

**ORGANIZATIONAL
JUSTICE**



How fair is the working environment in Greece? Establishing fairness in the workplace during a financial crisis with the aim of increasing job satisfaction.

Sarafi Vasileia

0036

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ABSTRACT

This study examines the degree of association between organizational fairness and job satisfaction in Greece. To this end, it is hypothesized that the higher the level of distributive, procedural and interactional justice, the higher the level of job satisfaction. As it is common knowledge that the financial crisis has brought many changes, including reduction of salaries and bonuses, this study explores the effect of the recession on allocation of rewards. Therefore, it was hypothesized that the Greek financial crisis has strongly influenced distributive justice. Empirical evidence was obtained from 256 employees working for the public and the private sector, using a structured questionnaire. Regression analysis revealed that each aspect of organizational justice is strongly related to job satisfaction, and interactional justice seems to be the most important predictor between them. On the contrary, results have proven that the crisis has not changed distributive justice. The findings of this study provide important guidelines to employers on how to enhance the job satisfaction of their employees as it reveals their values and priorities.

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CHAPTER 1: Introduction

1.1 Introduction

Organizations are social systems where human resources are the most important factors for effectiveness and efficiency. Consequently, an effective and committed personnel is the most important element within an organization in order to achieve its objectives, meaning that, achieving the organizational effectiveness is the responsibility of each individual within the organization. Since organizations can not succeed without their personnel's efforts, commitment and satisfaction (Rad & Yarmohammadian, 2006) research has been done trying to identify the factors that contribute to their success.

Justice is the sine qua non of most organizations in egalitarian societies. Indeed, for members of organizations, the perception of justice is a determinant of work attitudes and behaviors (Tyler et al., 2000, Tyler et al., 1996). Placing a premium on justice seems perfectly rational, as fair treatment from superiors may afford people instrumental benefits (Tibeaut & Walker, 1975), reduce uncertainty for them (Van den Bos & Lind, 2002), affirm basic moral principles (Folger and Cropanzano 1998) and reinforce their status in a group (Lind & Tyler, 1988). For these reasons, it would seem that all members of organizations would insist on being treated justly and would react more positively to a more fair treatment.

Organizational justice refers to perceptions of fairness in the workplace. More specifically, it is the term used to describe the employees' perception of whether or not an organization's agents have acted fairly. This form of fairness is the "glue" that allows people to work together effectively. Justice defines the very essence of individual's relationship to employers. In contrast, injustice is like a corrosive solvent that can dissolve bonds within the community. Injustice is hurtful to individuals and harmful to organizations. Defining employees' perceptions of organizational justice, means paying careful attention to its three core dimensions: distributive, procedural and interactional justice, each one referring to the sense of fairness in a different area.

Situations where justice has been found lacking, have been linked with negative consequences (Chan 2000), such as job dissatisfaction, low performance, high turnover intentions, decreased organizational commitment, theft and decreased citizenship behaviors (Cropanzano and Greenberg 1997; Folger and Cropanzano 1998; Greenberg 1990c;2002), increased stress (Zohar 1995), reduced cooperation from co-workers (Pfeffer and Langton 1993), reduced quality of work, reduced self – image and morale outrage (Greenberg 1990b). As a consequence of these many outcomes, it has been suggested that organizational justice has an important societal

value (Sashkin and Williams 1990; Sabbagh et al., 1994). For the above reasons, the notion of organizational justice has received considerable attention and has been researched frequently in the field of industrial–organizational psychology, human resource management and organizational behavior (Cropanzano and Greenberg, 1997).

Among these work attitudes, job satisfaction is considered to be a key variable that impacts the performance of organizations. An employee that is satisfied with his/her job is more likely to produce better results. Better results means that the business is more prone to survive through an economic crisis and to become more profitable. That is what makes job satisfaction one of the best research concepts. Therefore, researchers try to determine the antecedents of this outcome and invest considerable amounts of resources, aiming to increase the satisfaction of employees (Heskett et al., 1997). Clay Warner, Reynolds and Roman (2005) by stating that “understanding job satisfaction has been a central goal of organizational scholars for decades, and in recent years, many of these scholars have turned their attention to the role of organizational justice in shaping this important work attitude”, proved the association between fairness and job satisfaction.

The last few years, Greece faces a financial crisis. Changes in the economic environment are constant. The most important changes, as an immediate consequence of the recession, concern the reduction of salaries both in the public and in the private sector, the reduction of bonuses, pensions, training, and insurance. In order to survive through the economic crisis, business organizations often offer their employees the minimum wage and, in some cases, they perform a reduction in the workforce. As a result, employees, because of the lack of alternative job positions, decide to stay in the current jobs despite of feeling unfairly treated. Taking this stressful situation into account, this dissertation addresses the issue how the Greek financial crisis affect the perception of justice in the workplace.

1.2 Research questions, objectives and contribution of this dissertation

As already mentioned, a review of the relative literature reveals that the notion of fairness in the working environment has received considerable research attention in industrial psychology, human resource management and organizational behavior. With regard to past research, theoretical studies have been made to define the meaning, the historical background and the importance of organizational justice in the workplace. Little empirical work has been done trying to find out the degree of association between organizational justice and employees’ attitudes (job satisfaction, turnover intentions, job performance, and commitment). Among these studies, few of them present the relation between organizational justice perceptions and job satisfaction and even fewer describe the contribution of each aspect of organizational justice (distributive, procedural, interactional) separately to job satisfaction. The largest part of the existing literature focuses on distributive justice, and its association

to work outcomes, which seems totally rational since it was the first form of justice that was developed. The interest for the rest two dimensions proliferated the last years. The existing studies present the linkages between fairness and employees attitudes developed in the Western countries. To my knowledge, there are no studies that examine the bonds between fairness in the workplace and job satisfaction in the Greek working environment. Therefore, this thesis aims to fill this gap, by investigating whether the employees' perceptions about each component of organizational justice affects the level of job satisfaction in the Greek context. Moreover, since the world financial crisis is a recent reality, there is no easily available study showing how the recession has affected levels of organizational justice. Hence, the research objective of the current study is, by focusing on the Greek context, to explore how the financial crisis may affect employees' perceptions of organizational justice. Specifically this research study aims to study the following research questions:

1. Does employees' perception of organizational justice (distributive, procedural, interactional) affect their level of job satisfaction?

2. Has the financial crisis influenced employees' perceptions of distributive justice?

By providing answers to the above questions the contribution of this dissertation would be to make information available about: the level of organizational justice in the Greek working environment, the degree of association between each aspect of organizational justice and job satisfaction and lastly, the impact of the Greek financial crisis on organizational distribution of rewards.

