988) have discussed scenarios as being a variant of the laboratory experience and have been frequently utilized in the study of justice related issues. The authors have argued that scenarios are most appropriately used to study topics related to subjective reactions, such as preferences and attitudes as individuals are inaccurate in predicting how they will behave in a situation. Scenarios in a field setting combine the power of random assignment with higher reality while the controlled setting provides the ability to manipulate variables in an environment that offers a high degree of control.
Study 1 utilized a sample of an organization’s middle managers and focused on how the managers’ levels of decision agreement interacted with the provision of an explanation to impact managers’ distributive justice perceptions (hypotheses 1–2). The study also examined how the employees’ procedural justice perceptions interacted with managers’ level of commitment to the employees to impact the managers’ procedural justice perceptions (hypotheses 3–4). Since the experiment used managers in an active organizational environment and research has indicated that many environmental factors can influence overall justice perceptions (Ambrose & Arnaud, 2005; Leventhal, 1980; Lind, 2001a), overall justice perceptions were not measured for these participants. It would have been uncertain that overall justice, if measured in this setting, would have been related to the manipulated conditions or to managers’ overall experiences within the organization. The scenario conditions were randomly assigned to each participant.

Since Study 2 utilized graduate business students in a controlled setting and there was more control over the manipulation of the independent variables, it examined all hypotheses within the model. Participants in the controlled setting only had knowledge of the organization through the information provided from the scenario, thus limiting the amount of perceptual interference from historical experience. Student participants were solicited from existing graduate education programs and qualified based on the previously defined requirements. The scenario conditions were randomly assigned to each participant.

Participants in Study 1 were presented with a scenario describing a situation within a fictional organization. The scenario was developed in conjunction with the
participating organization to insure that it elicited enough of emotional response to produce valid results while not interfering with the organization’s ongoing operations. In each scenario, the participants received a description of the company, their role within the organization, and a description of the decision to be implemented. Each participant was randomly assigned a different set of conditions within the scenario with the following items being manipulated: the employees’ procedural justice perceptions of the decision, information regarding the manager’s relationship with the employees, and an explanation of the decision. In each of the manipulations, specific wording was used to convey the specifics of the desired condition. For example, when discussing the procedural justice perceptions of the employees, to convey positive perceptions the scenario used phrases such as employees being “on-board with the decision” and employees “given a voice” in the decision making process. To convey negative employee procedural justice perceptions, phrases such as employees are “upset about the way the decision was made”, “the numbers being rigged”, and “feel strongly that they should have been consulted about the proposed change” were utilized. When discussing the manager’s commitment to their employees, to convey a high commitment phrases such as “a warm relationship with the employees” and “you feel a great sense of pride when one of your employees received a promotion” were utilized. To convey a low commitment to employees, phrases such as “you have not developed close relationships with any team members” and “worked well in a cordial and business focused manager” were utilized. When discussing whether an explanation was provided, to convey that an explanation was provided it was discussed that announcements were made in two different methods and benefits of the
changes were mentioned such as productivity increases and improvement to client satisfaction. To convey that an explanation was not provided, it was discussed that the announcement of the decision was made in a memo along with other initiatives for the year along with the phrase “no specific reasoning was given”. Examples of the complete manipulations for each condition are provided below in Table 1.

The decision agreement condition in the study was not manipulated but rather measures whether the participant agreed or disagreed with the decision presented. While it could have been possible to manipulate this condition by telling the participant how they perceived the decision outcome, asking participants to respond to condition from a perspective in which they fundamentally disagree may have introduced error into the study results. Thus, two different decisions were developed that would naturally generate strong cognitive responses without requiring manipulation.

Table 1: Manipulation Condition Examples

<table>
<thead>
<tr>
<th>Positive Employee PJ Perceptions</th>
<th>During a meeting with your team to discuss the proposed changes, the team appears to be on-board with the decision on the work at home program. While all employees may not like the change, the company had instituted a process to collect feedback from the employees on how to address the market issues. The employees felt that they were given a voice in the process which helped insure that information included in the study was accurate and complete. The employees appear to be very focused on insuring that the company continues to grow and be profitable in an uncertain economic environment.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Negative Employee PJ Perceptions</td>
<td>During a meeting with your team to discuss the proposed changes, they make it very clear that they are upset about the way the decision was made. While they can understand the need for productivity and innovation, the employees feel that the basis for the change was incorrect. They dispute the results referenced in the memo and feel that management rigged the numbers to support their position. The employees feel that no consideration was given to how the change would impact their personal life or to how varying client demands</td>
</tr>
</tbody>
</table>
impact their schedules. They also feel strongly that they should have been consulted about the proposed change and that a more open process would have produced other initiatives to accomplish the goals.

Manager High Commitment to Employees

You are a manager in one of Swingline’s regional offices with responsibility for twenty employees made up of analysts, consultants, programmers, project coordinators, and clerks. You have been with this team for more than two years and have a productive partnership and **warm relationship with the employees**. You are proud of the accomplishments of the team and have worked hard to ensure that the employees receive the proper recognition. You feel a great sense of pride when one of your employees receives a promotion.

Manager Low Commitment to Employees

You are a manager in one of Swingline’s regional offices with responsibility for twenty employees made up of analysts, consultants, programmers, project managers, and clerks. You have been the manager of this team for less than one year and have generally worked well together in a cordial and business focused manner. During your time with the group, **you have not developed close relationships** with any team members and there has been no social time outside of work spent together. You have been very focused on your career progression, which has gone well, and you do not expect to be in this position much longer as your boss has told you that you are likely to see a promotion in the near future.

Explanation Provided

After much study and debate, the senior management of the organization has made the decision to eliminate the ability to work from home during normal business hours in order to address the competitive market issues. The policy was first announced to the manager group at a private session and then broadly via a corporate wide memo from the chief executive officer detailing the reasons behind the change. The main points of the announcement focused on the organization’s need to increase productivity and innovation. Internal research showed that teams that have all employees in the office have a 25% advantage in productivity and a 20% advantage in client satisfaction. The announcement also acknowledged that people will need time to adjust other parts of their lives to the new policy.

No Explanation Provided

To address the competitive market issues, the senior management of the organization has made the decision to eliminate the ability to work from home during normal business hours. The policy was announced to the entire organization in a company-wide memo from the chief executive officer summarizing last years’ results and
Since the scenarios developed for Study 1 were general in nature and applicable to most business environments, participants in Study 2 were presented with the same scenarios utilized in Study 1. In each scenario, the student participants received a description of the company, their role within the organization, and a description of the decision to be implemented. Each participant was randomly assigned a different set of conditions within the scenario with the following items being manipulated: employees’ procedural justice perceptions of the decision, information regarding the manager’s relationship with the employees, and an explanation of the decision. The survey also captured whether the participant agreed or disagreed with the decision presented.

After the scenarios were finalized, twenty individuals in the targeted organization and twelve external managers in various organizations were selected to pretest the clarity and effectiveness of the conditions within each scenario. The pretest participants within the targeted organization were selected by the Human Resources department while the external managers were randomly selected to participate in the academic survey. Each participant was randomly assigned to a set of conditions and asked to complete the survey. Following completion of the survey, each participant was asked to provide feedback as to the clarity of the conditions and survey questions. The results from the pretest indicated that the condition manipulations were effective and the questions were clearly understood.
Based on comments from the targeted organization, a comments section was added that allowed participants from the organization to express thoughts about the testing. As the company maintains a high-level of communication with their employees and has allowed comments on other types of surveys they have distributed, the management team felt that including a comments section would be consistent with practices utilized in prior surveys. Management felt this may encourage participation rates and also gauge the participant’s connection with the survey. The inclusion of a comments section in the study was not made for qualitative purposes or as a part of a qualitative design. While the comments were useful in gauging the employees’ perceptions of the survey, the comments section was not directly utilized in analyzing the data. All results from the pretest participants were excluded from the data.

When developing the scenarios, there was a special focus to make the corporate decision making process high in procedural justice in terms of how managers participated in the process. Since one of the key questions examined in the model was how the employees’ perceptions of procedural justice impact the managers’ perceptions, the corporate process needed to be perceived as procedurally fair so that the model could measure whether the employees’ perceptions flow upward in this specific environment.

Researchers must be aware of how the methods used to gather data can potentially bias a study’s results (Podsakoff, MacKenzie, & Podsakoff, 2012). This biasing effect known as common methods variance (CMV) is defined by Richardson et al. (2009) as “the systemic error variance shared among variables measured with and introduced as a function of the same method and/or source” (p. 763). While there is disagreement in the
literature as to the existence and level of impact of CMV, it has been recommended that researchers should address potential threats to validity introduced by common methods (Ashkanasy, 2008). Since this dissertation was measuring justice perceptions that could only be obtained from the responding individual, CMV issues were addressed. However, since the issue with CMV involves inflating or deflating estimates of the relationships between two constructs, CMV issues were only addressed in Study 2. The measurements in Study 1 involved dependent variables that did not have a predictive relationship, thus no issues should exist with CMV.

Due to the method of collecting data in justice related studies, it is common for researchers to address CMV issues. For example, Jones & Martens (2009) tested post hoc utilizing the Harmon’s single factor test, while Tepper (2001) addressed procedural issues in the initial testing design as well as through post hoc testing performing a confirmatory factor analysis. CMV issues in Study 2 were addressed utilizing both procedural and statistical remedies. To address the procedural issues, it has been recommended to separate the measures of the predictor and criteria variables in a temporal, proximal, or psychological manner (Podsakoff et al., 2012). Research has indicated that this type of separation can reduce the respondent’s ability to use previous answers to fill in gaps in what is recalled, infer missing details, or answer additional questions (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). The items used to measure each of the constructs were mixed together along with items measuring basic demographic information and marker variables. The items used to measure the marker variable and demographic information were also gathered utilizing different scales than those used in the predictor
and criteria variables. Research has indicated that using the same scales in all constructs can result in common method bias due to the similar formats enhancing the probability that the cognitions used in answering questions will also be used in subsequent answers (Feldman & Lynch, 1988). Finally, all items were pretested to insure that questions are clear and understandable for the participants. Research has indicated that difficult to interpret items can sometimes lead to ambiguity requiring people to assign their own meaning to the item increasing their propensity to use automatic responses to the question (Feldman & Lynch, 1988).

To address the statistical issues, the study utilized a confirmatory factor analysis (CFA) marker variable technique to provide evidence about the presence of CMV. Research has indicated that the CFA marker technique is effective in detecting CMV whether the methods effects are contaminated to the same degree across all variables by a single cause of CMV (noncongeneric) or spread unequally across variables based on the nature of the rater, item, construct, or context (congeneric) (Richardson, Simmering, & Sturman, 2009). In order to effectively utilize the CFA marker variable technique, an ideal marker variable must be selected, a priori, and included in the data gathering process (Williams, Hartman, & Cavazotte, 2010). An ideal marker variable is defined as a variable with no expected theoretical relationship with the variables being used in the study (Richardson et al., 2009). For this dissertation, a construct with no expected relationship with the justice constructs, public self-consciousness, was selected as a marker variable. The public self-consciousness construct was measured with 4 items utilized in previous studies (see Appendix B) (Fenigstein, Scheier, & Buss, 1975). The
inclusion of the marker variable items not only aided in determining the presence of CMV but also helped address the procedural issues by having justice items in less proximity to each other.

