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### Original article

# Do procedures really matter when rewards are more important? A Pakistani perspective on the effects of distributive and procedural justice on employee behaviors

Les procédures sont-elles vraiment importantes lorsque les récompenses sont plus importantes ? Une perspective pakistanaise sur les effets de la justice distributive et procédurale sur les comportements des employés

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#### ABSTRACT

Introduction. - Researchers agree that procedural justice and distributive justice interact so that high procedural fairness reduces the negative consequences of distributive unfairness.

Objectives. - Our objective was to test the hypothesis that employees in Pakistan (i.e., an underdeveloped economy) would be more focused on rewards than procedures. Therefore, procedural and distributive justice will not interact in predicting employee behaviors.

Methods. - Using independent measures for organizational justice and job outcomes, we conducted two field surveys (n = 372 and n = 550 paired responses) in Pakistan to examine the direct and combined effects of procedural and distributive justice on job performance, citizenship behaviors, and creativity.

Results. - In both studies, the results suggest that distributive justice is a more consistent and relatively stronger predictor of job outcomes as compared to procedural justice. The results also showed that procedural justice did not moderate the relationship between distributive justice and employee behaviors.

Conclusion. - The findings suggest that workers in an underdeveloped economy like Pakistan may be more concerned with fairness in the distribution of rewards than procedural fairness. Therefore, in such context, procedures may be less likely to reduce negative consequences of unfair reward distribution. © 2018 Elsevier Masson SAS. All rights reserved.

#### RÉSUMÉ

Introduction. - Les chercheurs conviennent que la justice procédurale et la justice distributive interagissent de sorte qu'une grande équité procédurale réduit les conséquences négatives de l'injustice distributive.

Objectifs. - Notre objectif était de tester l'hypothèse selon laquelle les employés au Pakistan (c'est-àdire une économie sous-développée) seraient plus axés sur les récompenses que sur les procédures. Par conséquent, la justice procédurale et distributive n'interagirait pas dans la prédiction des comportements des employés.

Méthodes. - En utilisant des mesures indépendantes pour la justice organisationnelle et les résultats professionnels, nous avons mené deux enquêtes sur le terrain (n=372 et n=550 réponses jumelées) au Pakistan pour examiner les effets directs et combinés de la justice procédurale et distributive sur le rendement au travail, les comportements citoyens et la créativité.

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*Résultats.* – Dans les deux études, les résultats suggèrent que la justice distributive est un prédicteur (prédicteur)plus cohérent et relativement plus fort des résultats de l'emploi par rapport à la justice procédurale. Les résultats ont également montré que la justice procédurale n'a pas modéré la relation entre la justice distributive et les comportements des employés.

*Conclusion.* – Les résultats suggèrent que les travailleurs, dans une économie sous-développée comme le Pakistan, peuvent être plus préoccupés par l'équité dans la répartition des récompenses que par l'équité procédurale. Par conséquent, dans un tel contexte, les procédures peuvent être moins susceptibles de réduire les conséquences négatives de la distribution injuste des récompenses.

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Perceived organizational justice has remained a construct of immense significance in the fields of management, psychology, and sociology over the past few decades. Its inception into the management and applied psychology literature is relatively recent compared to other disciplines, but it remains one of the most researched constructs in these fields. Rooted in Adam's (1965) work on equity, early research on organizational justice was more focused on distributive justice, which refers to the perceived fairness of reward distribution in organizations. Research has clearly established that perceived unfairness of rewards leads to negative outcomes such as theft, dissatisfaction, and poor performance (Colquitt, Conlon, Wesson, Porter, & Ng, 2001; Greenberg, 1990a; Velez & Neves, 2017). However, later research showed that individuals are not only concerned about decision outcomes, but also about the fairness of decision-making procedures (Alexander & Ruderman, 1987; Folger & Konovsky, 1989), referred to as perceived procedural justice. According to Folger and Konovsky (1989, p. 115) "distributive justice refers to the perceived fairness of the amounts of compensation employees receive: procedural justice refers to the perceived fairness of the means used to determine those amounts."