1.3 Structure of thesis

Chapter 1 of this thesis begins with the introduction, the research questions, the objectives, and the contribution of this paper. Chapter 2 presents the literature review by presenting the definition and the importance of organizational justice, the relationship between each aspect of organizational justice and job satisfaction and, in the end, there is a short description of the financial crisis that Greece has to deal with. Moving on, Chapter 3 presents the methodology used in this dissertation and Chapter 4 presents the findings of the research. Finally, in Chapter 5, there are the data discussion, conclusions, based on the findings of the research, the limitations of this study and material for future research.

CHAPTER 2: Literature Review and Hypothesis Development

2.1 What is Organizational justice?

Organizational justice refers to “a personal evaluation about the ethical and moral standing of managerial conduct” (Cropanzano et al. 2007). The concept of “organizational justice” was introduced 20 years ago as a blanket term to describe a

group of general social, psychological and sociological theories that focused on people's perceptions of fairness by showing their applicability to organizations (Greenberg, 1987). Today, we use the term organizational justice to refer to several distinct forms of perceived justice, each of which offers a different answer to the question "What is fair?" (Greenberg, 2009). Therefore, organizational justice is a multidimensional construct, each aspect of which should be separately defined (Cohen-Charash & Spector, 2001). The three dimensions of organizational justice are: distributive justice, procedural justice and interactional justice.

Colquit, Conlon, Wesson, Porter and NG (2001) noted that there is a great diversity in theoretical approach in organizational justice studies, predominately due to its wide ranging focus and growing popularity. Much of this research was derived from initial work conducted by Adams (1965), who used a social exchange theory framework to evaluate fairness. As such, the links between organizational justice theories and social exchange theory have been supported (Masterson et al., 2000; Cropanzano et al. 2002). Social exchange theory asserts that exchanges between employer and employee can lead to felt obligations, and meeting these obligations can evoke positive reactions, while unfulfilling obligations may lead to negative outcomes (Blau 1964). This theory suggests that employees feel obligated to reciprocate when they personally benefit from their employers reactions, such as fair pay and reward system offered by their organization. Dyne and Ang (1998) noted that a central notion of social exchange theory is the norm of reciprocity, which is a cultural universal based on give and take, which leads to the mutual reinforcement by two parties of each other's actions.

Initially, organizational justice literature focused on the distributive justice which describes the perceived fairness of outcomes an employee receives. Over time, scholars begin to consider the procedural justice, as a predictor of the outcomes (Folger and Greenberg, 1985) and interactional justice, as the third form of justice, which refers to the perceived fairness of interpersonal treatment. Although those forms of justice are correlated, research suggests that these factors can be empirically distinguished from one another (Colquit et al., 2001).

Distributive Justice

The first component of justice is called distributive *justice* because it has to do with the allocations or outcomes that some get and others do not. According to Greenberg (1987), distributive justice is a concept focused on how individuals respond to unfair treatment of organizations or unfair distribution of rewards and recourses. This dimension of fairness faces the reality that not all employees are treated alike; the allocation of outcomes is differentiated in the workplace. Workers care about whether they received their just share. Sometimes distribution is just, as when the most qualified and successful employee is promoted. Other times the situation is far from being just, as when advancement goes to corporate "insiders" with a political relationship to upper management (Cropanzano et al., 2007).

Distributive justice was formalized by Adam's equity theory according to which, people determine whether they have been fairly rewarded by comparing their own input (effort) and outcome (pay) with the input and output of others. Only when their own ratio of input and output is equal to that of others, they feel as they have been treated fairly. When distribution of work rewards is unfair, the employee is psychologically tensed, usually becoming angry, less productive and motivated (Seungwoo Kwon et al. 2008). People perceive distributions of outcomes to be fair to the extent that these are proportionate to relative job contributions. Although equity theory provided a useful framework for understanding employees' perceptions for over and under payment, its homogeneity as an approach for understanding fairness in the organizations was challenged on the grounds of its applicability (Leventhal, 1980).

Procedural Justice

Procedural justice refers to the means by which outcomes are allocated, but not specifically to the outcomes themselves. This dimension relates to the fairness of organizational policies and processes. Procedural justice establishes certain principles specifying and governing the roles of participants within the decision making processes. Leventhal and his colleagues established some core attributes that make procedures just (Leventhal et al., 1980, Leventhal 1980). A just procedure is one which a) is applied consistently across people and time, b) is free of bias, c) is accurate, meaning that decisions are based on accurate information, d) is representative of all stakeholders, e) has a mechanism for fixing mistakes, usually based on inaccurate information and f) is consistent with ethical norms. What is interesting is that procedural justice affects what workers believe about the organization as a whole. If the process is perceived as fair, employees show greater commitment and are more willing to behave in an organization's best interests, meaning that they are less likely to betray the institution and its leaders (Cropanzano et al. 2007).

Interactional justice

In a sense, *interactional justice* may be the simplest of the three components. It refers to how one person treats another. A person is interactionally just if he or she appropriately shares information and avoids cruel remarks. People feel unfairly treated when they believe that they have received explanations that are incomplete and lacking in detail and/or are presented to them in a way that is lacking in dignity and respect. (Greenberg, 2009). In other words, there are two aspects of interactional justice. The first part, called informational justice, focuses on the accuracy and the quality of explanations that individuals receive. The second part, called interpersonal justice, refers to the respect, politeness and dignity with which one treats another. Both parts are equally important.

Most research efforts on interactional justice assumed that it is a unidimensional construct, without distinguishing between supervisor and coworker unfair treatment.

This notion is contrary to studies on social exchange relationships, which indicates that an employee is always in regular exchange relations with the supervisors and the coworkers.

Recent attention to interactional justice is widespread and is attributed to two qualities. Firstly, interactional justice is important because when perceived to be present at high levels, it mitigates employees' negative reactions to distributive and/or procedural justice. Secondly, managers have the capacity to promote interactional justice. Although they may have limited power to change the reward system or organizational procedures for evaluating performance, they surely have at their disposal opportunities to offer their employees, thorough explanations, and to present these with dignity and respect (Greenberg, 2009).

How the three components of justice interact?

Maintaining the three components of justice simultaneously is a worthwhile task but it seems daunting. Fortunately, there is good news. Evidence suggests that the three components of justice interact. Though the interaction can be described in different ways, the key point is this: The ill effects of injustice can be at least partially mitigated if at least one component of justice is maintained. For example, distributive and procedural injustice will have fewer negative effects if interactional justice is high (Croppazano et al., 2005).

2.2 The importance of organizational justice? Why managers should apply organizational justice?

The application of organizational justice is in the best interest of managers and organizations for various reasons. Compelling evidence reveals that employees who perceive organizational justice respond in a way that is beneficial to the organizations. For instance, high perceived levels of different aspects of organizational justice have been linked to many desirable work attitudes such as high levels of customers' satisfaction (Simons & Roberson 2003), high levels of organizational commitment (Folger & Konovsky, 1989), low levels of absenteeism (Lam et al., 2002), low turnover intentions (Dailey & Kirk 1992), and low levels of employee theft (Greenberg 1990a). In addition, fair treatment tends to promote similarly ethical behavior in those receiving, so fair managers can contribute to making the entire organization more just (Weaver, 2004). The above outcomes represent the benefits of fairness to organizations.

