# A Cross-Cultural Study of the Relationship between Organizational Justice and Organizational Commitment

— China, South Korea, and Australia

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## **Abstract**

Organizational justice is a major concern of employees. It has been suggested that it is related to organizational commitment, which is one of the most important employee attitudes reflecting the quality of the employee-organization relationship. However, insufficient is known about this relationship and its mechanism in cross-cultural contexts. Additionally, most justice research investigates North America or conducts comparisons between North America and other cultures. To better contribute to this area, this thesis further examines the justice—commitment relationship focusing on China, South Korea, and Australia.

Data were collected from university employees of the three countries/cultures. Analyses were based on three models, and examined effects across the three countries/cultures. The first model compared organizational commitment's relationships with distributive and procedural justice, and the mediating effect of trust in the organization in these relationships. The second model simultaneously examined the moderating roles of two cultural values (individualism and power distance), and the mediating role of trust in organizational commitment's relationships with distributive justice and procedural justice. Using a similar approach, the third model employed two cultural orientations (Doing and Mastery cultural orientations), which have not previously been examined in this context, as moderators to test the unmediated and trust-mediated justice-commitment relationships. Results revealed a number of significant cross-cultural differences in the relationship between justice and commitment and the trust-mediated mechanism. All four cultural values/orientations at least partially moderated the first stage of the justice-trust-commitment relationship. Although strong evidence for cross-cultural differences in the moderating effects of cultural values/orientations was not obtained, the small proportion of significant moderating effects also provide some interesting findings.

This thesis extends our knowledge of the justice–commitment relationship through the use of more refined approaches, the investigation of the Asia-Pacific region, and the simultaneous study of China, South Korea, and Australia. It largely confirms previous cross-cultural justice literature, informing the generalizability of justice research to this relatively new context. More importantly, it initiates a new perspective in the area of justice by integrating culture and justice using a mediation-moderation combination. Further, consideration of cultural aspects as attributes of the individual as well as the society, through

individual-level and societal-level comparisons of the justice—commitment relationship and its mechanism, have added new knowledge (e.g., the roles of Doing and Mastery cultural orientations) that is useful for further development of theories linking culture and fairness issues.

# **Statement of Candidate**

I certify that the work in this thesis entitled "A Cross-Cultural Study of the Relationship between Organizational Justice and Organizational Commitment" has not previously been submitted for a degree nor has it been submitted as part of requirements for a degree to any other university or institution other than Macquarie University.

I also certify that the thesis is an original piece of research and it has been written by me. Any help and assistance that I have received in my research work and the preparation of the thesis itself have been appropriately acknowledged. The additional authors included in earlier versions of Chapters 3, 4 and 5, were involved in the research at a supervisory level.

In addition, I certify that all information sources and literature used are indicated in the thesis.

The research presented in this thesis was approved by Macquarie University Ethics Review Committee, reference number: 5201100676, on the 19<sup>th</sup> of September, 2011.

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# **Chapter 1**

Introduction

## **Research Background and Objectives**

In this section, I will briefly introduce the importance of organizational justice (employees' fairness perceptions in the organization, Fortin, 2008) and organizational commitment (an employee attitude that reflects a force binding the employee to the organization, Meyer & Maltin, 2010); explain the need for studying the justice—commitment relationship and its mechanism, particularly from a cross-cultural perspective; and specify the countries this thesis will focus on. I will then outline the major research objectives of this thesis.

As one of the major concerns facing employees, workplace fairness is an important issue that organizations should address (Greenberg, 1990; Shao, Rupp, Skarlicki, & Jones, 2013). Its importance is supported by a growing body of justice literature suggesting that fairness has a significant influence on employee attitudes and behaviors and affects the effectiveness of organizations (Wan, Sulaiman, & Omar, 2012). For example, research has shown that justice perceptions positively relate to job satisfaction, task performance, evaluation of authority, organizational citizenship behavior, organizational trust, and employers' ability to retain the talent (Cohen-Charash & Spector, 2001; Colquitt, Conlon, Wesson, Porter, & Ng, 2001; Fortin, 2008; Shao et al., 2013). By contrast, injustice perceptions have been found to lead to negative employee outcomes such as counterproductive work behavior, negative emotions, and turnover intention (Cohen-Charash & Spector, 2001; Colquitt et al., 2013). A characteristic of this stream of research over the past three to four decades is the examination of unique effects of different types of justice on various outcomes (Ambrose & Schminke, 2009). The empirical findings provide managers with useful information that supports the value of conducting fair human resource management practices and designing feasible interventions for improving workplace fairness (Shao et al., 2013).

As Colquitt et al. (2013) argued, the perspective of social exchange theory (Blau, 1964; Organ, 1988, 1990) is the dominant lens to examine justice effects. Social exchange involves interactions that generate obligations, and can be viewed to describe how interactions between exchange parties follow certain rules (e.g., reciprocity and negotiated rules) and how such interactions generate high-quality relationships (Cropanzano & Mitchell, 2005). Under social exchange contexts, justice is regarded as a symbolic resource that is expected to foster employees' reciprocal behaviors (Colquitt et al., 2013; Cropanzano & Byrne, 2000;

Cropanzano & Rupp, 2008). While this belief has been supported by several studies that explicitly found the mediating effects of social exchange indicators on justice—behavior relationships (Aryee, Budhwar, & Chen, 2002; Colquitt et al., 2013; Lavelle et al., 2009; Rupp & Cropanzano, 2002; Wayne, Shore, Bommer, & Tetrick, 2002), some researchers argue that not enough is known about the social exchange mechanism of justice—attitude relationships (e.g., Loi, Ngo, & Foley, 2006; Poon, 2012). For example, Choi and Chen (2007) point out that in spite of many existing findings on the linkages between justice and employee attitudes toward an organization as a whole, "there is still very limited knowledge of any mechanism through which they are connected" (Choi & Chen, 2007, p. 688).

Among these employee attitudes, organizational commitment is one of the most important that can be affected by justice (Sieger, Bernhard, & Frey, 2011). It is defined by Moday, Steers, and Porter (1979) as "the relative strength of an individual's identification with and involvement in a particular organization" (1979, p. 226). Organizational commitment is critical to facilitating the formation of desirable reciprocal behaviors (e.g., organizational citizenship behavior, Colquitt et al., 2013; Meyer, Stanley, Herscovitch, & Topolnytsky, 2002) and to reduce turnover (Loi et al., 2006; Meyer et al., 2002). As jobhopping becomes more acceptable and may even be a norm in the current job market, employees' loyalty is continually diminishing (Andrews, Kacmar, Blakely, & Bucklew, 2008). Such changes in the workforce have brought about challenges in retaining top talent, which can be addressed, at least in part, through developing and maintaining employee commitment (Andrews et al., 2008).

Research has shown that an important reason for managers to pay attention to justice issues is the concern that negative outcomes caused by injustice may reduce their employees' commitment to the organization, and may ultimately lead them to resign (Cohen-Charash & Spector, 2001; Colquitt et al., 2001). It has been repeatedly found that organizational justice is a significant predictor of employee commitment to the organization (e.g., Crow, Lee, & Joo, 2012; Ehrhardt, Shaffer, Chiu, & Luk, 2012), which suggests the possibility of improving employee commitment through building fair management systems. According to recent meta-analytical studies, organizational commitment has been the most heavily studied employee outcome of justice over the past forty years (Cohen-Charash & Spector, 2001; Colquitt et al., 2001; Colquitt et al., 2013). Although a few empirical studies have incorporated commitment in their models as one of many variables of interest in examining mechanisms of justice effects (e.g., Aryee et al., 2002; Hon & Lu, 2010), the specific social exchange mechanism of

the justice—commitment relationship is still ambiguous due to a lack of intensive exploration, clear threads in narratives, and a comprehensive international/cross-cultural perspective (Andrews et al., 2008; Choi & Chen, 2007; Colquitt et al., 2013; Sieger et al., 2011). Taking a cultural perspective, this thesis extends beyond prior research to further examine the social exchange-based justice—commitment relationship and the mechanism of this relationship.

Current conditions provide a strong basis for introducing cultural elements into justice research (Greenberg, 2001). As globalization accelerates, it is beyond argument that the workforce is becoming more and more culturally diverse. Not only large multinational corporations but also small and medium firms, especially those based in nations of immigrants (e.g., the US, Canada, and Australia), are faced with this challenge. One-size-fits-all managerial approaches, which do not consider cultural influences, might no longer be effective in dealing with employees from various cultural backgrounds, particularly when it has been recognized that cultural values and norms can drive employees' judgments and perceptions of organizations' (un)fair treatment (Greenberg, 2001). Findings from cross-cultural justice research can help managers understand how culturally diverse employees react differently to (in)justice, and offer them useful guidance for establishing just workplaces that may satisfy employees from disparate cultures (Shao et al., 2013). Indeed, an increasing number of researchers have started to notice that the justice—outcome relationships might not hold in the same way in different cultures (Kirkman, Lowe, & Gibson, 2006; Pillai, Williams, & Tan, 2001; Schilpzand, Martins, Kirkman, Lowe, & Chen, 2013; Shao et al., 2013).

Cross-cultural evidence of the justice–commitment relationship may also provide organizations with the knowledge of how to improve employee loyalty and retain talent through specific fairness strategies for groups that have a particular cultural value or ethnic background. To explore the specific mechanisms, some mediators imbedded in contemporary social exchange theory have been examined in the justice–commitment relationship, such as trust (Aryee et al., 2002; Hon & Lu, 2010; Klendauer & Deller, 2009) and perceived social support (Loi et al., 2006). However, this line of research, which focuses on the social exchange mechanisms of justice-outcome relationships, has largely ignored the role(s) of culture. To my knowledge, nearly no research has cross-culturally examined the relationships between justice and employee attitudes when they are mediated by possible variables. It still remains unclear how the mechanisms of the justice–commitment linkage hold in various cultures.

Therefore, extending previous research to a cross-cultural setting, this thesis will introduce trust, the critical element of social exchange (Blau, 1964), as the mediator in the justice–commitment relationship, and compare the patterns of the unmediated and mediated relationships between justice and commitment in different countries. Beyond the examination of cross-cultural differences, I will also introduce specific cultural variables into the research framework to explore possible causes of individual and national differences or similarities in the justice–commitment relationship and its mechanism. In this procedure, I will employ cultural dimensions from two existing cultural models as comparison benchmarks to analyze justice phenomena at both individual and country levels.

The first model is Hofstede's (1980) cultural framework, which has been widely used in management research since the 1980s. Based on social exchange theory, I will integrate Hofstede's cultural dimensions (i.e., individualism and power distance) with justice, trust, and commitment using a moderated-mediation approach, rather than the simple moderation or mediation which previous studies have extensively investigated (e.g., Andrews et al., 2008; Aryee et al., 2002; Lam, Schaubroeck, & Aryee, 2002).

The other is Kluckhohn and Strodtbeck's (1961) value orientation framework, which addresses a wide range of basic societal problems and has contributed to many later cultural models (Maznevski, Gomez, DiStefano, Noorderhaven, & Wu, 2002). This model has been largely ignored in empirical research in international and cross-cultural management, even though many scholars regard it as one of the most promising models for interpreting cultural differences from a dual-level (individual and societal) perspective (Maznevski et al., 2002). To add further new knowledge to the literature, two value orientations from Kluckhohn and Strodtbeck's framework will also be integrated into the moderated-mediation model to explore additional reasons for cultural variations in justice research.

Furthermore, the vast majority of empirical justice research is conducted in North America, and most cross-cultural justice research is carried out in terms of comparisons between North American countries and other societies (Fortin, 2008; Greenberg, 2001). Consequently, Shao et al. (2013) claim that new empirical studies of justice and its consequences in other cultural contexts are highly valued. To this end, this thesis focuses on an Asia Pacific region (a non-North American setting) to investigate the justice—commitment relationship. Three countries from this region will be included in my research: Australia, China, and South Korea. This set of countries embraces both Western (i.e., Australia) and Eastern (i.e., China and South Korea) cultures, which enables not only Western-Eastern

comparisons across cultural clusters<sup>1</sup> (e.g., Australia vs. China or South Korea), but also observation of differences within a cultural cluster (e.g., China vs. South Korea) that may be caused by cultural nuances.<sup>2</sup>

In conclusion, this thesis aims to explore two major themes/questions around the relationship between organizational justice and organizational commitment in a non-North American cross-cultural context involving Australia, China, and South Korea. The first is to explore whether cross-cultural differences exist in the patterns of justice—commitment relationship and the related mechanisms. The second is to examine whether specific cultural variables play moderating roles in the justice—commitment relationship and its mechanism, through two perspectives that are based on different cultural models, Hofstede's (1980, 2001) and Kluckhohn and Strodtbeck's (1961) frameworks. These two themes will be explored in three empirical papers, and the second theme is to be examined in two separate papers, each of which adopts a different cultural framework.

#### **Research Context**

As mentioned above, my research investigates cross-cultural justice issues in an Asia Pacific context involving China, South Korea, and Australia, which includes both Western and Eastern cultures (Rubin et al., 2006). This section provides further explanation for why this thesis, which mainly focuses on the East-West comparison, includes not one but two Eastern countries.

In organizational justice research, the majority of cross-cultural comparisons have been conducted between Western and Eastern countries (Kim, Weber, Leung, & Muramoto, 2010). However, research at times calls for the comparison of cultures from the same region with analogous cultural elements in addition to the comparison of cultures that are significantly different (Kim et al., 2010). East Asia is such a context. For example, East Asian countries (e.g., China, South Korea, and Japan) are usually viewed as a single cultural cluster (Gupta et al., 2002; House, Hanges, Javidan, Dorfman, & Gupta, 2004), and are considered to deviate from maximization of cultural variation, which is regarded as a good approach in cross-cultural studies to increase the likelihood of detecting cultural differences (Kim et al.,

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<sup>&</sup>lt;sup>1</sup> Based on analysis of the 61 nations in the GLOBE database, Gupta, Hanges, and Dorfman (2002) identified 10 distinct cultural clusters: Anglo, Arab, Confucian Asia, Eastern Europe, Germanic Europe, Latin America, Latin Europe, Nordic Europe, South Asia, and Sub-Saharan Africa. The two East Asian countries (China and South Korea) belong to the Confucian Asia cluster, and the Western country (Australia) belongs to the Anglo cluster.

<sup>&</sup>lt;sup>2</sup> For other reasons to focus on these three countries, see "Research Context" in this chapter.

2010). Although these countries (e.g., China and South Korea) have similar cultural backgrounds, they exhibit many cultural nuances, such as disparities in language and etiquette (Jiang, 2014). Hofstede's (1980, 2001) cultural scores have, to some extent, teased out these subtle differences between China and South Korea. For example, Chinese culture has a greater power distance orientation but a smaller uncertainty-avoiding orientation than South Korea (Hofstede, 2001).

A few studies have explored whether the slight cultural differences between East Asian countries can lead to different justice perceptions and consequent employee reactions. For instance, Kim et al. (2010) compared East Asians' evaluation of maintenance and task inputs in reward allocations. The authors found that compared to South Koreans and Hong Kong Chinese, Japanese employees were more likely to value reward allocations related to task inputs and less likely to accept allocations related to maintenance inputs. These East Asian differences are consistent with those found by Kim, Park, and Suzuki (1990) for differences between South Korea and Japan in preferences for inputs in reward allocations. The results also demonstrated significant country differences in fairness judgments; for example, compared with South Koreans and Chinese, Japanese perceived higher fairness of pay when their pay increased due to higher levels of task contributions. These results suggest that countries within the same cultural cluster can also differ from one another in equity judgments (Greenberg, 2001; Kim et al., 2010).

Another cross-cultural study by Kim, Wang, Kondo, and Kim (2007) examined East Asian employees' styles of resolving interpersonal conflicts with supervisors and how cultural factors explain their differences in these styles. It was reported that South Koreans preferred a compromise style more than Japanese and Chinese, and that South Koreans and Chinese, as compared to Japanese, were less likely to obligate and more likely to dominate their supervisors. According to these authors' explanations, these differences were probably caused by the different traditional cultures of these countries. As the process of conflict and dispute resolution, to a large extent, involves issues of procedural fairness (Nowakowski & Conlon, 2005; Thibaut & Walker, 1975), these findings indicate that even subtle cultural differences have the potential to influence the principles people use to judge justice.

