

# Outcome Favorability, Procedures, and Individualism-Collectivism in Procedural Justice Perceptions

**Jaepil Choi**

*School of Business and Management*

*Hong Kong University of Science and Technology*

*Clear Water Bay, Kowloon, Hong Kong*

## ABSTRACT

Most justice researchers have defined outcomes and procedural characteristics, two key determinants of procedural justice perceptions, in a limited way. In addition, cultural values have been mostly ignored in previous procedural justice research. In this article we present new conceptualizations of outcomes and procedures and delineate how individualism-collectivism interacts with outcomes and procedural characteristics to determine procedural justice perceptions. In so doing, we contend that because of different information-processing styles and contrasting preference of behavioral styles between individualists and collectivists, procedural justice perceptions are shaped differently. A cross-cultural perspective on procedural justice presented here calls for more future research on different psychological dynamics of procedural justice perceptions across cultural values.

Employees in organizations are greatly concerned about fairness of a variety of organizational practices, and their fairness perceptions have strong effects on their attitudes and behaviors. Three lines of organizational justice research focus on how justice perceptions are shaped and, in turn, how those perceptions affect employee reactions. One camp of scholars has dealt with the distributive issues (i.e., *distributive justice*). Most

---

\* The work described in this paper was supported by a grant from the Research Grants Council of the Hong Kong Special Administration Region, China (Project No. HKUST6151/02H).

distributive justice theories focus on two issues: 1) social comparison processes leading to outcome fairness perceptions (Adams, 1965; Suls & Wills, 1991); and 2) distributive rules (e.g., equity, equality, and need) (Deutsch, 1975, 1985; Leventhal, 1980; Leventhal, Karuza, & Fry, 1980). A second line of scholars has concentrated on the procedural issues in organizational decision-making (i.e., *procedural justice*). Since the pioneering research of Thibaut and Walker (1975, 1978), many researchers have noted that under certain circumstances, people are concerned more about procedures than immediate outcomes. An individual's reactions in social relationships, therefore, depend on fairness of procedures used by third parties or disputants. Lastly, some researchers have focused on quality of interpersonal treatment in the enactment of organizational procedures, which emphasizes the interpersonal relationships issues (i.e., *interactional justice*: Bies & Moag, 1986). They note that interpersonal treatment, as an informal aspect of organizational procedures, affects employee fairness perceptions.

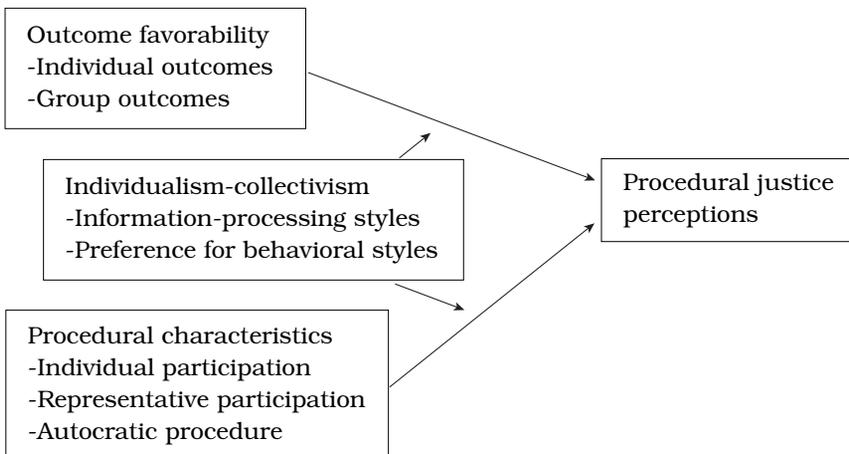
The apparent independence of those three branches of organizational justice notwithstanding, recent justice research begins to show that they are more similar than previously thought. Greenberg (1987) once noted that perceptions of distributive justice and procedural justice may perceptually overlap each other. A recent monistic perspective on justice also suggests that "both procedural justice perceptions and distributive justice perceptions are, in some sense, derived from individuals' expectations about outcomes" (Cropanzano & Ambrose, 2001: 120). Van den Bos and his colleagues (1997) provide evidence that procedural and distributive justice perceptions are not fundamentally distinct.

The overlap between procedural and distributive justice becomes more striking when we look at determinants of procedural justice perceptions. Needless to say, *a particular set of procedural characteristics* directly influences procedural justice perceptions (Lind & Tyler, 1988; Tyler, Rasinski, & Spodick, 1985). In addition, as suggested by an instrumental (or self-interested) model of procedural justice (Lind & Tyler, 1988; Thibaut & Walker, 1975), *favorable outcomes* contribute to procedural justice perceptions as well. As such, recent researchers agree on the effects of both outcome favorability and

procedural characteristics on procedural justice perceptions (e.g., Van den Bos et al., 1997).

In this paper, we propose the refined conceptualizations of outcomes and procedures. More specifically, two types of outcomes are distinguished to better understand the effect of outcome favorability: *individual outcomes* and *group outcomes*. Following previous research, this paper contrasts participative procedures with autocratic procedure (i.e., no participation) to investigate the effect of procedural characteristics. Furthermore, the paper elaborates participative procedures into two types: individual participation and representative participation. In summary, we redefine procedures as *individual participation*, *representative participation*, and *autocratic procedure*.

With the refined definition of outcomes and procedures in mind, we will investigate relationships of outcome favorability and procedures to procedural justice perceptions. Of greater importance, we propose that the effects of the different types of outcomes and procedures on procedural justice perceptions depend on cultural value differences. The model of this article is shown in Figure 1. As implied in the Figure 1, the purpose of this article is to call for more cross-cultural research on procedural justice by providing a model pertaining to formation of procedural justice perceptions of employees. Given that one of the future directions of procedural justice research is to



**Figure 1. Formation of Procedural Justice Perceptions**

incorporate cultural values in the research (Greenberg, 1996; Konovsky, 2000), this article seeks to illustrate how procedural justice research can proceed to the stage of cross-cultural research.