Moreover, it is important to promote organizational justice because of the potential benefits it brings employees. When authority figures behave fairly, they send strong messages to employees that their organizations value those who work in them (Lind & Tyler, 1988). This is important to employees who wish to be accepted by the groups to which they belong. Employees use to interpret fair treatment as a sign of this acceptance; therefore, it enhances their feelings of self worth (Tyler and Lind,

1992). Frequently, this is expressed in terms of behaviors that are beneficial to employees directly such as high pay satisfaction (Folger and Konovsky 1989), lowered feelings of discrimination (Cropanzano et al, 2005), reduced stress levels (Judge and Colquitt, 2004), and improved physical and mental health (Greenberg, in press).

Beyond the benefits noted thus far, it also may be claimed that we should promote fairness in organizations simply because it is the right thing to do- that is we may consider the moral benefit of behaving fairly. Philosophers traditionally embrace this perspective, but it also has been adopted in recent years by organizational scientists (e.g. Folger et al., 2005). As argued by Folger (1998) and as supported in a laboratory study by Turillo, Folger, Lavelle, Umphress, and Gee (2002), people attempt to promote justice because doing so is virtuous (Greenberg 2009). Therefore, it is a moral and ethical duty to be fair, especially when dealing with those who have less power and a subordinate position.

Organizational justice theory is important for managers because it is not sufficient for them to simply make fair decisions and policies. Managers also need their actions to be perceived as fair. From the perspective of employees, there is no difference between a truly unfair act and one that they only perceive as unfair. As such, managers who are fair but perceived as unfair, will evoke the same poor responses from employees as those managers who are genuinely unfair. Summing up, managers need to behave in ways in which employees can recognize as fair.

Unfortunately, evidence shows that many managers do not treat employees fairly (Cropanzano et al., 2007). In most cases, the organizational officials do not know about these potential benefits until they learn about them from a specialist (e.g. psychologist with whom they may have interacted). This is more because of the difficulties in making managers aware of some of the most strongly established solutions, than because of any ignorance or indifference among organizational officials (Greenberg 2009).

2.3 The relation between Organizational Justice and Job satisfaction

In general, overall job satisfaction has been defined as a “function of the perceived relationship between what one wants from one’s job and what one perceives it as offering” (Locke 1969). Job satisfaction is an attitude that people have about their jobs and the organizations in which they perform these jobs. Methodologically, job satisfaction can be defined as an employee’s affective reaction to a job, based on a comparison between actual outcomes and desired outcomes. It encompasses specific aspects of satisfaction related to pay, benefits, promotion, work conditions, supervision, organizational practices and relationships with co-workers (Hasan Ali et al., December 2010). It can be recognized as a multifaceted construct that includes employee feelings about a variety of both intrinsic and extrinsic job elements. Therefore, job satisfaction reflects an employee’s perception rather than reality about

certain aspects of the job, relative to his/her values. Job satisfaction is of primary concern to employers as it can be associated to employees' behaviors such as high organizational commitment, less stress, less lateness or absenteeism from work, higher productivity and less intention of exiting from the organization (Chiu et al., 1997; Ladebo, 2004;).

Justice perceptions have been recognized as one of the most important factors of job satisfaction (e.g. Masterson et al., 2000, Moorman, 1991). The literature regarding organizational justice, displays that justice perceptions have direct relationships to job satisfaction, meaning that individuals who perceive being treated fairly, are more satisfied with their working environment. Much of this research has examined the relationships at the between-person level with cross-sectional data, rather than at the within-person level with longitudinal data (Loi et al., 2009). Scholars maintain that perceptions of organizational justice can help employees feel satisfied with their jobs and evaluate their organization positively, consequently, encouraging employees to be more strongly committed to the interests of the organization (Cohen-Charash & Spector, 2001)

Fairness heuristic theory (Lind 2001; Van den Bos et al., 2001) proposes that individuals make use of the most readily available fair information to guide their job attitudes and behaviors. Early work on organizational justice associated both perceptions of distributive and procedural justice to various facets of work-related satisfaction and demonstrated that both dimensions have positive correlations with job satisfaction (e.g. Mossholder et al., 1998). Recent studies have focused on the perceptions of the quality of perceived interactional justice, and have examined its influence on job satisfaction. For instance, Colquit et al. (2001) showed that both interpersonal justice and informational justice were related to job satisfaction. Individuals may encounter justice events on a daily basis, resulting in justice perceptions that vary over time. This variability in justice perceptions may influence employees' daily job satisfaction (Loi et al., 2009).

The impact of distributive justice on job satisfaction

Distributive justice refers to the perceived fairness of distribution outcomes that includes the conditions and goods that affect individual well-being (Deutch 1985). The logic of distributive justice theory derives from a functional relationship between outcomes (rewards) and contributions of input compared with some standards of comparison. The degree to which a distribution is judged to be fair or unfair will depend on the valuation of these comparisons. The source of comparison may be other people, a generalized other or ones' own past rewards (Harif Amali Rifai, 2005).

Many researchers attempted to investigate the linkage between distributive justice and job satisfaction. More specifically:

Many years ago, at 1971, Lawler demonstrated that the distribution of organizational rewards including pay, promotion, status, performance evaluations, and job tenure

have significant effects on several outcomes, namely job satisfaction, quality of work life and organizational effectiveness. Folger and Konovsky (1989) also showed similar results, according to which pay rise and job satisfaction are significantly related to the perception of distributive justice. Field research has shown that individuals, who perceive their overall situation to be equitable, tend to exhibit higher levels of pay satisfaction and job satisfaction, and adopt better work behavior than individuals who feel they are paid unfairly (Sweeney et al. 1990; Berg 1991; Witt and Nye 1992).

Clay-Warner et al. (2005) stated that "personal outcomes model assumes that workers focus upon distributive fairness in order to maximize their personal outcomes, because they believe that fair distributions will result in favorable distributions". McFarlin and Sweeney (1992) noted that with this model, distributive justice would be the key antecedent predicting work attitudes (e.g. job satisfaction). This model has found empirical support, with distributive justice being found to be the dominant predictor of job satisfaction in studies of bank employees and financial service employees. Greenberg (1990b) contended that organizational justice is "a basic requirement for the effective functioning and the personal satisfaction of the individuals they employ".

Perceptions of distributive justice are related to cognition decision which stimulates exhibition of emotional positive (e.g. satisfaction) or negative outcomes. Feelings of satisfaction towards employees' outcomes are likely to occur when there is a belief that the rewards received are equitable and proportional relative to others (Martin 1981). In other words, employees feel satisfied with outcomes, when they believe that the content of rewards they perceive to be fair is higher than the content of rewards they perceive to be unfair (Cropanzano and Greenberg 1997). Consequently, employees who perceive fairness in terms of rewards allocation are likely to have increased job satisfaction. Therefore, by understanding the links between distributive fairness and job satisfaction we are lead to the following hypothesis:

Hypothesis 1: Employees' perception of high distributive justice is related to greater levels of job satisfaction.