Kim and Leung (2007) investigated the formation and influences of employees' overall fairness perceptions in the US, Japan, China, and Korea. Those authors detected not only West-East differences but also discrepancies within East Asian countries regarding justice formation. For instance, distributive justice was found to contribute more to overall

fairness perceptions for Americans and Japanese than for Koreans and Chinese. The effects of organizational justice on turnover intention and job satisfaction were greater for Americans than for East Asians. These effects also differed between East Asian countries. For example, Koreans were less dissatisfied when perceiving injustice from the organization than Chinese and Japanese. Compared with Koreans and Chinese, Japanese had a greater tendency to leave the organization. These results demonstrate that East Asians can significantly differ from one another in attitudinal and behavioral patterns (Alston, 1989; Paik & Tung, 1999), although they are generally distinguished from people from Western countries in this respect.

Despite the aforementioned studies, justice research still lacks attention to East Asian differences in the formation of fairness and to the effects of justice on employee outcomes (Kim & Leung, 2007; Kim et al., 2010). As demonstrated above, it is highly valuable to consider East Asian differences when conducting comparisons between East Asian countries and Western societies with regard to justice issues. Thus, although the present research focuses primarily on West-East comparisons, it reflects East Asian discrepancies by displaying whether and how the extent to which East Asian countries (China and South Korea) deviate from Western culture (Australia) if reflected in variations in justice effects.

One of the most practical and operationalizable ways to facilitate cross-national comparisons based national culture is to assume cultural homogeneity within countries, which has been popularly employed in prior research (e.g., Brockner et al., 2001; T. Y. Kim et al., 2010; Pillai et al., 2001). Some scholars start to criticize this assumption, as intra-national differences appear to become significant due to globalization, particularly in countries with increasing number of people from diverse backgrounds (e.g., Tung, 2008) such as Australia. However, although individual values may diverge, it is argued that cultures at the national level are extremely stable over time (Hofstede, 2001), which has provided a basis for a huge number of empirical studies conducting between-country comparisons (Kirkman et al., 2006). These multi-angle insights make it obvious to researchers that both cultural homogeneity and heterogeneity within nations should be paid attention to in cross-cultural studies. This thesis only investigates employees working in the country where they hold citizenship, as an approach to address some, if not all, homogeneity, in each country. Recognizing cultural heterogeneity within nations, as stated earlier, this thesis addresses intra-national differences by taking into account individual differences in personal cultural values.

#### **Overview of the Thesis**

In this section, I introduce the structure of the thesis and provide an overview of the empirical cross-cultural studies. In this Chapter (Chapter 1), I have discussed the research background and outlined the major objectives of this thesis. More specifically, my research responds to the following research questions (themes):

Research Question 1: What are the specific relationships between organizational justice and organizational commitment, and the mediation (i.e., via organizational trust) mechanisms of this relationship in different countries? How do the relationships and the mechanisms differ between countries? (Chapter 3: Study 1)

Research Question 2: How do cultural values influence the relationship between organizational justice and organizational commitment, and the mediation (i.e., via organizational trust) mechanisms of this relationship? How do the roles of these cultural values differ between countries? (Chapters 4 & 5: Studies 2 & 3)

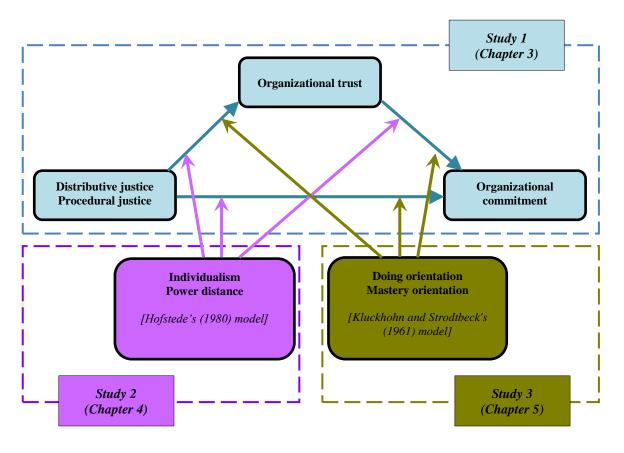
In Chapter 2, I review the literature for the major study variables (e.g., organizational justice, organizational trust, and organizational commitment) and the relevant theories (e.g., social exchange theory, Hofstede's (1980) cultural model, and the value-orientation model), and I specify the research scope of this thesis. In the empirical sections of the thesis, I will provide more focused literature reviews, which form the specific theoretical backgrounds of the empirical studies.

Chapters 3 to 5, the main sections of the thesis, employ empirical methodology to explore the research questions (themes). Chapter 3 (Study 1) focuses on Research Question 1. Specifically, for each of the three countries (i.e., China, South Korea, and Australia), I examine the relationships of organizational commitment with distributive justice and procedural justice, and the mediating role of organizational trust in these relationships. The relative strength of the impact of the two types of justice on organizational commitment and organizational trust is also examined. Additionally, to explore cross-cultural differences, the patterns of results are compared between the three countries.

Chapter 4 (Study 2) uses two of Hofstede's cultural dimensions (i.e., individualism and power distance) to answer Research Question 2. Specifically, I examine the moderating effects of individualism and power distance on the relationships of organizational commitment with distributive justice and procedural justice. Both unmediated and mediated

relationships (via organizational trust) are examined. The moderating roles of individualism and power distance in these relationships are compared between countries (China versus Australia and South Korea versus Australia).

Chapter 5 (Study 3) also investigates Research Question 2, but it employs a different cultural model from that used in Chapter 4. In Chapter 5, I adopt Doing and Mastery orientations from Kluckhohn and Strodtbeck's (1961) value-orientation model and examine their moderating effects on the unmediated and mediated relationships (via organizational trust) between organizational commitment and distributive and procedural justice. Likewise, the moderating effects of Doing and Mastery orientations are compared between the three countries (China versus Australia and South Korea versus Australia). Figure 1.1 provides an overview of the three empirical studies.



#### **Notes:**

Study 1: Relationships between organizational justice, organizational trust, and organizational commitment: A cross-cultural study of China, South Korea, and Australia

Study 2: Moderation of individualism and power distance on relationships among justice, trust, and commitment: Perspectives from China, South Korea, and Australia

Study 3: Moderation of Doing and Mastery orientations on relationships among justice, trust, and commitment: Perspectives from China, South Korea, and Australia

Figure 1.1. Overview of Empirical Cross-Cultural Studies

In Chapter 6, I summarize the key findings of the thesis; I also discuss the theoretical implications that contribute to the literature in the area of justice and culture, and the practical implications that further our understanding of fair management in cross-cultural contexts. The limitations of the thesis and directions for future research are also discussed.

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# **Chapter 2**

**Literature Review** 

In this chapter, I will review literature for the major concepts, variables, and theories that are to be used later in empirical studies. The scope of research in justice variables, social exchange theory, organizational commitment, organizational trust, Hofstede's (1980) cultural model, and Kluckhohn and Strodtbeck's (1961) value orientation model will also be identified here. The specific literature and theoretical backgrounds for each empirical study will be further reviewed in the next three chapters.

## **Organizational Justice**

Organizational justice is a term that describes fairness issues in the workplace. It is defined as "the perceived fairness of the exchanges taking place in an organization, be they social or economic, and involving the individual in his or her relations with superiors, subordinates, peers, and the organization as a social system" (Beugré, 1998, p. xiii). Over the last three decades, justice has been one of the most important and popular areas in organizational research and has contributed to our understanding of people' attitudes, behaviors, decisions, and experiences in the workplace (Colquitt, Greenberg, & Zapata-Phelan, 2005). As an important psychological variable in human resource management and organizational behavior, justice has been applied to a wide range of organizational issues, such as recruitment, task assignment, reward allocation, conflict resolution, performance appraisal, sexual harassment, and many other aspects (Colquitt, Conlon, Wesson, Porter, & Ng, 2001; Ren, 2007). As mentioned earlier, various employee outcomes have been found to be influenced by justice (for reviews, see Cohen-Charash & Spector, 2001; Colquitt et al., 2001).

Prior justice research has identified two major issues in the organization: employees' attention to what they receive, i.e., outcomes, and how these outcomes are arrived at, i.e., procedures (Loi, Ngo, & Foley, 2006; Ren, 2007). As an extension, many scholars have paid attention to the interpersonal treatment employees receive in the process of outcome distribution, which has led to the emergence of interactional justice (Bies & Tripp, 1996; Colquitt, 2001; Greenberg, 1993a). This section introduces the literature highlighting the two major justice issues—distributive justice and procedural justice—and also offers a brief review of interactional justice (Bacha & Walker, 2012).

#### **Distributive Justice**

Early justice research, which concentrated on the distributive aspect, was developed from equity theory (Adams, 1963, 1965), though the earliest distributive justice theory can be dated back to Aristotle's *Nicomachean Ethics* <sup>3</sup> (Cropanzano et al., 2007). Distributive justice focuses on people's fairness perception of outcomes and is typically considered in terms of equity (Adams, 1965). The equity theory suggests that what people value is whether their outcomes are fair rather than the absolute level of outcomes. Adams stated that people evaluate the fairness of outcomes through calculating the ratio of their own inputs to their received outcomes, and then compare this ratio with that of similar others. They perceive an equitable state when their ratio is in agreement with those of others (Cropanzano et al., 2007). When the ratios are not equal, employees are motivated to adjust their own inputs or perceptions of others' ratios to seek "balance". For example, if a person perceives they are underpaid, he or she might be angry and dissatisfied. However, his or her dissatisfaction may be reduced if they reduce inputs correspondingly. Likewise, an overpaid person might feel guilty if he or she devotes fewer inputs than a comparison partner. To reduce sense of guilt and unease, the person may increase his or her contribution to the organization. Although the comparison of the input-outcome ratios seems to generate an "objective" component for Adams' equity theory, the process of determining justice is totally subjective (Andrews, Kacmar, Blakely, & Bucklew, 2008; Colquitt et al., 2001).

Despite the fact that Adam's theory advocates determining fairness based on an equity rule, which is probably the most widely accepted rule in reward allocations, several other rules have been identified in the literature, such as equality and need (e.g., Colquitt et al., 2001; Leventhal, 1976). Appropriate applications of these rules can lead to distributive justice. Recent advances in distributive justice primarily focus on, and distinguish, these three allocation rules: equality, which emphasizes offering each individual the same compensation; equity, which emphasizes rewarding individuals based on contributions; and need, which emphasizes offering benefits based on the most urgency (e.g., one's personal requirements) (Cropanzano et al., 2007). These rules in essence reflect Aristotle's dictum that humans expect to be treated in ways that are like all other people, like some other people, and like no

<sup>&</sup>lt;sup>3</sup> Aristotle holds that just distribution relates to "something proportionate", which is defined as "equality of ratios" (Cropanzano, Bowen, & Gilliland, 2007). He considered fairness as "that which is manifested in distributions of honor or money or the things that fall to be divided among those who have a share in the constitution" (Ross, 1925, p. 1130).

other people, which correspond to equality, equity, and need, respectively (Cropanzano et al., 2007).

Research suggests that the use of an allocation rule depends on the specific situation (Deutsch, 1975, 1985). For example, when the goal of group harmony and cohesion and prevention of conflict is valued, the quality rule is likely to be salient; when the goal is more related to economic performance than to interpersonal harmony, the equity rule is likely to be used; and when personal development and welfare are of greater concern, the need rule tends to be invoked (Kim, Park, & Suzuki, 1990). Furthermore, it has been suggested that organizations can balance these situations by mixing different rules together (Cropanzano et al., 2007). For instance, reward policy may benefit from the mixed use of equality and equity; it may apply equality in the distribution of a basic minimum benefit among all members and apply equity in the allocation of additional pay earned from one's performance. Research has also revealed that different contexts (e.g., a family or work setting) and different individual motives (e.g., altruistic or self-interest motives) can trigger the use or primacy of these distribution rules (Deutsch, 1975).

Distributive justice exists to the extent that an outcome allocation is in line with the goals of a specific situation (Colquitt, 2001; Deutsch, 1975; Leventhal, 1976). As the most common goal in the research of distributive justice has been productivity maximization, the majority of research has regarded the equity rule as the most important (Colquitt, 2001). The equity rule is described as a single normative rule directing the distribution to be proportionally consistent with, or matched to, recipients' contributions (Ambrose & Arnaud, 2005; Leventhal, 1976). Despite other important allocation rules (e.g., equality and need) for judging distributive justice, in this thesis I follow Colquitt (2001) to focus on the equity rule for the purpose of maximizing generalizability.

#### **Procedural Justice**

The second wave of justice research derives from Thibaut and Walker's (1975) theory of procedural justice in a legal system. They argued that third-party dispute resolution procedures (e.g., arbitration and mediation) have both process and decision stages. In research in courtroom settings, they distinguished the fairness of the verdict, which occurs in the decision stage, from the fairness of the process resulting in the verdict. They measured disputants' levels of process control (i.e., being able to voice one's arguments and opinions during the procedure) and decision control (i.e., being able to influence the outcome itself) by

respectively referring to how much influence disputants had in each stage. Their results demonstrated that as long as disputants were able to influence the process, they were willing to give up control over the decision. In other words, a procedure is likely to be perceived as fair when people have process control, whether they have control over decision outcomes or not. This finding is well known as the "voice effect", "fair process effect", or "voice phenomenon", and has been a frequently replicated finding in justice research (Colquitt et al., 2001; Fortin, 2008). Due to the overwhelming influence of the process, Thibaut and Walker virtually equated procedural justice to people's control over process (Colquitt et al., 2001; Folger & Cropanzano, 1998).

Although Thibaut and Walker's (1975) concept of procedural justice introduced a new element into justice research, their work primarily focused on people's reactions in legal contexts. In the subsequent stage, Leventhal and colleagues (Leventhal, 1976, 1980; Leventhal, Karuza, & Fry, 1980) extended the conceptualization of procedural justice into non-legal contexts. Broadening the criteria to arrive at procedural justice far beyond the notion of process control, they established six core generalizable rules. The procedure is viewed as fair when the rules are upheld. These rules included: (1) consistency, which reflects that the procedure is applied consistently across people and time; (2) lack of bias, which reflects that decision makers are neutral and have no vested interest in the procedure; (3) accuracy, which refers to that the procedure should rely on, and apply, correct information; (4) representation, which means that the procedure should take into account the values, opinions, and needs of all stakeholders involved; (5) correction, which refers to that mechanisms or processes for correcting mistakes, flaws, and inaccuracies, should be included; (6) ethics, which implies that personal or prevailing moral and ethical standards should not be violated (Colquitt et al., 2001; Cropanzano et al., 2007; Fortin, 2008).

Lind and Tyler (Lind & Tyler, 1988; Tyler, 1989; Tyler & Lind, 1992) offered additional models to explain the variations in procedural justice, such as the group-value and self-interest models. According to the group-value model, people value long-term social relationships with the authority figures or organizations that act as third parties and do not regard these relationships as one-shot deals (Tyler, 1989). This model emphasizes that procedural justice is important in that it signals that people are respected in a group and communicate well to others their standing in the group (Blader & Tyler, 2005; Colquitt, 2001). In contrast, the self-interest model suggests that the motivation for people to value procedural

justice is their desire to maximize personal gain. When a procedure favors their interests or received outcomes, people's levels of justice perceptions increase (Conlon, 1993).

Drawing on the group-value model, Tyler (1989) proposed three additional justice criteria: procedural neutrality, evidence about social standing, and trust in the third party, which were then updated to be neutrality, benevolence, and status (Lind, 1995). However, these criteria have been argued to overlap<sup>4</sup> considerably with other theoretical concepts (e.g., Leventhal, 1980; Thibaut & Walker, 1975) because the theory behind the group-value model complements that behind these other concepts, and seems to be a somewhat over-specified extension<sup>5</sup> (Colquitt, 2001). Thus, in empirical research, Lind and Tyler's criteria have not usually been included (e.g., Colquitt, 2001).