## **SOURCES OF PROCEDURAL JUSTICE PERCEPTIONS (I): OUTCOME FAVORABILITY**

When individuals evaluate a decision in social relationships, their calculative motive drives them to focus on the extent to which the decision is beneficial to them. They judge the decision on the basis of *outcome favorability*, evaluated by benefits and costs of the decision. The larger the difference between benefits and costs of the decision is, the more likely individuals will evaluate the decision favorably and show positive reactions, including procedural justice perceptions. This effect is known as outcome favorability (Brockner & Wiesenfeld, 1996).

### **Outcome Favorability and Procedural Justice**

When we consider outcome favorability within a procedural justice framework, an interesting question is whether procedural justice perceptions are independent of knowledge about outcomes of a decision (Rawls, 1971). In other words, *when individuals evaluate fairness of a procedure, is their procedural fairness perception affected by outcomes?* Although Rawls (1971) argues that people should evaluate fairness in terms of the normative perspective of “behind the veil of ignorance,” they do not seem to make procedural fairness judgments independently of their outcomes. In addition, despite Greenberg’s (1987) finding that monetary rewards did not justify the procedures used for reward allocation, numerous studies show that favorable outcomes enhance procedural justice perceptions.

Researchers discuss the effect of outcome favorability on procedural justice perceptions in light of egocentric bias in fairness (Messick & Sentis, 1983). Namely, the concerns about procedural justice have been described as an effort to pursue favorable outcomes, meaning that procedural justice perceptions will be in part determined by the extent to which a procedure

offers favorable outcomes. Both Thibaut and Walker's (1975) theory of the distribution of control and Leventhal's (1980) six principles of procedural justice note that procedural justice perceptions greatly depend on outcome favorability.

Thibaut and Walker (1975) distinguished two types of control: 1) decision control, which refers to the ability to determine the final outcomes; and 2) process control, which refers to the ability to develop the dispute issues and present arguments to resolve legal disputes. People generally want to resolve the disputes on their own (i.e., decision control), because they believe that decision control will give them favorable outcomes in the end (Brett, 1986). In the absence of decision control, the procedure to guarantee process control would be perceived to be more fair and more satisfactory, which is labeled as the process-control effect. This effect has been explained in terms of outcome implications of process control (Lind & Tyler, 1988). It is favorable outcomes brought by process control that enhance procedural justice perceptions. In summary, the reason why decision and process controls enhance procedural justice perceptions is that both controls contribute to favorable outcomes.

Leventhal (1980) postulated six procedural justice rules (i.e., consistency, bias-suppression, accuracy, correctability, representativeness, and ethicality) that are much broader than Thibaut and Walker's theory and yet more relevant to organizational settings. He contended that because those six rules help individuals obtain favorable outcomes the rules enhance procedural justice perceptions, which is consistent with the argument of outcome favorability.

The above discussion indicates that outcomes play a role as information in assessing procedural justice. Lind and Lissak (1985) found that legal disputants use final outcomes in dispute resolutions as information in order to understand their experiences in legal processes. Daly and Tripp (1996) also found that when procedural information is inaccessible employees rely on outcome information to make procedural fairness judgments. Van den Bos and his colleagues (1997) demonstrated that procedural justice perceptions are determined by outcome information when outcome information is provided earlier than procedural information.

Several empirical studies illustrated that positive outcomes have a strong effect on ratings of procedural justice (Conlon, 1993; Conlon & Fasolo, 1990). Lind and his colleagues (1993) reported a significant path coefficient from outcome favorability to procedural justice perceptions of court-ordered arbitration. In sum, of great importance in assessing procedural fairness is whether a procedure satisfies an individual's need for favorable outcomes. Thus,

*Proposition 1:* The more favorable the outcomes, the higher the procedural justice perceptions.

### **Types of Outcomes**

Lind and his colleagues suggested that "it may be time for procedural justice researchers and theorists to reexamine the role of outcome evaluations in determining whether procedures are seen as fair or unfair" (1993: 246). Following their suggestion, we reexamine the role of outcome evaluations by distinguishing two types of outcomes. We propose that outcomes of decisions can be grouped into two categories in terms of reference points in assessment of outcomes: individual outcomes and group outcomes.

Employees in organizations care much about *individual outcomes*, i.e., how much they benefit personally from a variety of decisions. Pursuit of individual outcomes, for instance, is manifested in almost all distributive negotiation and bargaining procedures. Individuals are also concerned about *group outcomes*, i.e., how much the group to which they belong benefits from decisions. One of the main concerns of union representatives in labor-management negotiation, for instance, is to protect collective outcomes of the union members.

Given the scant attention to group outcomes in prior research, it is worth discussing how group outcomes should be studied. Group outcomes can be defined in two possible ways: 1) outcome received by a group as a unity (e.g., group bonus); and 2) the sum of outcomes received by all members of a group. We suggest that the former would be more appropriate to our purpose, since the latter would cause the possible confounding effects of individual outcomes and group outcomes. If we take the second definition, it could be very difficult, if not impossible,

to disentangle the effect of one outcome from that of the other, as those two outcomes by nature are highly likely to be related.

The distinction between individual and group outcomes is not only a theoretical concern. It has some practical implications as well. First, many companies have recently started to implement team-centered management. This new trend brings about a lot of changes on an employee side. As tasks are assigned to and performance is evaluated at the team level, the team is more likely to be a central unit impacting employee cognitions and behaviors. Accordingly, employees become more sensitive to the issue of how favorable a variety of decisions is to their group. Second, group-incentive plans (Dulebohn & Martocchio, 1998) are increasingly widely used not only by Asian companies but also by Western companies. With the increasing acceptance of the new incentive scheme at the group level, favorability of group outcomes becomes a critical concern to employees.

Previous research on outcome favorability does not take into account the two types of outcomes; rather, justice scholars have focused exclusively on individual outcomes. Building upon the existing body of literature demonstrating the information role of individual outcomes, we note the informational function of group outcome favorability. When people assess procedural fairness, they attend to group- as well as individual outcome favorability. The differential effects of individual/group outcome favorability on procedural justice perceptions are determined by cultural values.