The impact of procedural justice on job satisfaction

Procedural justice is a process-oriented construct used to evaluate the fairness of methods and appraisal systems, such as rules and procedures that are implemented to determine the amount paid (Miceli et al., 2000). Whereas distributive justice suggests that satisfaction is a function of outcome, procedural justice suggests that satisfaction is a function of process. In a sense, the procedure that is used to determine employees' outcomes may be more important than actual outcomes themselves (Folger and Martin 1989). For instance, employees' perception of performance appraisal might be determined by an evaluation system's perceived fairness, regardless the appraisal results were positive or negative. In this case, the procedures seem more important

than the end results; a favorable outcome does not necessarily bring with it recipient support.

Extensive literature supports procedural justice theories of satisfaction. In general, research suggests that, if organizational processes and procedures are perceived to be fair, then participants will be more satisfied, more willing to accept the resolution of that procedure, and more likely to form positive attitudes about the organization (Bingham, 1997; Tyler and Lind, 1992). Knowing that the first forms of justice developed, were distributive and procedural justice, numerous studies demonstrate fairly well that fairness is essential to the employee's overall quality of life within the organization and as distributive and procedural fairness increase, job satisfaction also increases (Lind and Tyler, 1988). Likewise, individuals who perceive that they are receiving unfair treatment are more likely to feel angry and dissatisfied.

Several researches have tried to investigate whether distributive or procedural justice is a stronger predictor of job satisfaction. Lisaak, Mendes and Lind (1983) reported that procedural justice was more important in predicting job satisfaction than distributive justice. Yoon (1996), in the case of Asian context, supported that "they value in group membership more than tangible reward; an individual's inference of the whether the employment organization treats him or her as deserved in group member is often based on procedural justice treatment in the group or organization" (Yoon 1996). Results of the Colquitt's et al.'s meta-analysis (2001) indicate also that procedural justice is the most important antecedent of job satisfaction.

According to Agho et al. (1993) few procedural factors were likely to be associated with job satisfaction. These factors include freedom to make job related decisions, to make contributions to the organizational work process and share beliefs to organizational processes. Employees are less satisfied with their job when they do not have the information about decision-making procedures adequately, and receive incompatible requests from their supervisor. Therefore, procedural justice contributes a significant effect on job satisfaction.

From a conceptual perspective with inductive reasoning, it is meaningful that individuals, who have negative unfair evaluations about procedures in their organization, would be less satisfied from their work. One of the plausible explanations for this view comes from the social exchange theory. It predicts that individuals who perceive that they are receiving unfair treatment are more likely to feel frustrated and dissatisfied. Based on this reasoning and since there is a growing body of research showing that procedural justice is an important predictor of job satisfaction, the following hypothesis is developed:

Hypothesis 2: Employees' perception of high procedural justice is related to greater levels of job satisfaction.

The impact of interactional justice on job satisfaction

The explanation for interactional justice in the workplace is grounded in the social exchange theory and norm of reciprocity (Cropanzano and Mitchell, 2005). From the social exchange perspective, employees expect fair, honest, courteous, and truthful treatments from the organization and its agents. Based on the norm of reciprocity, employees who perceive fair treatments by authorities are more likely to evidence greater commitment to the values and goals of the organizations; exhibit increased job satisfaction, organizational citizenship behaviors, improved job performances and reduced withdrawal behaviors (Cohen-Charash & Spector, 2001; Colquitt et al., 2001).

A framework that is employed to explain employees' satisfaction is interactional justice in the workplace. When the expectation of an employee is met, she/he is more likely to reciprocate the fair treatment received from the coworkers and supervisors by developing a positive feeling towards his/her job. Studies that employed the concept of interactional justice indicated that employees' satisfaction is enhanced, when there is interactional fairness in the workplace (Cohen-Charash & Spector, 2001, Colquitt et al., 2001).

Therefore, it is suggested that fair treatments received from supervisors and coworkers, should provide a strong reason for an employee to feel satisfied with his/her job. Available literature supports the link between job satisfaction and fair treatments received from the decision makers (Donovan et al., 1998). Moorman (1991), in his study, revealed that all three sources of justice perceptions were individually related to job satisfaction, with interactional justice being the strongest predictor. Therefore, this leads to the development of the following hypothesis:

Hypothesis 3: Employees' perception of high interactional justice is related to greater levels of job satisfaction.

2.4 The Greek financial crisis and its impact on organizational justice

Greece has a capitalist economy with the public sector accounting for about 40% of GDP and with per capita GDP about two-thirds that of the leading euro-zone economies. Tourism provides 15% of GDP. Immigrants make up nearly one-fifth of the work force, mainly in agricultural and unskilled jobs. Greece is a major beneficiary of EU aid, equal to about 3.3% of annual GDP. The Greek economy grew by nearly 4.0% per year between 2003 and 2007, due partly to infrastructural spending related to the 2004 Athens Olympic Games, and in part to an increased availability of credit, which has sustained record levels of consumer spending. After 15 consecutive years of economic growth, the economy went into recession in 2009 as a result of the world financial crisis, tightening credit conditions, and the governments' failure to address a growing budget deficit, which was triggered by falling state revenues, and increased government expenditures. Eroding public finances, a credibility gap stemming from inaccurate and misreported statistics, and consistent underperformance on following through with reforms, prompted major

credit rating agencies in late 2009 to downgrade Greece's international debt rating, and has led the country into a financial crisis. Under intense pressure by the EU and international market participants, the government has adopted a medium-term austerity program that includes cutting government spending, reducing the size of the public sector, decreasing tax evasion, reforming the health care and pension systems, and improving competitiveness through structural reforms to the labor and product markets

As a result of the on-going economic crisis, industrial production in the country went down by 8% between March 2010 and March 2011. Shrinking at a dramatic pace in the current year, the garment industry, as a whole shows a loss, while the volume of building activity saw a reduction of 73.1% between January 2010 and January 2011. Additionally, the turnover in retail sales saw a decline of 9% between February 2010 and February 2011 ("Economy of Greece", *Wikipedia, The Free encyclopedia*. Wikimedia Foundation. Web 20 Sept 2011).

Between 2009 and 2011 unemployment skyrocketed, from 10.3% in 2009 to 16.2% on March 2011, an increase of 57.28%, leaving more than 800,000 unemployed. In the final quarter of 2010, youth unemployment reached 36.1% ("Economy of Greece", *Wikipedia, The Free encyclopedia*. Wikimedia Foundation. Web 20 Sept 2011).