3.5 Data Analysis

Data analysis was performed utilizing IBM SPSS and AMOS software. Since some of the items used to measure the different constructs were adapted from their original form, the initial focus was to establish internal consistency reliability for data from both of the studies. The coefficient alpha, or Cronbach’s alpha, was examined to insure that each of the items in each scale was reliable (Hair et al., 2011). Following the establishment of internal consistency reliability, a confirmatory factor analysis (CFA) was utilized to test for convergent and discriminant validity for data from both studies (Hair, Black, Babin, Anderson, & Tatham, 2010).

The data from Study 1 (see figure 3) was analyzed with analysis of variance (ANOVA) techniques. ANOVA was used as the primary analytical technique as it requires that the independent variables be categorical (Hair et al., 2010) and in the proposed model, the four independent variables were classified as categorical. The ANOVA analysis analyzed the impact of two exogenous variables (level of decision agreement, explanation provision) on the manager’s perception of distributive justice and the impact of two exogenous variables (employees’ perception of procedural justice and managers’ commitment to employees) on the manager’s perception of procedural justice. The analysis examined how the interaction between the managers’ level of decision agreement and the provision of an explanation influenced the managers’ distributive
justice perceptions and also how the interaction between the employees’ perception of procedural justice and the managers’ commitment to the employees influenced the managers’ perception of procedural justice.

Figure 3 – Study 1 Model

Because the model for Study 2 included additional outcomes (see figure 4), the data was analyzed using mediated regression analysis and moderated mediation analysis (Baron & Kenny, 1986; Preacher, Rucker, & Hayes, 2007). In Study 2 the entire model was being tested which included direct effects, indirect effects (mediation), and conditional indirect effects (moderated mediation). Preacher et al. (2007) defined a conditional indirect effect or moderated mediation as “the magnitude of an indirect effect
at a particular value of a moderator” (p. 186) and proposed that in many models, it is of interest to determine whether or not the mediated effects remain constant across different contexts.

Mediated regression analysis was used to determine the influence that the level of decision agreement and the employees’ perceptions of procedural justice had on distributive, procedural, and ultimately, overall fairness perceptions. A moderated mediation analysis was conducted to determine how the provision of an explanation influenced the managers’ level of decision agreement on distributive and overall fairness. Similarly, a moderated mediation analysis was also conducted to determine how the managers’ level of commitment influenced the employees’ perception of procedural justice impact on the managers’ procedural justice perceptions and overall fairness. The hypotheses were examined using the procedures developed by Baron and Kenny (1986) and Aiken and West (1991). Correlation tables, amount of variance explained, weights, and significance levels are presented for both studies.
Figure 4 – Study 2 Model
CHAPTER 4 – RESULTS

4.1 Overview of Research Results

In this section, a comprehensive review of the data and results from each of the studies will be presented. Since the two studies utilized different data sources, results for each will be reviewed and presented separately. A general discussion of the findings will be presented in chapter 5.

4.2 Data Examination, Refinement, and Validation – Study 1

The participants for Study 1 were middle managers of a medium sized software services firm located on the east coast of the United States. The company has 5,600 employees and a market capitalization in excess of $10 billion. In order to develop test situations that would be timely and relevant to the management participants without producing internal problems for the organization, scenarios were developed in conjunction with the Human Resources Department within the organization. This coordination allowed for development of realistic situations that would resonate with managers and could possibly be faced within the organization while avoiding potentially sensitive issues that were currently being considered within their organization. Four different workplace scenarios were developed to be presented to the managers (see Appendix C). Each scenario described a fictional organization, the issue being addressed, the process used to make and announce the decision, the decision to be implemented, the manager’s role and relationship with their employees, and the employees’ reaction to that
decision. The scenarios were designed to promote responses to the issues as if the situation was really happening to the manager. To maximize the response rate, an e-mail was sent from the organization’s Chief Executive Officer (CEO) encouraging the members of the middle management group to participate in the research. Individuals electing to participate were given a link that took them to an online survey web site. Participation was strictly voluntary with no identifying information obtained from the individuals. Per the organization’s internal policy, no incentives were offered to individuals for their participation. The targeted participants were selected from the middle management group of the organization which was defined as managers, senior managers, and directors. Due to their perceived role in high-level decision making, no officer level titles were included in the targeted group. The organization distributed 800 e-mails to the targeted manager group generating 311 completed surveys, representing a response rate of 39%.

The 311 completed responses were examined for missing data, completeness, and compliance with three manipulation checks. No responses were found with missing data and all surveys were found to be complete. In each scenario, each participant was provided with one of two possible decisions to be implemented. The study measured whether the participant agreed or disagreed with the decision. The data was then examined to insure that the manipulations worked as planned. A case was considered acceptable for the decision agreement/explanation/distributive justice condition if the explanation manipulation check was met. In each scenario, managers were either given or not given an explanation for the decision that they were being assigned to implement.
The case was considered acceptable if the respondent’s perception of receiving an explanation matched the condition they were assigned. A case was considered acceptable for the employee perception of procedural justice/manager commitment/procedural justice condition if both the employee perception and manager commitment manipulation check was met. In each scenario, respondents were randomly assigned conditions in which employees had either positive or negative procedural justice perceptions and the manager had either high or low commitment to their employees. The case was considered acceptable if the respondent’s perception of employee procedural justice perceptions and the manager’s commitment to their employees both matched the conditions they were assigned.

Given that Study 1 is examining two different, independent conditions that do not predict each other (Figure 3), datasets for each condition were created with cases that had met the manipulation check(s) for that specific condition. For a case to be considered acceptable only the manipulation check(s) for that specific condition had to be satisfied. Cases that satisfied all manipulation checks were included in the datasets for both conditions. For the decision agreement/explanation condition, there were 246 acceptable responses retained (79%), while 204 acceptable responses for the employee perception of procedural justice/manager commitment to their employees condition were retained (66%). Once all acceptable cases were determined for each condition, each case was classified according to the different possible responses (see Table 2).
Table 2: Possible Responses

<table>
<thead>
<tr>
<th>Decision Agreement/Provision of an Explanation Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Decision Agreement/Explanation Provided</td>
</tr>
<tr>
<td>High Decision Agreement/Explanation Provided</td>
</tr>
<tr>
<td>Low Decision Agreement/No Explanation Provided</td>
</tr>
<tr>
<td>High Decision Agreement/No Explanation Provided</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Employee Perception of Procedural Justice/Manager’s Commitment to Employees Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Negative Employee PJ/Manager High Commitment to Employees</td>
</tr>
<tr>
<td>Negative Employee PJ/Manager Low Commitment to Employees</td>
</tr>
<tr>
<td>Positive Employee PJ/Manager Low Commitment to Employees</td>
</tr>
<tr>
<td>Positive Employee PJ/Manager High Commitment to Employees</td>
</tr>
</tbody>
</table>

As each of the conditions had four different possible responses and the number of acceptable responses for each varied, as required in an ANOVA process, it was necessary to try and equalize the numbers across the four different response groups (Hair, et al., 2010) by reducing the total number of cases. The random sample tool within SPSS was utilized to select a random sample of cases for each condition. The decision agreement/explanation condition had a sample size of 144, while the employee perception of procedural justice/manager commitment to their employees condition had a sample size of 160. Both conditions exceeded the required sample size of 139 (Cohen et al., 2003). The size by condition can be found in Table 3. Demographic data such as age, gender, educational level, race, length of time in management, and job title was collected and is summarized in Table 4. The overall demographics for the organization very closely resemble the management demographics. The company is only 20 years old and attracts young employees that want to work in the technology sector while living in a relatively low-cost, desirable location in the eastern United States.
Employees tend to be young, white, college educated males who desire a flexible working environment.

Table 3: *Final Sample Conditions*

<table>
<thead>
<tr>
<th></th>
<th>Explanation Provided</th>
<th>No Explanation Provided</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Decision Agreement</td>
<td>39</td>
<td>39</td>
</tr>
<tr>
<td>Low Decision Agreement</td>
<td>39</td>
<td>27</td>
</tr>
<tr>
<td>Total</td>
<td>144</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>High Manager Commitment</th>
<th>Low Manager Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Negative Employee PJ</td>
<td>45</td>
<td>42</td>
</tr>
<tr>
<td>Positive Employee PJ</td>
<td>38</td>
<td>35</td>
</tr>
<tr>
<td>Total</td>
<td>160</td>
<td></td>
</tr>
</tbody>
</table>
**Table 4: Demographic Data**

<table>
<thead>
<tr>
<th>Decision/Explanation</th>
<th>% of total</th>
<th>Employee PJ/Mgr</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td><strong>Gender</strong></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>108</td>
<td>Male</td>
<td>127</td>
</tr>
<tr>
<td>Female</td>
<td>36</td>
<td>Female</td>
<td>33</td>
</tr>
<tr>
<td><strong>Length of Time in Mgt</strong></td>
<td></td>
<td><strong>Length of Time in Mgt</strong></td>
<td></td>
</tr>
<tr>
<td>1-3 years</td>
<td>37</td>
<td>1-3 years</td>
<td>49</td>
</tr>
<tr>
<td>4-10 years</td>
<td>55</td>
<td>4-10 years</td>
<td>50</td>
</tr>
<tr>
<td>11-15 years</td>
<td>23</td>
<td>11-15 years</td>
<td>29</td>
</tr>
<tr>
<td>16-20 years</td>
<td>14</td>
<td>16-20 years</td>
<td>18</td>
</tr>
<tr>
<td>&gt;21 years</td>
<td>15</td>
<td>&gt;21 years</td>
<td>14</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td><strong>Age</strong></td>
<td></td>
</tr>
<tr>
<td>18-25</td>
<td>13</td>
<td>18-25</td>
<td>8</td>
</tr>
<tr>
<td>26-34</td>
<td>21</td>
<td>26-34</td>
<td>22</td>
</tr>
<tr>
<td>35-44</td>
<td>60</td>
<td>35-44</td>
<td>73</td>
</tr>
<tr>
<td>45-54</td>
<td>36</td>
<td>45-54</td>
<td>43</td>
</tr>
<tr>
<td>55-64</td>
<td>12</td>
<td>55-64</td>
<td>11</td>
</tr>
<tr>
<td>&gt;65</td>
<td>2</td>
<td>&gt;65</td>
<td>3</td>
</tr>
<tr>
<td><strong>Education Level</strong></td>
<td></td>
<td><strong>Education Level</strong></td>
<td></td>
</tr>
<tr>
<td>High School/GED</td>
<td>3</td>
<td>High School/GED</td>
<td>1</td>
</tr>
<tr>
<td>Some College</td>
<td>21</td>
<td>Some College</td>
<td>25</td>
</tr>
<tr>
<td>4-year College</td>
<td>61</td>
<td>4-year College</td>
<td>67</td>
</tr>
<tr>
<td>Masters</td>
<td>53</td>
<td>Masters</td>
<td>57</td>
</tr>
<tr>
<td>Specialist</td>
<td>2</td>
<td>Specialist</td>
<td>5</td>
</tr>
<tr>
<td>Doctoral</td>
<td>4</td>
<td>Doctoral</td>
<td>5</td>
</tr>
<tr>
<td><strong>Race</strong></td>
<td></td>
<td><strong>Race</strong></td>
<td></td>
</tr>
<tr>
<td>White/Caucasian</td>
<td>127</td>
<td>White/Caucasian</td>
<td>136</td>
</tr>
<tr>
<td>African American</td>
<td>1</td>
<td>African American</td>
<td>1</td>
</tr>
<tr>
<td>Hispanic</td>
<td>2</td>
<td>Hispanic</td>
<td>3</td>
</tr>
<tr>
<td>Asian</td>
<td>8</td>
<td>Asian</td>
<td>14</td>
</tr>
<tr>
<td>Other</td>
<td>6</td>
<td>Other</td>
<td>8</td>
</tr>
<tr>
<td><strong>Job Title</strong></td>
<td></td>
<td><strong>Job Title</strong></td>
<td></td>
</tr>
<tr>
<td>Manager</td>
<td>72</td>
<td>Manager</td>
<td>80</td>
</tr>
<tr>
<td>Senior Manager</td>
<td>19</td>
<td>Senior Manager</td>
<td>24</td>
</tr>
<tr>
<td>Director</td>
<td>38</td>
<td>Director</td>
<td>39</td>
</tr>
<tr>
<td>Other</td>
<td>15</td>
<td>Other</td>
<td>17</td>
</tr>
</tbody>
</table>
Once the final samples were created, a reliability analysis was run to assess the consistency of items used in the scales. Table 5 shows the coefficient alphas as an estimate of reliability for each of the scales. As shown in the table, for this measure of internal consistency the Cronbach’s alpha scores for both the distributive justice ($\alpha = .84$) and procedural justice ($\alpha = .90$) scales exceeded the minimal standard of .70 (Hair et al., 2010) indicating that the scales had strong overall reliability.