While some regard procedural justice as a supplementary element of distributive justice (Leventhal, 1980), others consider procedural justice to be more important (Pillai, Williams, & Tan, 2001) because a decision-making activity involves the procedure throughout but the outcome probably only once (Saunders, 2011). In relation to this matter, Sweeney and McFarlin (1993) proposed a somewhat neutral standpoint that distributive justice is more related to individual-related outcomes (e.g., reward) and procedural justice is more associated with organization-related outcomes (e.g., organizational commitment and intention to withdraw). However, the results of recent studies (Clay-Warner, Hegtvedt, & Roman, 2005; Colquitt et al., 2001) are mixed and not in complete accordance with this point of view. This may indicate the difficulty in differentiating the degree of relative importance of distributive and procedural justice in predicting individual- or organization-based outcomes (Andrews et al., 2008).

#### **Interactional Justice**

Interactional justice is the third dimension of organizational justice. Introduced by Bies and Moag (1986), it focuses on the fairness of the interpersonal treatment people receive from others (e.g., organizations and authorities) in the implementation of the procedure (Bies & Moag, 1986). Early research identified four concerns regarding people's perception of international justice: respect (e.g., politeness instead of rudeness), propriety (e.g., absence of

<sup>&</sup>lt;sup>4</sup> According to Colquitt (2001), neutrality overlaps with Leventhal's lack of bias, and benevolence overlaps with Leventhal's rule of ethics and Thibaut and Walkers' process control.

<sup>&</sup>lt;sup>5</sup> According to Colquitt (2001), standing and status overlaps with the respect and dignity aspects of interactional justice, another type of justice that will be introduced later, and trust is more appropriate to be considered as a correlate of procedural justice.

improper statements and remarks), justification (e.g., explanations of the reasons for decisions), and trustfulness (e.g. honesty and absence of deception) (Bies, 1987; Bies & Moag, 1986). In essence, these criteria fall into two categories, explanations of decision making and sensitivity of treatment (Greenberg, 1990), which have been repeatedly found to be independent of each other (Colquitt et al., 2001; Greenberg, 1993b; Greenberg, 1994). These two categories were then treated as separate dimensions of organizational justice: informational justice and interpersonal justice (Colquitt, 2001; Greenberg, 1993a). Informational justice concerns the explanations that offer people information of why outcomes are distributed, or why procedures are applied, in a certain way. Interpersonal justice captures people's sensitivity of personal treatment and involves whether dignity, respect, and politeness are assured in the procedure (Colquitt et al., 2001; Fortin, 2008). Whereas some scholars consider interactional justice as a distinct construct of procedural justice, others argue that these two types of justice cannot be separated conceptually and that interactional justice is more appropriately considered a subset of procedural justice (Bies, 2005; Moorman, 1991; Poon, 2012; Skarlicki & Latham, 1997).

### **Social Exchange Theory and Organizational Justice**

In the justice literature, social exchange theory has become the dominant paradigm for examining the effects of organizational justice (Colquitt et al., 2013; Cropanzano & Rupp, 2008). The applicability of social exchange theory has been emphasized by recent meta-analyses linking exchange concepts and justice (Cohen-Charash & Spector, 2001; Colquitt et al., 2001; Colquitt et al., 2013). The concept of social exchange can be traced to the 1920s (e.g., Malinowski, 1922), expanding across various disciplines such as anthropology and social psychology (Cropanzano & Mitchell, 2005). In spite of different perspectives of social exchange, there is agreement that social exchange involves interpersonal interactions that foster obligations (Emerson, 1976). Gouldner (1960) maintained that individuals would be willing to engage in helping behaviors based on feelings of reciprocity, so as to maximize their own material outcomes. Blau (1964) then expanded the norm of reciprocity and indicated that mutual exchanges and interactions are contingent and interdependent on the actions of exchange parties. These interdependent transactions are considered as the basis of

<sup>&</sup>lt;sup>6</sup> Although social exchange, like economic exchange, involves, and sometimes refers to, transactions, it is typically understood in terms of a relationship (Lehmann-Willenbrock, Grohmann, & Kauffeld, 2013).

high-quality social exchange relationships (Blau, 1964; Cropanzano & Mitchell, 2005; Lehmann-Willenbrock et al., 2013).

Drawing on Blau's (1964) theory, scholars have suggested that individuals at work may form economic exchange and social exchange relationships (Cropanzano & Mitchell, 2005; Rupp & Cropanzano, 2002). Economic exchange relationships involve short-term interactions and *quid pro quo* arrangements, and are transactional in nature. This type of relationship is usually established on the exchange of tangible resources (Rupp & Cropanzano, 2002). Although obligations and reciprocations may exist in certain economic exchanges, they are restricted because, in these cases, one exchange party repays the other directly for the concrete goods and services.

In contrast, social exchange relationships involve longer-term interactions, and they usually form based on the exchange of intangible, and perhaps more socio-emotional and symbolic, resources. Compared with those engaging in economic exchanges, people in social exchange relationships are more likely to identify with the entity or person with whom they interact (Rupp & Cropanzano, 2002). They also have a greater tendency to show high levels of mutual support, emotional connection, loyalty, and long duration, and are less likely to haggle about who owes what to whom (c.f. Walumbwa, Cropanzano, & Hartnell, 2009). In social exchanges, reciprocity is important because it not only ensures repayment but also encourages exchange parties to build trustful social relationships that strengthen mutual loyalty and strong identification (Walumbwa et al., 2009).

Although economic exchange and social exchange are clearly distinguished, they are connected under certain circumstances. For example, as short-term economic exchanges continue over time, the exchange parties may show more trust in one another and become more closely affiliated. In such cases, economic exchange relationships evolve close to, and finally may give way to, social exchange relationships (Clark & Mills, 1979; Mills & Clark, 1982; Walumbwa et al., 2009).

Concerning the employment relationship, social exchange theory more specifically refers to the social exchange between the employee and the organization (Lehmann-Willenbrock et al., 2013; Shore & Coyle-Shapiro, 2003). In an organizational setting, the employee and the organization engage in a reciprocal relationship, in which the organization offers a favorable, fair, and supportive environment in exchange for the desired outcomes from the employee (Andrews et al., 2008). According to Shore and Coyle-Shapiro, social

exchange underlies the views on the employment relationship from both employee and employer angles, and helps understand the employment relationship and its consequences through varied constructs operationalizing social exchange. More importantly, it has been suggested that the outcomes and strength of social exchange relationships may vary under different conditions (Shore & Coyle-Shapiro, 2003), some of which will be investigated in this thesis in terms of cultural and individual differences. In this thesis, I focus on the employment relationship underlying the social exchange relationship between the employee and the organization, although employees also engage in social exchanges with supervisors or coworkers (Cropanzano & Mitchell, 2005).

Following much other research (e.g., Andrews et al., 2008; Aryee, Budhwar, & Chen, 2002; Lehmann-Willenbrock et al., 2013; Loi et al., 2006), this thesis treats justice as a trigger for employee-organization social exchange. To integrate justice and social exchange, Aryee et al. (2002) regarded the organization's fair treatment of its staff as a "favor or spontaneous gesture of good will on the part of the organization (or its agents)", and suggested that it "engenders an obligation on the part of employees to reciprocate the good deeds of the organization" (p. 268). As stated in Chapter 1, a number of studies have taken the perspective of employee-organization exchange to examine the relationships between organizational justice and employee attitudes and behaviors (for reviews, see Cohen-Charash & Spector, 2001; Colquitt et al., 2001).

Regarding sources of (in)justice, Rupp and Cropanzano (2002) stated that employees confront at least two sources of justice: the immediate supervisor or manager and the organization as a whole, which, as stated earlier, are two typical exchange partners employees interact with. They indicated that although the organization source sometimes is more subtle compared with the supervisor source (given that the supervisor has a direct interaction with the employee and may also influence important outcomes such promotions and pay raises), the organization is important. For example, employees often view their organizations as "independent social actors capable of justice or injustice" (Rupp & Cropanzano, 2002, p. 926).

Among the various types of justice, interactional justice more strongly emphasizes one-on-one transactions, and it is often provided by the supervisor rather than the organization (Cropanzano et al., 2007; Malatesta & Byrne, 1997; Masterson, Lewis, Goldman, & Taylor, 2000). To verify this viewpoint, Cropanzano, Prehar, and Chen (2002) used social exchange theory to distinguish procedural justice from interactional justice, and found that while interactional justice generally applied to the exchange between the employee and his or her

supervisor, procedural justice was more closely related to the exchange between the employee and the employing organization or the corresponding upper management.

Although Cropanzano et al. (2002) argued that compared to procedural and interactional justice, distributive justice appeared to be more linked to one's reactions to specific outcomes, in practice, some researchers operationalize distributive justice as a source initiating employee-organization social exchange (e.g., Hon & Lu, 2010; Loi et al., 2006; Sousa-Lima, Michel, & Caetano, 2013; Walumbwa et al., 2009). This operationalization is feasible because, in most organizations, especially larger ones, reward allocation policies and pay rates are set by the organization rather than the supervisor, and employees receive rewards from the organization rather than a particular supervisor (Walumbwa et al., 2009). In this regard, Walumbwas pointed out that distributive justice should impact the employee's relationship with his or her employing organization in a manner more like that of procedural justice. Consistently, their findings also suggested a stronger role for distributive justice in the employee-organization exchange than had been recognized previously. Considering that employee-organization exchange is the focus, I will only include distributive and procedural justice in this thesis to examine their impact on employees' commitment to the organization.

### **Organizational Commitment**

Organizational commitment refers to a psychological association between the employee and the organization that makes individuals voluntarily remain with, rather than leave, the organization (Allen & Meyer, 1996). Since 1960s, the concept of organizational commitment has experienced three eras (Cohen, 2007).

The first era is based on the conceptualization of Becker (1960) that roots commitment in side-bet theory. According to Becker, employees are tied to the organization because their continuous engagement in "consistent lines of activity" or "consistent behaviors" leads to the

<sup>7</sup> While some regard procedural justice as a supplementary element of distributive justice (Leventhal, 1980), others consider procedural justice to be more important (Pillai et al., 2001) because a decision-making activity involves the procedure throughout but the outcome probably once only (Saunders, 2011). In relation to this matter, Sweeney and McFarlin (1993) propose a somewhat neutral standpoint that distributive justice is more closely related to individual-related outcomes (e.g., reward) and procedural justice is more strongly associated with organization-related outcomes (e.g., organizational commitment and intention to withdraw). However, the results of recent studies (Clay-Warner et al., 2005; Colquitt et al., 2001) are mixed and not in complete accordance with this point of view, which indicates that, without further evidence, it is difficult to differentiate the degree of importance of distributive and procedural justice predicting individual- or organization-based outcomes (Andrews et al., 2008).

formation of "side-bets", which refer to the accumulated investments that employees worry about being lost once leaving the organization (Becker, 1960). As these investments and foreseeable costs accumulate over time, employees feel it is more difficult to disengage from the "consistent lines of activity" and tend to withdraw from the organization (Becker, 1960). This conceptualization identifies commitment as a major factor explaining the voluntary turnover process. Later research suggests that the connection between the development of commitment and the process of turnover is reflected in the approaches to define commitment and to operationalize side-bets theory (Alutto, Hrebiniak, & Alonso, 1973; Cohen, 2007). Since Becker's commitment covers only a limited range of ties between the individual and the organization, it has not been regarded as a leading commitment theory. However, the commitment—turnover connection advanced in Becker's conceptualization has initiated and affected the development of later commitment theories (Cohen, 2007). For example, the sidebet based commitment is included as "continuance commitment" in Meyer and Allen's (1991) conceptualization.

Shifting from side-bet theory, the second wave of commitment conceptualization is based on the perspective of psychological attachment to the organization (Cohen, 2007). Porter, Steers, Mowday, and Boulian (1974) viewed commitment as a psychological bond between the individual and the organization characterized by attitudinal instead of behavioral intentions. They argued that commitment captures three aspects: "(a) a strong belief in and acceptance of the organization's goals and values; (b) a willingness to exert considerable effort on behalf of the organization; (c) a definite desire to maintain organizational membership" (Porter et al., 1974, p. 604). Although this narrative of commitment extends Becker's emphasis on the linkage between commitment and turnover to a broader scope (Cohen, 2007), researchers have doubted this conceptualization by arguing that the latter two components are consequences of commitment rather than the antecedents contributing to the development of psychological attachment (O'Reilly & Chatman, 1986). In addition, the Organizational Commitment Questionnaire (OCQ), developed by Mowday et al. (1979) to measure Porter et al.'s conceptualization of commitment, has been criticized as being an impure scale for measuring commitment from the attitudinal approach (O'Reilly & Chatman, 1986).

The third wave treats commitment as a multi-dimensional construct. To specifically address the shortcomings of Porter and his colleagues' concept and OCQ, O'Reilly and Chatman (1986) drew on Kelman's (1958) work to conceptualize commitment in terms of

compliance, identification, and internalization. However, concerns were raised in later research as to the clarity of this three-dimensional structure. For example, the identification and internalization dimensions could not be clearly distinguished (Vandenberg, Self, & Seo, 1994). The compliance dimension appears not to be a component of commitment, given that it is usually considered to reduce the likelihood of actual turnover (Meyer & Allen, 1997). Perhaps for these reasons, fewer scholars have employed this structure since Meyer and Allen's (1991) three-component framework of commitment was developed.

Meyer and Allen (1984) firstly distinguished *affective* commitment from *continuance* commitment when they inspected the formerly developed concepts and instruments for commitment, including those for Becker's (1960) side-bets and Porter and colleagues' (Mowday et al., 1979; Porter et al., 1974) attitudinal commitment. Later on, an additional component, *normative* commitment, was added to Allen and Meyer's (1990) conceptualization of commitment. In the next year, Meyer and Allen (1991) provided strong conceptual justifications to formally put forward the three-component model of commitment, which has dominated subsequent commitment research. Meyer and Allen argued that the three components reflect ways to view commitment as a psychological state beyond the prior attitudinal and behavioral approaches. This psychological state "(a) characterizes the employee's relationship with the organization, and (b) has implications for the decision to continue or discontinue membership in the organization" (Meyer & Allen, 1991, p. 67). The three components/dimensions distinguish the nature of the psychological stage. In Meyer and Allen's words.

Affective commitment refers to the employee's emotional attachment to, identification with, and involvement in the organization. Employees with a strong affective commitment continue employment with the organization because they want to do. Continuance commitment refers to an awareness of the costs associated with leaving the organization. Employees whose primary link to the organization is based on continuance commitment remain because they need to do so. Finally, normative commitment reflects a feeling of obligation to continue employment. Employees with a high level of normative commitment feel that they ought to remain with the organization (1991, p. 67).

According to Meyer and Allen (1991), each component of commitment represents a force binding an employee to his or her organization from different approaches, which are considered to be mutually exclusive. Meyer and Allen argued that employees experience one or more forms of commitment, and therefore it is reasonable to incorporate all three

components in their conceptualization. To date, the three-component model has received extensive attention and considerable support (Allen & Meyer, 1996; Meyer, Stanley, Herscovitch, & Topolnytsky, 2002; Meyer, Stanley, & Parfyonova, 2011), and has been regarded as the most applicable conceptualization of organizational commitment (Klein, Becker, & Meyer, 2009). My thesis follows this popularly-examined model to limit the research scope of commitment to the affective component, which is considered the primary form of commitment (Cohen, 2003).

My decision to focus on affective commitment only is mainly based on the consideration of the fit of components in social exchanges and the recent criticism of the other two forms of commitment. Affective commitment, which has typically been explained in terms of reciprocation in social exchange relationships (Meyer & Parfyonova, 2010), has been argued to be the most suitable component that can be interpreted by social exchange theory (Andrews et al., 2008). This component is largely parallel to Porter and colleagues' (Mowday et al., 1979; Porter et al., 1974) conceptualization of commitment (i.e., identification with the organization and its goals and values, and willingness to stay with the organization to help with these goals) on an attitudinal approach, which often connects to exchange relationships in which members attach themselves to their organizations in return for rewards or other reciprocal results from the organizations (Mowday et al., 1979).

Recently, scholars have suggested that normative commitment may also be included in examining social exchange outcomes, even though it might not be such a desirable outcome as affective commitment (Meyer & Parfyonova, 2010). However, some researchers (e.g., Cohen, 2007; Ko, Price, & Mueller, 1997) criticized the concept of normative commitment as problematic because there seems to be a considerable overlap between the concepts of normative and affective commitment, which makes it difficult to conceptually separate them. This criticism has been supported by numerous empirical studies showing extremely high correlation between normative and affective commitment (Ko et al., 1997; Meyer, Allen, & Smith, 1993; Meyer et al., 2002).