In order to deal with the current crisis, the Greek Government strives to reduce expenses by every means. Therefore, new measures are taken, which equal to cutting down the salaries, wages, and bonuses. In addition, the restructure of the compensation system both in the public and in the private sector seems necessary. On the other hand, taxation has increased in every aspect of our ordinary life. Training opportunities and opportunities for promotion seem to shrink. Employers try to maximize their profits by minimizing the number of rewards given for an excellent performance and other financial incentives.

As already mentioned, the main attribute of the new measures taken due to the recession, is the reduction of rewards. According to the current legislation, these new measures address more employees of the public sector than employees of the private sector, since the reduction of bonuses and salaries is stricter for them. According to equity theory, employees seek the equilibrium between what they invest into their jobs in terms of effort, knowledge and skills, and what they get as an outcome through compensation or recognition (Adams 1963, Greenberg 1987). Employees perceive what is fair by comparing their work to those with referents others, either internal to the organization or external. Distributive justice is achieved when the input-output ratio of the employee equals that of a referent other. Therefore, since the measurement of distributive justice demands a comparison, when public employees compare themselves to the private employees, they feel that they have been unfairly treated. Consequently, if an employee of the public sector uses as referent an employee of the private one, he will find out that the recession has influenced him at a higher degree,

since the new measures suggested a bigger reduction of rewards for him. In addition, even in the same sector, the allocation of rewards seems to be unequal, meaning that the reduction of salaries and bonuses is not the same for every employee. Among employees, working for the same sector, some have been slightly affected by the crisis and others at a more significant level. Therefore, this thesis develops the following hypothesis:

Hypothesis 4: The Greek financial crisis has strongly affected distributive justice.

CHAPTER 3: Methodology

3.1 Measures

Job satisfaction

General Job Satisfaction was measured using 5 items developed by Hachman and Oldman (1980). Each of the items was measured on a seven-point Likert-Scale ranging from 1= strongly disagree to 7=strongly agree. The five items measure the degree of job satisfaction of employees who answer this questionnaire and their thoughts of leaving their job, as well as the job satisfaction of their coworkers and their intention of leaving their own job position. The internal consistency estimate (Cronbach's alpha) for general job satisfaction (5 items) was .689. Hair et al. (1998) suggested that usual limit for Cronbach alpha is 0.70, but in exploratory research (as being conducted) the limit may decrease to 6. The larger reliability of the construct will indicate the smaller the error. The reliability implies high incorrelation within the construct. Although the internal consistency in this study is $< .70$, the reliability coefficient for this variable is adequate since the sample is small.

Justice

Distributive, Interactional, and Procedural Justice

Perceived distributive justice was measured using 7 items adapted from Scholl, Cooper and McKenna (1987) which classify the referents with respect to compensation. Each item describes how much the employees receive from their company comparing to: 1) others doing the same job within the organization, 2) others performing different job in the same organization, 3) others doing the same job in other organizations, 4) others who had attained the same educational level, 5) others of the same age, 6) the amount of pay that individuals expected from the system, 7) internal evaluation of self worth. These items were measured on a seven-point Likert-type scale (1=very little to 7= very much). The internal consistency estimate (Cronbach's alpha) for perceived distributive justice (7 items) was .839.

Perceived interactional justice and perceived procedural justice were measured by models developed by Seungwoo Kwon, Min Soo Kim, Sung-Choon Kang, and Myung Un Kim. Specifically, perceived interactional justice was measured using four

items which capture interpersonal managerial behaviors. These items measure the degree to which managers are kind and considerate and deal with employees in a truthful manner. All the items were measured on a seven-point Likert-type scale (1=strongly disagree to 7= strongly agree). The scale of interactional justice showed good internal reliability ($\alpha = .884$).

Perceived procedural justice was measured by the use of five items. The items measured were objectivity, consistency, bias suppression, ethicality, participation, the characteristics of a just procedure. All the items were measured on a seven-point Likert type scale with higher numbers reflecting high control and perceived procedural justice (1=strongly disagree to 7=strongly agree). The scale of procedural justice showed high internal reliability ($\alpha = .84$).

The impact of the Greek financial crisis on rewards

As the Greek financial crisis is a current issue, there are few studies, trying to measure the consequences of this recent reality in our ordinary and professional life. Looking for an already developed model in order to measure the effect of the Greek financial crisis on distributive justice, I found no measure readily available. Therefore, I developed my own one. Having in mind the model of the types of employees rewards developed by the Asia Pacific Management Co. Ltd 2004, I chose the most important of rewards (both direct and indirect) and I tried to investigate the degree to which the recession affected them. According to my point of view, the most important rewards are: 1) salary, 2) bonuses, 3) pension, 4) medical insurance 5) training, 6) job security, 7) promotion opportunities. Consequently, I tried to investigate the impact of the recession in Greece on these aspects of rewarding.

Control variables

According to Maynard et al. (2006), the demographic variables of gender, age, level of education and tenure in the job have an influence on the job attitudes of employees including job satisfaction. In order to investigate whether the Greek financial crisis has affected more those who work in the public sector or those who work in the private sector, I used the variable of sector. Therefore, in this thesis, these variables are treated as control variables. I included a variable for gender (0=male, 1=female), age (1=18-24, 2=25-34, 3=35-44, 4=45-54, 5=55-64, 6=older than 65), education (1=Basic education, 2=High school graduate, 3=,IEK graduate, 4=TEI graduate,5=University graduate, 6=Owner of a master).

3.2 Sample

In order to gather my sample, I followed the method of convenience sampling. *Convenience sampling* is a type of no probability sampling which involves the sample being drawn from that part of the population which is close to hand. That is, a population is selected because it is readily available and convenient (“Sampling (statistics),”*Wikipedia, The Free encyclopedia*. Wikimedia Foundation. Web 20 Sept

2011). Having in mind that gaining permission for conducting a survey, both in the public and the private sector, is a time consuming process, this type of sampling was the ideal for me as I had a time limitation in order to prepare this master thesis. Therefore, I decided to ask from every friend of mine who works both in the public and in the private sector to deliver my questionnaires in their workplace. Prior to the completion of the questionnaires, participants were informed of the purpose of the study and that all information would be kept completely confidential. This would make the participants feel at ease, with the aim of expressing their job attitudes more openly and honestly.

Among 278 questionnaires distributed, a total of 256 questionnaires were returned completed resulting in a response rate of 92%. There was a good proportion between women and men, with women representing 52, 7 % and men 47, 3%. The largest part of the participants was between 25 and 34 years old (29, 7%) and were university graduates. The majority (62, 5%) among those who completed the questionnaire were working for their current employer for more than five years, fact that can prove very beneficial, since staying at the same job position for a longtime can contribute to having a more complete picture of whether the organization is fair as a whole. In order to investigate whether the financial crisis has affected more those who work in the private sector or those who work in the public, almost half of the questionnaires were distributed to employees working in the public sector (47,3%) and the other half to employees of the private sector (52,7%). The questionnaire is available upon request.