Table 5: Reliability Results

<table>
<thead>
<tr>
<th>Measure</th>
<th>N</th>
<th>$\alpha$</th>
<th># of items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distributive Justice</td>
<td>144</td>
<td>.84</td>
<td>3</td>
</tr>
<tr>
<td>Procedural Justice</td>
<td>160</td>
<td>.90</td>
<td>3</td>
</tr>
</tbody>
</table>

Utilizing guidelines from Hair et al. (2010), a confirmatory factor analysis (CFA) was performed to insure survey items used to measure the distributive and procedural justice latent constructs had the necessary levels of reliability and validity (see Table 6 & 7). As previously discussed, Since Study 1 is examining two different, independent conditions that do not predict each other (Figure 3), separate datasets for each condition were created with cases that had met the manipulation check(s) for that specific condition. In order to perform the CFA, it was necessary to combine the samples from the two different conditions. Since the cases selected for these samples originally came from the same pool of responses, duplicate cases were possible and needed to be eliminated from the final CFA dataset. Additionally, as each of the specific condition datasets may contain cases that had passed only the manipulation check(s) for that specific condition,
cases could exist that failed the other conditions checks. Only cases that had passed all manipulation checks for both conditions were retained. The final sample used to perform the CFA had a sample size of 143.

When examining convergent validity, all factor loadings for distributive and procedural justice items met or exceeded .80, above the acceptable minimum guideline of .70. The average variance extracted (AVE) scores for the constructs were greater than .69, exceeding the acceptable minimum guideline of .50. These items taken together indicate strong convergent reliability for the constructs. Nomological validity which examines the correlation between constructs, was supported with significant positive inter-construct co-variances for both constructs. The construct reliability, or internal consistency of the observed indicator variables, for both constructs was above .85, exceeding the acceptable minimum of .70, indicating adequate convergence of the data and internal consistency. The examination showed that the model had discriminant validity, as AVEs were larger than the corresponding squared interconstruct correlation estimates (SIC) (see Table 7). The CFA also demonstrated a strong fit between the data and the model: CMIN/DF = 2.188, GFI = .961, AGFI = .899, CFI = .983, and RMSEA = .091.
Table 6: Confirmatory Factor Analysis

<table>
<thead>
<tr>
<th>Construct</th>
<th>Item</th>
<th>Factor Loadings</th>
<th>Construct Reliability</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distributive</td>
<td>DJ1 Decision is fair</td>
<td>.83</td>
<td>.87</td>
<td>.69</td>
</tr>
<tr>
<td>Justice</td>
<td>DJ2 Decision is proper</td>
<td>.79</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>DJ3 Decision is just</td>
<td>.87</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Procedural</td>
<td>PJ1 Process used by management to make</td>
<td>.92</td>
<td>.89</td>
<td>.73</td>
</tr>
<tr>
<td>Justice</td>
<td>decision is fair</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PJ2 Management team used a just process</td>
<td>.90</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PJ3 Management team used the proper</td>
<td>.73</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>process</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 7: Discriminant Validity

<table>
<thead>
<tr>
<th></th>
<th>Distributive Justice</th>
<th>Procedural Justice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Variance</td>
<td>.69</td>
<td>.73</td>
</tr>
<tr>
<td>Extracted (AVE)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Correlation Values</td>
<td>Distributive Justice</td>
<td>1</td>
</tr>
<tr>
<td>Squared</td>
<td>Procedural Justice</td>
<td>.50</td>
</tr>
</tbody>
</table>

4.3 Hypotheses Testing H1, H2: ANOVA

Hypothesis 1 (H1) predicted that as managers’ level of agreement with a decision outcome increases, so would their perceptions of distributive justice. Means, standard deviations, and correlations for the distributive justice condition are provided in Table 8. As predicted, the data indicates a significant negative correlation between decision agreement and managers’ distributive justice perceptions.
Table 8: Means, Standard Deviations, Correlations – Distributive Justice Condition

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Standard Dev.</th>
<th>(1)</th>
<th>(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Decision Agreement</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) Explanation Provision</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(3) Distributive Justice</td>
<td>4.36</td>
<td>1.27</td>
<td>-.571**</td>
<td>.174*</td>
</tr>
</tbody>
</table>

** Correlation is significant at the 0.01 level (2-tailed)
* Correlation is significant at the 0.05 level (2-tailed)

To examine the hypothesized main effect, a one-way ANOVA was conducted to determine if a manager’s perception of distributive justice was different based on the manager’s agreement with the decision outcome (see Table 9). Based on their response to the scenario, participants were classified either into either high (N=78) or low (N=66) decision agreement. Testing of studentized residuals showed no significant outliers in the data and Levene's Test of Homogeneity of Variance indicated that there was homogeneity of variances ($p = .522$). The results examining the distributive justice condition show support for Hypothesis 1. The results indicate that managers’ perceptions of distributive justice were statistically significantly different between the agreement conditions, $F(1,142) = 68.75, p < .0005, \omega^2 = .32$. When managers agreed with the decision being implemented ($M = 5.02, SD = 1.01$), their perceptions of distributive justice were higher than when there was disagreement with the decision ($M = 3.57, SD = 1.09$). Thus, Hypothesis 1 is supported.

Table 9: Results of Analyses of Variance – Distributive Justice Condition

<table>
<thead>
<tr>
<th>Decision Agreement</th>
<th>N</th>
<th>Mean</th>
<th>df</th>
<th>F</th>
<th>Total $R^2$</th>
<th>Adjusted $R^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>78</td>
<td>5.02</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>66</td>
<td>3.57</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>144</td>
<td>4.35</td>
<td>143</td>
<td>67.53</td>
<td>.322***</td>
<td>.318***</td>
</tr>
</tbody>
</table>

*** $p < .001$
Hypothesis 2 (H2) predicted that when an explanation is provided about the decision, the relationship between managers’ decision agreement and distributive justice perceptions would become more positive. While the data shows a positive correlation between providing an explanation and managers’ perception of distributive justice (see Table 8), the correlation was expected to be negative. The results show that managers’ perception of distributive justice was higher when no explanation was provided (M = 4.59, SD = 1.28) than when an explanation was provided (M = 4.15, SD = 1.24), counter to expectations. To examine the hypothesized moderated effect, a two-way ANOVA was conducted to determine if managers’ perception of distributive justice was different based on managers’ agreement with the decision outcome interacting with whether an explanation was provided. In each scenario, participants either did or did not receive an explanation for the decision being made. A summary of the scores by category are in Table 10. Testing of studentized residuals showed no significant outliers in the data and Levene's Test of Homogeneity of Variance indicated that there was homogeneity of variances (p = .054). The results indicate that there was not a statistically significant interaction effect between decision agreement and the provision of an explanation on managers’ distributive justice perceptions, $F(1,140) = .119, p = .730$. Thus, Hypothesis 2 is not supported.
Table 10: Distributive Justice Scores by Condition

<table>
<thead>
<tr>
<th>Decision Agreement</th>
<th>Explanation</th>
<th>Mean</th>
<th>SD</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>Yes</td>
<td>4.84</td>
<td>1.12</td>
<td>39</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>5.20</td>
<td>0.88</td>
<td>39</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>5.02</td>
<td>1.02</td>
<td>78</td>
</tr>
<tr>
<td>No</td>
<td>Yes</td>
<td>3.47</td>
<td>0.94</td>
<td>39</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>3.72</td>
<td>1.28</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>3.57</td>
<td>1.09</td>
<td>66</td>
</tr>
<tr>
<td>Total</td>
<td>Yes</td>
<td>4.15</td>
<td>1.24</td>
<td>78</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>4.59</td>
<td>1.29</td>
<td>66</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>4.35</td>
<td>1.27</td>
<td>144</td>
</tr>
</tbody>
</table>

4.4 Hypotheses Testing H3, H4: ANOVA

Hypothesis 3 (H3) predicted that as the procedural justice perceptions of managers’ employees decreased, so would managers’ perceptions of procedural justice. Means, standard deviations, and correlations for the procedural justice condition are provided in Table 11. As predicted, the data indicates a significant positive correlation between employees’ perception of procedural justice and managers’ procedural justice perceptions.

Table 11: Means, Standard Deviations, Correlations – Procedural Justice Condition

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Standard Dev.</th>
<th>(1)</th>
<th>(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Employee PJ</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) Manager Commitment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(3) Procedural Justice</td>
<td>3.98</td>
<td>1.43</td>
<td>.350**</td>
<td>-.068</td>
</tr>
</tbody>
</table>

** Correlation is significant at the 0.01 level (2-tailed)

To examine the hypothesized main effect, a one-way ANOVA was conducted to determine if managers’ perception of procedural justice was different based on the how
the manager’s employees perceived the procedural justice of the decision (see Table 12). In each scenario, the participant was given a decision that was to be implemented in an organization. Each participant was randomly assigned a condition where their employees had either positive (N = 73) or negative (N = 87) procedural justice perceptions regarding the decision. Testing of studentized residuals showed no significant outliers in the data and Levene's Test of Homogeneity of Variance indicated that there was homogeneity of variances ($p = .084$). The results indicate that managers’ perceptions of procedural justice were statistically significantly different between the employee procedural justice perception conditions, $F(1,158) = 22.061$, $p < .0005$, $\omega^2 = .12$. When employees had a negative perception of procedural justice, the manager’s perceptions of procedural justice were lower ($M = 3.52$, $SD = 1.24$) than when the employees had a positive procedural justice perception ($M = 4.52$, $SD = 1.46$). Thus, Hypothesis 3 is supported.

Table 12: Results of Analyses of Variance – Procedural Justice Condition

<table>
<thead>
<tr>
<th>Employee Perception of PJ</th>
<th>N</th>
<th>Mean</th>
<th>df</th>
<th>F</th>
<th>Total $R^2$</th>
<th>Adjusted $R^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive</td>
<td>73</td>
<td>4.52</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Negative</td>
<td>87</td>
<td>3.52</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>160</td>
<td>4.35</td>
<td>159</td>
<td>22.061</td>
<td>.123***</td>
<td>.117***</td>
</tr>
</tbody>
</table>

Hypothesis 4 (H4) predicted that when managers’ level of commitment to their employees is positive, the relationship between employees’ perceptions of procedural justice and managers’ perception of procedural justice will be strengthened. There is not a statistically significant correlation between managers’ commitment to their employees and managers’ procedural justice perceptions. To examine the hypothesized moderated
effect, a two-way ANOVA was conducted to determine if managers’ perception of procedural justice was different based on employees’ perception of procedural justice interacting with managers’ commitment to their employees. In each scenario, in addition to being assigned a condition of positive or negative employee perceptions of procedural justice, participants were also assigned a condition of high or low commitment to their employees. A summary of the scores by category are in Table 13.