The continuance commitment dimension, deriving from Becker's (1960) side-bet theory, has also been the subject of doubts regarding Meyer and colleague's (Meyer & Allen, 1991; Meyer et al., 1993) diagnostic approach in conceptualization (Ko et al., 1997). For instance, Meyer et al. (1993) argued that Becker's (1960) concept of commitment reflects part

 $<sup>^{8}</sup>$  This point will also be discussed in the "organizational justice and organizational commitment" section of Chapter 3.

of attitudinal commitment as it underscores the awareness of the loss associated with leaving the organization. Ko et al. (1997) contended that this argument is untenable. According to Ko et al., Becker's concept focuses on commitment-related behaviors and he implicitly emphasized that commitment is a consistent line of activity, and therefore Becker's explanation appears to be closer to the behavioral rather than the attitudinal approach in defining commitment. Taking into account all aspects, employment of affective commitment will avoid these criticisms and will provide an instrument reflecting social exchange relationships.

## **Organizational Trust**

Another outcome of justice this thesis investigates is trust, which is an essential element for starting and maintaining social exchange relationships (Stinglhamber, Cremer, & Mercken, 2006). Unlike tangible resources, which are accompanied by economic exchanges, socio-emotional or intangible resources such as trust provide bases for social exchanges because exchange parties are involved in unspecified obligations that bind them together without a written contract (Sousa-Lima et al., 2013). Trust is also generally viewed as an outcome of favorable social exchanges (Blau, 1964; Lehmann-Willenbrock et al., 2013). Researchers argue that social exchange-based relationships tend to engender feelings of gratitude, trust, support, and personal obligations (Blau, 1964; Cropanzano & Mitchell, 2005); this process reinforces trust between exchange parties, which in turn facilitates the maintenance of exchange relationships (Sousa-Lima et al., 2013).

Trust has been studied over time from different perspectives, and there is no universally accepted definition of trust (Lewicki, Tomlinson, & Gillespie, 2006; Mukherjee & Bhattacharya, 2013). For instance, Deutsch's (1958) definition underscores an individual's non-rational expectations in the face of uncertainties, such that the individual's perceptions of negative motivational consequences are greater if the expectations are not fulfilled, relative to perceptions of positive motivational consequences if the expectations are fulfilled. Rotter (1967) treated trust as a dispositional and personality trait that reflects one party's expectancy that the other party's word, promise, and statement can be relied upon. Extending the expectancy to the perspective of philosophical morality and ethics, Hosmer (1995) described trust as people's expectations of ethically justifiable behaviors from the part of their cooperation or exchange partners. Specifically focusing on the organizational context, Robinson (1996) emphasized the psychological aspect of trust in terms of an attitude, and

defined trust as "one's expectations, assumptions, or beliefs about the likelihood that another's future actions will be beneficial, favorable, or at least not detrimental to one's interests" (p. 576).

Regardless of disciplines and perspectives, the common theme of trust has been suggested to encompass confident expectations, a willingness to be vulnerable under uncertainties or risks, and psychological disposition of the trustor (Mukherjee & Bhattacharya, 2013; Rousseau, Sitkin, Burt, & Camerer, 1998). Mayer, Davis, and Schoorman (1995) integrated these common characteristics and referred to trust as

the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party (1995, p. 712).

Mayer et al. (1995) proposed that trust evolves after assessing the trustee's trustworthiness (i.e., the trustee's characteristics and attributes that inspire trust, Colquitt & Rodell, 2011) based on three facets: ability, which refers to the competencies, skills, and characteristics that enable the trustee to have influence in specific domains; integrity, which reflects the trustee's compliance with a set of acceptable principles and shared beliefs; benevolence, which reflects the extent to which the trustee wants to do good (e.g., being open and care) to the trustor. Similarly, Rousseau et al. (1998) drew on a cross-discipline review to define trust as a psychological state reflecting people's intention of accepting vulnerability based on positive expectations of the intentions or behaviors of the trustee.

Both Mayer et al. (1995) and Rousseau et al.'s (1998) definitions suggest two interrelated components (Colquitt, Scott, & LePine, 2007; Lewicki et al., 2006). The first is the willingness and intention to accept vulnerability to the actions of the exchange party, synthesizing earlier conceptualizations of trust (e.g., Baier, 1986; Deutsch, 1958). The other is the positive expectations concerning the intentions, motivations, and behaviors of the other party, regardless of the uncertainty of this other party's actions; this component also overlaps with earlier trust concepts (e.g., Cook & Wall, 1980; Rotter, 1967). Despite the continuous debate over the construct of trust, e.g., whether the construct in terms of ability, benevolence, and integrity is sufficient and whether trust is a behavioral choice or psychological attitude (Li, Bai, & Xi, 2012), these two components have begun to promote an agreement regarding a composite definition over the past decade (Saunders, 2011). In this thesis, trust is described

based on Mayer et al.'s definition with the consideration of both components (i.e., willingness in face of vulnerability, and expectations) regarding the trustee's trustworthiness.

Trust forms in relationships (Schoorman, Mayer, & Davis, 2007). In organizational studies, trust theory has been focused on the level of analysis ranging from the personal to the institutional level (Rousseau et al., 1998; Saunders, 2011), depending on the referent with whom individuals interact (Whitener, 1997). At the personal level, employees build relationships, via vertical interactions, with supervisors, or via horizontal interactions, with co-workers at the similar level of the organizational structure; these relationships may foster employees' trust in the supervisor and the co-worker. At the institutional level, employees develop relationships, via vertical interactions, with the organization, top management system, or systems that represent the interests of the organization as a whole; these relationships provide a basis for trust in the organization (Cho & Park, 2011; Dirks & Ferrin, 2002; Pirson & Malhotra, 2011; Zaheer, McEvily, & Perrone, 1998).

Despite the fact that all these forms are important to reflect the quality of social exchange relationships, this thesis only empirically examines trust in the organization, given that the focus of my research is the employee-organization exchange. In fact, the majority of research connecting justice and trust has neglected trust in the organization and mainly examined trust in the supervisor (DeConinck, 2010). This makes it imperative to conduct more extensive investigations to provide direct understanding of how organizations' fair treatment is related to employees' work outcomes (Aryee et al., 2002).

Although the interpersonal relationship seems more applicable to trust in supervisors and co-workers—the referents characterized by specific human beings—the connotation of interpersonal relationships can be rationally and reasonably extended to general management and the organization as a whole (Cho & Park, 2011). This is because the organization, as a system consisting of human beings, produces influences on employees through its culture, structures, rules, and regulations, and employees face risks and vulnerability in their relationships with the general management and the organization (Cho & Park, 2011).

From the perspective of the relationship between the employee and the organization, Gambetta (1988) provided the earliest definition of trust in the organization—the global evaluation of the organization's trustworthiness as perceived by the employee. Employees trust in the organization based on the confidence or belief that the organization's actions impacting them will be beneficial or at least non-detrimental (Tan & Tan, 2000). The core

component—the trustworthiness of the organization—has been highlighted in many views on organizational trust (e.g., Mukherjee & Bhattacharya, 2013; Zhang, Tsui, Song, Li, & Jia, 2008). By extension, this thesis follows predecessors (Li et al., 2012; Mayer et al., 1995; Rousseau et al., 1998) to specify the scope of organizational trust as the employee's collective perception of the organization's trustworthiness, with a willingness to be vulnerable to the actions of the organization based on expectations of its favorable intentions and behaviors.

## **Cultural Value Models**

The meaning of culture is complex, varying with age, gender, nation, religion, race, occupation, organization, and many other group categories (Hofstede, 1991, 1994). Under certain circumstances, culture is also referred to using analogous terminologies such as "philosophy of life" (Jung, 1951), "value orientation" (Kluckhohn & Strodtbeck, 1961), "world outlooks" (Maslow, Frager, & Fadiman, 1970), "vision of reality" (Messer, 2000), "self and world construct system" (Kottler & Hazler, 2001), and other terms sharing similarities with culture (Koltko-Rivera, 2004; Taras, Rowney, & Steel, 2009). Despite the enduring interest shown to cultural phenomena in the social sciences, there is little agreement on how culture should be defined (Rougier, 2011).

Hofstede (1980) introduced a condensed definition that describes culture as "the collective programming of the mind which distinguishes the members of one human group from another" (p. 25). That is, culture is a concept linking the commonly shared values and beliefs of individuals to similar life experiences and backgrounds (Hofstede, 1980; Shao, Rupp, Skarlicki, & Jones, 2013). Similarly, Poortinga (1990) defined culture as a set of "shared constraints that limit the behavior repertoire available to members of a certain sociocultural group in a way different from individuals belonging to some other group" (p. 6). In this way, culture involves the shared value patterns that direct human behaviors. Segall, Dasan, Berry, and Poortinga (1990) argued that, since culture is part of the environment, which is shaped with ecological forces, and behavior is shaped by culture, it is nearly impossible for humans to behave without being influenced by some aspects of culture. The boundary conditions for behaviors, as Poortinga (1992) proposed, include the external constraints of historical, ecological, socio-economical, and situational contexts, and the internal constraints of genetic and cultural transmission (Bond & Smith, 1996). Due to these characteristics, Segall et al. (1990) contended that it is possible to simply define culture as "the totality of whatever all persons learn from all other persons" (p. 26).

A more comprehensive definition summarized from different disciplines and perspectives states that "culture consists of patterns, explicit and implicit, of and for behavior acquired and transmitted by symbols, constituting the distinctive achievements of human groups, including their embodiments in artifacts; the essential core of culture consists of traditional (i.e., historically derived and selected) ideas and especially their attached values" (Kroeber & Kluckhohn, 1952, p. 118). This broad range of cultural elements suggests that culture is a complicated and dynamic phenomenon that is learned, shaped, shared, and transmitted from one generation to another (Kreuter, Lukwago, Bucholtz, Clark, & Sanders-Thompson, 2003; Tung, 2008), expanding with the continuous societal evolution and advancement of human civilization.

As reflected in various definitions, culture is closely related to human life in that it penetrates the norms, practices, and ways of thinking, perceiving, and doing things (Hofstede, 1980; Rougier, 2011). A primary reason why people differ in norms and values is that they are from different cultures (Greenberg, 2001). Stated differently, culture defines the values that guide human behaviors and that lead the ways that behaviors are evaluated and interpreted (Herskovits, 1967; Rougier, 2011). For example, the values shaped by an individualistic culture may lead people to prioritize self-interests, while those shaped by a collectivistic culture encourage people to place group-interests first. It has been suggested that cultural values affect people's judgment of justice, the formation of justice perceptions, and people's reactions to justice or injustice (Colquitt, Greenberg, & Scott, 2005; Greenberg, 2001; Shao et al., 2013).

In this thesis, I will draw on dimensions from two models to examine how cultural values can influence the effects of justice on commitment: Hofstede's (1980, 2001) cultural model and Kluckhohn and Strodtbeck's (1961) value-orientation model. In the following section, I briefly review these two models and identify the specific values/orientations this thesis employs.

## Hofstede's Model

In his well-known and widely cited book *Culture's Consequences*, Hofstede (1980) proposed four dimensions to capture the dominant values across 53 different cultures—individualism/collectivism, power distance, masculinity/femininity, and uncertainty avoidance—based on data from IBM international staff who responded to an attitude survey. These values were also confirmed in his study of executive students of a business school who

came from 15 nations and worked in various industries and companies. Later on, the Chinese Culture Connection (1987) detected another dimension, "Confucian Work Dynamism" or "Confucian Dynamism", in an investigation of 23 countries, the majority of which had never heard of Confucius. The results of this investigation led Hofstede (Hofstede, 1991, 2001) to introduce a fifth new dimension—long-term versus short-term orientation—into his cultural model.

Individualism/Collectivism reflects the position of a culture on a bipolar continuum regarding the degree of individuals' identification with and integration into a group (Hofstede, 1980; Hofstede & Bond, 1984). According to Hofstede, people from highly individualistic cultures tend to be independent from their social groups, and their ties with other individuals are loose. Individualists have an extensive focus on individual rights over their own duties and an emphasis on self-autonomy and self-fulfillment. They prioritize personal goals and interests, and maintain beliefs of exchange and competition (Triandis & Gelfand, 1998). Their behaviors are largely driven by their own thoughts and attitudes instead of the norms within their associated social collective (Triandis, 2001). On the collectivist side, people are integrated into cohesive and strong in-groups (e.g., families), value group goals and interests, comply with norms and rules of their immediate groups, and emphasize communal and cooperative beliefs (Ramamoorthy, Kulkarni, Gupta, & Flood, 2007; Shao et al., 2013; Triandis, 2001).

Power distance refers to "the extent to which the less powerful members of organizations and institutions accept and expect that power is distributed unequally" (Hofstede & Bond, 1984, p. 419). This dimension reflects the inequalities in society and the difference in people's acceptance of these inequalities in power distribution. High power distance cultures are hierarchically ordered; the individual at the higher status or ranking reserves more privileges and the subordinate is reverential toward the supervisor (Lam, Schaubroeck, & Aryee, 2002). People in high power distance cultures endorse submissiveness to authorities (e.g., supervisor, top management, and organization as the systematic authority), prefer autocratic leadership, and attach little importance to participation in decision making; they presume that it is appropriate to keep a safe distance from authorities (Begley, Lee, Fang, & Li, 2002; Hofstede, 1980). Since they tend to consider the inequalities existing in societies or institutions to be normal and acceptable, and pay less attention to the resultant loss of influence, they are highly tolerant of top-down decision-making, rigid supervision of general staff (e.g., prohibiting going over a direct supervisor's head to report), strict hierarchical

systems, and requests for deference (Y. Zhang & T.M. Begley, 2011). In contrast, people in low power distance cultures prefer authorities to consult with them. They think highly of opportunities to express their opinions in decision-making, which promotes them to develop close relationships with the superiors (Begley et al., 2002). They believe that subordinates and superiors should have equal rights, power should be legitimate, and information should be shared openly across hierarchical levels (Hofstede, 2001; Schilpzand, Martins, Kirkman, Lowe, & Chen, 2013). Thus, they seek to minimize inequalities with regard to rights, privileges, social status, and resources (Sharma, 2010).

Uncertainty avoidance describes "the extent to which the members of a culture feel threatened by uncertain or unknown situations" (Hofstede, 1991, p. 113). This dimension indicates to what extent people feel either comfortable or uncomfortable in unstructured situations, which are characterized as surprising, unknown, novel, or different from the usual (Hofstede & Bond, 1988). People in high uncertainty avoidance cultures desire predictability, explicit rules and procedures, and situations that are clear and structured, whereas people in low uncertainty avoidance cultures are more compatible with, or tolerant of, ambiguities, risks, and strict codes of behavior (Shao et al., 2013; Sharma, 2010). People with higher uncertainty avoidance tend to be more anxious when things are unexpected, different, or unpredictable (Shao et al., 2013).

Masculinity/Femininity concerns different values emphasizing competition versus quality of life (Shao et al., 2013). According to Hofstede (1980, 2001), cultures differ systematically regarding the extent to which people attach importance to "masculine" or "feminine" traits or values (Schilpzand et al., 2013). The masculine values endorse assertiveness, competitiveness, ambitiousness, and the pursuit of money and material things. The feminine values underscore empathy, interdependence, quality of life, and caring for others (Clugston, Howell, & Dorfman, 2000; Taras, Steel, & Kirkman, 2012). Women and men in feminine cultures tend to have similar nurturing values; in masculine cultures, women may be somewhat more competitive and assertive than in feminine cultures, but not as much as men, such that gaps exist between men's and women's values (Hofstede & Bond, 1988). In the work setting, high masculinity suggests a focus on recognition, challenge, advancement, and performance (Schilpzand et al., 2013).