### **I-C, Outcome Favorability, and Procedural Justice**

While very little has been known as to whether and how cultural values affect formation of procedural justice perceptions, early writings allude to the possibility that cultural values would have an influence on procedural justice perceptions. As a case in point, the ethicality rule of Leventhal (1980) provides us with a nice linkage between procedural justice and cultural values. The ethicality rule states that in order to be seen as fair, decision-making procedures should be compatible with moral values of individuals. To the extent that moral values reflect cultural values, procedural justice perceptions should also be affected by cultural values.

Therefore, the more a procedure is congruent with cultural values, the more likely the procedure will be viewed as fair. Extending the logic of the ethicality rule, we argue that if a procedure provides an individual with outcomes compatible with the individual's cultural values, then the procedure will be seen as fair. The cultural value that is most pertinent to our purpose is individualism-collectivism.

**Individualism-collectivism.** Individualism-collectivism (I-C) has been considered to be a cultural syndrome that is a pattern characterized by shared beliefs, attitudes, norms, roles, and values that are organized around a theme (Triandis, 1995: 43). Collectivism refers to the tendency to be concerned more about interests of the group or group members with "unquestioned attachment" (Triandis, 1990: 55) to the group. Collectivists are expected to subordinate personal interests to the collective good. In addition, because they define themselves as part of their group (Markus & Kitayama, 1991), they put an ultimate value on interpersonal relationships and group harmony (Triandis, 1995). In short, they regard good relationships with group members and self-sacrifice for the sake of the group as moral imperatives (Triandis, 1990). Individualism indicates the inclination to be concerned more about interests of an individual (self). Individualists are expected to seek individual outcomes with little consideration of group interests. For instance, they frequently ask "what's in this for me?" in social encounters (Triandis, 1990). They also define themselves as independent beings and value independence from their groups more than relationships with others (Markus & Kitayama, 1991). In sum, pursuit of individual outcomes and independence is primary motivation of individualists.

**I-C and procedural justice.** Cross-cultural research on procedural justice has recently begun (Brockner et al., 2000; Lind & Earley, 1992; Lind, Tyler, & Huo, 1997). A first question addressed by cross-cultural procedural justice researchers is whether non-Westerners (i.e., collectivists) care about procedural justice issues as well (e.g., LaTour, Houlden, Walker, & Thibaut, 1976). Tyler and his colleagues (Lind & Tyler, 1988; Tyler, Boeckmann, Smith, & Huo, 1997) proposed that procedural justice concerns are ubiquitous across diverse societal and cultural settings. Similarly, Sugawara and Huo (1994) found

that the Japanese show a strong concern about procedural justice in conflict resolutions. White, Tansky, and Baik (1995) reported that Korean subjects reveal concerns about procedural justice, although their concerns are lower than those of American subjects.

A second interest of cross-cultural procedural justice researchers is in the different preference for conflict resolution procedures between individualists and collectivists. Leung and Lind (1986) found that Chinese subjects do not prefer adversary procedure to inquisitorial procedure, whereas American subjects prefer adversary procedure because they are allowed to exercise process control with that procedure. According to Leung (1987), the Chinese prefer mediation and bargaining to a greater extent than do American subjects, because the Chinese believe that mediation and bargaining procedures hinder group harmony less than does adversary procedure.

The gradually increasing interest in cross-cultural procedural justice research notwithstanding, the following question still remains unanswered: *Do the effects of determinants of procedural justice perceptions vary across different cultural values?*

**I-C, individual and group outcome favorability, and procedural justice.** As noted previously, outcome favorability as a determinant of procedural justice perceptions can be assessed with regard to two reference points, i.e., individual outcomes and group outcomes. Previous research on the different information-processing styles of individualists and collectivists (Earley, 1989, 1994; Earley, Gibson, & Chen, 1999; Markus & Kitayama, 1991) gives us some clues as to how I-C determines which reference point of outcome favorability would be more important for procedural justice perceptions. Individualists in general show a self-oriented information processing style, suggesting that self-related information is more easily attended, saved, and retrieved. Consequently, their cognitions, emotions, and behaviors are significantly affected by self-related information. Collectivists, in contrast, display a group-oriented information processing style. Their cognitions and behaviors, therefore, are greatly influenced by group-related information.

A series of studies of Earley and his colleagues demonstrates the effect of differential salience of self or group resulting from

the different information-processing styles of individualists and collectivists on their behaviors and cognitions. For instance, while social loafing occurs for individualists because of their pursuit for self-interest, collectivists work harder, due to their concerns about group performance, when they are in group settings than when they are alone (Earley, 1989). Individualists who are provided with individual-focused training emphasizing personal capability are found to show higher self-efficacy and task performance; collectivists with group-focused training that emphasizes in-group capability have higher self-efficacy and task performance (Earley, 1994). In performance feedback, individualists base their self-efficacy and self-evaluations of performance on individual-referenced feedback; collectivists rely on feedback concerning their group performance as well as individual-referenced feedback (Earley et al., 1999).

Given that outcomes play an informational function in assessing procedural fairness, the different information-processing styles of I-C lead them to focus on different reference points in assessing outcome favorability. Throughout a long socialization individualists learn that pursuit of self-interest is their primary goal in social relationships (Hofstede, 1980, 1991). Consequently, they judge an outcome as favorable if the outcome satisfies their self-interest, even when it is detrimental (or neutral) to the collective they belong to. Therefore, if a procedure gives favorable individual outcomes to individualists, then they will see the procedure as fair. Group interest may serve as an alternative reference point in assessing outcome favorability, especially for collectivists. They are socialized in a way that they value collective interest and that it is often required to subordinate self-interest to the collective good (Hofstede, 1980, 1991). Accordingly, collectivists judge an outcome as favorable if the outcome contributes to group-interest, even when it is detrimental (or neutral) to self. Therefore, if a procedure provides favorable group outcomes to collectivists, then they will view the procedure as fair.