Table 13: Procedural Justice Scores by Condition

<table>
<thead>
<tr>
<th>Employee PJ</th>
<th>Manager Commitment</th>
<th>Mean</th>
<th>SD</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>Yes</td>
<td>3.42</td>
<td>1.15</td>
<td>45</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>3.62</td>
<td>1.24</td>
<td>42</td>
</tr>
<tr>
<td>No</td>
<td>Yes</td>
<td>4.83</td>
<td>1.33</td>
<td>38</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>4.18</td>
<td>1.53</td>
<td>35</td>
</tr>
<tr>
<td>Total</td>
<td>Yes</td>
<td>4.07</td>
<td>1.42</td>
<td>83</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>3.87</td>
<td>1.45</td>
<td>77</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>3.98</td>
<td>1.43</td>
<td>160</td>
</tr>
</tbody>
</table>

Testing of studentized residuals showed no significant outliers in the data and Levene's Test of Homogeneity of Variance indicated that there was homogeneity of variances ($p = .231$). The results indicate that there was a statistically significant interaction between employee perceptions of procedural justice and managers’ commitment to their employees on managers’ procedural justice perceptions, $F(1,156) = 4.016, p = .047$, partial $\eta^2 = .025$. Thus, Hypothesis 4 is supported.

To further understand the interaction between employee perceptions of procedural justice and the manager’s commitment to their employees, a post hoc investigation utilizing simple main effects analysis was performed. While this technique has been debated (Games, 1973; J. R. Levin & Marascuilo, 1973), the analysis can increase the
understanding of the interaction between two variables (Boik, 1979). When a two-way interaction is significant, the results represent average effects of a factor rather than how the factors vary between levels of the other factor. Understanding of the model can be increased by examining the effect of one factor separately for each level of the other factor, known as simple main effects.

Examination of the data using a Bonferroni test indicates that there was a statistically significant difference in the managers’ perception of procedural justice when managers had a high commitment to their employees within the different employee perception conditions, $F(1, 156) = 23.056, p = .000$, partial $\eta^2 = .129$ (see Table 14). There was not a statistically significant difference in the manager’s perception of procedural justice when managers had a low commitment to their employees within the different employee perception conditions, $F(1, 156) = 3.388, p = .068$. The data also indicates that there was a statistically significant difference in the managers’ perception of procedural justice when employees had a positive perception of the procedural justice across the different levels of commitment, $F(1,156) = 4.358, p = .038$, partial $\eta^2 = .027$. There was not a statistically significant difference in managers’ perception of procedural justice when employees had a negative perception of procedural justice across the different levels of commitment, $F(1, 156) = .473, p = .493$. Figure 5 graphically shows the difference between the different groups.

These results indicate that having a high commitment to their employee groups may influence the manager’s own procedural justice perceptions more than having a low commitment to employees. Additionally, there appears to be more influence when
employees had a positive perception of procedural justice and no significant impact when the employees had negative perceptions of procedural justice.

Table 14: *Comparisons - Bonferroni Test – Dependent Variable = Procedural Justice*

<table>
<thead>
<tr>
<th>Commitment to Employees</th>
<th>Emp. PJ</th>
<th>Emp. PJ</th>
<th>Mean Difference</th>
<th>Std. Error</th>
<th>Sig.</th>
<th>Lower Bound</th>
<th>Upper Bound</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>Negative Positive</td>
<td>Positive Negative</td>
<td>-1.411</td>
<td>.294</td>
<td>.000</td>
<td>-1.992</td>
<td>-.831</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1.411</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>Negative Positive</td>
<td>Positive Negative</td>
<td>-.562</td>
<td>.305</td>
<td>.068</td>
<td>-1.165</td>
<td>.041</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>.562</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Emp. PJ</th>
<th>Commitment to Empls.</th>
<th>Commitment to Empls.</th>
<th>Mean Difference</th>
<th>Std. Error</th>
<th>Sig.</th>
<th>Lower Bound</th>
<th>Upper Bound</th>
</tr>
</thead>
<tbody>
<tr>
<td>Negative</td>
<td>Yes</td>
<td>No</td>
<td>-.197</td>
<td>.286</td>
<td>.493</td>
<td>-.762</td>
<td>.368</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>Yes</td>
<td>.197</td>
<td>.286</td>
<td>.493</td>
<td>-.368</td>
<td>.762</td>
</tr>
<tr>
<td>Positive</td>
<td>Yes</td>
<td>No</td>
<td>.652</td>
<td>.313</td>
<td>.038</td>
<td>.035</td>
<td>1.270</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>Yes</td>
<td>-.652</td>
<td>.313</td>
<td>.038</td>
<td>-1.270</td>
<td>-.035</td>
</tr>
</tbody>
</table>
4.5 Summary of Findings – Study 1

Presented in Table 15 is a summary of the findings from Study 1. The examination of the data indicates support for three of the four hypotheses. Chapter 5 includes a detailed discussion of the findings, implications, and conclusions that can be inferred from the results. Limitations of the study and directions for future research will be discussed in Chapter 5 following the analysis of Study 2.
Table 15: Hypotheses Results Study 1

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>H1</strong> As middle managers’ level of agreement with the corporate decision decreases, their perceptions of distributive justice will decrease.</td>
<td>Supported</td>
</tr>
<tr>
<td><strong>H2</strong> The provision of an explanation to middle managers will positively moderate the relationship between middle managers’ decision agreement and middle managers’ perception of distributive justice such that this relationship will become more positive when an explanation for the decision is provided.</td>
<td>Not Supported</td>
</tr>
<tr>
<td><strong>H3</strong> As their employees’ perceptions of procedural justice decrease, the procedural justice perceptions of middle managers will also decrease.</td>
<td>Supported</td>
</tr>
<tr>
<td><strong>H4</strong> Middle managers’ level of commitment to their employees will positively moderate the relationship between the employees’ perception of procedural justice and middle managers’ perceptions of procedural justice such that the relationship will be strengthened when middle managers’ level of commitment to their employees is high.</td>
<td>Supported</td>
</tr>
</tbody>
</table>

4.6 Data Examination, Refinement, and Validation - Study 2

The participants for Study 2 were MBA students attending universities in the southern United States. Universities with a focus on professional MBA programs were targeted as the student bases provided a broad population of participants that met the age requirement with experience in a management role. Although the scenarios for Study 1 were developed with and for the first organization, they were still general enough to be used with Study 2 participants (see Appendix C). Each scenario described a fictional
organization, the issue being addressed, the process used to make and announce the
decision, the decision to be implemented, the manager’s role and relationship with their
employees, and the employees’ reaction to the decision. As a way to encourage
participation, individuals submitting their names and email addresses with a completed
survey were entered into a drawing for one of four $50 Amazon gift cards. Additionally,
some faculty members provided additional course credit for participating in the study. All
studies were conducted utilizing on-line survey software. Over a four month period, 224
surveys were completed.

The 224 completed surveys were examined for missing data, completeness, and
compliance with three manipulation checks. No responses were found with missing data
and all surveys were found to be complete. In each scenario, each participant was
provided with one of two possible decisions to be implemented. The study measured
whether the participant agreed or disagreed with the decision. The data was then
examined to insure that the manipulations worked as planned.

For a case to be considered valid in Study 2, all three manipulation checks were
required to be passed. Each participant was randomly provided a scenario with a set of
manipulated conditions. In each scenario, managers were either given or not given an
explanation for the decision that they were being assigned to implement, their employees
either had positive or negative procedural justice perceptions about the decision, and the
manager had either high or low commitment to their employees. To pass the
manipulation checks, the participant’s perception of the conditions needed to match each
of the conditions they were assigned.
Examination of the cases show that 187 (83%) of the completed surveys passed all manipulation checks. Once the acceptable cases were determined, each case was classified according to the different possible responses (see Table 16). Demographic data such as age, gender, educational level, race, length of time in management, and job title was collected and is summarized in Table 17.

Table 16: Final Sample Conditions

<table>
<thead>
<tr>
<th></th>
<th>Explanation Provided</th>
<th>No Explanation Provided</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Decision Agreement</td>
<td>67</td>
<td>59</td>
</tr>
<tr>
<td>Low Decision Agreement</td>
<td>30</td>
<td>31</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>High Manager Commitment</th>
<th>Low Manager Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Negative Employee PJ</td>
<td>58</td>
<td>39</td>
</tr>
<tr>
<td>Positive Employee PJ</td>
<td>51</td>
<td>39</td>
</tr>
</tbody>
</table>

N = 187

Table 17: Demographic Data

<table>
<thead>
<tr>
<th>Gender</th>
<th>% of total</th>
<th>Education Level</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>96</td>
<td>4-year College</td>
<td>143</td>
</tr>
<tr>
<td>Female</td>
<td>91</td>
<td>Masters</td>
<td>36</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Specialist</td>
<td>8</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Length of Time in Mgt</th>
<th>% of total</th>
<th>Race</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-3 years</td>
<td>100</td>
<td>White/Caucasian</td>
<td>150</td>
</tr>
<tr>
<td>4-10 years</td>
<td>52</td>
<td>African American</td>
<td>20</td>
</tr>
<tr>
<td>11-15 years</td>
<td>16</td>
<td>Hispanic</td>
<td>3</td>
</tr>
<tr>
<td>16-20 years</td>
<td>6</td>
<td>Asian</td>
<td>9</td>
</tr>
<tr>
<td>&gt;21 years</td>
<td>13</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Once the final sample was created, a reliability analysis was run to assess the consistency of the items used in the scales. Table 18 shows the coefficient alphas as an estimate of reliability for each of the scales. As shown in the table, for this measure of internal consistency the Cronbach’s alpha scores for the distributive justice (α = .89), procedural justice (α = .91), and overall justice (α = .93) scales exceeded the minimal standard of .70 (Hair et al., 2010) indicating that the scales had strong overall reliability.

