

# COMMUNICATION EFFECTIVENESS, JUSTICE PERCEPTIONS AND EMPLOYEE COMMITMENT DURING ORGANIZATIONAL CHANGE

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## Abstract

This paper examines the relationship between justice perceptions and employee commitment in the context of organizational change. Extant literature reveals that organizational justice perceptions are correlated with employee commitment in a change context. However, the underlying processes governing this relationship have not yet been completely understood and hence a review seems necessary. This paper, which is conceptual in nature, proposes a model linking justice perceptions with employee commitment moderated by organizational and supervisory communication. It is proposed that perceptions of justice would have a positive impact on employee commitment in an organization that is undergoing change intervention. It is suggested that organizational and supervisory communication moderate perceptions of justice to hasten the restoration process of employee commitment in a changing environment. Managerial implications of the review are discussed.

*Key Words: Communication, organizational justice, employee commitment, and organizational change*



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## • Introduction

'Change' is an extremely significant phenomenon, discussed extensively in the context of organizational action. It is by now very well accepted that most, if not all organizations undergo deliberate transformation during their lifetime. Firms undergo change in an effort to gain more efficiency and competitiveness. These interventions are often undertaken as a response to environmental volatility, desire for enhanced organizational performance, as a problem-solving measure or as strategic decisions. Organizations change to address new challenges, priorities and missions (Cobb et al., 1995). These interventions could take shape either as mergers, downsizing, restructuring, training, technology transformations or implementation of new work-place practices and various other models of change.

The interventions could be fundamental in nature, thus aimed at effecting radical, long-term and long-lasting change or could be more peripheral aimed at solving an immediate-term problem (Cummings and Worley, 1997:30). Equally well accepted, are propositions, which give evidence pointing to both positive and negative outcomes of organizational change. Change, though initiated with the purpose of bringing about positive outcomes like improved organizational and individual performance, often unwittingly, brings with it negative outcomes like reduced organizational commitment, turnover intent, stress, reduced motivation, dissent and actual employee turnover. Organizational change interventions are posited to have several negative consequences, including but not limited to personal loss, burnout,

anxiety (Kets De Vries & Balazs, 1997), reduced commitment to the organization (Brockner, Konovsky, Cooper Schneider, Folger, Martin & Bies, 1994) and reduced self-esteem of the survivors (Wiesenfeld, Brockner & Thibault, 2000). It is inevitable that change interventions will cause stress on the targets of change, i.e. the employees (e.g., Wooten & White, 1999) and concerns about the fairness of change processes will naturally be raised time and again.

- **Conceptual Foundations**

### **Theories of Justice**

The three widely accepted concepts of justice are distributive justice, procedural justice and interactional justice. Organizational justice is the term used to describe the role of fairness in the workplace (Greenberg, 1987).

### **Distributive Justice**

Change in its basic nature involves a redistribution of resources and power (Cobb et al., 1995). These reallocations are often wide reaching and have the potential to impact a great range of people in the organization. Quite naturally, there are concerns regarding the fairness with which this resource re-allocation is executed. The set of people who have been divested of resources and power would resist the change and are likely to perceive lack of justice. At the same time, those people who have benefited from the reallocation may have experienced similar feelings prior to the reallocation. Hence, the decision-makers always need to bring about the change considering the delicate trade-off involved.

Deutsch (1985; in Cobb et al., 1995) has outlined the three criteria of equity, equality and need as means of ensuring distributive justice. The equity criterion proposes that equitable norms based on merit are crucial in creating the perception of distributive justice at the time of allocating rewards or resources. Equality emphasizes that rewards, which are equally distributed, contribute significantly towards perceptions of distributive justice. The criteria

of need focuses on individual need as a measure of allocating resources. Brockner and colleagues (Brockner, Greenberg, Brockner, Bortz, Davy & Carter, 1986) note that in business organizations, the primary objective is economic productivity and hence equity would be the dominant criterion rather than equality or need.