Individualists and collectivists follow different rationalities: individual rationality and collective rationality. According to Chen and his colleagues, "Individual rationality dictates doing what is in one's own best interests. ... The willingness to work for the interests and preferences of others is determined by the

extent to which such actions are in some way instrumental in obtaining personal goals. *Collective rationality*, in contrast, regards the pursuit of group goals and values. ... Individual actions are evaluated in terms of their instrumentality to the fulfillment of the needs and preferences of the collectivity" (1998: 290). Such different rationalities ask individualists and collectivists to attend to different reference points in assessing outcome favorability. Because pursuit of self-interest is rational to individualists, they will focus on individual outcomes; given that realization of group-interest is rational to collectivists, group outcomes will be more important to them.

The foregoing discussion proposes that outcome favorability to self is more important to individualists, because it reflects self-referenced evaluations and information; outcome favorability to group is more important to collectivists, since it includes group-referenced evaluations and information. Combining the arguments of outcome favorability and different information-processing styles of individualists and collectivists, we suggest the following propositions.

*Proposition 2:* For individualists the effect of individual outcome favorability on procedural justice perceptions will be greater than that of group outcome favorability, whereas for collectivists the effect of group outcome favorability on procedural justice perceptions will be greater than that of individual outcome favorability.

*Proposition 3:* The effect of individual outcome favorability on procedural justice perceptions will be greater for individualists than for collectivists, whereas the effect of group outcome favorability on procedural justice perceptions will be greater for collectivists than for individualists.

## **SOURCES OF PROCEDURAL JUSTICE PERCEPTIONS (II): PROCEDURAL CHARACTERISTICS**

Another important determinant of procedural justice perceptions is the characteristics of a procedure in decision-making. Tyler, Rasinsky, and Spodick (1985) suggested that procedural justice perceptions are shaped by a procedure per se. If a procedure has some characteristics, individuals see the

procedure as fair regardless of its outcome implications. Previous studies have attempted to identify those procedural characteristics: whether a decision is made on the basis of objective and correct information; whether an opportunity to appeal against decisions is provided; whether a procedure is consistently applied over time and over people, and so on. Among these, an opportunity of participating in decision-making is one of the most widely studied procedural characteristics. Participation is a process in which influence is shared among individuals who are otherwise hierarchical unequals (Wagner, 1994: 312). It is also known as process control (Thibaut & Walker, 1975), or voice (Folger, 1977). Most researchers agree that participation is always better than no-participation in terms of procedural justice perceptions, which is termed as the *voice effect* (Greenberg & Folger, 1983).

Lind, Lissak, and Conlon (1983) found that disputants' process control led high procedural fairness perceptions, even when process control has low implications for outcomes. Earley (1984) showed that subjects in the post-decision voice condition gave higher ratings of procedural fairness than did subjects in the no-voice condition. If subjects regarded the voice as a mere means of getting favorable outcomes, there would be no reason to show different justice perceptions between the post-decision voice condition and the no-voice condition. Therefore, his study strongly indicates that individuals do not regard participation only as an instrument to acquire favorable outcomes. A laboratory experiment by Kanfer, Sawyer, Earley, and Lind (1987) also showed substantially higher procedural justice perceptions in the voice condition than in the no-voice condition, regardless of outcomes of performance evaluation. A series of studies of Tyler (1987, 1989, 1990, 1994) consistently showed that participation has an independent effect on procedural justice perceptions.

Many studies in organizational settings have also shown the effect of participation on procedural justice perceptions. Bies and Shapiro (1988) reported that subjects who read the scenario in which a job applicant has a say in job interview rate the interview procedure to be more fair than did those who read the scenario in which a job applicant does not have a voice. Davy, Kinicki, and Scheck (1991) showed that participation has a

positive impact on employee perceptions of fairness of the layoff decision-making process.

All studies reviewed above illustrate that an opportunity to express opinions helps individuals see the procedure as fair regardless of subsequent outcomes allocated to them. The opportunity satisfies an individual's self-expressive motive. This line of research leads Lind and Tyler to conclude that "procedures are viewed as fairer when they vest process control or voice in those affected by a decision" (1988: 208). Therefore,

*Proposition 4:* Procedural justice perceptions will be higher with participation than with no participation.

### **Types of Procedures**

In this paper, we focus on three types of decision-making procedures: individual participation, representative participation, and autocratic procedure. Our distinction differs from that of previous studies in such a way that it considers two types of participation: individual participation and representative participation. Autocratic procedure and individual participation can be regarded as two opposite extremes on a continuum defined in terms of the level of participation. We further propose a third type of participation, representative participation, which can be placed in the middle of the continuum.

*Individual participation* indicates a procedure in which all individuals who are affected by a decision are allowed to express their own personal opinions. This procedure consequently allows highly individualized behaviors of all parties in decision-making. The expressed opinions reflect mainly each individual's self-interest. Individual participation is similar to the CI type of leadership of Vroom and Yetton defined as "decision makers share the problem with the relevant subordinates individually, getting their ideas and suggestions without bringing them together as a group" (1973: 13).

*Representative participation* is a procedure in which representatives of a group propose opinions on behalf of group members. Individual members do not participate directly but only through representatives who represent the shared interests of group members (Cotton, Vollrath, Froggatt, Lengnick-Hal, & Jennings, 1988). In that sense, representative participation does

not need individualized behaviors of all individuals affected by a decision. Other than that, representative participation differs from individual participation in many ways. Whereas individual participation is good for conveying each individual's personal interests, representative participation is instrumental in securing group interests. It should be noted that representative participation is not a just addition of another layer to decision-making. In other words, representatives do not simply convey each individual's opinions to higher-ups. Before participating in decision-making representatives think through from all angles whether the opinions of each member contribute to their group. The major concern of representatives, therefore, is to secure group interests instead of realizing one individual member's interests. Representative participation is similar to the CII type of leadership of Vroom and Yetton defined as "decision makers share the problem with their subordinates as a *group*, obtaining their collective ideas and suggestions" (1973: 13).

Lastly, *autocratic procedure* refers to a procedure in which decisions are made by a few decision-makers who have authority to make decisions without other members' participation. Autocratic procedure corresponds to the AII type of leadership of Vroom and Yetton (1973). They described the AII type as "decision makers obtain the necessary information from their subordinates, then decide the solution to the problem themselves" (1973: 13).