<table>
<thead>
<tr>
<th>Age</th>
<th>Other</th>
<th>5</th>
<th>2%</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-25</td>
<td>28</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>26-34</td>
<td>68</td>
<td>36%</td>
<td></td>
</tr>
<tr>
<td>35-44</td>
<td>56</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td>45-54</td>
<td>26</td>
<td>14%</td>
<td></td>
</tr>
<tr>
<td>55-64</td>
<td>7</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td>&gt;65</td>
<td>2</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>5</td>
<td>2%</td>
<td></td>
</tr>
</tbody>
</table>
Table 18: Reliability Results

<table>
<thead>
<tr>
<th>Measure</th>
<th>α</th>
<th># of items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distributive Justice</td>
<td>.89</td>
<td>3</td>
</tr>
<tr>
<td>Procedural Justice</td>
<td>.91</td>
<td>3</td>
</tr>
<tr>
<td>Overall Justice</td>
<td>.93</td>
<td>5</td>
</tr>
</tbody>
</table>

N = 187

Utilizing guidelines from Hair et al. (2010), a confirmatory factor analysis (CFA) was performed to insure survey items used to measure distributive, procedural, and overall justice latent constructs had the necessary levels of reliability and validity (see Table 19 & 20). When examining convergent validity, all factor loadings for distributive, procedural, and overall justice items met or exceeded .80 with the exception of one item (OJ_4 = .63). This item was reversed coded and may have presented a problem for some respondents. While not above the desired .70 level, this item still exceeds the minimum level of .50. These items taken together indicate strong convergent reliability for the constructs. Nomological validity which examines the correlations between constructs, was supported with significant positive inter-construct co-variances for all constructs. The construct reliability for all constructs was above .85, exceeding the acceptable minimum of .70, indicating adequate convergence of the data and internal consistency. The examination also showed that the model had discriminant validity, as AVEs were larger than the corresponding squared interconstruct correlation estimates (SIC) (see Table 20). The CFA demonstrated a fit between the data and the model: CMIN/DF = 2.670, GFI = .902, CFI = .963, and RMSEA = .095.
Table 19: *Confirmatory Factor Analysis*

<table>
<thead>
<tr>
<th>Construct</th>
<th>Item</th>
<th>Factor Loadings</th>
<th>Construct Reliability</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distributive Justice</td>
<td>DJ1 Decision is fair</td>
<td>.90</td>
<td>.89</td>
<td>.74</td>
</tr>
<tr>
<td></td>
<td>DJ2 Decision is proper</td>
<td>.86</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>DJ3 Decision is just</td>
<td>.82</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Procedural Justice</td>
<td>PJ1 Process used by management to make decision is fair</td>
<td>.89</td>
<td>.91</td>
<td>.77</td>
</tr>
<tr>
<td></td>
<td>PJ2 Management team used a just process</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PJ3 Management team used the proper process</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall Justice</td>
<td>OJ1 I'm treated fairly by my organization.</td>
<td>.90</td>
<td>1.00</td>
<td>.73</td>
</tr>
<tr>
<td></td>
<td>OJ2 I can count on my organization to be fair.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>OJ3 The treatment I receive around here is fair.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>OJ4 The way things work in my organization are not fair. (reverse coded)</td>
<td>.92</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>OJ5 This organization treats me fairly.</td>
<td></td>
<td></td>
<td>.93</td>
</tr>
</tbody>
</table>

Table 20: *Discriminant Validity*

<table>
<thead>
<tr>
<th></th>
<th>Distributive Justice</th>
<th>Procedural Justice</th>
<th>Overall Justice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Variance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Extracted (AVE)</td>
<td>.74</td>
<td>.77</td>
<td>.73</td>
</tr>
<tr>
<td>Correlation Values</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Squared</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distributive Justice</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Procedural Justice</td>
<td>.40</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Overall Justice</td>
<td>.38</td>
<td>.22</td>
<td>1</td>
</tr>
</tbody>
</table>
4.7 Hypotheses Testing H5, H6: Regression

Hypothesis 5 (H5) predicted that middle managers’ perceptions of distributive justice will be positively related to their overall justice perceptions, while Hypothesis (H6) predicted that middle managers’ perceptions of procedural justice will be positively related to their overall justice perceptions. Means, standard deviations, and correlations for the variables are provided in Table 21.

Table 21: Means, Standard Deviations, Correlations

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Standard Dev.</th>
<th>(1)</th>
<th>(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Distributive Justice</td>
<td>4.76</td>
<td>1.35</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) Procedural Justice</td>
<td>4.46</td>
<td>1.39</td>
<td>0.583**</td>
<td></td>
</tr>
<tr>
<td>(3) Overall Justice</td>
<td>5.24</td>
<td>1.05</td>
<td>0.585**</td>
<td>0.444**</td>
</tr>
</tbody>
</table>

** Correlation is significant at the 0.01 level (2-tailed)

To examine the hypothesized main effects, two linear regressions were conducted to determine if managers’ distributive and procedural justice perceptions were positively related to the managers’ overall justice perceptions (see Table 22). The first regression examined the relationship between distributive justice and overall justice. The data was examined for outliers utilizing the Casewise Diagnostics process in SPSS and identified three cases with standardized residuals larger than +/- 3 standard deviations. Results were run without these cases and no significant differences were found in the results, thus, the three outlying cases were retained. Further examination indicates a linear relationship between the independent and dependent variables and homoscedasticity of the data. The linear regression results established that managers’ distributive justice statistically significantly predicted managers’ overall justice perceptions, $F(1,185) = 96.026, p <
0.0005 and distributive justice accounted for 34.2% of the explained variability in overall justice perceptions. Thus, Hypothesis 5 is supported.

The second regression examined the relationship between procedural justice and overall justice. The data was examined for outliers utilizing the Casewise Diagnostics process in SPSS with no outliers being identified. Further examination indicates a linear relationship between the independent and dependent variables and homoscedasticity of the data. The linear regression results established that managers’ procedural justice statistically significantly predicted managers’ overall justice perceptions, $F(1,185) = 45.627, p < .0005$ and procedural justice accounted for 19.7% of the explained variability in overall justice perceptions. Thus, Hypothesis 6 is supported.

Table 22: Regression Results

<table>
<thead>
<tr>
<th>Model</th>
<th>df</th>
<th>$F$</th>
<th>$R^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distributive Justice – Overall Justice</td>
<td>186</td>
<td>96.026</td>
<td>.342***</td>
</tr>
<tr>
<td>Procedural Justice – Overall Justice</td>
<td>186</td>
<td>45.4416</td>
<td>.197***</td>
</tr>
</tbody>
</table>

4.8 Hypotheses Testing H7, H8: Moderated Mediation - Regression

Hypothesis 7 predicted that middle managers’ perceptions of distributive justice will mediate the relationship between managers’ level of decision agreement with a decision outcome and the managers’ overall justice perceptions and will be strongest when an explanation is provided. Hypothesis 8 predicted that middle managers’ perceptions of procedural justice will mediate the relationship between the employees’ perception of procedural justice and the managers’ overall justice perceptions and will be strongest when the manager has a high level of commitment to their employees.
to use regression for the examination of the data, the categorical variables were re-coded into dummy variables. Manager’s decision agreement, provision of an explanation, employees’ perception of procedural justice, and managers’ commitment to their employees were all re-coded into a “0” or “1” condition. Those conditions are detailed in Table 23.

<table>
<thead>
<tr>
<th>Decision Agreement</th>
<th>High = 1</th>
<th>Low = 0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Explanation</td>
<td>Yes = 1</td>
<td>No = 0</td>
</tr>
<tr>
<td>Employee PJ Perceptions</td>
<td>Negative = 1</td>
<td>Positive = 0</td>
</tr>
<tr>
<td>Manager Commitment to Employees</td>
<td>Positive = 1</td>
<td>Negative = 0</td>
</tr>
</tbody>
</table>

The testing for both of these hypotheses required the following steps to establish the presence of mediation before testing for conditional indirect effects. Before testing for the presence of mediation, the following conditions must be met: the independent variable must significantly predict the proposed mediating variable, the proposed mediating variable must significantly predict the dependent variable, and the independent variable must significantly predict the dependent variable (Baron & Kenny, 1986).

Examination of the data indicates that all three criteria were met for the distributive justice condition. The managers’ decision agreement significantly predicts the managers’ distributive justice perceptions ($R = .573, R^2 = .329$, sig. < .001) and the managers’ overall justice perceptions ($R = .493, R^2 = .243$, sig. < .001) while the managers’ distributive justice perceptions significantly predicts the managers’ overall justice
perceptions (R = .585, R² = .342, sig. < .001). Thus, further tests may be conducted to test for mediation in this condition.

Examination of the data indicates that the criteria were not met in the *procedural justice* condition. The employees’ perception of procedural justice significantly predicted the managers’ perception of procedural justice (R = .212, R² = .045, sig. = .004) and the managers’ perceptions of procedural justice significantly predicted the managers’ overall justice perceptions (R = .444, R² = .197, sig. < .001). The third criteria was not met as employees’ perception of procedural justice did not significantly predict managers’ overall perception of justice (R = .034, R² = .001, sig. = .644) (see Table 24). Thus, mediation cannot be tested for in this condition and Hypothesis 8 is not supported.

### Table 24: Regression Results

<table>
<thead>
<tr>
<th>Condition</th>
<th>R</th>
<th>R²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decision Agreement – DJ</td>
<td>.573</td>
<td>.329***</td>
</tr>
<tr>
<td>DJ – OJ</td>
<td>.585</td>
<td>.342***</td>
</tr>
<tr>
<td>Decision Agreement – OJ</td>
<td>.493</td>
<td>.243***</td>
</tr>
<tr>
<td>Employee PJ – Mgr. PJ</td>
<td>.212</td>
<td>.045**</td>
</tr>
<tr>
<td>Mgr. PJ - OJ</td>
<td>.444</td>
<td>.197***</td>
</tr>
<tr>
<td>Employee PJ - OJ</td>
<td>.034</td>
<td>.001</td>
</tr>
</tbody>
</table>

*p < .001; **p < .01

To test for the presence of mediation in the *distributive justice* condition, both the independent variable (managers’ decision agreement) and proposed mediating variable (managers’ perception of distributive justice) were entered simultaneously into the regression equation predicting the dependent variable (managers’ overall justice
perception). If the relationship between the independent and dependent variables becomes insignificant when the mediating variable is entered into the equation, full mediation is supported. If the relationship between the independent and dependent variables becomes less significant, but is still statistically significant, then partial mediation is supported. Examination of the data for the *distributive justice* condition indicates no presence of mediation. When the mediating variable is entered into the equation with the independent variable, the significance level of the direct effect remains the same (< .001); thus, no mediation is present and Hypothesis 7 is not supported.

Table 25: *Hypotheses Results – Study 2*

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>H5  <em>Middle managers’ perceptions of distributive justice will be positively related to middle managers’ overall justice perceptions.</em></td>
<td>Supported</td>
</tr>
<tr>
<td>H6  <em>Middle managers’ perceptions of procedural justice will be positively related to middle managers’ overall justice perceptions.</em></td>
<td>Supported</td>
</tr>
<tr>
<td>H7  <em>Middle managers’ perceptions of distributive justice will mediate the relationship between middle managers’ level of decision agreement with a decision outcome and middle managers’ overall justice perceptions and will be strongest when an explanation is provided.</em></td>
<td>Not Supported</td>
</tr>
<tr>
<td>H8  <em>Middle managers’ perceptions of procedural justice will mediate the relationship between the employees’ perception of procedural justice and middle managers’ overall justice perceptions and will be strongest when middle managers have a high level of commitment to their employees.</em></td>
<td>Not Supported</td>
</tr>
</tbody>
</table>
4.9 Common Method Variance Testing

Since the data in Study 2 was self-reported and the independent variables predicted the same dependent variable, testing was done to insure that the data did not have issues with common methods variance (CMV). Before distributing the surveys, an ideal market variable was selected a priori and included within the study. The construct, public self-consciousness, was chosen and four questions supporting this construct were included in the survey. To examine the data, a CFA was performed on the data utilizing the comprehensive CFA Marker technique discussed by Williams et al. (2010). A series of models were executed in order to determine if there were CMV issues within the data. A summary of the different models is listed below in Table 26. The first phase of the analysis utilizes a CFA model that allows for a complete set of correlations among the three substantive latent variables (distributive justice, procedural justice, overall justice) and the marker variable (public self-consciousness). The purpose for evaluating this model is to obtain the factor loading and measure error variance estimates for use in the subsequent models. The second model, the Baseline, lets the substantive factors be correlated but fixes the factor loadings and error variances for the marker variable at the levels from the original CFA model. The goal in the Baseline model is to have a specified model so that all subsequent model comparisons would focus only on method variance detection. Model-C is similar to the Baseline model but also has additional factor loadings from the marker variable to each of the indicators in the model. The factor loadings that relate to the substantive items are forced to be equivalent in value, reflecting the assumption of equal methods effects. By comparing Method-C with the Baseline
Model, a test is provided for the presence of method variance associated with the marker variable. Model-U is similar to the Method-C model except that the loadings from the market variable to the substantive variables are not forced to be equal and are allowed to have varying estimates. Model-R utilizes the factor correlations from the Baseline Model as fixed values in either Method-C or Method-U models. For the purposes of this analysis, Model-R reflected Method-C and assumes that the CMV would be equal across the data.