CHAPTER 4: Empirical results

4.1 Initial statistical analyses

Initially, in order to evaluate the relation among general job satisfaction, organizational justice (distributive justice, interactional justice, procedural justice), financial crisis and sector, a series of analyses of variance (ANOVA) were conducted. Sector was chosen to be the independent variable since it is considered to be an accurate criterion for the classification of employees. The classification of employees by sector was chosen after taking into account that there were differentiations concerning the new measures relatively to their sector. Therefore, it will help us investigate whether the recession has influenced more the public or the private sector. The dependent variables were general job satisfaction, the three dimensions of organizational justice and the effect of crisis on distributive justice. The results are presented in Table 1. According to the results, employees working in the public sector are slightly more satisfied from their jobs than employees of the private sector. Statistically significant differences between the two sectors were found for distributive, interactional, procedural justice and the effect of crisis. The difference for the two sectors is bigger for procedural and interactional justice ($p < 0,001$) than distributive justice ($p < 0,05$). Therefore, employees of the private sector seem to receive a more fair treatment.

Table 1. ANOVA for the effect of sector on job satisfaction and organizational justice

Dependent Variable	All	Public Sector (Mean)	Private Sector (Mean)	F
Job Satisfaction	256	4.95	4.84	0.78
Distributive Justice	256	3.83	4.14	6.03*
Interactional Justice	256	3.21	4.03	14.45***
Procedural Justice	256	3.71	4.36	22.3***
Effect of crisis	256	3.84	3.36	15.21***

* $p < 0.05$

** $p < 0.01$

*** $p < 0.001$

4.2 Testing the effects of distributive, interactional and procedural justice on job satisfaction

The effects of distributive, interactional and procedural justice on general job satisfaction were estimated using hierarchical regression analysis. Before testing the hypothesized conceptual model, the correlation between variables was examined in order to detect the presence of multicollinearity. The estimated correlation matrix for the construct can be seen in Table 2, and shows that estimated correlations among constructs do not indicate multicollinearity problem of ($r < 0.70$). According to Table 2, General Job Satisfaction is significantly correlated with distributive ($r = .33$, $p < 0.01$), interactional ($r = .29$, $p < 0.01$) and procedural justice ($r = .37$, $p < 0.01$). Since there is no high correlation between the variables, we can move to the regression analysis.

The results of the hierarchical regression analysis are presented in Table 3. The dependent variable in the regression model was General Job Satisfaction. The variables of gender, age, level of education, tenure and sector were controlled up in Step 1. Step 2 evaluated the amount of variance on General Job Satisfaction explained by each dimension of organizational justice.

As shown in Table 3, the control variables for the contribution of distributive justice on job satisfaction (step 1, Model 1), were significant at the level of $p < 0.01$ ($F = 3, 77$). The results show that 7% of the variance of general job satisfaction could be explained by these variables ($R^2 = .070$). For step 2, distributive justice was significant at the level of $p < 0.001$ ($F = 8.81$) and accounts for 17.5% ($R^2 = .175$) of the variation in job satisfaction. Among the control variables, only the variable of tenure is significant ($p < 0.001$), and is positively related to job satisfaction, meaning that the higher the tenure, the bigger the job satisfaction. The entry of distributive justice at step 2 shows that is positively related to General Job satisfaction. Hence, the first Hypothesis is verified, meaning that the higher the level of distributive justice, the more satisfied employees can be.

Concerning the contribution of procedural justice on job satisfaction, the results show that this dimension of justice was significant at the level of $p < 0.001$ ($F = 8.76$) and accounts for 17.4% ($R^2 = .174$) of the variation in job satisfaction. The second Hypothesis is also verified, since procedural justice is positively related to job satisfaction ($b = 0.33$). Therefore, if procedures are fairer, employees will be more satisfied.

Moving to model 3, interactional justice is significant at the level of $p < 0.001$ ($F = 12.56$), and the value of $R^2 = .232$; this means that interactional justice account for 23, 2% of the variation in general job satisfaction. Employees seem to be happier with

Table 2. Correlations for Study Variables

	1	2	3	4	5	6	7	8	9	10
1) Gender	1									
2) Age	-.08	1								
3) Education	.13*	-.13*	1							
4) Tenure	-.02	.57**	.01	1						
5) Sector	-.05	.35**	.20**	-.26**	1					
6) General Job Satisfaction	-.10	.05	.04	.22**	-.05	1				
7) Distributive Justice	-.09	.01	-.03	.03	.15*	.33**	1			
8) Procedural Justice	-.04	-.14*	-.14*	-.11	.23**	.29**	.47**	1		
9) Interactional Justice	-.05	-.14*	.16**	-.09	.28**	.37**	.46**	.67**	1	
10) Effect of Crisis	-.09	.15*	.02	-.06	-.24**	-.11	-.11	-.09	.17**	1

* Correlation is significant at the 0.05 level.

** Correlation is significant at the 0.01 level.

Table 3. Results of Hierarchical Model Analyses on Job Satisfaction

<i>Dependent Variable</i>	Model 1		Model 2		Model 3	
	Beta	Sig	Beta	Sig	Beta	Sig
General job satisfaction						
<i>Step 1</i>						
<i>Gender</i>	-.11	.06				
<i>Age</i>	-.12	.12				
<i>Education</i>	.03	.58				
<i>Tenure</i>	.28***	.00				
<i>Sector</i>	-.02	.73				
<i>R²</i>	.07					
<i>Adjusted R²</i>	.05					
<i>F</i>	3.78					
<i>Step 2</i>						
<i>Gender</i>	-.09	.12	-.11	.07	-.10	.07
<i>Age</i>	-.14	.06	-.09	.21	-.08	.21
<i>Education</i>	.03	.63	.07	.23	.09	.23
<i>Tenure</i>	.27***	.00	.24***	.00	.27***	.00
<i>Sector</i>	-.08	.20	-.08	.21	-.12	.21
<i>Distributive Justice</i>	.33	.00				
<i>Procedural Justice</i>			.33***	.00		
<i>Interactional Justice</i>					.42***	.00
<i>R²</i>	.17		.17		.23	
<i>Adjusted R²</i>	.15		.15		.21	
<i>F</i>	8.81		8.76		12.56	
<i>ΔR²</i>	.10		.10		.16	

* $p < 0.05$

** $p < 0.01$

*** $p < 0.001$

their job if the interaction with their supervisors and their colleagues is fairer ($b=0.42$). Surprisingly, among the three dimensions of organizational justice, employees seem to pay more attention to interactional justice ($b=0.42 > 0.335 > 0.330$).