The distinction between individual participation and representative participation is not merely a theoretical concern, but it also has some practical implications. Indeed, many companies today employ representative participation in decision-makings, like workplace democracy programs. Work councils, for instance, are groups of nominated or elected employees who must be consulted when management makes decisions. Board representatives are employees who serve on a company's board of directors and represent the interests of employees. Because previous procedural justice research did not consider representative participation, very little is known about how employees perceive it. Do they view representative participation as more fair than autocratic procedure? Of representative participation and individual participation, which one is seen as more fair? With those questions unanswered, many companies

are widely using representative participation. Given that those two different participation modes require different behavioral styles, we suggest that I-C will affect the effect of two types of participation on procedural justice perceptions.

### **I-C, Procedural Characteristics, and Procedural Justice**

Some scholars have recently begun to attempt to identify potential moderators of the voice effect. For example, Brockner and his colleagues (1998) showed that the effect of the perceived voice on reactions is more pronounced among people with high self-esteem. Their findings suggest that the voice effect is qualified by individual personality traits. In contrast, no research has taken into account cultural values as a moderator of the voice effect. Several reviewers on participation research, however, indicate that the effects of diverse types of participation vary with contextual factors (Cotton et al., 1988; Locke & Schweiger, 1979). Among those contextual factors, cultural values will affect relationships between individual/representative participation on procedural justice perceptions.

Intuitively, the effect of participation may be influenced by power distance (Hofstede, 1980, 1991; Kirkman & Shapiro, 1997), the extent to which individuals tolerate an unequal distribution of power. People in low power distance cultures believe everybody to be equal in power distribution; therefore, they perceive participative procedure to be fair and prefer it. This being the case, power distance could be employed as an appropriate moderator for the comparison between participation and no-participation procedures. However, it should be noted that we also compare two different types of participation: individual and representative participation. For this purpose, I-C is a more appropriate than power distance for the reasons presented below.

*Individual participation* has been widely studied in procedural justice research. Previous studies defined and operationalized participation as individual participation. We contend that this procedure satisfies individualists' primary needs and suits for their preferred behavioral styles. First of all, individualists value individual initiative and emphasize personal freedom in organizations (Earley & Gibson, 1998). Because they also want

to enhance self-image of an independent being, they prefer highly individualized behaviors that are allowed in individual participation (Markus & Kitayama, 1991). Second, individualists want to be seen as a distinct individual. An American proverb, “the squeaky wheel gets the grease” shows an individualistic value of distinctiveness (Markus & Kitayama, 1991). They believe that in organizations they should be allowed to express what is in their mind. Individual participation indeed permits them to express their distinct voices. Lastly, individualists want to exercise individual control over decision-makings, since they value individuality of each individual. An opportunity to make individual voices reinforces their impression of individual control. In summary, because individual participation has a potential to meet individualists’ needs and behavioral preferences, individualists see individual participation to be more fair than the other two procedures.

*Representative participation* is being widely used in practice, yet it has not been integrated into procedural justice research. We argue that this procedure is more appealing to collectivists for several reasons than individual participation. First, collectivists value interpersonal harmony with in-group members (Markus & Kitayama, 1991). They do not want to express individual opinions that may conflict with group goals (Triandis, 1995). They also feel pressures from in-group members to subordinate their personal opinions to the group good. In that sense, individual participation would not be so attractive to them, since individual participation sometimes breaks group harmony by bringing diverse voices up. Instead, collectivists prefer a procedure that builds and maintains group harmony. Group representatives (e.g., team leaders) can enhance group harmony by screening out the differences in opinions among group members, reconciling the differences among group members, and participating in decision-making on behalf of their group.

Second, most collectivists do not feel comfortable with highly individualized behaviors in individual participation. An Asian proverb “the nail that stands out gets pounded down” shows collectivists’ reluctance to distinctiveness (Markus & Kitayama, 1991). They expect their leader to read their opinions and represent them in decision-making. This tendency reflects

collectivists' dependence on others (Triandis, 1995). In short, representative participation matches collectivists' behavioral preferences and contributes to group harmony, and thus it will be judged to be more fair by collectivists than individual participation.

Individualists' preference for individual participation and collectivists' preference for representative participation can be also explained in terms of their differential sensitivity to individual- and group outcomes. Because individual participation is good for expressing and protecting self-interest, individualists who primarily pursue self-interest will see individual participation as more fair. Representative participation is good for expressing and protecting group-interest that is a primary concern of collectivists, provided representatives are supposed to express voice on behalf of groups. Therefore, collectivists will view representative participation as more fair.

Lastly, following the line of previous research, we propose that *autocratic procedure* will be seen as unfair by both individualists and collectivists. The high correlation between collectivism and power distance (Hofstede, 1980) might lead us to conclude that collectivists prefer autocratic procedure to either type of participative procedures. However, many studies showed that participation is appealing to collectivists as well. Erez (1986) found that participative management is more effective in the highly collectivistic Kibbutz than in the public or private organizations where collectivism is less emphasized. Erez and Somech (1996) also proposed the same arguments. Moreover, organizations in highly collectivistic cultures widely use participative decision-making. Worker participation through coordinated work teams in Japan or worker collectives in the People's Republic of China are examples of representative participation systems widely accepted by collectivists (Earley & Gibson, 1998). The above discussion suggests two following propositions.

*Proposition 5:* For individualists procedural justice perceptions will be higher with individual participation than with the other two types of procedures, whereas for collectivists procedural justice perceptions will be higher with representative participation than with the other two types of procedures.

*Proposition 6:* With individual participation procedure individualists will perceive higher procedural justice than collectivists, whereas with representative participation procedure, collectivists will perceive higher procedural justice than individualists.