The model fit results for each of the analyses are shown in Table 2. As previously described in literature (Richardson et al., 2009), if Method-C fits significantly better than the Baseline model, there is evidence of CMV in the data. If Method-U fits significantly better than Model-C, then there is evidence of unequal or congeneric method effects. If Method-R fits significantly worse than Mode-C, then there is evidence of bias due to CMV. As seen in Table 27, each of the model comparisons yielded an insignificant chi-square difference, indicating that CMV is not likely present in the data (Williams et al., 2010).
Table 26: **CMV CFA Model Summary**

<table>
<thead>
<tr>
<th>Model</th>
<th>Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>CFA</td>
<td>Standard CFA Model with Marker Variable included. The method factor loadings are set to 0.</td>
</tr>
<tr>
<td>Baseline</td>
<td>CFA model with the correlations between the method and substantive latent variables forced to 0. The measurement parameters of the marker variable are fixed at nonzero values obtained from the CFA model and the method factor loadings are forced to 0.</td>
</tr>
<tr>
<td>Method-C</td>
<td>This model adds the method factor loadings back into the model, under the assumption that these loadings are constrained to have equal values.</td>
</tr>
<tr>
<td>Method-U</td>
<td>In this model the method factor loadings are unconstrained.</td>
</tr>
<tr>
<td>Method-R</td>
<td>Same as either Method-C or Method-U with the substantive factor correlations constrained to their values from the Baseline model. This model provides a test of the bias in the substantive factor correlations due to marker-based method variance.</td>
</tr>
</tbody>
</table>

Table 27: **Chi-Square, Goodness-of-Fit, and Model Comparison Tests**

<table>
<thead>
<tr>
<th>Model</th>
<th>$\chi^2$</th>
<th>df</th>
<th>CFI</th>
</tr>
</thead>
<tbody>
<tr>
<td>CFA</td>
<td>196.848</td>
<td>84</td>
<td>0.941</td>
</tr>
<tr>
<td>Baseline</td>
<td>201.548</td>
<td>90</td>
<td>0.942</td>
</tr>
<tr>
<td>Method-C</td>
<td>200.072</td>
<td>89</td>
<td>0.942</td>
</tr>
<tr>
<td>Method-U</td>
<td>183.467</td>
<td>79</td>
<td>0.946</td>
</tr>
<tr>
<td>Method-R</td>
<td>200.106</td>
<td>92</td>
<td>0.944</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Model Comparison</th>
<th>$\Delta\chi^2$</th>
<th>$\Delta$df</th>
<th>Critical Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baseline vs Method-C</td>
<td>1.476</td>
<td>1</td>
<td>3.84</td>
</tr>
<tr>
<td>Method-C vs Method-U</td>
<td>16.605</td>
<td>10</td>
<td>18.31</td>
</tr>
<tr>
<td>Method-U vs Method-R</td>
<td>16.639</td>
<td>13</td>
<td>22.362</td>
</tr>
</tbody>
</table>
The CFA marker variable approach also provides a method of quantifying the amount of method variance that is associated with the measurement of the latent variables. The method outlined by Williams et al. (2010) provides a means to address reliability decomposition based on estimates from the models. Using the factor loadings and the error variances from earlier models, the process allows for an estimate to be developed for the latent variable reliability. The goal is to decompose a reliability measure into substantive and method variance components. The equations needed to perform this analysis are listed below:

\[
R_{\text{Total}} = R_{\text{sub}} + R_{\text{meth}}
\]

\[
R_{\text{sub}} = \frac{(\text{sum substantive factor loadings})^2}{((\text{sum substantive factor loadings})^2 + (\text{sum method factor loadings})^2 + \text{sum(error variances))}}
\]

\[
R_{\text{meth}} = \frac{(\text{sum method factor loadings})^2}{((\text{sum substantive factor loadings})^2 + (\text{sum method factor loadings})^2 + \text{sum(error variances))}}
\]

Results indicate that the overall model had a decomposed reliability of 96.4% with less than 1% of the overall variance due to common methods. When examining the decomposed results for the substantive constructs, values indicate that the constructs achieved adequate overall reliability (ranging from .89 to .91). The decomposition values show that overall justice is the most effected by method variance, with 2% of its total reliability accounted for by the method component (see Table 28). Based on the results of the CFA marker technique, there does not appear to be an issue with method variance in the study.
### Table 2: Reliability Decomposition

<table>
<thead>
<tr>
<th>Variable</th>
<th>Total Reliability</th>
<th>Substantive Reliability</th>
<th>Method Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>DJ</td>
<td>0.90</td>
<td>0.89</td>
<td>0.002</td>
</tr>
<tr>
<td>PJ</td>
<td>0.91</td>
<td>0.91</td>
<td>0.0001</td>
</tr>
<tr>
<td>OJ</td>
<td>0.93</td>
<td>0.91</td>
<td>0.021</td>
</tr>
</tbody>
</table>

4.10 Results Across Studies

Since the two studies were conducted in different environments, Study 1 in a functioning organization and Study 2 in a more controlled educational environment, results across the studies will now be examined for consistency. Only data from the relationships examined in both studies will be considered. As seen in Table 2, results from the two studies produced similar results when considering the direct effects for both the *distributive and procedural justice* conditions. Means for both studies were directionally consistent with some variation in the levels seen across the studies. Results for both conditions were found to be significant for both studies.
When examining the influence that providing an explanation had on the managers’ perception of distributive justice, consistent results were found in both studies, counter to expectations. In both studies, the managers’ perception of distributive justice was higher when no explanation was provided (see Table 30). The provision of an explanation did not moderate level of decision agreement and managers’ perception of distributive justice in either study. This issue will be discussed further in the limitations section.
Table 30: Managers’ DJ Perceptions – Explanation Provision

<table>
<thead>
<tr>
<th>Decisions Agreement</th>
<th>Explanation</th>
<th>Manager DJ Perceptions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Study 1</td>
</tr>
<tr>
<td>Yes</td>
<td>Yes</td>
<td>4.84</td>
</tr>
<tr>
<td>Yes</td>
<td>No</td>
<td>5.21</td>
</tr>
<tr>
<td>No</td>
<td>Yes</td>
<td>3.47</td>
</tr>
<tr>
<td>No</td>
<td>No</td>
<td>3.72</td>
</tr>
</tbody>
</table>

When examining the influence that the managers’ level of commitment to their employees had on the managers’ perception of procedural justice, consistent results were found in both studies. In both studies, the managers’ level of commitment to their employees was found to moderate the relationship between employees’ perception of procedural justice and the managers’ perception of procedural justice. Results for Study 2 indicate that there was a statistically significant interaction between employee perceptions of procedural justice and the managers’ commitment to their employees on managers’ procedural justice perceptions, $F(1,183) = 5.757, p = .017$, partial $\eta^2 = .030$. Also consistent with Study 1, results for Study 2 indicate that having a high commitment to their employee group influences the managers’ own procedural justice perceptions more than having a low commitment to employees. Examination of the simple main effects indicate there was a statistically significant difference in the managers’ perception of procedural justice when managers had a high commitment to their employees within the different employee perception conditions, $F(1.183) = 14.513, p = .000$, $\eta^2 = .073$. There was not a statistically significant difference in the managers’ perception of procedural justice when managers had a low commitment to their employees within the different employee perception conditions, $F(1,183) = .007, p = .933$. Consistent across
both studies was that having a high commitment to their employee groups may influence
the managers’ perceptions more than having a low commitment to employees.
CHAPTER 5 – DISCUSSION, LIMITATIONS, AND FUTURE RESEARCH

5.1 Overview

The intent of this dissertation was to expand the research into how middle managers’ justice perceptions are influenced when implementing a decision that does not impact them directly. At various times, middle managers are expected to implement decisions made by the TMT. In their roles, managers may experience the outcome to a decision as a third-party participant in the process having had no input in the decision making process and experiencing no direct impact from the outcome but being expected to implement the initiative. Since middle managers play a critical “linking pin” role in the organization simultaneously representing the interest of the organization and their subordinates (Likert, 1961) and influencing both employees and senior leaders (Raes et al., 2011; Schaubroeck et al., 2011), understanding how perceptions in this group are influenced may play a role in improving overall performance of the organization.

Specifically, the study considered the following research questions:

- How does a managers’ agreement with the outcome of a decision impact their distributive justice perceptions?
- What role does receiving an explanation play in how those justice perceptions are influenced?
- Does how employees perceive the procedural justice of a decision trickle-up to influence managers’ procedural justice perceptions?
- Does a manager’s level of commitment to their employees influence whether employees’ perceptions trickle-up to influence the manager?

- Do the specific conditions and types of justice influence managers’ overall justice perceptions?

5.2 Key Findings

The current studies identified several important implications that are important to organizational behavior research and research regarding middle managers. The implications of how managers’ decision agreement influences their distributive justice perceptions, how employees’ perceptions trickle-up to influence managers’ procedural justice perceptions, how commitment interacts with the employees’ perceptions to influence managers’ procedural justice perceptions, and how each of the specific justice types influence overall justice perceptions will be discussed further in the sections below.

A review of the overall findings indicates that there was a consistency of results across the two studies. Conducted in different conditions with differing environmental pressures, the consistency indicates that the results may be more generalizable across different environments. While both environments have their constraints and complexities, the consistency in results indicates that the studies were able to capture some degree of realism in both experimental environments.

5.2.1 Managers’ Distributive Justice Perceptions

In the current research, it was expected that having a high level of agreement with the outcome of a decision would lead to higher levels of distributive justice perceptions, while having a low level of agreement with the decision outcome would lead to a lower
level of distributive justice perceptions. While the predicted outcome would be expected for the direct recipients of the decision outcome, this study contributes to the literature by providing a view into how the perceptions of middle managers, operating as a third-party to the decision making process and outcome, may be influenced by their level of agreement with the decision. Results in both studies indicated support for the level of decision agreement directly influencing managers’ perceptions of distributive justice.

In two independent studies, one in a controlled organizational setting and one in a controlled test environment, consistent results were found that indicated managers had higher perceptions of distributive justice when there was a high level of agreement with the decision outcome. Organizations should recognize that when implementing corporate decisions, how middle managers perceive a decision outcome may influence the managers’ perceptions of distributive justice and ultimately, their behavior. Since managers can exhibit either agency related behaviors in support of the organization or more self-serving behaviors (Lee & Taylor, 2014), organizations should not assume that managers’ behavior during initiative implementation will be supportive of a decision just because they are a member of the leadership group. These results support the idea that even when operating as a third-party to the development and impact of the decision, how managers perceive the decision outcome is a factor in influencing their distributive justice perceptions. Managers may experience dissonance when having negative perceptions of distributive justice which may cause them to reappraise their attitude leading to behavior that could negatively impact the implementation of a decision. While difficult to insure that managers are always in agreement with a corporate decision, strategies to gain
acceptance of the decision by the middle manager group, such as participation in the development of the decision, should be employed whenever possible.