### **Procedural Justice**

Thibaut & Walker (1975; in Wooten & White, 1999) have pioneered the research on procedural justice, by focusing on how distributive and other decisions are made. Procedural justice looks at the fairness of the 'procedures' used for decision making. Since change efforts or interventions often have the consequence of increased ambiguity and uncertainty, it becomes natural for concerns about fairness of procedures to be addressed by organizational development research.

Procedural justice emphasizes the issues of 'how the ground rules are constructed' (reconstructing) (Folger, 1977), 'who is involved in the rule construction process' (representation) (Leventhal, 1980; in Cobb et al., 1995) and the 'opportunity to voice or redress one's grievances, (recourse) (Sheppard, 1984). These three issues are central to the application of procedural justice to OD research. Brockner and his colleagues (Brockner, Konovsky, Cooper-Schneider, Folger, Martin & Bies, 1994) have based their study examining the justice-commitment relationship on the six dimensions of consistency, suppression of bias, accuracy, representation, ethical standards, recourse, and representation and proposed that advance notice of the layoff to the victims forms an integral part of procedural justice.

### **Interactional Justice**

Interactional justice is a concept that had emerged fairly recently as compared to the distributive and procedural justice theories. Bies (1987), in one of the pioneering works on

interactional justice focused on the 'social accounts' given by the agents or leaders of the organization while explaining distributive decisions. Hence, this line of thought evaluates the 'reasons' given by management to justify the decision and contribute towards justice perceptions. Greenberg (1987) furthered this argument by stating that 'properly constructed and communicated accounts can help mitigate a wide range of negative attitudes produced by disappointing outcomes.' Interactional justice can be separated into interpersonal and informational components and the interpersonal component is sometimes proposed to be similar to procedural justice (e.g., Viswesvaran & Ones, 2002). It is reasoned that if management is perceived to treat the employees well, it is likely that the employees respond through greater commitment and enhanced performance. Two factors particularly relevant to the interpersonal aspect of interactional justice are, (1) whether the subjects believe that the reasons for the decision were clearly and adequately explained (Bies et al., 1988), and (2) whether the subjects were treated with dignity (Bies et al., 1988). Thus, issues of interactional justice seem specifically relevant in the change context.

### **Organizational Commitment**

Organizational commitment, was initially proposed by Porter et al. (1974) who noted that organizational commitment was characterized by the following,

- "strong belief and acceptance of the organizational goals and values",
- "willingness to exert considerable effort on behalf of the organization", and
- "definite desire to maintain organizational membership."

Mathieu & Zajac (1990) in their meta-analytic review of organizational commitment have identified antecedents like personality traits, job characteristics, group and leader behavior and consequences like job performance,

withdrawal, absenteeism and intent to leave.

### **• Communication and Employee Commitment**

Communication processes are an integral part of organizational systems. Organizations, when viewed as 'information processing systems' (Hall, 2001), need to receive, process, analyze, store and transmit information. Organizational communication has been an integral part of organizational theory, since the pioneering work of Barnard (1938). Barnard (1938) has been cited by Hall (2001) as stating, "Communication occupies a central place in organizational theory because structure, extensiveness and scope of the organization are almost entirely determined by communication."

Communication processes in organizations are either 'strongly individual or strongly organizational' (Hall, 2001). This article refers to communication as the organizational process of interaction and information processing, including communication by the organization through formal and informal modes and also communication by the supervisor as an organizational agent. This means that organizational communication or communication as referred to here, indicates all those processes, which enable an organization to convey meaning within the organization and to the external environment.

In the era of organizational change and interventions like downsizing, corporations have increased dependence on effective communication systems. The knowledge organizations of today are relying enormously on effective internal and external communication processes for improved employee performance and commitment.