Long-versus short-term orientation deals with time orientation and derives from the Confucian value system (Hofstede & Bond, 1988). Long-term orientation concerns the "fostering of virtues oriented towards future rewards, in particular, perseverance and thrift"

(Hofstede, 2001, p. 359). The opposite pole, short-term orientation is the "fostering of virtues related to the past and the present, in particular, respect for tradition, preservation of face and fulfilling social obligations" (Hofstede, 2001, p. 359). In long-term oriented cultures, people are influenced by the Confucian ethics such as humbleness, thrift, hard work, perseverance, accountability, ego-control, morality, benevolence, non-materialism, and social consciousness (Hofstede, 2001). They tend to put off gratification of their desires and focus on the future (Hofstede & Minkov, 2010). In contrast, in short-term oriented cultures, people attach greater importance to immediate gratification and short-term goals for life (Hofstede, 2001; Hofstede & Minkov, 2010). This cultural dimension is rarely used in empirical studies (Taras et al., 2012).

These cultural dimensions have formed the basis for many prevailing theories (House, Hanges, Javidan, Dorfman, & Gupta, 2004; Schwartz, 1994; Triandis, 1994; Triandis, 1995) and have been popularly applied in cross-cultural studies (Farh, Hackett, & Liang, 2007; Lam et al., 2002; Shao et al., 2013). Over time, Hofstede's model has been criticized regarding its methodology, theory, and implications (Kirkman, Lowe, & Gibson, 2006; Nguyen & Aoyama, 2013; Yi Zhang & Thomas M. Begley, 2011). For example: (1) the model was developed based on a single multinational corporation (McSweeney, 2002); (2) the four or five dimensions are overly simplistic to conceptualize the complexity of culture (Sivakumar & Nakata, 2001); (3) the use of surveys is not appropriate to determine cultural disparity, particularly when the measured variables are culturally sensitive and subjective (McSweeney, 2002); (4) the limited number of country cases are insufficient to capture the complete nature of culture (Dorfman & Howell, 1988); (5) this survey-based model does not reflect cultural change (Sivakumar & Nakata, 2001); (6) within-country cultural heterogeneity is ignored by assuming every national population shares a unique culture (McSweeney, 2002); and (7) national division is problematic, as cultures are not necessarily bounded by geographic borders (McSweeney, 2002). In spite of the criticism, Hofstede's model has been remarkably favored by scholars and practitioners in culture-related research because of its parsimony, resonance, and clarity (Kirkman et al., 2006). It has been the most widely accepted means to investigate societal cultures and been an effective and helpful perspective to explain differences in work-related values (Nguyen & Aoyama, 2013).

Originally, Hofstede (1980) developed his cultural dimensions at the country-level, but more recently, researchers have applied them to examine individual differences, within-nation differences, or within-group differences (Kirkman, Chen, Farh, Chen, & Lowe, 2009;

Kirkman et al., 2006). They attempt to replenish Hostede's model by adding elements of within-country heterogeneity. This stream of research suggests the feasibility of the application of Hofstede's model at different levels, either culture/country or individual (Farh et al., 2007; Lam et al., 2002; Shao et al., 2013). Particularly, the emergence of individual-level instruments (e.g., Clugston et al., 2000; Dorfman & Howell, 1988) of Hofstede's dimensions has created opportunities to empirically examine their roles in organizational studies from the individual level. My thesis will employ this cultural model to explain individual-level indifferences in justice and its effects. Although all five dimensions can potentially explain justice effects from cultural perspectives (Ren, 2007), power distance and individualism have been employed particularly frequently to examine cross-cultural and individual differences in justice perceptions and effects (Fortin, 2008). Chapter 4 will specifically apply individualism and power distance as individual difference moderators in the examination of the justice-commitment relationship, and conduct between-country comparisons regarding their moderating effects.

#### Kluckhohn and Strodtbeck's Model

Cultural orientations or values are rooted in the most basic questions facing people from all cultures. For example, how do I see the world? How do I use time? How do I think about people? How do I relate to other people? (Adler, 1997; Maznevski, Gomez, DiStefano, Noorderhaven, & Wu, 2002). In this regard, culture is the collective pattern of deep-level assumptions and values related to societal effectiveness and shared among an interacting group of people (Maznevski et al., 2002). In their book *Variations in Value Orientations*, Kluckhohn and Strodtbeck (1961) introduced the value-orientation model to synthesize and classify cultural values. They proposed a limited set of questions (i.e., categories of cultural/value orientations) that each society has to address to operate effectively and cooperatively, with several possible answers (i.e., variations in each cultural category) for every question (Maznevski et al., 2002). This value-orientation model organizes the different ways in which members of a society think about basic societal issues (Bolino & Turnley, 2008; Brannen et al., 2004), and specifically answer six major questions (Kluckhohn & Strodtbeck, 1961; Maznevski et al., 2002):

1. What is the relationship among human beings: lineal (ranked positions within groups), collateral (group welfares and interests are in priority), or individualistic (personal welfares and interests are in priority)?

- 2. What is the relationship between human and nature/environment: Do human beings have mastery over nature, or are they subjugated to nature or in harmony with it?
- 3. What is human's primary mode of activity: pursuing accomplishments, or living for the moment, or engaging in thoughtful analysis?
- 4. How do human beings view time: focusing on the past, present, or future?
- 5. What is the nature of human beings: good, evil, or neutral?
- 6. How do human beings view space: preferences of the public, private, or mixed?<sup>9</sup>

Consistent with these questions, Kluckhohn and Strodtbeck's (1961) value-orientation model is structured in the form of six categories of cultural orientations, with two or more variations in each category. The six questions above correspond to relational (individual, collective, and hierarchical), environmental (mastery, subjugation, and harmony), activity (doing, thinking, and being), time (past, present, and future), human nature (good/evil and changeable/unchangeable), and space (public and private) orientations, respectively. Table 2.1 shows these cultural orientations.

#### Table 2. 1. Kluckhohn and Strodtbeck's value-orientation framework

## 1. Relational orientations

*Individual*: Beliefs that independence and self-interests should be encouraged and valued; such that our primary responsibility is to and for ourselves as individuals, and next for our immediate groups (e.g., families).

*Collective:* Beliefs that the interests and performance of immediate groups (e.g., families and workgroups) are more important than that of individuals; such that our primary responsibility is to and for the immediate groups rather than ourselves.

*Hierarchical:* Beliefs that the hierarchy of authority is the best structure of the society or organization, and that responsibility and power are unequally distributed; such that those at a higher hierarchy have responsibility for and power over those at a lower hierarchy.

## 2. Environmental orientations

*Mastery*: Beliefs that human beings (should) have a significant effect on events in their lives and can deal with almost anything; such that we should direct, control, and change the environment around us.

Subjugation: Beliefs that human life is controlled or destined by supernatural forces and people can do little things to influence the outcomes of an event; such that we should not try to change the basic direct of the environment and we should allow ourselves to be influenced by outside forces.

*Harmony*: Beliefs that it is best to keep a harmonious relationship with the environment; such that we should strive to maintain a balance among the environmental elements, including ourselves.

<sup>&</sup>lt;sup>9</sup> These six questions are adapted from Maznevski et al. (2002), Kluckhohn and Strodtbeck (1961), and Bolino and Turnley (2008).

## Table 2.1 Kluckhohn and Strodtbeck's value-orientation framework (continued)

## 3. Activity orientations

*Doing*: Beliefs that people are in living to work and humans' focus is on work-related goals and activities; such that people should continually engage in activities to pursue accomplishments of tangible tasks.

*Thinking*: Beliefs that all aspects of an event are to be weighed and to be analyzed to avoid surprise and high risks; such that we should considered a situation carefully and rationally before taking actions.

*Being*: Beliefs that people work to live and enjoy all aspects of life even at the cost of not getting work done; such that people should be spontaneous, and do everything in its own time.

#### 4. Time orientations

*Past*: Beliefs that society primarily evolves with history; such that our decisions should be guided mostly by tradition.

*Present*: Beliefs that the stability of society is independent of unchangeable history and unpredictable future; such that our decisions should be guided mostly by immediate needs and circumstances.

*Future*: Beliefs that a society awaits the future that is better than the past and the present; such that our decisions should be guided mostly by predicted future needs and circumstances.

#### 5. Human nature orientations

*Good/Evil*: Beliefs that people are born good or bad; such that people are believed to be essentially good, and presumed to be trustworthy or honorable.

*Changeable/Unchangeable*: Beliefs that the basic nature of humans is subject to change; such that people can change from good to bad and from bad to good.

#### 6. Space orientations

*Private*: Beliefs that space around someone belongs to that person; such that anyone else cannot use it without permissions.

Public: Beliefs that space around someone belongs to everyone; such that everyone may use it.

Sources: Kluckhnhn and Strodtbeck (1961), Aycan, Al-Hamadi, Davis, and Budhwar (2007), Maznevski et al. (2002), and Bolino and Turnley (2008).

As a fundamental theory of culture, the value-orientation model to a large extent captures many dimensions from later cultural models (e.g., Hofstede, 1980; House et al., 2004; Rokeach, 1973; Schwartz, 1992; Triandis, 1993; Trompenaars, 1993). For example, the relational orientations are comparable to Hofstede's individualism/collectivism and power distance dimensions, and Trompennars' individualism-communitarianism and equality-hierarchy concepts. The environmental orientations to a certain extent overlap with Trompenaars' inner direction-outer direction conceptualization, and the activity orientations are related to his analysis-integration dimension. Hall's (1966, 1973) model includes the dimensions of time and space, which are highly similar to Kluckhohn and Strodtbeck's (1961) dimensions. Additionally, the value-orientation model has also influenced the GLOBE model, which reflects the relationships among societal culture, organizational culture, and leadership (Bolino & Turnley, 2008; House et al., 2004).

Kluckhohn and Strodtbeck's (1961) value-orientation model has been argued to be well suited to help understand justice-related theories (e.g., equity theory) or issues from cultural perspectives (Bolino & Turnley, 2008). For instance, these value orientations are reflected in social institutions like sanctioning and legal systems, which direct societies' approaches to justice or equity. They also affect the ways people perceive, think, and behave, and are regarded as well-shaped schemas of individuals in a society or group (Bolino & Turnley, 2008). Hence, as Maznevski et al. (2002) pointed out, the value-orientation model can be operationalized at both country and individual levels, enabling comparisons of individual differences in justice issues across countries.

Additionally, the value-orientation model is based on societal functions or basic problems and encompasses a wide range of social phenomena, which equips it with the ability to explain more sophisticated issues. Justice theories consist of multiple processes such as measuring inputs and outputs, judgment of equity, and various other comparisons. The broad applicability and flexibility of the value-orientation model makes it a potentially powerful framework for investigating the relationship between cultural values and justice (Bolino & Turnley, 2008). Indeed, scholars have drawn on value orientations from this model to investigate various management situations where justice issues arise frequently, such as work team management (Kirkman & Shapiro, 2001), compensation decisions (Yeganeh & Su, 2011), and different types of HRM practices (Aycan, Al-Hamadi, Davis, & Budhwar, 2007).

As culture is a complex concept, it is practical for researchers to consider a limited number of its major aspects (Yeganeh & Su, 2006). Among Kluckhohn and Strodtbeck's (1961) six categories of value orientations, the relational, environment and activity categories mainly guide the standards individuals or groups use to make judgments, whereas the human nature, time and space categories guide what might be seen as more natural attributes of the individual's or group's objective existence (Yang, 2012). A study by Kirkman and Shapiro (2001) indicates that in the workplace, the orientations of the first three categories (i.e., relational, environmental, and activity orientations) contribute to explaining the formation of employees' job attitudes (e.g., affective commitment and job satisfaction). In this thesis, I am not interested in the relational category, as in essence, it is akin to Hofstede's (1980) individualism—collectivism and power distance dimensions (Maznevski et al., 2002), which I also examine in the empirical sections. In order to obtain more innovative findings, I focus on Activity—Doing and Environment—Mastery orientations, which have rarely been examined but are important to understanding employee attitudes in employee—organization social exchanges

(Kirkman et al., 2006; Kirkman & Shapiro, 2001). Chapter 5 will specifically examine the moderating effects of Doing and Mastery orientations on the justice-commitment relationship.

## Summary

This chapter has reviewed the major concepts and theories that will be used in the following chapters. I first reviewed the justice concepts and theories, followed by social exchange theory, which is the dominant perspective for investigating justice issues (Colquitt et al., 2013). Following predecessors, I identified the focus of the social exchange in this thesis as the exchange between the employee and the employing organization, which researchers have called for extensive investigations of (Aryee et al., 2002; Shore & Coyle-Shapiro, 2003; Sousa-Lima et al., 2013). In line with this stream, distributive justice and procedural justice, the two types of justice that are regarded to be more compatible with employee-organization exchange, were chosen for the current research. I then moved to review concepts and theories related to organizational commitment and organizational trust. Affective organizational commitment was chosen as it has been suggested to be the most suitable component of commitment in investigating social exchange relationships (Andrews et al., 2008). To conform to the employee-organization exchange, trust in the organization will be employed. Finally, I reviewed Hofstede (1980) and Kluckhohn and Strodtbeck's (1961) cultural models and identified their potential to be used in justice research. Specifically, the individualism and power distance dimensions from Hofstede's model and the Doing and Mastery orientations from Kluckhohn and Strodtbeck's model will be examined in justice effects. In Chapters 3, 4, and 5, I will provide more detailed discussions of the specific literature and theories for each empirical study.

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# **Chapter 3**

# Relationships between Organizational Justice, Organizational Trust, and Organizational Commitment: A Cross-Cultural Study of China, South Korea, and Australia

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## **Abstract**

In an increasingly globalized world, organizations that operate in more than one country are a substantial part of the world economy. It is therefore beneficial to understand the attitudes of employees in different countries and their impact on the organization. One important area is organizational justice and its relationships with organizational trust and organizational commitment. This empirical study collected survey data from employees in 65 universities across China, South Korea and Australia. It was proposed that organizational trust (OT) would mediate the relationships between affective organizational commitment (AOC) and both distributive justice (DJ) and procedural justice (PJ) in all three countries. In Australia, It was found that DJ and AOC were not significantly related, but OT fully mediated the PJ-AOC relationship. In China and South Korea, both DJ and PJ were significantly related to AOC, and OT fully mediated the PJ-AOC relationship in China but fully mediated this relationship in South Korea. Implications for theory and for management practitioners are discussed, and areas for future investigation are identified.

**Keywords:** organizational justice; organizational trust; organizational commitment; cross-cultural study; mediator

## Introduction

The influence of organizational justice on workplace behaviors and attitudes has received increased attention, particularly in the last three decades (Ambrose & Schminke, 2009; Colquitt, Conlon, Wesson, Porter, & Ng, 2001). Organizational justice has been shown to positively impact employees' work outcomes such as job satisfaction, organizational commitment, trust, and citizenship behavior, and negatively affect withdrawal intentions (Ambrose & Schminke, 2009; Aryee, Budhwar, & Chen, 2002). As the employee-employer connection weakens and employee loyalty decreases, more and more scholars have investigated employee commitment from the perspective of organizational justice (the most frequently tested predictor of commitment), with the intention of illuminating how managers may build employees' affective commitment and retain their talent (Andrews, Kacmar, Blakely, & Bucklew, 2008). Much research has examined the relationship between organizational justice and organizational commitment. Findings indicate that employees perceiving higher levels of justice tend to be more emotionally involved in the organization (Loi, Ngo, & Foley, 2006; Tremblay, Cloutier, Simard, Chenevert, & Vandenberghe, 2010). Although researchers have made substantial progress in this area, limitations still exist in the current literature.

One limitation is that not enough studies have examined the role of mediators in the justice-commitment relationship. Research has found that trust could be a mediator in this relationship (Aryee et al., 2002). However, most social-exchange-based justice research has neglected trust in the organization, focusing on trust in the supervisor (DeConinck, 2010; Tan & Chee, 2005). Although both foci of trust are essential in the organization, some research has shown that justice perceptions of organization-level activities are more effective in predicting trust in the organization, instead of trust in the supervisor (Aryee et al., 2002; DeConinck, 2010). For example, employees are more likely to make judgements about the fairness of reward allocations based on the organization's policies and procedures rather than the discretion of their supervisors (Sousa-Lima, Michel, & Caetano, 2013). Thus, for exchange between the employee and the organization, trust in the organization is more proximal and at least equally worthy of study.