Following Greenberg's seminal work on justice (1987), research has established that fair procedures reduce the negative consequences of perceived distributive unfairness (Lowe & Vodanovich, 1995; McFarlin & Sweeney, 1992; Skarlicki & Folger, 1997; Tepper, 2001). Multiple studies, including meta-analytic reports, support the idea that job performance, organizational citizenship behaviors (OCB), and creativity are not only directly affected by perceptions of fair reward distribution and decision-making procedures related to rewards, but also that both types of perceived justice interact in determining work behaviors (Colquitt et al., 2001; Tepper, 2001).

However, a big caveat in the domain of perceived organizational justice research is that the bulk of research has been conducted in economically developed regions (i.e., North America and Europe), where per capita income is high and the basic needs of working individuals are largely met. Insight into the efficacy of organizational justice theories in underdeveloped economies is limited at best. Although it makes theoretical sense to expect that people would be more concerned about rewards than procedures in contexts where their basic needs are not met, there appears to be a tendency to generalize and implement ideas in research and practice based on results from very different settings. A manager enforcing procedure transparency to reduce possible negative outcomes associated with perceived unfairness of rewards in Pakistan, India, or Bangladesh might be caught by surprise as people might not care about procedures if they do not receive what they expect. We believe that researchers should pay more attention to testing justice theories in less economically developed contexts. Despite Brockner and Wiesenfeld's (1996) call to elucidate the conditions under which the interactive effects of distributive and procedural fairness are more pronounced or non-existent, little has been done in this area, especially regarding the role of geographic spread. Similarly, Inglehart (1997: 329) suggested that

"cultural factors are immediately linked with economic factors" and that both economic and cultural factors should be considered in our models. Although there is significant research on culture, little has been done to incorporate economic factors into OB models. More recently, Shao, Rupp, Skarlicki, and Jones (2013, p. 264) asserts that "it is unclear whether national culture or something else (e.g., economic development, history, or politics) explains the cross-country differences in justice effects". We examine the direct and interactive effects of perceived distributive and procedural justice on organizationally significant behaviors such as job performance, OCB, and creativity in Pakistan to demonstrate that in a low income and less developed context, procedures would not matter as much to mitigate the negative effects of distributive injustice. This would allow us to delve into the well-developed and established theory of justice and explore whether it is universally applicable. If not, we must be careful in applying strategies drawn from theories that are not 'universal' after all. On the one hand, we do expect the types of justice and their negative effects on organizationally significant outcomes to hold. Perceptions of fairness are likely to be based on the same factors universally. However, on the other hand, the implications of justice types, their significance in affecting attitudes and behaviors, and their interplay to predict various outcomes is likely to differ in various cultural settings. For example, distributive justice would gain more importance where instrumental values and economic gain are priorities. Similarly, procedures will be more pronounced when people are more concerned about the social and procedural aspects of justice.

Pakistan, the research context for this inquiry, is a country of approximately 200 million people ranking low on economic and human development indices. Despite these rankings, the country does have highly educated professionals, many of whom have been trained in the West (HDR, 2013; OECD, 2013). Pakistan has an important geo-political significance because it is geographically located in a region next to China, an economic superpower, and India, one of the fastest growing economies globally. It is the second largest exporter of textile products and one of the largest exporters of rice. In addition, hundreds of multinational organizations from Western developed countries are represented in the country and employ highly trained HR professionals. Notwithstanding a highly educated workforce implemented by these multinationals, organizations have failed to understand that policies developed and anchored in theories tested in mainly western and economically developed contexts may not translate well to other contexts. Henceforth, drawing from Shao et al. (2013) who found cross-cultural differences in the relative impact of procedural and distributive justice in predicting desirable work outcomes, we hypothesize that although both types of justice will be related to behaviors, there will be no interaction among the justice types. More specifically, unlike the findings of research conducted in developed countries, fair procedures may not reduce the harmful effects of perceived distributive unfairness in Pakistan.

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