## FUTURE RESEARCH DIRECTIONS

We derived a number of propositions as to how procedural justice perceptions are formed. Although outcome favorability has been found to be one of the crucial determinants of procedural justice perceptions, previous studies have focused on only how favorable a decision is to individual employees. Increasing popularity of group-based outcome distribution (e.g., group incentive), however, calls for more research on how group outcome favorability affects procedural justice perceptions. To the extent that individuals use outcomes of decisions as relevant information in assessing procedural fairness (Lind & Lissak, 1985), an individual's information-processing style will play a significant role in selecting a relevant reference point in assessing outcome favorability, which, in turn, affects procedural justice perceptions. We attended to different information-processing styles of individualists and collectivists to delineate the effect of individual/group outcome favorability. In addition, as many organizations become bigger, direct participation by all employees appears to be impractical. Consequently, organizations allow only representatives to participate in decision-making. However, nothing has been known as to how representative participation, compared to other procedures, is perceived by employees. We propose that because of contrasting preference for behavioral styles of individualists and collectivists, they perceive representative participation and individual participation differently in terms of procedural justice.

We provide a number of suggestions to researchers who want to test the arguments presented in this paper. First, researchers do not necessarily have to operationalize outcomes in light of material (or economic) outcomes as done generally before. Individuals indeed receive not only material outcomes but also psychological (or socioemotional) outcomes (Cropanzano &

Ambrose, 2001). Therefore, just as individuals are concerned about *material outcome favorability*, they also tend to judge and react to a decision on the basis of *psychological outcome favorability*. An example of self-related psychological needs is pride in self, and an example of group-related psychological needs is harmony among group members. The logic of this article suggests that individualists will see a procedure as fair if the procedure enhances their pride in self; collectivists will view a procedure as fair if the procedure contributes to harmony among group members. As such, future research should address the effect of psychological outcomes on procedural justice perceptions as well. When we investigate the effects of both types of outcomes, we can fully understand the effect of outcome favorability on procedural justice perceptions.

Second, this article emphasizes the moderating role of a cultural value, individualism-collectivism, in formation of procedural justice perceptions. Researchers need to measure I-C at the individual level. Earlier cross-cultural studies used the country as a proxy for cultural values. However, recent scholars began to argue that cultural values of individuals should be directly measured at the individual level rather than using the country as a proxy if researchers are to investigate the effect of cultural values (Chen, Brockner, & Katz, 1998). It is because there are I-C differences across members within a culture in addition to I-C differences across members of different cultures (Triandis, 1989). We also advise researchers to control for the country variable in data analyses in order to rule out the possible country effect (Chen et al., 1998) and capture the pure effect of cultural values.

Third, considering only I-C would not be enough to investigate the effect of I-C. Other cultural values that might be highly correlated to I-C and suppress the effect of I-C should be considered together and controlled for. For example, it is widely known that power distance is significantly related to I-C (Hofstede, 1980, 1991). Individuals showing high power distance might perceive autocratic procedure as more fair than either type of participation procedures. This article argued that collectivists will perceive representative participation as more fair than autocratic procedure. Therefore, if researchers who are interested in testing the argument do not control for power

distance, the effect of I-C could be distorted by power distance.

Lastly, recent studies on procedural justice appear to lean towards the investigation of the effect of procedural characteristics. In contrast, outcome allocation has been considered mostly in distributive justice research. Given that both outcome favorability and procedural characteristics affect procedural fairness perceptions, as this article argued, researchers who focus only on one determinant are likely to make a serious misspecification error. If justice researchers stick to the assumption that outcomes affect distributive justice and that processes influence procedural justice, they may run the risk of losing an opportunity to get better understanding of formation of fairness perceptions. An approach to procedural fairness that considers both determinants of procedural fairness simultaneously would be more desirable.

In addition to the theoretical implications discussed above, this paper has some messages to practitioners. First, managers should note the importance of group outcome favorability in procedural justice perceptions. A series of Greenberg's studies (1993, 1994) advised managers to provide justifiable explanations when they had to distribute negative outcomes to employees. The effect of group outcome favorability on procedural justice perceptions suggests that managers may as well provide reasonable explanations to employees when they distribute unfavorable outcomes to groups. Especially, managers who deal with collectivistic employees should not be negligent in providing explanations for negative group outcomes. To the extent that employees find explanations reasonable and convincing, hence justifiable, negative reactions to unfavorable group outcomes will be mitigated. Managers also need to frame outcome favorability information in a proper way (Chen, Choi, & Chi, 2002). When they have to give unfavorable individual outcomes to an employee, they can persuade the employee to focus on group outcome if the employee's group receives favorable outcomes.

Second, the propositions presented in the article suggest that managers need to realize the importance of employee participation in decision making. Further, we argue that to fully take advantage of the benefit of employee participation, managers should use appropriate participation procedures

according to situations of their organizations. Although Cotton once suggested that "it appears that the greatest value of representative participation is symbolic. If one is interested in changing employee attitudes or in improving organizational performance, representative participation would be a poor choice" (1993: 140), we disagree with his statement; rather, representative participation can be a good option. Multinational companies located in the areas where collectivism is dominant, for instance, need to implement representative participation because it can enhance procedural justice perceptions.

While previous justice studies have given scant attention to the effect of value orientation on procedural justice perceptions, this paper emphasizes the role of cultural values in formation of procedural justice perceptions. We propose that different psychological dynamics of procedural justice perceptions may operate for individualists and collectivists (cf., Lind, Tyler, & Huo, 1997). The different psychological dynamics could be explained by both different information-processing styles and behavioral preferences of individualists and collectivists. It is also possible that other cultural values than I-C affect procedural justice perceived by employees in organizations, which is an example of unresolved issues. We call for more cross-cultural procedural justice research to get better understanding of procedural justice.