### **• Justice Perceptions and Employee Commitment**

Issues of fairness have been addressed extensively by the various theories of justice like distributive justice (Deutsch, 1985; in

Wooten & White, 1999), procedural justice (Thibaut & Walker, 1975; in Wooten and White, 1999) and interactional justice (Greenberg, 1987; Bies, 1987). Organizational development, or the study of organizational change has explicitly acknowledged the significance of justice in its literature. There is ample evidence that change efforts are fairly successful owing to perceptions of fairness in the intervention (e.g., Cobb et al., 1995). Studies have also shown that different forms of justice are useful in analysis at different stages of the change effort (e.g., Novelli et al.; in Wooten & White, 1999). Distributive, procedural and interactional justice are discussed concurrently with the humanistic orientations that characterize OD practice (Wooten & White, 1999). It has been fairly conclusively proposed that organizational fairness is a "psychological mechanism that can mediate employee resistance to change"(Folger & Skarlicki, 1999).

There have been various studies, which have linked organizational justice with change - related outcomes like stress, turnover intent, employee turnover, dissent and reduced motivation. Justice perceptions contribute to concerns about the following issues among, both victims and survivors of organizational change,

- Legitimacy of the change intervention (Brockner, Grover, Reed, DeWitt & O'Malley, 1987)
- Fair and just communication of the change intervention (Bies, 1987)
- Decision rule and procedures used to arrive at a layoff decision (Folger & Greenberg, 1985; in Brockner, Grover, Reed, DeWitt and O'Malley, 1987)
- Fairness of compensation and severance packages offered (Brockner, Grover, Reed, DeWitt and O'Malley, 1987).

Studies have shown that the three forms of justice have a significant influence on employee responses like organizational commitment and

organizational citizenship behavior (e.g., Cobb et al., 1995). Research evidence shows that communications that "convey causal, ideological, referential and penitential accounts enhance employee perceptions of fairness" of the intervention and contribute to positive work and attitude related outcomes (Cobb et al., 1995). This clearly points towards the moderating role played by communication effectiveness on justice perceptions. There is however, some debate about whether the forms of justice have an additive or interactive effect (Brockner & Wiesenfeld, 1996). To summarize, it can be held that an individual's reaction to organizational resource allocation during a change intervention is dependent on distributive justice, procedural justice and interactional justice which in turn gets affected by the communication effectiveness.

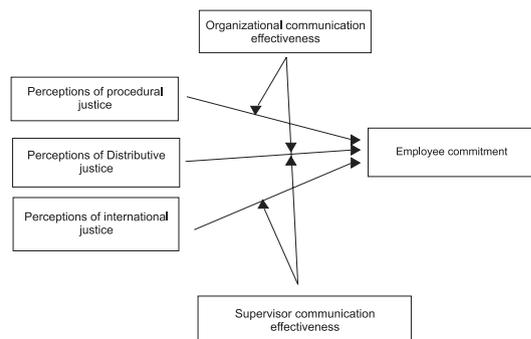


Figure 1: Proposed Model of Relationship Between Communication Effectiveness, Justice Perceptions and Employee Commitment.

#### • Implications for Managers

Employee commitment during organizational change is one of major concerns for organizations, because it directly affects the organizational performance. Declining commitment often results in turnover and organizations also stand to lose some of their best employees as a result of poorly managed interventions. Given that organizations spend enormous amount of resources in hiring, training and motivating skilled employees, it becomes imperative to ensure that the intervention is implemented with utmost care

and in a manner that is perceived as fair, equitable and just. Communication processes that enhance perceptions of fairness go a long way in ensuring that benefits of the intervention outweigh its negative consequences. The major challenge is to ensure that the employees affected by change perceive fairness in its treatment, in the decision rule used to implement the change and in the rationale behind the exercise. It is evident that employee attitudes like involvement and commitment are the most difficult to recover fully following a change intervention. A logical focus would be the new psychological contract under which the employees and management would operate and ensuring that breach of the previous psychological contract is perceived

as an unavoidable event. The management should try and put in place occupational reinforcements that help the employees to recover faster and leave them with a sense of security. It is suggested that change agents should try to ensure a fair interplay of all the forms of justice while implementing interventions because of the unchallenged impact that all forms of justice have on psychological outcomes like organizational commitment. This of course, is easier said than done, but then the foundations of OD practice rest on humanistic orientations like fairness, ethics and justice and hence the justice framework clearly has a significant role to play in any OD intervention.

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