Another limitation is that although the justice-commitment relationship has been examined in various individual countries, both Eastern (Aryee et al., 2002; Chang, 2002; Loi et al., 2006) and Western (Clay-Warner, Hegtvedt, & Roman, 2005; Tremblay et al., 2010),

cross-cultural or cross-national studies regarding this relationship are remarkably rare. As globalization increases interactions across cultures, it becomes imperative to understand the justice-commitment relationship in a cross-cultural context. Greenberg (2001) points out that since the formation of justice perceptions is largely influenced by one's societal context and cultural background, justice research is not complete without the knowledge of cross-national differences. Unfortunately, despite the importance of cross-cultural justice studies, scholars seem to have paid relatively little attention to this stream of research (Greenberg, 2001). Although Cohen-Charash and Spector (2001) propose that culture might be an influential factor in justice research, they indicate that the existing cross-cultural justice studies are too scarce for them to conduct an intensive meta-analysis of cultural differences. Surprisingly, since the plea for examination of justice in cross-cultural contexts arose more than a decade ago, relevant studies are still limited. Recently, Shao, Rupp, Skarlicki and Jones (2013) argued that whereas justice studies comparing data from a single nation with existing findings from other countries contribute to the research base, a lack of truly comparative studies limits our understanding of cross-cultural differences in justice and its effects. Since most singlecountry studies of justice, and the very few cross-national justice studies, have been conducted in North America or between North America and other countries (Shao et al., 2013), this study diverts the focus to the Asia Pacific region where cross-cultural justice issues have received even less academic attention. Specifically, the present study examines and compares the justice-commitment relationship in three different countries: China, which is Eastern-culture-oriented (Rubin et al., 2006); South Korea, which is Eastern-cultureoriented but now more influenced by Western culture than China (Rubin et al., 2006); and Australia, which is Western-culture-oriented (Rubin et al., 2006).

To summarize, this cross-cultural study investigates the relationships among organizational justice, organizational trust, and organizational commitment in China, South Korea and Australia, to explore cross-national cultural differences.

## Literature Review and Hypothesis Development

## Organizational justice

Organizational justice is defined as an employee's subjective evaluation of the ethical and moral propriety of their employer (Cropanzano, Bowen, & Gilliland, 2007), and is generally considered to comprise distributive, procedural and interactional justice.

Distributive justice, the first studied component of justice, refers to the perceived fairness of outcome distributions (Cropanzano, Prehar, & Chen, 2002; Melkonian, Monin, & Noorderhaven, 2011). Research on distributive justice in organizations began with the introduction of equity theory (Adams, 1963, 1965), focusing on fairness perceptions built on the comparison of one's input-outcome ratio with another's. In a later stage, other theories, including Crosby's (1976) relative deprivation theory and Walster, Hatfield, Walster, and Berscheid's (1978) equity theory, expanded distributive justice research. From a social exchange perspective, employees pursue distributive justice because they expect favorable outcomes that match their investments in the organization, such as effort and time (e.g., payment and benefits). Researchers have investigated employees' outcome-aroused reactions to perceived distributive justice or injustice (e.g., payment and benefits). These reactions are typically considered to have three aspects, cognition (e.g., cognitively distorting input-outcome ratio), affect (e.g., satisfaction with job and outcomes), and behavior (e.g., job performance and withdrawal) (Cohen-Charash & Spector, 2001; Colquitt et al., 2001).

Procedural justice refers to the perceived fairness of the procedures and means of outcome distribution and decision making (Cropanzano et al., 2007; Melkonian et al., 2011). Procedures that are consistent, unbiased, accurate, correct, ethical, and representing stakeholders' views, are more likely to be perceived as fair (Cropanzano et al., 2007; Leventhal, 1980). Employees desire procedural justice due to their beliefs that fairness in decision-making procedures tends to produce more equitable outcomes (Lind & Tyler, 1988). Thibaut and Walker (1975) indicate that, in decision-making processes, people prefer process control over decision control. Once they perceive the procedures to be fair, they are willing to accept the decisions, even if they are not entirely satisfied with the outcomes (Begley, Lee, & Hui, 2006; Colquitt et al., 2001; Greenberg & Folger, 1983). In their comprehensive review, Cohen-Charash and Spector (2001) state that procedural justice mainly affects employees' process-aroused cognition, affect, and behavior toward the whole organization.

Interactional justice concentrates on interpersonal interaction in the implementation of procedures (Cropanzano et al., 2002). Compared with distributive and procedural justice, interactional justice is more effective in examining employees' reactions to supervisors (Cropanzano et al., 2002; Masterson, Lewis, Goldman, & Taylor, 2000). Since this research focuses on employees' social exchange with their organization rather than their supervisor, this paper follows Loi, et al. (2006) and Begley et al. (2006) to only examine distributive and procedural justice.

Procedural and distributive justice differ in that procedural justice is more concerned with process, while distributive justice focuses more on content or results (Greenberg, 1987). There is also evidence that distributive justice is more closely related to particular outcomes such as pay, while procedural justice is more closely related to organization-based outcomes such as organizational commitment (DeConinck, 2010; Martin & Bennett, 1996; McFarlin & Sweeney, 1992). However, Loi et al. (2006) suggest that the role of distributive justice in the employee-organization exchange has been de-emphasized in recent research which may color the identified differences between distributive and procedural justice. Therefore, it is still unclear whether procedural justice is more powerful than distributive justice in predicting organization-based outcomes. In fact, recent studies have produced mixed results (Andrews et al., 2008). For example, Colquitt et al.'s (2001) meta-analysis found the correlation of withdrawal with distributive justice to be stronger than with procedural justice. Farmer, Beehr, and Love (2003) found that distributive and procedural justice did not significantly differ in predicting organizational commitment. Therefore, this study will consider both distributive and procedural justice.

## Organizational justice and organizational commitment

Mowday, Steers, and Porter (1979) define organizational commitment as employees' acceptance of the organization's values and goals, willingness to help the organization with their own efforts and desire to remain in the organization. Klein, Becker, and Meyer (2009) have reviewed the range of conceptualizations of commitment, noting that Meyer and Allen's (1991) three-component model is predominant in current research. According to this model, organizational commitment has three mindsets: affective, continuance and normative commitment. Employees with affective commitment want to emotionally attach to, identify with, and involve themselves in the organization. Continuance commitment reflects an employee's need to stay with the organization because of the perceived cost of leaving and lack of alternatives (McGee & Ford, 1987; Powell & Meyer, 2004). Normative commitment reflects an employee's felt obligation to remain.

Although the relationships between commitment dimensions (especially affective and normative) and justice perceptions have been well-established based on the social exchange perspective (Ehrhardt, Shaffer, Chiu, & Luk, 2012), consistent empirical findings support that the affective dimension, among the three, is the strongest consequence of justice (Meyer, Stanley, Herscovitch, & Topolnytsky, 2002; van Dierendonck & Jacobs, 2012). Andrews et al.

(2008) argue that feelings of affective commitment are most likely to be considered a kind of reciprocation of fairness perceptions, given that continuance or normative commitment is caused by a felt need or obligation. Affective commitment has been viewed to form over a longer term than other types of commitment and benefits the organization to the largest extent (Cohen, 2007); the characteristics of long-term development and emotional attachment embedded in affective commitment should result in strong social exchanges (Shore, Tetrick, Lynch, & Barksdale, 2006). Further, Colquitt et al. (2013) conclude from a set of studies that affective commitment is an indicator of social exchange quality, because starting and maintaining social exchanges requires a long-term mutual commitment through which diffuse favors are repaid over the long term (Blau, 1964; Wayne, Shore, Bommer, & Tetrick, 2002). Since employees affectively committing to the organization are more willing to accept the values, and pursue the goals, of the organization, the affective aspect of organizational commitment has been most frequently examined as an outcome of organizational justice (Andrews et al., 2008; Colquitt et al., 2001; Meyer et al., 2002). Although normative commitment tends to be explainable from the social exchange perspective, doubts have been raised as to the value of retaining the normative dimension as a distinct component (Jaros, 1997) due to its high correlation with affective commitment (Meyer et al., 2002), particularly in Eastern cultures (e.g., South Korea, a country involved in the present study, Ko, Price, & Mueller, 1997). Recently, Klein, Molloy, and Brinsfield (2012) argued that not all types of bonds with the organization are commitment. They suggest that normative commitment heavily overlaps with all other bond-related concepts studied (i.e., acquiescence, instrumental, and identification bonds), which blurs the borders between normative commitment and these other concepts. Compared with the affective aspect, the normative dimension reflects the concept of commitment rather weakly (Klein et al., 2012). Thus, this study only considers affective organizational commitment (AOC), which appears most suitable for examining organizational justice from the social exchange theoretical foundation (Andrews et al., 2008).

Based on social exchange, employees commit to the organization because they reciprocate the favorable treatment they receive from the organization (Wayne et al., 2002). If an organization provides an environment in which employees perceive that they are treated fairly, they are likely to experience higher levels of perceived organizational support, which in turn will increase AOC (Loi et al., 2006; Wayne et al., 2002). As noted earlier, employees perceiving a higher level of justice are likely to show a higher level of AOC (Ambrose & Schminke, 2009), and may demonstrate further positive work outcomes such as

organizational citizenship behavior (Schappe, 1998) and satisfactory job performance (Wright & Bonett, 2002). In contrast, employees experiencing injustice or a lower level of justice may have a lower level of AOC, because they are less likely to exchange their "good" (e.g., AOC) with the organization's "bad" (e.g., injustice). As a consequence, they will probably have a higher level of turnover intention and organizational deviance (Ambrose & Schminke, 2009), which to a large extent is caused by a lower level of AOC (Chang, 1999). Research has shown that although both distributive and procedural justice could predict organizational commitment, procedural justice tends to be a stronger predictor (Cohen-Charash & Spector, 2001; Colquitt et al., 2001; Sweeney & McFarlin, 1993). As fair procedures reflect an organization's competence in dealing fairly with their staff (McFarlin & Sweeney, 1992), procedural justice (compared to distributive justice) might be more related to employees' attitudes and beliefs toward the organization as a whole (Cropanzano et al., 2007). Thus, this paper proposes the following hypotheses:

*Hypothesis 1*: Distributive (H1a) and procedural justice (H1b) will be positively related to AOC.

*Hypothesis* 2: Procedural justice will have a greater impact on AOC than distributive justice.

## Organizational justice and organizational trust

Trust refers to the willingness of the trustor to be vulnerable to the actions of the trustee with the expectation that the trustee will positively treat the trustor, regardless of the trustor's ability to control or monitor the trustee (Mayer, Davis, & Schoorman, 1995). In the workplace, employees' trust referents, i.e., people whom an employee may trust, are primarily relevant individuals (e.g., supervisors and co-workers), work groups, and generalized representatives (e.g., management, employer, or organization) (Chen, Aryee, & Lee, 2005; Whitener, 1997). Trust in one's organization and trust in one's supervisor are two distinct forms of trust, and the two most studied in the workplace context. Trust in one's organization is a result of interaction with the organization's top management and also with "the organization's policies, processes, and programs" (Cho & Park, 2011, p. 553). In comparison, trust in one's organization has been found to be related to higher AOC and lower turnover intention, while trust in one's supervisor is more associated with satisfaction with supervisor and innovative behaviors (Tan & Tan, 2000).

Employees trust their organizations partly because they expect that the organization will consider fairly their contributions and reciprocate with reasonable rewards, through fulfilling the unspecified obligations in the employee-organization social exchange (Blau, 1964; Eisenberg, Fasolo, & Davis-LaMastro, 1990). An organization's genuine concern for its employees' well-being demonstrates benevolence and goodwill, leading to perceptions of trustworthiness among the staff (Chen et al., 2005). Justice and trust have similar elements. For example, both justice and trust emphasize consistency of past actions, a rule of procedural justice. This consistency with previous promises may be thought to be conscionable and trustworthy (DeConinck, 2010; Mayer et al., 1995). Similarly, when the organization consistently treats employees in line with what it says it will do, employees are likely to repay the organization with trust (Tremblay et al., 2010). Empirical studies of the justice-trust linkage suggest that justice contributes to trust development (Stinglhamber, Cremer, & Mercken, 2006; Tremblay et al., 2010). While research has frequently examined the procedural justice-trust relationship, relatively few studies (e.g., Aryee et al., 2002; DeConinck, 2010; Klendauer & Deller, 2009) have investigated the relationship between distributive justice and trust. This research considers both procedural and distributive justice in examining the justice-trust relationship. In this study, organizational trust is considered to be an employee work outcome in response to the organization as a whole. Trust, embedded in social exchanges, develops over time based on frequent observations and interactions (Mayer et al., 1995). Considering that employees work with the organization's procedures and policies on a daily basis (Folger & Martin, 1986), but changes in reward distribution occur relatively infrequently (Shore & Shore, 1995), procedural justice might be more relevant than distributive justice in a social exchange relationship (Loi et al., 2006). Therefore, consistent with the findings of Aryee et al. (2002), this study expects procedural justice to be more powerful in affecting organizational trust. Therefore:

*Hypothesis 3*: Distributive (H3a) and procedural justice (H3b) will be positively related to organizational trust.

*Hypothesis 4*: Procedural justice will have a greater impact on organizational trust than distributive justice.

## Mediating effects of organizational trust

Employees' trust in the organization reflects their psychological reliance on the employment relationship, and their willingness to be vulnerable to the organization's actions

to fulfill their expectations (Tan & Lim, 2009). According to Mayer et al. (1995), employees will assess the trustworthiness of the organization before trusting and reciprocating. For instance, employees may view an organization with integrity (comprising elements of fairness and justice, Chathoth, Mak, Sim, Jauhari, & Manaktola, 2011) as being trustworthy. Employees' expectations may grow as an organization's trustworthiness increases as they may have stronger beliefs that reciprocal exchange with the organization will occur. As previously noted, in social exchange theory, trust plays an important role in facilitating social exchange reciprocation. Empirical results have shown that trust in an organization can result from perceptions of justice (e.g., Fang & Chiu, 2010; Stinglhamber et al., 2006). Trust can also be an antecedent factor of work outcomes such as AOC (e.g., Brockner, Siegel, Daly, Tyler, & Martin, 1997; Cho & Park, 2011).

Organizational trust and AOC are different concepts. Perry and Mankin (2007) take the view that trust involves the ways employees view their organizations and the attractive features of their organization's mission and tradition, while commitment exclusively concentrates on the member-organization bond and attachment. However, there is overlap between the definition of trust and that of commitment in some researcher's work. For example, Luhmann (1979) suggests that trust in one's organization contains the components of an organization's systemic characteristics including goals and values (Perry & Mankin, 2007), which are elements of Buchanan (1974), Mowday et al.'s (1979), and Meyer and Allen's (1991) definitions for AOC. Similarities in the acceptance of goals and values may have provided a basis for Ouchi's (1981) perspective that trust is a key determinant of commitment and loyalty. Social exchange theory suggests that trust forms between employees and the organization under long-term and stable relationships (Blau, 1964; Wong, Ngo, & Wong, 2002). The established trust-based relationship fosters employees' psychological contracts (Chiaburu & Byrne, 2009) and expectations of reciprocity (Brockner et al., 1997; Mayer et al., 1995) which they believe will be fulfilled in the future (Tremblay et al., 2010). This trust in the organization's future intentions and conduct may motivate individuals to achieve organizational goals and reinforce employees' emotional bonds, which reflect a higher AOC (Chiaburu & Byrne, 2009; Tremblay et al., 2010).

Past research has consistently demonstrated organizational trust to be an antecedent of AOC. For instance, Cho and Park (2011) disclose that compared with trust in one's supervisor and co-workers, employees' trust in the organization (in terms of top management) is more strongly related to their AOC. Chen et al.'s (2005) investigation of Chinese employees also

indicates that trust in one's organization, as a mediator, contributes to the development of AOC ( $\beta$  = 0.68, p < 0.01). Other researchers (Aryee et al., 2002; Tremblay et al., 2010; Whitener, 2001) provide further quantitative findings supporting the positive association between trust in one's organization (or management) and AOC. Hence, the literature supports a linkage between organizational trust and AOC.

The discussion above implies that trust in one's organization could mediate the justice-AOC relationship. Models in which trust mediates the procedural justice-AOC relationship have been considered by several authors (e.g., Albrecht & Travaglione, 2003; Aryee et al., 2002; Tremblay et al., 2010) using samples from India, Canada and other countries, respectively. However, very few studies have considered trust as a mediator of the distributive justice-AOC relationship. This study will consider these relationships simultaneously using several national contexts.