4.3 Testing the effects of the Greek financial crisis on distributive justice

The effect of recession on distributive justice was estimated using hierarchical regression analysis also. Table 2 presents the correlation between the influence of crisis and the control variables, the impact of crisis on each aspect of justice. According to table 2, the effect of recession on distributive justice is positively correlated with age and education and negatively correlated with the rest of control variables. Since variables in this construct do not present high correlations (< 0.70), there is not multicollinearity problem and the regression analysis can follow.

The results of the hierarchical regression analysis are presented in Table 3. The dependent variable in the regression model was distributive justice. The variables of gender, age, level of education, tenure and sector were controlled up in Step 1. Step 2 evaluated the amount of variance on distributive justice explained by the Greek financial crisis.

According to Table 3, the control variables for the effect of the recession on distributive justice (step 1, Model 4), were found not significant ($p > 0.05$). For step 2, the impact of crisis on distributive justice was not significant either. The entry of the variable of recession at step 2 shows that is negatively related to distributive justice ($b = -.09$) and is not statistically significant ($p > 0.05$). Consequently, the fourth Hypothesis is not supported. On the contrary, results show that the financial crisis has not affected at a significant level distributive justice. By making a comparison between the public and the private sector, it seems that the employees of the private sector receive higher distributive justice ($b = 0.18$).

Table 3 (Continued). Results of Hierarchical Model Analyses on Distributive Justice

	Model 4	
<i>Distributive justice</i>	Beta	Sig
Step 1		
<i>Gender</i>	-.07	.24
<i>Age</i>	.05	.55
<i>Education</i>	.02	.79
<i>Tenure</i>	.05	.54
<i>Sector</i>	.18**	.01
<i>R²</i>	.03	
<i>Adjusted R²</i>	.02	
<i>F</i>	1.83	
Step 2		
<i>Gender</i>	-.08	.19
<i>Age</i>	.07	.42
<i>Education</i>	.02	.78
<i>Tenure</i>	.02	.75
<i>Sector</i>	.16	.02*
<i>Crisis. effect</i>	-.09	.17
<i>R²</i>	.043	
<i>Adjusted R²</i>	0.20	
<i>F</i>	1.85	
<i>ΔR²</i>	.01	

*p<0.05

**p<0.01

*** p<0.001

CHAPTER 5: Discussion of the results

5.1 Discussions and implications of this study

The purpose of this study was to investigate the existence and the degree of association between job satisfaction and each aspect of organizational justice (distributive, procedural, interactional). To this end, this study assumes that the higher the level of organizational justice, the higher the job satisfaction. This hypothesis was developed on the basis of Lock's (1976) argument, according to which, one important work related attitude to which perceptions of organizational fairness have been linked is job satisfaction. Since the financial crisis is a current issue that has brought many changes to everyday life, this study focuses on the effect of the recession on distributive justice. Employees of the private sector were compared to employees of the public in order to find out who has been affected at a more significant level by the recession. As was hypothesized, the higher the level of distributive, procedural and interaction justice, the higher the levels of job satisfaction. These results are in accordance with existing literature which displays that justice perceptions have direct relationships to job satisfaction, meaning that individuals, who perceive being treated fairly, are more satisfied with their working environment.

Surprisingly, it has been proven that the Greek financial crisis has not affected distributive justice, and therefore Hypothesis 4 is not verified. In order to measure distributive justice, we are interested in how much we get relative to how much we contribute. Such a ratio is meaningless, however unless anchored against some standard. To accomplish this, we examine the inputs and outcomes of some referent. This usually is a similar person, meaning a person with the same qualifications that works in the same or similar organization. Considering that the recession has affected the majority of employees, and that the reduction of rewards and incentives is a new reality for almost every individual that belongs to the Greek workforce, employees do not think that their employers have been unfair towards them. Since the measurement of the distributive justice demands a comparison and the results of the comparison show that the rewards have been reduced for every employee at a lower or higher degree, distributive justice remains unaffected by the recession. Otherwise, the recession on the Greek context has created a new reality in which every employee is participant and pays the price. Consequently, they can not feel unfairly treated but only dissatisfied with the current situation. Furthermore, Hypothesis 4 is not verified due to another reason. Results of this study have shown that employees of the public sector consider that distributive justice has been affected by the recession at a significant level. On the contrary, employees of the private sector seem to have been affected at a lower level. Therefore, although the distribution of rewards has changed for a large part of the Greek workforce, hypothesis 4 is not verified, as someone could expect, due to the analogy of the sample. As already mentioned, 52,7% of the questionnaires was distributed to employees of the private sector and 47,3% to

employees of the public sector. Since the majority of the respondents seems not to find any significant difference concerning the allocation of the rewards, hypothesis 4 is not supported.

This thesis provides several theoretical implications that expand our understanding of the relation between organizational fairness and job satisfaction. To begin with, the findings of the present study have shown that both distributive and procedural justice may lead to feeling of satisfaction. The predicted influence of distributive justice on job satisfaction supports the empirical evidence from the majority of previous studies (Lawler 1971, Tyler et al. 1985, Fields et al. 2000). Between these two forms of organizational fairness, the results have shown that job satisfaction in the workplace is more determined by perception of procedural justice. The fact that procedural justice is a more important predictor of job satisfaction than distributive justice is identical with the work of several researchers (e.g. Folger and Konovsky 1989, Scarpello and Jones 1996, Sweeney and McFarlin 1997). Therefore, it seems that people's overall fairness judgments are influenced more strongly by procedures than by outcomes. This may happen because individuals may have great respect for group membership and emphasize more on whether they receive an equitable decision making procedure rather than the content of reward. When managers use a fair planning process, employees are more supportive of the plan, trust their leaders more, and they are more committed to their employers. This probably happens because fair processes lead to intellectual and emotional recognition. This, in turn, creates the trust and commitment that build voluntary cooperation in strategy execution. The feelings of trust, commitment, cooperation, and support contribute to the employees' job satisfaction. Moreover, an explanation for the strong influence of procedural justice on job satisfaction can be found in the theory of the "fair process effect". According to this theory, just procedures can mitigate the ill effects of unfavorable outcomes. Hence, employees that are allowed an opportunity to voice their opinion about an outcome they would receive, usually react more positively to the outcome even if it is unfavorable.

An interesting result of the study was that interactional justice was the strongest predictor of employees' job satisfaction. Although both distributive₁ and procedural₂ justice seem to be related to job satisfaction at almost the same level ($b_1=0.330, b_2=0.335$), the ability of the decision makers to treat employees well, when sharing information, may override concerns that employees have about the outcomes and the structural characteristics of organizational procedures. Therefore, since prior studies have focused on the effects of distributive and procedural fairness on work related attitudes, including job satisfaction, this study suggests that interactional justice also plays an important role.