## REFERENCES

- Adams, J. S. 1965. Inequity in social exchange. In L. Berkowitz (Ed.), *Advances in experimental social psychology*, vol. 2, pp. 267-299. New York: Academic Press.
- Bies, R. J., & Moag, J. S. 1986. Interactional justice: Communication criteria of fairness. In R. J. Lewicki, B. H. Sheppard, & M. Bazerman (Eds.), *Research on negotiation in organizations*, vol. 1, pp. 43-55. Greenwich, CT: JAI Press.
- Bies, R. J., & Shapiro, D. L. 1988. Voice and justification: Their influence on procedural fairness judgments. *Academy of Management Journal*, 31: 676-685.
- Brett, J. M. 1986. Commentary on procedural justice papers. In R. J. Lewicki, B. H. Sheppard, & M. H. Bazerman (Eds.), *Research on*

- negotiation in organizations*, vol. 1, pp. 81-90. Greenwich, CT: JAI Press.
- Brockner, J., Chen, Y. R., Mannix, E. A., Leung, K., & Skarlicki, D. P. 2000. Culture and procedural fairness: When the effects of what you do depend on how you do it. *Administrative Science Quarterly*, 45: 138-159.
- Brockner, J., Heuer, L., Siegel, P. A., Wiesenfeld, B. M., Martin, C., Grover, S., Reed, T., & Bjorrvinsson, S. 1998. The moderating effect of self-esteem in reaction to voice: Converging evidence from five studies. *Journal of Personality and Social Psychology*, 75: 394-407.
- Brockner, J., & Wiesenfeld, B. M. 1996. An integrative framework for explaining reactions to decisions: The interactive effects of outcomes and procedures. *Psychological Bulletin*, 120: 189-208.
- Chen, C. C., Chen, X.-P., & Meindl, J. R. 1998. How can cooperation be fostered? The cultural effects of individualism-collectivism. *Academy of Management Review*, 23: 285-304.
- Chen, C. C., Choi, J., & Chi, S. C. 2002. Making justice sense of local-expatriate compensation disparity: Mitigating factors of local referents, ideological explanations, and interpersonal sensitivity in China- foreign joint ventures. *Academy of Management Journal*, 45: 807-817.
- Chen, Y. R., Brockner, J., & Katz, T. 1998. Toward an explanation of cultural differences in in-group favoritism: The role of individual versus collective primacy. *Journal of Personality and Social Psychology*, 75: 1490-1502.
- Conlon, D. E. 1993. Some tests of the self-interest and group-value models of procedural justice: Evidence from an organizational appeal procedure. *Academy of Management Journal*, 36: 1109-1124.
- Conlon, D. E., & Fasolo, P. 1990. The influence of speed of third-party intervention and outcome on negotiator and constituent fairness judgments. *Academy of Management Journal*, 33: 833-846.
- Cotton, J. L. 1993. *Employee involvement: Methods for improving performance and work attitudes*. Newbury Park, CA: Sage.
- Cotton, J. L., Vollrath, D. A., Froggatt, K. L., Lengnick-Hal, M. L., & Jennings, K. R. 1988. Employee participation: Diverse forms and different outcomes. *Academy of Management Review*, 13: 8-22.
- Cropanzano, R., & Ambrose, M. L. 2001. Procedural and distributive justice are more similar than you think: A monistic perspective and a research agenda. In J. Greenberg & R. Cropanzano (Eds.), *Advances in organizational justice*, pp. 119-151. Stanford, CA: Stanford University Press.
- Daly, J. P., & Tripp, T. M. 1996. Is outcome fairness used to make

- procedural fairness judgments when procedural information is inaccessible? *Social Justice Research*, 9: 327-349.
- Davy, J. A., Kinicki, A. J., & Scheck, C. L. 1991. Developing and testing an expanded model of survivor responses to layoffs. *Journal of Vocational Behavior*, 38: 302-317.
- Deutsch, M. 1975. Equity, equality, and need: What determines which value will be used as the basis for distributive justice? *Journal of Social Issues*, 31: 137-149.
- Deutsch, M. 1985. *Distributive justice*. New Haven, CT: Yale University Press.
- Dulebohn, J. H., & Martocchio, J. J. 1998. Employee perceptions of the fairness of work group incentive pay plans. *Journal of Management*, 24: 469-488.
- Earley, P. C. 1984. *Informational mechanisms of participation influencing goal acceptance, satisfaction and performance*. Unpublished doctoral dissertation, University of Illinois, Champaign.
- Earley, P. C. 1989. Social loafing and collectivism: A comparison of the United States and the People's Republic of China. *Administrative Science Quarterly*, 34: 565-581.
- Earley, P. C. 1994. Self or group? Cultural effects of training on self efficacy and performance. *Administrative Science Quarterly*, 39: 89-117.
- Earley, P. C., & Gibson, C. B. 1998. Taking stock in our progress on individualism-collectivism: 100 years of solidarity and community. *Journal of Management*, 24: 265-304.
- Earley, P. C., Gibson, C. B., & Chen, C. C. 1999. "How did I do?" versus "how did we do?" Cultural contrasts of performance feedback use and self-efficacy. *Journal of Cross-Cultural Psychology*, 30: 594-619.
- Erez, M. 1986. The congruence of goal-setting strategies with sociocultural values and its effects on performance. *Journal of Management*, 12: 83-90.
- Erez, M., & Somech, A. 1996. Is group productivity loss the rule of the exception? Effects of culture and group-based motivation. *Academy of Management Journal*, 39: 1513-1537.
- Folger, R. 1977. Distributive and procedural justice: Combined impact of "voice" and improvement on experienced inequity. *Journal of Personality and Social Psychology*, 35: 108-119.
- Greenberg, J. 1987. Reactions to procedural injustice in payment distributions: Do the means justify the ends? *Journal of Applied Psychology*, 72: 55-61.
- Greenberg, J. 1993. Stealing in the name of justice: Informational and interpersonal moderators of theft reactions to underpayment inequity. *Organizational Behavior and Human Decision Processes*,