*Hypothesis 5*: Organizational trust mediates the relationship between distributive justice and AOC.

*Hypothesis* 6: Organizational trust mediates the relationship between procedural justice and AOC.

## Cultural differences in relationships of justice with trust and commitment

As discussed earlier, in general, justice perceptions can potentially impact employees' attitudes toward employers. However, the impact is likely to differ across cultures. Previous research has suggested that employees' justice evaluations and corresponding reactions can be influenced by their organization's valuing their well-being and providing favorable outcomes in terms of reward allocation (Brockner et al., 1997; Brockner & Wiesenfeld, 1996). Due to distinctive national cultures, people from different countries evaluate well-being, allocation and fairness differently (Kim, Park, & Suzuki, 1990; Kim, Weber, Leung, & Muramoto, 2010), and then differentially participate in social exchanges (Brockner, Chen, Mannix, Leung, & Skarlicki, 2000). In their cross-cultural study, Pillai, Williams, and Tan (2001) found the influence of justice on employee outcomes tended to vary between Western and Eastern cultures (e.g., the United States versus India or Hong Kong), and be similar in somewhat analogous cultures (e.g., the United States and Germany). When exploring the differences in people's attitudes and willingness in response to fairness, Brockner et al. (2000) found what Canadians and Chinese considered to be favorable interactions between members and the organization to be different, partially because of Western-Eastern differences in self-

construal, the way people conceptualize themselves. In a similar track, it is expected that in China and South Korea, the two Eastern countries with close values and norms, employees' reactions (i.e., trust and AOC) to a specified type of justice will differ from those of Australian employees (Pillai et al., 2001).

There are several theoretical perspectives that support cultural differences in justice-outcome relationships. First, compared with Australians, Chinese and South Koreans' reactions to justice may be influenced by the traditional Confucian philosophy (Hofstede, 2001). People from Confucian-influenced East Asian cultures (e.g., China and South Korea) generally believe in *pao*, a metaphysical belief of retributive justice (Chiu, 1991; Cho, 2008). To some extent, they tend to believe that the amount of good or bad deeds will determine whether they receive blessings or curses. They might regard human intervention in the process of decision-making to be less necessary because of their belief that an automatic reward/penalty system exists for good/bad deeds (Chiu, 1991). Therefore, their reliance on the metaphysical to ensure justice makes them emphasize procedural justice rules less than people from Western cultures (Pillai et al., 2001) such as Australia. Due to this potential function of their metaphysical beliefs, Chinese and Koreans may pay more attention to the outcomes of reward distributions than Australians with regard to assessing and responding to the fairness of the organization.

In addition, power distance—a cultural value that describes the extent to which societies accept the unequal distribution of power in institutions and organizations (Hofstede, 2001), may provide additional explanations for the differences in justice-outcome relationships between Australia and China and South Korea. People from high power distance cultures (e.g., China and South Korea) are more likely to accept the hierarchical gap between employees and organizational authorities, and perceive barriers that prevent them from establishing close relationships with these authorities. However, people from low power distance cultures (e.g., Australia) tend to build closer relations with authorities and involve themselves in the process of decision making (Begley, Lee, Fang, & Li, 2002; Hofstede, 2001). Without high-quality relationships with authorities, people from high power distance cultures might lack access to specific information about procedures and procedural justice (Begley et al., 2002) and thus place extra importance on distributed outcomes. This inference has been supported by empirical studies that found the work outcomes, e.g., job satisfaction (Pillai et al., 2001) and quit intention (Begley et al., 2002), of employees with high power

distance orientations are more sensitive to distributive justice and less sensitive to procedural justice than that of employees with low power distance orientations.

Logically extending the above discussion to justice effects on trust and commitment, this paper expects that employees from China and South Korea will react to distributive justice more strongly but react to procedural justice less strongly than their Australian counterparts. Thus, this paper hypothesizes:

Hypothesis 7: The relationships of distributive justice with organizational trust (H7a) and AOC (H7b) will be stronger in China and South Korea than in Australia. The relationships of procedural justice with organizational trust (H7c) and AOC (H7d) will be stronger in Australia than in China and South Korea.

Hypothesis 8: The trust-mediated relationship of distributive justice (H8a) with AOC will be stronger in China and South Korea than in Australia. The trust-mediated relationship of procedural justice (H8b) with AOC will be stronger in Australia than in China and South Korea.

## **Methods**

#### **Procedure and samples**

Participants in this research were university employees from China, South Korea, and Australia. South Korean and Australian participants completed an anonymous online survey. The universities chosen in Australia were spread across the six states of the country. The chosen South Korean universities were from all five popularly recognized parts (eastern, northern, western, southern, and central) of South Korea. Invitations were sent to South Korean and Australian participants whose email addresses were published on the public email directories of their university's official websites. The invitation email explained the purpose of the study and included a web-link through which voluntary participants could enter into the online survey. Respondents completing the questionnaire were offered entry into a lottery for a book voucher. The use of the web-based survey system ensured the anonymity of participants. In China, since many universities did not have their own official email systems and public email directories, and numerous staff did not have an official university profile with their email addresses, a paper-based survey was administered. In Asian cultures and particularly the Chinese culture, personal and network relationships are very important and helpful in collecting research data (Chen, 2010). The chosen universities were identified

through one author's relationships. These universities were spread across all six greater regions of mainland China. The anonymous paper-based questionnaires were distributed to Chinese participants during working hours by the investigator and Chinese colleagues experienced in academic research. Participants were asked to return the completed questionnaires to a sealed opaque box placed in a designated area. Respondents finishing the paper-based survey either received a small gift, or chose to participate in a lottery for a mobile phone card for their participation. To more definitively isolate country, and hence cultural difference, a focus of this study, only questionnaires received from employees who worked in the country where they held citizenship were used. A total of 706 usable questionnaires from 65 universities were received. Response rates and sample demographics are shown in Table 3.1.

Table 3. 1. Response rates and sample demographics

		China	Korea	Australia	Total
Usable respons	es	227	242	237	706
Response rate		46.6%	4.2%	10.7%	8.4%
Type of survey		paper	online	Online	Both
Number of org	anizations	32	27	6	65
Gender:	Male	42.7%	78.1%	40.9%	54.2%
Job category:	Academic*	69.6%	85.5%	73.4%	76.3%
Job status:	Full time	88.5%	94.2%	76.4%	86.4%
Age:	1. 18–34	72.7%	9.9%	14.8%	31.7%
	2. 35–49	20.7%	38.8%	30.8%	30.3%
	3. 50 or over	6.6%	51.2%	54.4%	38.0%
Education:	1. Bachelor or lower	40.1%	11.2%	22.8%	24.4%
	2. Master	44.9%	7.9%	13.9%	21.8%
	3. Doctor	15.0%	81.0%	63.3%	53.8%
Tenure:	1. Less than 1 year	16.7%	2.5%	9.7%	9.5%
	2. 1–3 years	30.0%	13.6%	16.9%	20.0%
	3. 3–5 years	14.1%	10.3%	17.7%	14.0%
	4. 5–10 years	18.5%	16.1%	23.2%	19.3%
	5. 10 years or over	20.7%	57.4%	32.5%	37.3%

<sup>\*</sup> Other respondents were in non-academic roles.

#### **Measures**

To facilitate consistent translation across three written languages (Chinese, Korean and English), distributive justice and procedural justice items were reframed as statements rather than questions. Examples are given below. The reverse-response items of organizational trust and AOC were reframed in the positive due to this approach being inappropriate in the Korean culture and to a lesser extent, the Chinese culture, on the advice of the translators. The Chinese-language version of the original English-language

questionnaire was translated and back-translated by different translators. Two other bilingual proofreaders checked the translation. The Korean-language questionnaire was developed in the same fashion. All items (except demographic variables) were presented using a Likert scale (from "1 = strongly disagree" to "5 = strongly agree").

## Distributive justice

All four items developed by Colquitt (2001) were used. For example: "My outcome reflects the effort I have put into my work"; "My outcome is appropriate for the work I have completed".

## Procedural justice

All seven items developed by Colquitt (2001) reflecting Thibaut and Walker's (1975) concepts and Leventhal's (1980) fairness rules were used to measure procedural justice. For example, with regard to procedures used to arrive at a respondent's outcome, "I have been able to express my views and feelings during those procedures" and "Those procedures have been applied consistently".

## Organizational trust

Six items taken from the seven-item scale used by Robinson (1996) that reflect Gabarro and Athos's (1976) trust dimensions were employed to measure trust in the organization. Following Karriker and Williams (2009), a reverse-response item specifically addressing fairness was excluded. Two reverse-coded items were reframed to the positive. For example, "My employer is not always honest and trustful" was reworded to be "My employer is always honest and trustful".

#### Affective organizational commitment (AOC)

The six-item scale of affective commitment of Meyer, Allen, and Smith (1993) was used. The three reverse-response items were reframed to the positive. For example, "I do not feel emotionally attached to this organization" was reworded to be "I feel emotionally attached to this organization".

#### Control variables

Researchers have indicated that gender, age, educational level, and organizational tenure may influence organizational trust (Tan & Lim, 2009) and AOC (Mathieu & Zajac, 1990). In addition, research has shown job status (full-time/part-time) (Lee & Johnson, 1991)

and job category (Tytherleigh, Webb, Cooper, & Ricketts, 2005) can affect AOC. Therefore, these variables were controlled in further data analysis.

## Data analysis

Following standard preparatory procedures (Hair, Black, Babin, & Anderson, 2010), discriminant and convergent validity was examined using confirmatory factor analysis (CFA) (AMOS 20, maximum likelihood) to determine whether the four factors were distinct from each other. The four-factor model was compared with a single-factor model, a two-factor model, and three three-factor models.

Second, to determine whether comparison on these measures can be legitimately undertaken across the countries investigated, this study followed the methodology used by Kim et al. (2010) to conduct multi-group CFA (Blunch, 2008; Byrne, 2004; Sharma, 2010) for the four-factor model at the configural and metric level.

To assess model fit in CFA and multi-CFA, four measures were considered: The ratio of chi-square to degrees of freedom ( $\chi^2/df$ ) which is less affected by sample size than the chi-square ( $\chi^2$ ) (Jöreskog & Sörbom, 1996; Tremblay et al., 2010), the root mean square error approximation (RMSEA), the standardized root mean residual (SRMR), and the comparative fit index (CFI). For a model with adequate fit, these indexes should meet:  $\chi^2/df$  less than 5.0 (Marsh & Hocevar, 1985); RMSEA less than 0.10 (MacCallum, Browne, & Sugawara, 1996); SRMR less than or close to 0.08 (Hu & Bentler, 1999); and CFI around or over 0.90 (Bentler, 1995; Oswald, Mossholder, & Harris, 1994).

Third, to test the effects of organizational justice on organizational trust and AOC, hierarchical regression analysis was performed for each national sample. Then the relative effects of distributive and procedural justice on organizational trust and AOC were assessed. This procedure has been employed in prior organizational justice research (e.g., Clay-Warner et al., 2005; Folger & Konovsky, 1989; McFarlin & Sweeney, 1992). The amount of unique variance in organizational trust and AOC explained by distributive justice and procedural justice were compared through further hierarchical regression analysis (Cohen, Cohen, West, & Aiken, 1983; Folger & Konovsky, 1989).

Fourth, to test the mediation role of trust on the justice-AOC relationship, Baron and Kenny's (1986) four conditions for mediation were examined firstly: (1) the independent and mediating variables must be related; (2) the independent and dependent variables must be

related; (3) the mediating and dependent variables must be related; (4) the relationship between independent and dependent variables must become weaker (partial mediation) or non-significant (full mediation) with the addition of the mediating variable. In addition, following Preacher and Hayes' (2004) recommendation, Sobel's (1982) test was performed to further confirm the significance of the indirect (trust-mediated) effects of justice on AOC.

Fifth, z-tests (Paternoster, Brame, Mazerolle, & Piquero, 1998) were performed to examine specific differences between national samples. To calculate z-values, the formula suggested by Paternoster et al. (1998) was used. This formula provides a more conservative method to test slope differences across models than other popular z-tests (Clay-Warner et al., 2005).

#### **Results**

Table 3.2 shows the results of CFA and multi-group CFA. The 4-factor model demonstrated the best fit, all four measures meeting the recommended criteria, supporting the distinctiveness of the four constructs. The factor loading of each item on its corresponding factor was statistically significant and greater than twice their respective standard error. Therefore, the constructs demonstrated acceptable convergent validity (Anderson & Gerbing, 1988). As the four-factor model had better fit than the single-factor model, the common method variance tended to be non-significant (see Harman's single-factor test, Podsakoff, MacKenzie, Lee, & Podsakoff, 2003)

As shown in Table 3.2, both configural and metric invariance models had adequate model fit, suggesting the three countries share the similar pattern of fixed and free factor loadings, and invariant factor loadings for like items (Vandenberg & Lance, 2000). Thus, the measures used in this study had cross-cultural generality for China, South Korea and Australia (Ryan, Chan, Ployhart, & Slade, 1999).

Table 3. 2. The results of CFA and multi-group CFA

	$\chi^2$	df	$\chi^2/df$	RMSEA	SRMR	CFI
CFA						
1-factor model	5378.72	230	23.39	0.18	0.14	0.57
2-factor model	4031.18	229	17.60	0.15	0.12	0.69
3-factor model 1	2270.93	227	10.00	0.11	0.08	0.83
3-factor model 2	2106.12	227	9.28	0.11	0.09	0.84
3-factor model 3	2859.14	227	12.60	0.13	0.10	0.78
4-factor model	1095.21	224	4.89	0.07	0.06	0.93
Multi-group CFA						
Configural invariance	1836.53	724	2.54	0.07	0.05	0.91
Metric invariance	1904.06	743	2.56	0.08	0.05	0.90

Note: In the 1-factor model, all four variables studied were loaded on a single factor. In the 2-factor model, distributive justice and procedural justice were loaded on a factor, and trust and AOC were loaded on the other factor. In the 3-factor model 1, two types of justice were loaded on one factor. In the 3-factor model 2, procedural justice and trust were loaded on one factor. In the 3-factor model 3, trust and AOC were loaded on one factor. In the 4-factor model, all four variables were treated as four independent factors.

Table 3.3 presents means, standard deviations, correlations, and alpha reliabilities for measured variables by country. The four measured variables were correlated in all three countries.

Table 3. 3. Means, standard deviations, correlations and alpha coefficients

Variables	M	SD	1	2	3	4
China $(N = 227)$						
1. Distributive justice	2.85	0.98	(0.90)			
2. Procedural justice	2.79	0.76	0.50	(0.87)		
3. Organizational trust	3.11	0.86	0.51	0.51	(0.92)	
4. AOC	3.14	0.84	0.48	0.44	0.70	(0.90)
$Korea\ (N=242)$						
1. Distributive justice	3.02	0.90	(0.89)			
2. Procedural justice	2.77	0.77	0.61	(0.86)		
3. Organizational trust	3.05	0.82	0.39	0.47	(0.93)	
4. AOC	3.69	0.77	0.32	0.33	0.48	(0.90)
$Australia\ (N=237)$						
1. Distributive justice	3.48	1.04	(0.94)			
2. Procedural justice	3.24	0.87	0.49	(0.90)		
3. Organizational trust	3.53	1.08	0.37	0.78	(0.96)	
4. AOC	3.15	0.98	0.18	0.44	0.49	(0.91)

Note: AOC = affective organizational commitment. All correlations are significant at p < 0.001. Numbers in brackets are Cronbach's  $\alpha$ .

Tables 3.4, 3.5 and 3.6 provide hierarchical regression results for the three country-based samples. With regard to Hypothesis 1, results showed significant and positive relationships between AOC and both distributive justice and procedural justice in China and South Korea. In the Australian sample, a positive relationship between AOC and procedural justice was found but the relationship between distributive justice and AOC was not significant. Accordingly, H1a was supported in China and South Korea but not in Australia, and H1b was supported in all three countries. Hypothesis 2 predicts that procedural justice (compared with distributive justice) has a greater impact on AOC. As shown in Tables 3.4, 3.5 and 3.6, the standardized regression coefficient of procedural justice was smaller than that of distributive justice in China (0.27 versus 0.35) but greater in South Korea (0.20 versus 0.17) and in Australia (0.47 versus -0.04). Additionally, the corresponding amount of unique variance in AOC explained by distributive justice and procedural justice was 8.04% (p < 0.001) and 5.48% (p < 0.001) respectively for China; 1.70% (p < 0.05) and 2.29% (p < 0.05) for South Korea; and 0.10% (ns) and 16.42% (p < 0.001) for Australia. Thus, Hypothesis 2 was supported in South Korea and Australia but not in China.