Concerning the establishment of interactional justice, in order to explain why this form of justice is the most important predictor of job satisfaction, a new element must be taken into account: the Greek financial crisis. The main characteristic of the Greek crisis is unemployment and the reduction of rewards, both financial and non financial

for the employees who work in the public and the private sector. There may be differentiation, concerning the measures taken by sector, but overall, this new reality has affected the majority of the workforce at lower or a higher degree. Nowadays, when employees seek for a job, they take into account that the vacancies are few and that the salary they may receive from a potential job position is not correspondent to their effort, time and qualifications. They also know that this is a new reality that almost every employee faces. Therefore, sometimes they decide to accept a job, although the rewards offered to them are not in accordance with their contribution. Consequently, it is expected to feel frustrated and dissatisfied. Hence, since the situation is similar for the majority, employees turn their attention to other factors in order to maximize their job satisfaction. As the results have shown, one of these factors is interactional justice. Therefore, they look for a pleasant working environment, where the decision makers treat employees politely, respect them and show great interest for their improvement. The behavior of the managers and the climate in the workplace seems to matter more than a fair allocation of rewards nowadays. The appropriate behavior on behalf of managers can mitigate the negative feelings of an unfair allocation of rewards and enhance employees' feeling of job satisfaction. These results do not support results from past research, having in mind that interactional justice is the most recent wave of justice research and that at the very beginning researchers used to identify organizational justice with distributive fairness.

This thesis suggests practical implications that concern the establishment of interactional. Taking into account that this dimension of justice is an issue that receives the attention of employees and that is strongly related to job satisfaction, organizations should train their managers in interactional justice. Training sessions can consist of lectures, reviewing case studies, involving participants in carefully guided group discussions and role-playing exercises. All these can create a higher probability of changing on-the-job behaviors. The effects of training managers to communicate employees more fairly are multiple. Firstly, managers and employees can understand the importance of practicing key organizational outcomes such as commitment, trust performance and satisfaction. Trying to engage decision makers in IJ behaviors through the use of the above methods (role plays, lectures group discussions), can be very effective since all of them are well-established learning techniques. In addition, the training lessons can provide decision makers a hands-on experience than will help them navigate tense interactions they may encounter in their workplace. Moreover, the importance of fairness is highlighted in a non threatening environment that invites participants to express their emotions about the sessions, while bringing their own life experiences into the learning processes.

The above results indicate some theoretical and practical implications about the impact of crisis on employees. At a theoretical level, it is common knowledge that, due to the recession, the Greek government has taken new austerity measures. The main characteristic of these measures is the reduction of salaries and bonuses.

According to the current legislation, these new measures address more employees of the public sector, fact which is supported by the findings of this study. The interesting point that should be taken under consideration is that, employees of the public sector believe that the distribution of the rewards has become uneven. This, in turn, means that public employees feel that the reduction of the salaries, due to the recession, has not been equal for all; even in the same sector, for some employees their salary has not changed and for others it has been reduced at 30 %. This unequal reduction among employees of the public sector leads to them feeling unfairly treated and dissatisfied. Therefore, at a practical level, a new policy should be adopted by the government on the basis of fairness and equality. The foundation of this new policy should be that the salaries of all the employees should be cut down in order to deal with the crisis, but the government should keep a measure and the necessary reductions should not differ significantly.

5.2 Conclusions, Limitations and Suggestions for future research

This research examines the degree of association between distributive, procedural and interactional justice and job satisfaction. Since organizational justice is related to several work related outcomes, it has been hypothesized that the higher the level of organizational justice, the higher the level of job satisfaction. Employees were classified by sector. The findings of this research have shown that the three dimensions of organization fairness exercise a strong influence on job satisfaction, with the interactional justice being the strongest predictor among them. Finally, although it has been assumed that the recession has affected distributive justice, a regression analysis has proven the opposite.

As in all studies, there are limitations in this dissertation also, that represent opportunities for future research. The first limitation that may be the source of other limitations is the time constraint. Having 3 months in my disposal in order to prepare this thesis, strongly affects the quantity of the material that should be gathered, the type of analysis that should be made, the type of research that should be followed and the size of the sample. Beginning with the sample, the size of the sample is relatively small. Therefore, the clusters included consist of few participants. Moreover, in order to gather the sample in such a short time period, the method followed was convenience sampling. The researcher that uses this kind of sampling can not scientifically make generalizations about the whole population from this sample because it is not representative enough. Consequently, future research should be based upon larger sizes, which equals to larger clusters, and other sampling methods that may lead to greater efficiency/accuracy of estimation such as stratified sampling. Another concern that may be related to the time constraint is the geographical limitation which means that the geographical coverage of the sample is relatively small. In this particular dissertation the sample chosen was from the Northern part of Greece. If the same research was conducted in the southern part of Greece we may not have the same results. Therefore, future research should be more extensive, using not

only larger samples form one part of Greece but from different geographical areas in order to reach more accurate and reliable conclusions.

In addition, this thesis focuses only in the relationship between organization justice and job satisfaction. However, research on organizational justice perceptions has shown that these perceptions strongly affect the whole attitude of employees; not only job satisfaction but also turnover intentions, organizational commitment and workplace behavior such as absenteeism and organizational citizenship behavior. In order to investigate the overall association between organizational justice and employees' attitudes, future research should expand to the rest aspects of employees' behavior.

Furthermore, this study investigates whether the Greek financial crisis has affected distributive justice. Although the findings of this research have proven that distributive justice has not changed, due to recession, this does not indicate that the other two aspects of justice have remained unaffected. Therefore, further attention needs to be given to the association between the changes of crisis on procedural and interactional justice in order to gain a complete understanding of its influence on organizational justice.

The results of this study provide valuable implications for research into organizational justice. Previous studies on justice have debated whether distributive or procedural justice has more of an impact on job satisfaction. Some researchers have argued that distributive justice has a greater impact on organizational justice and others have emphasized the effect of procedural justice on organizational fairness. These studies have overlooked the importance of interactional justice. The current study suggests that interactional justice can be a good predictor of employees' job satisfaction. It would be quite interesting and innovative to explore which form of interactional justice, meaning the interpersonal or the informational justice, exercises the strongest influence on job satisfaction.

In addition, the elements of Greek culture may have influenced the results of this study. Thus, these findings may not be applicable in other contexts, such as countries where the meaning of organizational justice does not receive great attention and is not related to job satisfaction. Furthermore, due to the different mentality of employees in other countries, it is possible that another dimension of justice may be the strongest predictor of job satisfaction. This is related to the values and priorities of employees. For instance, in a country where everyone receives what he/se deserves, and the allocation of rewards is not uneven, distributive justice is considered to be established, taken for granted and, therefore, employees turn their attention to interactional and procedural justice.

Finally, the fact that Greece is a country seriously affected by the economic recession has exercised a significant influence on the findings of this study. Consequently, the findings may be quite different in countries which have not been influenced by the

recession such as Germany, Austria and China. It would be interesting for future researchers to investigate the relation between organizational justice and job satisfaction in these countries, which are not part the financial crisis, and compare them with the results for the Greek context.

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