While it was expected that providing the managers an explanation as to why the decision was made would moderate the direct effects between decision agreement and managers’ distributive justice perceptions, no moderation was found. In fact, in both studies, while a correlation was found between providing an explanation and managers’ distributive justice perceptions, managers that had not been provided an explanation had higher distributive justice perceptions than when an explanation was provided (see Table 29). These results run counter to expectations and can be interpreted in two ways: explanations played no role in influencing managers’ distributive justice perceptions or based on the way the scenario was written and presented, the effect of either providing or not providing an explanation lacked sufficient strength to manipulate the situation.

The managers’ agreement with the decision outcome may have produced an emotional response so strong that other factors influencing the perception of the decision became insignificant. Since the impact of the decision was not focused directly on the manager and they were still responsible for implementing the decision, the effect of providing an explanation may have become less relevant to the managers. The managers were still responsible for implementing the decision and may be considering other factors such as the process used to make the decision, the organizational environment, how the decision may indirectly impact their roles, or how they will position the decision with their employees.
When considering the strength of the manipulation, prior research indicates that explanations have the potential to enhance fairness, yet do not always do so (Bobocel & Zdaniuk, 2005). The provision of an explanation in and of itself may not always be sufficient to change justice perceptions. In some cases, explanations were considered effective when perceived to be adequate, sincere, (R. J. Bies & Shapiro, 1987) and delivered properly by the actor in the right context (Bobocel & Zdaniuk, 2005). Since the study merely manipulated whether the explanation was offered and did not focus on sincerity or adequacy, the effect of the explanation may have been weakened.

Additionally, results from the manipulation check indicate that 21% of the completed responses failed the explanation manipulation check in Study 1 and 13% of the completed responses failed the check in Study 2. The failure rate was higher than expected and may indicate some confusion over whether an explanation was provided in the scenario. Perhaps a certain amount of information needed to be provided to the participant so that he/she could form an opinion about the scenario and the amount provided was not sufficient. It is possible that some participants were focused on the decision and other information included within the scenario and did not focus on whether an explanation was provided. This issue will be addressed further in the limitations discussion.

5.2.2 Managers’ Procedural Justice Perceptions

Past results in organizational behavior research has supported the idea that justice perceptions trickle-down from higher levels and that how a superior within an organization perceives an issue will influence how their employees perceived the same
issue (Masterson, 2001). Results from the current research now indicate that managers’ procedural justice perceptions are also influenced by how their employees’ perceive the procedural justice of a decision. In both studies, managers’ perceptions of procedural justice were lower when their employees had a negative perception of the procedural justice of the decision and higher when the employees had a positive perception of procedural justice. While this outcome does not change the idea that justice perceptions do trickle-down from superiors, it does expand our knowledge about the influences on the middle managers’ justice perceptions by showing that the managers’ perceptions can also be influenced from employees below the manager in the organization. Middle managers reside at a unique location within the organization and these results expand our understanding of how their attitudes and perceptions are influenced. Organizations should understand that how managers’ perceive a decision is influenced by more than just how their superiors view the decision. The environment in which managers work plays an important role in determining their attitudes and behaviors and these results indicate that managers’ employees are an influential part of their environment. Decisions that are negatively perceived by employees may have a broader impact than most organizations believe. Since employees will not always agree with decisions made by the TMT, organizations should take steps to mitigate the potential negative effects of employee perceptions by including managers in the decision making process whenever possible.

Results from the studies also indicate that as expected, managers’ level of commitment to their employees moderated the relationship between employees’ perception of procedural justice and managers’ perceptions of procedural justice. These
results are supported by Reichers’ (1985) multiple commitment perspective which argued that organizational commitment is more accurately understood as a collection of multiple commitments to various groups or foci in which the individual identifies. The data indicated that when managers had a high commitment to their employees, the employees’ perceptions of procedural justice had a greater impact on managers’ perceptions of procedural justice. When the managers had a low level of commitment to their employees, there was not a difference in the managers’ procedural justice perceptions.

Thus, the results indicate that having a high commitment to employees creates a stronger link between the employees’ perception and the managers’ perceptions. While the results showed that employee perceptions are influential to managers’ perceptions, this influence is present only when the manager has a commitment to their employee group. This further supports the multiple commitment perspective by showing that when managers have other commitments in addition to those to the organization, these commitments can also be influential in the development of the managers’ perceptions. This is particularly interesting when considering the middle manager group due to their position within the organization. As previously discussed, middle managers location within the organization allows them to be influenced from all directions by different groups. As this group is important to effective implementation of initiatives and employee morale, understanding how their perceptions and behaviors are influenced is an important task for leaders when managing the effectiveness of the organization.
5.2.3 Managers’ Overall Justice Perceptions

As expected in Study 2, the managers’ perceptions of both distributive and procedural justice predicted the managers’ overall justice perceptions. As discussed in literature, overall justice perceptions can be examined as an outcome of the specific justice dimensions (Ambrose & Schminke, 2009) and is seen as a distinct and separate construct from the specific justice dimensions. These results continue to support the literature that has suggested the need to include overall justice perceptions when examining specific dimensions of justice (Ambrose & Schminke, 2009; Jones & Martens, 2009). Unexpectedly, the specific justice dimensions did not mediate the relationship between independent variables, decision agreement and employees’ perceptions of procedural justice, and the dependent variable, overall justice.

A focus of this dissertation was to identify additional factors that influence both individual and overall facets of justice. While the results replicate findings from the previous studies to some degree (H5, H6), the current study attempted to expand the results from the previous studies by considering antecedents to the specific dimensions of justice and their relationship to overall justice, a path not considered in the previous studies. In the previous studies focused on overall justice, antecedents to the specific justice dimensions were not considered but rather measured broad, overall impressions of the specific justice types.

The measurements utilized for overall justice are termed entity judgments and ask the individual to rate the general fairness of some entity (organization group, supervisor, etc.) (Ambrose & Schminke, 2009). It is possible that the impact from the antecedents,
while strong enough to influence the specific dimensions of justice, were not strong enough to influence the managers’ overall justice perceptions due to mixed signals from the environment specified in the scenario. Since individuals utilize whatever relevant information is at hand to form general overall impressions of justice, entity judgment, conflicting signals from the environment regarding different aspects of the decision may have neutralized perceptions of overall justice. For example, if a manager’s employees had a low perception of procedural justice yet the manager had a high level of agreement with the decision outcome, the environmental signals to the manager would be in conflict, thus possibly neutralizing their perceptions of overall justice. The results would show a direct influence to the specific dimension of justice, which is supported in the data, but would not impact overall justice due to the conflicting signals. This would be in contrast to a more general evaluation of the specific justice dimensions used in the other surveys in which similar stimuli from the environment would tend to be more consistent.

Another potential influence of the results may be that in trying to keep the scenario to a manageable length and focusing in on the other conditions within the situation prohibited the scenario from establishing an environment where someone could develop a perception of overall justice within the fictional organization. If there was not enough information to help form a cognitive perception about overall justice, participants may have substituted perceptions from prior experiences.

5.3 Limitations and Future Research

While there are some interesting findings that move the field forward, there are limitations with the current research that should be considered when interpreting the
results. First, all of the organizations solicited to be a part of the research expressed concerns about testing the model using a real situation with their employees. A compromise of utilizing a scenario based approach focusing on a fictitious organization and environment was reached with the participating organization. While scenario based approaches have been used extensively in research (ex. Folger & Skarlicki, 1998, Grant et al. 2009), there can be a loss of realism as the scenario based approach is asking participants to place themselves in a fictitious environment that may not be familiar to them. Likewise, using a real organization presents constraints that can hinder the use of complex manipulations as there is a limit to the amount of control over extraneous variation (Cook & Campbell, 1979).

In Study 1, the participating organization has won awards for employee relations and is highly ranked as one of the best companies in the technology sector in which to work. The organization has a culture where issues are discussed and information is shared freely. Based on comments from managers that were included when taking the survey, it was apparent that some of the situations being described were hard for people to place themselves in and a key to valid scenarios is to have situations the respondents have experienced and understand (Lind & Tyler, 1988). However, when comparing the results of Study 1 with those in Study 2, which was conducted in a more controlled environment, consistent outcomes are found which provide broad evidence for the validity of the results.

The second limitation related to the success of the manipulations in certain areas. As previously discussed, the failure rate for the explanation manipulation check in Study
1 was 21% and 13% in Study 2. The higher than expected failure for this manipulation is likely related to how the scenario described the issue, environment, roles, and the decision to be implemented. Because the scenarios were describing a situation within a fictitious organization, a certain amount of information needed to be provided in order to educate the reader about the situation. While manipulating explanations in scenarios has been successfully done in the past (Skarlicki et al., 2008), there appears to be a fine balance in providing the right amount of information with some participants perceiving the background information as an explanation. Comments from the participants in Study 1 appear to focus on the dialogue between the organization and employees and the entire feedback loop with little emphasis put on the provision of an explanation. It could be argued that the manipulation of the explanation condition lacked enough strength to produce the desired cognitive state. For future studies, rather than just focusing on whether an explanation was provided, the manipulation checks should focus more on the adequacy, reasonableness, timeliness, and sincerity of the explanation. Each of these items has been found to be important when delivering an explanation (Bobocel & Zdaniuk, 2005; Brockner et al., 1990; Sitkin & Bies, 1993). Utilizing one or a combination of the proposed items in a multi-item scale would give the researcher flexibility in measuring the effectiveness and power of the manipulation as perceived by the participant. While the current studies utilized a single question in a dichotomous yes/no basis in order to be focused and parsimonious and the changes would add complexity to the survey, the improvement in the quality of data would be beneficial to the research.
Another manipulation problem focused on creating a condition of low commitment to employees in the management participants from the organization. An examination of the results from Study 1 indicates that only 45% of the participants passed the manipulation check for a condition of low commitment to their employees. In the condition of high commitment to their employees, 90% of the participants passed the manipulation check. This is contrasted with an overall 95% success rate in Study 2 for the overall commitment condition which was conducted in a more controlled environment. These results indicate that manipulating managers’ perception of their commitment to their employees to be low in our participating organization was difficult to achieve. As previously mentioned, the organization is an award winning technology firm ranked as one of the best firms to work in the technology sector. Their culture is one of collaboration with management focusing on nourishing the culture so that they can attract, retain, and motivate their employees. Trying to create a feeling where a manager is not committed to their employees was antithetical to their culture, thus, leading to problems with the manipulations.

Social information processing theory offers a potential explanation for why this condition was so hard to manipulate. Salancik and Pfeffer (1978) proposed that people adapt their attitudes to their social context and to the reality of their own past and present behavior and situation. An individual’s attitude is a function of the information available to him at the time he expresses the attitude. Perception is seen as a retrospective process and is derived from recall and reconstruction. Thus, when attempting to manipulate managers’ sense of their commitment to their employees through a fictitious scenario in
which the participants have a difficult time identifying, participants revert to their real social context and, through recall and reconstruction, project their normal perception of commitment to their employees into the results. A potential method to solve this issue would have been to measure managers’ commitment to their employees as a continuous variable rather than a dichotomous (high/low) basis. While the level of commitment would likely have still been high in this case due to the corporate culture, measuring commitment on a continuous basis would allow for the responses to be more or less committed rather than a forced choice of committed or not. In future research using an external organization, researchers should carefully consider the organization’s culture when choosing the measurement tool. Manipulations in a highly supportive, collaborative culture may tend to be high, even on a continuous scale.