- 54: 81-103.
- Greenberg, J. 1994. Using socially fair treatment to promote acceptance of a work site smoking ban. *Journal of Applied Psychology*, 79: 288-297.
- Greenberg, J. 1996. *The quest for justice on the job: Essays and experiments*. Thousand Oaks, CA: Sage.
- Greenberg, J., & Folger, R. 1983. Procedural justice, participation and the fair process effect in groups and organizations. In P. B. Paulus (Ed.), *Basic group processes*, pp. 235-256. New York: Springer-Verlag.
- Hofstede, G. 1980. *Culture's consequences: International differences in work-related values*. Beverly Hills, CA: Sage.
- Hofstede, G. 1991. *Cultures and organizations: Software of the mind*. New York: McGraw-Hill.
- Kanfer, R., Sawyer, J., Earley, P. C., & Lind, E. A. 1987. Participation in task evaluation procedures: The effects of influential opinion expression and knowledge of evaluative criteria on attitudes and performance. *Social Justice Research*, 1: 235-249.
- Kirkman, B. L., & Shapiro, D. L. 1997. The impact of cultural values on employee resistance to teams: Toward a model of globalized self-managing work team effectiveness. *Academy of Management Review*, 22: 730-757.
- Konovsky, M. A. 2000. Understanding procedural justice and its impact on business organizations. *Journal of Management*, 26: 489-511.
- LaTour, S., Houlden, P., Walker, L., & Thibaut, J. W. 1976. Procedure: Transnational perspectives and preferences. *Yale Law Journal*, 86: 258-290.
- Leung, K. 1987. Some determinants of reactions to procedural justice models for conflict resolution: A cross-national study. *Journal of Personality and Social Psychology*, 51: 898-908.
- Leung, K., & Lind, E. A. 1986. Procedural justice and culture: Effects of culture, gender, and investigator status on procedural preferences. *Journal of Personality and Social Psychology*, 50: 1134-1140.
- Leventhal, G. S. 1980. What should be done with equity theory? New approaches to the study of fairness in social relationships. In K. Gergen, M. Greenberg, & R. Willis (Eds.), *Social exchange: Advances in theory and research*, pp. 27-55. New York: Plenum.
- Leventhal, G. S., Karuza, J., & Fry, W. R. 1980. Beyond fairness: A theory of allocation preferences. In G. Mikula (Ed.), *Justice and social interaction*, pp. 167-218. New York: Springer-Verlag.
- Lind, E. A., & Earley, P. C. 1992. Procedural justice and culture. *International Journal of Psychology*, 27: 227-242.
- Lind, E. A., Kulik, C. A., Ambrose, M., & de Vera Park, M. V. 1993. Individual and corporate dispute resolution: Using procedural

- fairness as a decision heuristic. *Administrative Science Quarterly*, 38: 224-251.
- Lind, E. A., & Lissak, R. I. 1985. Apparent impropriety and procedural fairness judgments. *Journal of Experimental Social Psychology*, 21: 19-29.
- Lind, E. A., Lissak, R. I., & Conlon, D. E. 1983. Decision control and process control effects on procedural fairness judgments. *Journal of Applied Social Psychology*, 13: 338-350.
- Lind, E. A., & Tyler, T. R. 1988. *The social psychology of procedural justice*. New York: Plenum.
- Lind, E. A., Tyler, T. R., & Huo, Y. 1997. Procedural context and culture: Variation in the antecedents of procedural justice judgments. *Journal of Personality and Social Psychology*, 73: 767-780.
- Locke, E. A., & Schweiger, D. M. 1979. Participation in decision-making: One more look. In B. M. Staw (Ed.), *Research in organizational behavior*, vol. 1, pp. 265-340. Greenwich, CT: JAI Press.
- Markus, H. R., & Kitayama, S. 1991. Culture and the self: Implications for cognition, emotion, and motivation. *Psychological Review*, 98: 224-253.
- Messick, D. M., & Sentis, K. 1983. Fairness, preference, and fairness biases. In D. M. Messick & K. S. Cook (Eds.), *Equity theory: Psychological and sociological perspectives*, pp. 61-94. New York: Praeger.
- Rawls, J. 1971. *A theory of justice*. Cambridge, MA: Harvard University Press.
- Sugawara, I., & Huo, Y. J. 1994. Disputes in Japan: A cross-cultural test of the procedural justice model. *Social Justice Research*, 7: 129-144.
- Suls, J., & Wills, T. A. 1991. *Social comparison: Contemporary theory and research*. Hillsdale, NJ: Lawrence Erlbaum Associates.
- Thibaut, J., & Walker, L. 1975. *Procedural justice: A psychological analysis*. Hillsdale, NJ: Lawrence Erlbaum Associates.
- Thibaut, J., & Walker, L. 1978. A theory of procedure. *California Law Review*, 66: 541-566.
- Triandis, H. C. 1989. The self and social behavior in differing cultural contexts. *Psychological Review*, 96: 506-520.
- Triandis, H. C. 1990. Cross-cultural studies of individualism and collectivism. In J. Berman (Ed.), *Nebraska symposium on motivation, 1989*, pp. 41-133. Lincoln, NE: University of Nebraska Press.
- Triandis, H. C. 1995. *Individualism and collectivism*. Boulder, CO: Westview Press.

- Tyler, T. R. 1987. Conditions leading to value-expressive effects in judgments of procedural justice: A test of four models. *Journal of Personality and Social Psychology*, 52: 333-344.
- Tyler, T. R. 1989. The psychology of procedural justice: A test of the group-value model. *Journal of Personality and Social Psychology*, 57: 830-838.
- Tyler, T. R. 1990. *Why people obey the law: Procedural justice, legitimacy, and compliance*. New Haven, CT: Yale University Press.
- Tyler, T. R. 1994. Psychological models of the justice motive: Antecedents of distributive and procedural justice. *Journal of Personality and Social Psychology*, 67: 850-863.
- Tyler, T. R., Boeckmann, R. J., Smith, H. J., & Huo, Y. J. 1997. *Social justice in a diverse society*. Boulder, CO: Westview Press.
- Tyler, T. R., Rasinski, K., & Spodick, N. 1985. The influence of voice on satisfaction with leaders: Exploring the meaning of process control. *Journal of Personality and Social Psychology*, 48: 72-81.
- Van den Bos, K., Vermunt, R., & Wilke, H. A. M. 1997. Procedural and distributive justice: What is fair depends more on what comes first than on what comes next. *Journal of Personality and Social Psychology*, 72: 95-104.
- Vroom, V. H., & Yetton, P. W. 1973. *Leadership and decision-making*. Pittsburgh, PA: University of Pittsburgh Press.
- Wagner, J. A. 1994. Participation's effects on performance and satisfaction: A reconsideration of research evidence. *Academy of management Review*, 19: 312-330.
- White, M. M., Tansky, J. A., & Baik, K. 1995. Linking culture and perception of justice: A comparison of students in Virginia and South Korea. *Psychological Reports*, 77: 1103-1112.