As this research has indicated that employees’ perceptions can influence the perceptions of their managers, future research should examine the relative power of that influence against other areas. For example, is the employees’ influence greater than managers’ own bosses’ influence or that of the TMT? Additionally, as managers’ commitment to their employees was found to be a moderator in the development of managers’ procedural justice perceptions, research should consider how commitments to other groups also interact to influence the development of justice perceptions.

5.4 Conclusion

This dissertation establishes a new direction in the field of organizational justice by examining justice perceptions in a previously unexamined group, middle managers. While there has recently been a growing amount of research focused on middle managers
as a separate and distinct group from other members of leadership (Gentry et al., 2013; Lee & Taylor, 2014), little focus has been put on justice perceptions. As justice perceptions have been shown to be influential in development of an individual’s attitudes and behaviors, increasing understanding of how justice perceptions in this important group are influenced, may have a positive impact on overall corporate performance.

Overall, this dissertation contributes to the understanding of the middle management group by identifying how two factors, normally encountered in the work environment, can influence dimensions of justice perceptions. Middle managers have been shown to be an important group of employees and have a variety of responsibilities in an organization. As organizations continue to face economic and cultural challenges in the future, the role of this group of employees will grow in importance. The middle manager’s role representing both the organization and their employees place them at the crossroads of the organization with a great deal of influence. It is hoped that by improving the understanding of this important organizational group, the overall effectiveness of organizations are improved on a broad basis.
REFERENCES


APPENDIX A - ORGANIZATIONAL JUSTICE MEASUREMENTS

Distributive Justice Measurements

1) The leadership team made a *fair* decision.

2) The decision made by the leadership team was *proper*.

3) The leadership team made a *just* decision.

(Earley & Lind, 1987; Lind & Tyler, 1988)

Procedural Justice Measurements

1) The *process* used by the management team to make the decision was fair.

2) The management team used the proper *process* in making the decision.

3) To make the decision, the management team used a just *process*.

(Earley & Lind, 1987; Lind & Tyler, 1988)

Overall Justice Measurements

Measurement Items

1) Overall, I’m treated fairly by *my* organization.

2) In general, I can count on *my* organization to be fair.

3) In general, the treatment *I* receive around here is fair.

4) Usually, the way things work in *my* organization are not fair. (reverse scored)

5) For the most part, this organization treats *me* fairly.

(Ambrose & Schminke, 2009)
APPENDIX B – MARKER VARIABLE AND MANIPULATION CHECK ITEMS

Public Self-consciousness Measurements

1) I’m concerned about the way I present myself.
2) I am sensitive to others’ view of my performance.
3) I am usually aware of my appearance.
4) I am self-conscious about the way I look.

(Fenigstein et al., 1975)

Manipulation Check Items

Explanation Provision

1) In the scenario, I was given an explanation for the decision.

Employee Perceptions of Procedural Justice

1) In the scenario, the employees disagreed with the process used by management to make the decision.

Managerial Commitment to Employees

1) In the scenario, I am committed to these employees.
Scenario 1 – Low decision agreement, explanation provided, negative employee PJ perceptions, and high commitment to employees.

Swingline Services is a national professional services firm that specializes in IT services, strategic planning, change management, quality improvement, and project management. The firm was established twenty years ago and has grown from a small, local partnership in Atlanta to a national firm with over 1,000 employees producing around $450 million per year in revenue.

You are a manager in one of Swingline’s regional offices with responsibility for twenty employees made up of analysts, consultants, programmers, project coordinators, and clerks. You have been with this team for more than two years and have a productive partnership and warm relationship with the employees. You are proud of the accomplishments of the team and have worked hard to ensure that the employees receive the proper recognition. You feel a great sense of pride when one of your employees receives a promotion.

While Swingline has been successful, the market has been demanding more innovation and productivity in order to gain and retain client relationships. To get in front of the issues, the senior management team implemented a process to capture ideas from the middle management group about how to address the market demands. Sessions have
been held with the management group to discuss ideas and give feedback to the leadership team. You have been a participant in those sessions and your feedback was received well by the leaders.

After much study and debate, the senior management of the organization has made the decision to eliminate the ability to work from home during normal business hours in order to address the competitive market issues. The policy was first announced to the manager group at a private session and then broadly via a corporate wide memo from the chief executive officer detailing the reasons behind the change. The main points of the announcement focused on the organization’s need to increase productivity and innovation. Internal research showed that teams that have all employees in the office have a 25% advantage in productivity and a 20% advantage in client satisfaction. The announcement also acknowledged that people will need time to adjust other parts of their lives to the new policy.

Since managers are required to be in the office each business day, the proposed change does not directly impact you. However, the middle manager group will be responsible for implementing the change across the organization.

During a meeting with your team to discuss the proposed changes, they make it very clear that they are upset about the way the decision was made. While they can understand the need for productivity and innovation, the employees feel that the basis for the change was incorrect. They dispute the results referenced in the memo and feel that management rigged the numbers to support their position. The employees feel that no consideration was given to how the change would impact their personal life or to how
varying client demands impact their schedules. They also feel strongly that they should have been consulted about the proposed change and that a more open process would have produced other initiatives to accomplish the goals.
Scenario 2 – High decision agreement, explanation provided, negative employee PJ perceptions, and low commitment to employees.

Swingline Services is a national professional services firm that specializes in IT services, strategic planning, change management, quality improvement, and project management. The firm was established twenty years ago and has grown from a small, local partnership in Atlanta to a national firm with over 1,000 employees producing around $450 million per year in revenue.

You are a manager in one of Swingline’s regional offices with responsibility for twenty employees made up of analysts, consultants, programmers, project managers, and clerks. You have been the manager of this team for less than one year and have generally worked well together in a cordial and business focused manner. During your time with the group, you have not developed close relationships with any team members and there has been no social time outside of work spent together. You have been very focused on your career progression, which has gone well, and you do not expect to be in this position much longer as your boss has told you that you are likely to see a promotion in the near future.

While Swingline has been successful, the market is requiring more collaboration and teamwork across all aspects of their business. As demands from the market are changing, the senior leadership team wants to insure that employees have the necessary tools to deliver on the client’s needs. To address the issue, the senior management team implemented a process to capture ideas from the middle management group about how to foster more collaboration and teamwork among employees. Sessions have been held with
the management group to discuss ideas and give feedback to the leadership team. You have been a participant in those sessions and your feedback was received well by the leaders.

Through the research process, the senior team learned that the company already has an on-line collaboration tool utilized by managers to discuss issues related to their responsibilities. The tool allows managers to share information in a confidential manner and has been shown to be an effective tool for enhancing teamwork and collaboration. The senior management team of the organization has made the decision to implement this collaboration tool for the front line employee group also. The policy was first announced to the manager group at a private session and then broadly via a corporate wide memo from the chief executive officer detailing the reasons behind the change. The main points of the announcement focused on the organization’s need to meet the demands of the market through enhanced teamwork. Research from other firms indicated that expanding the use of the collaboration tool to the front line employees would enhance productivity by up to 20%.

As the management group already uses the collaboration tool, this change will not impact you. However, the middle management group will be responsible for implementing the system across the organization.

During a meeting with your team to discuss the proposed changes, they make it very clear that they are upset about the way the decision was made. While they can understand the need for teamwork and collaboration, the employees feel that the process used to make the decision was not fair. They feel strongly that they should have been
consulted about the proposed change and that a more open process would have produced other initiatives to accomplish the goals. In discussing the system with employees from other organizations, the feedback has been extremely negative as they heard the system actually made it harder to get things accomplished and slowed down processes within their organizations. They dispute the results referenced in the memo and feel that management rigged the numbers to support their position.
Scenario 3 – Low decision agreement, no explanation provided, positive employee PJ perceptions, and low commitment to employees.

Swingline Services is a national professional services firm that specializes in IT services, strategic planning, change management, quality improvement, and project management. The firm was established twenty years ago and has grown from a small, local partnership in Atlanta to a national firm with over 1,000 employees producing around $450 million per year in revenue.

You are a manager in one of Swingline’s regional offices with responsibility for twenty employees made up of analysts, consultants, programmers, project managers, and clerks. You have been the manager of this team for less than one year and have generally worked well together in a cordial and business focused manner. During your time with the group, you have not developed close relationships with any team members and there has been no social time outside of work spent together. You have been very focused on your career progression, which has gone well, and you do not expect to be in this position much longer as your boss has told you that you are likely to see a promotion in the near future.

While Swingline has been successful, the market has been demanding more innovation and productivity in order to gain and retain client relationships. To get in front of the issues, the senior management team implemented a process to capture ideas about how to address the market demands. Sessions have been held with the management group to discuss ideas and give feedback to the leadership team. You have been a participant in those sessions and your feedback was received well by the leaders.
To address the competitive market issues, the senior management of the organization has made the decision to eliminate the ability to work from home during normal business hours. The policy was announced to the entire organization in a company-wide memo from the chief executive officer summarizing last years’ results and outlining key initiatives for the current year. **No specific reasoning** was given for the policy change.

Since managers are required to be in the office each business day, the proposed change **does not directly impact you**. However, the middle management group will be responsible for implementing the decision across the organization.

During a meeting with your team to discuss the proposed changes, the team appears to be **on-board** with the decision on the work at home program. While all employees may not like the change, the company had instituted a process to collect feedback from the employees on how to address the market issues. The employees felt that they were given a voice in the process which helped insure that information included in the study was accurate and complete. The employees appear to be very focused on insuring that the company continues to grow and be profitable in an uncertain economic environment.
Scenario 4 – High decision agreement, no explanation provided, positive employee PJ perceptions, and high commitment to employees.

Swingline Services is a national professional services firm that specializes in IT services, strategic planning, change management, quality improvement, and project management. The firm was established twenty years ago and has grown from a small, local partnership in Atlanta to a national firm with over 1,000 employees producing around $450 million per year in revenue.

You are a manager in one of Swingline’s regional offices with responsibility for twenty employees made up of analysts, consultants, programmers, project coordinators, and clerks. You have been with this team for more than two years and have a productive partnership and warm relationship with the employees. You are proud of the accomplishments of the team and have worked hard to ensure that the employees receive the proper recognition. You feel a great sense of pride when one of your employees receives a promotion.

While Swingline has been successful, the market is requiring more collaboration and teamwork across all aspects of their business. As demands from the market are changing, the senior leadership team wants to insure that employees have the necessary tools to deliver on the client’s needs. To address the issue, the senior management team implemented a process to capture ideas about how to foster more collaboration and teamwork among employees. Sessions have been held with the management group to discuss ideas and give feedback to the leadership team. You have been a participant in those sessions and your feedback was received well by the leaders.
Through the research process, the senior team learned that the company already has an on-line collaboration tool utilized by the managers to discuss issues related to their responsibilities. The senior management team of the organization has made the decision to implement this collaboration tool for the front line employee group also. The policy was announced to the entire organization in a company-wide memo from the chief executive officer summarizing last years’ results and outlining key initiatives for the current year. No specific reasoning was given for the policy change.

As the management group already uses the collaboration tool, this change will not impact you. However, the middle management group will be responsible for implementing the system across the organization.

During a meeting with your team to discuss the proposed system, the team appears to be on-board with the decision. While all employees may not like the system, the company had instituted a process to collect feedback from the employees on how to address the teamwork and collaboration issues. The employees felt that they were given a voice in the process which helped insure that information included in the study was accurate and complete.