In testing Hypothesis 3, organizational trust (dependent variable) was regressed on distributive and procedural justice together with the six demographic variables. Results are shown in Tables 3.4, 3.5 and 3.6. The positive distributive justice and trust relationship (H3a) was supported only in China and South Korea but not in Australia. The procedural justice and trust relationship (H3b) was supported in all three countries. Hypothesis 4 predicts that procedural justice has a stronger relationship with trust than distributive justice. Applying the same methods for testing Hypothesis 2, results showed that in all three countries, the standardized regression coefficient was greater for procedural justice than for distributive justice when predicting organizational trust (China, 0.37 versus 0.34; South Korea, 0.39 versus 0.16; Australia, 0.78 versus – 0.02). The relationship between organizational trust and distributive justice in Australia was not significant. Further, distributive justice and procedural justice respectively accounted for 7.54% (p < 0.001) and 10.01% (p < 0.001) of the unique variance of organizational trust among Chinese; 1.49% (p < 0.05) and 9.25% (p < 0.001) among South Koreans; and 0.02% (ns) and 45.56% (p < 0.001) among Australians. Hence, Hypothesis 4 was accepted in all the three countries.

Hypothesis 5 predicts that organizational trust mediates the distributive justice-AOC relationship. Based on the results of Hypothesis 3, Baron and Kenny's (1986) first condition was not supported in Australia. Therefore, Hypothesis 5 was rejected for the Australian

sample. For China and South Korea, the results of Hypothesis 3 and 1 support the first two conditions. As shown in Table 3.4 and Table 3.5, the trust and AOC relationship was significant for both Chinese and South Korean samples, satisfying Condition 3. With the addition of trust, the distributive justice and AOC relationship becomes weaker in China and non-significant in South Korea, supporting Condition 4. Therefore, organizational trust fully mediates the distributive justice and AOC relationship in South Korea, and partially mediates this relationship in China. Further, results of Sobel's (1982) test (see Table 3.7) showed the indirect effect of distributive justice on AOC was significant in China and South Korea but non-significant in Australia. Consequently, Hypothesis 5 was supported only in China (full mediation) and South Korea (partial mediation) but not in Australia.

Table 3. 4. Results of hierarchical regression analysis for the Chinese Sample

Dependent variables →	Organiz	ational trust		AOC				
Independent variables $\downarrow \beta$	Step 1	Step 2	Step 1	Step 2	Step 3			
Gender – male	0.06	-0.09	$0.13^{\dagger}$	-0.00	0.05			
Age	-0.02	-0.02	0.00	0.01	0.02			
Education	-0.05	-0.10	-0.08	$-0.12^{\dagger}$	-0.06			
Tenure	0.06	0.02	0.03	-0.01	-0.02			
Job category – academic	-0.08	0.02	-0.08	0.01	-0.00			
Job status – full-time	$-0.14^{\dagger}$	$-0.13^*$	0.02	0.01	$0.09^{\dagger}$			
Distributive justice		0.34***		0.35***	$0.14^{*}$			
Procedural justice		0.37***		0.27***	0.05			
Organizational trust					0.61***			
$R^2$	0.04	0.38	0.04	0.30	0.52			
F for $R^2$	1.69	16.88***	1.31	11.39***	26.51***			
$\Delta R^2$		0.34		0.26	0.23			
F for $\Delta R^2$		59.75***		40.21***	104.32***			
Unique variance explained by distributive justice (DJ) and procedural justice (PJ)								
DJ beyond PJ		0.075***		0.080***				
PJ beyond DJ		$0.100^{***}$		0.055***				

Note: N=227. Standardized coefficients are reported. AOC = affective organizational commitment. Gender (female = 0/male = 1), job category (non-academic = 0/academic = 1), and job status (part-time = 0/full-time = 1) are dummy-coded. The unique variance (x beyond y) is measured by the incremental change in regression fit due to adding x after y in regression.

<sup>\*\*\*</sup> p < 0.001; \*\* p < 0.01; p < 0.05; p < 0.10.

Table 3. 5. Results of hierarchical regression analysis for the South Korean Sample

Dependent variables $\rightarrow$	Organi	zational trust		AOC						
Independent variables $\downarrow \beta$	Step 1	Step 2	Step 1	Step 2	Step 3					
Gender – male	0.06	0.01	0.08	0.05	0.04					
Age	0.08	0.06	0.11	0.09	0.06					
Education	$-0.19^*$	$-0.18^{*}$	-0.02	-0.00	0.07					
Tenure	-0.03	-0.06	-0.03	-0.05	-0.03					
Job category – academic	0.14	0.03	0.15	0.08	0.06					
Job status – full-time	-0.02	0.02	0.02	0.05	0.04					
Distributive justice		$0.16^{*}$		$0.17^{*}$	0.10					
Procedural justice		0.39***		$0.20^*$	0.03					
Organizational trust					0.42***					
$R^2$	0.03	0.26	0.06	0.15	0.29					
F for $R^2$	1.00	10.11***	$2.27^*$	5.23***	10.31***					
$\Delta R^2$		0.23		0.10	0.13					
F for $\Delta R^2$		36.55***		13.39***	43.35***					
Unique variance explained by	Unique variance explained by distributive justice (DJ) and procedural justice (PJ)									
DJ beyond PJ		0.015*		$0.017^{*}$						
PJ beyond DJ		0.093***		$0.023^{*}$						

Note: N=242. Standardized coefficients are reported. AOC = affective organizational commitment. Gender (female = 0/male = 1), job category (non-academic = 0/academic = 1), and job status (part-time = 0/full-time = 1) are dummy-coded. The unique variance (x beyond y) is measured by the incremental change in regression fit due to adding x after y in regression.

<sup>\*\*\*</sup> p < 0.001; \*\* p < 0.01; p < 0.05; p < 0.10.

Table 3. 6. Results of hierarchical regression analysis for the Australian Sample

Dependent variables $\rightarrow$	Organiz	zational trust		AOC	
Independent variables $\downarrow eta$	Step 1	Step 2	Step 1	Step 1	Step 2
Gender – male	0.01	-0.03	-0.05	-0.07	- 0.06
Age	-0.07	-0.04	$0.12^{\dagger}$	$0.14^*$	$0.16^{**}$
Education	-0.01	0.01	$-0.17^{\dagger}$	$-0.16^{\dagger}$	$-0.17^{*}$
Tenure	-0.08	-0.04	$0.18^{**}$	$0.20^{**}$	$0.22^{***}$
Job category – academic	-0.14	-0.07	0.05	0.05	0.08
Job status – full-time	0.03	0.05	0.04	0.05	0.03
Distributive justice		-0.02		-0.04	-0.03
Procedural justice		$0.78^{***}$		$0.47^{***}$	0.13
Organizational trust					0.43***
$R^2$	0.04	0.62	0.08	0.27	0.34
F for $R^2$	1.72	47.30***	3.09**	10.73***	13.24***
$\Delta R^2$		0.58		0.20	0.07
F for $\Delta R^2$		176.22***		31.22***	24.49***
Unique variance explained by	y distributive	justice (DJ) and	l procedural j	ustice (PJ)	
DJ beyond PJ		0.000		0.001	
PJ beyond DJ		0.456***		0.164***	

Note: N=237. Standardized coefficients are reported. AOC = affective organizational commitment. Gender (female = 0/male = 1), job category (non-academic = 0/academic = 1), and job status (part-time = 0/full-time = 1) are dummy-coded. The unique variance (x beyond y) is measured by the incremental change in regression fit due to adding x after y in regression.

Hypothesis 6 predicts that organizational trust mediates the procedural justice-AOC relationship. Baron and Kenny's (1986) four conditions were all met for full mediation in each country (see Table 3.4, 3.5 and 3.6). Sobel's (1982) test (see Table 3.7) demonstrated that the indirect effect of procedural justice on AOC was significant in each country. Thus, Hypothesis 6 was supported in all the three countries.

<sup>\*\*\*</sup> p < 0.001; \*\* p < 0.01; p < 0.05; p < 0.10.

Table 3. 7. Unstandardized coefficients, standard errors, and results for Z-test for differences in regression coefficients across countries

		Organizational trust (OT)  Affective organizational						al commitment (AOC)			
		Org	anızanonai t	rust (O1)		Total effects			Indirect effects (Sobe		
		China	Korea	Australia	China	Korea	Australia	China	Korea	Australia	
Distributive justice	b	0.29***	$0.14^{*}$	- 0.02	0.29***	$0.14^{*}$	- 0.04	0.17***	0.06*	- 0.01	
(DJ)	SE	0.06	0.07	0.05	0.06	0.07	0.06	0.04	0.03	0.02	
	$\mathbf{z}_1$	4.16***	$1.97^*$		3.88***	$1.99^{*}$		4.27***	$1.91^*$		
	$\mathbf{z}_2$		$-1.71^{*}$	$-4.16^{***}$		$-1.69^*$	$-3.88^{***}$		$-2.47^{**}$	$-4.27^{***}$	
Procedural justice	b	0.42***	$0.42^{***}$	$0.96^{***}$	0.30***	$0.20^*$	0.53***	0.25***	$0.17^{***}$	0.38***	
(PJ)	SE	0.07	0.08	0.06	0.07	0.08	0.07	0.05	0.04	0.08	
	$\mathbf{z}_1$	$-6.02^{***}$	$-5.59^{***}$		$-2.21^{**}$	$-3.10^{***}$		$-1.45^{\dagger}$	$-2.35^{**}$		
	$\mathbf{Z}_2$		0.04	$6.02^{***}$		-0.96	2.21**		-1.26	$1.45^{\dagger}$	

Notes: Unstandardized coefficients for justice's total effects on trust and AOC are derived from the models shown in Table 3.4, Table 3.5, and Table 3.6. Standardized coefficients of the DJ–AOC indirect effects are 0.20, 0.07, and – 0.01 for China, South Korea, and Australia, respectively. Standardized coefficients of the PJ–AOC indirect effects are 0.22, 0.17, and 0.34 for China, South Korea, and Australia, respectively.  $Z_1$  is calculated when China and South Korea are compared with Australia, and  $z_2$  is calculated when Australia and South Korea are compared with China. One-tailed tests apply to z-values. The significance of indirect effects are also confirmed using 90% bias-corrected confidence intervals based on bootstrap sampling (N = 2,000) method (Hayes 2013; Preacher, Zyphur, & Zhang 2010): the DJ–AOC indirect effects (China: b = 0.17, Boot SE = 0.04, CI [0.12, 0.24]; Korea: b = 0.06, Boot SE = 0.04, CI [0.003, 0.12]; Australia: b = -0.01, Boot SE = 0.02, CI [-0.04, 0.03]) and the PJ–AOC indirect effects (China: b = 0.25, Boot SE = 0.06, CI [0.15, 0.35]; Korea: b = 0.17, Boot SE = 0.05, CI [0.10, 0.26]; Australia: b = 0.38, Boot SE = 0.08, CI [0.25, 0.53]).

<sup>\*\*\*</sup> p < 0.001, \*\* p < 0.01, \* p < 0.05, † p < 0.10.

With regard to the differences in the effect size of the justice-trust relationship, and both the overall and indirect justice-AOC relationships across nations, results of post hoc ANOVA indicated that employees of these three countries differed in distributive justice (F =16.14, p < 0001), procedural justice (F = 25.54, p < 0.001), organizational trust (F = 18.72, p < 0.001), and AOC (F = 32.50, p < 0.001). This initially implies different employeeorganization social exchange processes in different cultures (Loi et al., 2006). Then z-values (see Table 3.7) (Paternoster et al., 1998) were calculated to make comparisons between countries. First, the total effects of distributive justice on trust and AOC were greater in China and South Korea than in Australia. In contrast, the total effects of procedural justice on trust and AOC were greater in Australia than in China and South Korea. Therefore, Hypothesis 7 was supported. Second, for the indirect relationships between two types of justice and AOC via trust, distributive justice had a greater indirect effect on AOC in China and South Korea than in Australia, so Hypothesis 8a was accepted. In addition, the indirect effect of procedural justice on AOC was greater in Australia than in China and South Korea. Hence, Hypothesis 8b was supported. Further, multi-group SEM path analyses (Blunch, 2008; Kafetsios & Sideridis, 2006) were conducted between Australia and China and South Korea using AMOS 20 with 2,000 bootstrap resamples (Hayes, 2013; Preacher, Zyphur, & Zhang, 2010). Results of chi-square difference tests were consistent with that of z-tests. Detailed SEM procedures and results are presented in Table 3.8 of the Appendix.

### Discussion

## **Findings**

Based on social exchange theory, this study explored the effects of organizational justice on organizational trust and AOC, the mediating effects of organizational trust in the justice-AOC relationship and, separately, cross-cultural national differences. Data collected from China, South Korea, and Australia largely supported the proposed hypotheses and findings demonstrated both cultural similarities and differences.

First, consistent with previous research (Ambrose & Schminke, 2009; Crow, Lee, & Joo, 2012; Wong, Ngo, & Wong, 2006), the present study suggests that, in the process of the employee-organization social exchange, organizational justice influences employees' organizational trust and AOC. However, the influence of justice is slightly different across cultures. On the one hand, while Chinese and South Korean employees' organizational trust

and AOC are sensitive to an organization's distributive justice, Australian workers attach little importance to it. Therefore, in some Eastern cultures (China and South Korea) employers might improve employees' trust and AOC by ensuring equity in outcome distribution. For instance, implementing appropriate human resource management practices such as the commonly used pay-for-performance strategy, directly linking outcomes to performance, may improve perceptions of distributive justice.

On the other hand, regardless of cultural background, it would seem that employees with higher levels of procedural justice perception are more likely to trust in, and commit to, their organizations. However, compared with Australian employees, Chinese and South Korean counterparts are less likely to pay back this procedural justice with trust and AOC. In other words, although generally employee attitudes are more positive when organizations establish fair decision-making procedures and policies (e.g., allowing employee voice and avoiding biased, inconsistent, incorrect, and unethical implementation of relevant procedures), these measures may be more effective in Western cultures than in Eastern cultures. On the whole, these findings demonstrated differences in the effects of distributive and procedural justice in Eastern and Western cultures, providing similar results to Pillai et al.'s (2001) in three countries not previously studied in this regard (Mainland China, South Korea and Australia).

Second, across the three cultures, it was found that procedural justice was more important in building employees' organizational trust than distributive justice. This finding is consistent with past research conducted in the U.S. (DeConinck, 2010; Pillai et al., 2001) and India (Aryee et al., 2002). In this case, one may initially observe a cross-cultural universality of the dominance of procedural justice in developing organizational trust. As Cohen-Charash and Spector (2001) stated, procedural justice is a general way to run an organization. Due to this role of procedural justice in an organization, employees (regardless of cultural background) tend to subconsciously focus more on their organizations' procedures. Thus, employees are likely to regard an organization that applies its rules fairly as being trustworthy.

Third, while procedural justice has a stronger influence on AOC than distributive justice in South Korea and Australia, the reverse is true for China. An element of the traditional Chinese culture, *guanxi*, referring to the important roles of personal ties in Chinese organizations (Chen & Francesco, 2000), may have affected the justice-AOC relationship in China. Chen, Friedman, Yu, and Sun (2011) demonstrate that *guanxi* in a group might intervene in managers' decision making and impact an employee's perception of procedural

injustice. A side effect of *guanxi* is that, it breaks the normal rules and procedures for some people to obtain privileges through an unjustifiable shortcut. In this regard, *guanxi* might decrease employees' actual process control and lower their expectation of procedural fairness, which makes their AOC rely more on distributive aspects that reflect outcomes they could directly observe. Overall, these cross-national findings have confirmed the view that the predominance of procedural justice over distributive justice in impacting organization-based outcomes (e.g., AOC), may not be absolute.

Fourth, extending the existing literature (Albrecht & Travaglione, 2003; Aryee et al., 2002; Tremblay et al., 2010) to a cross-cultural setting, the present findings, in general, support the premise that trust acts as a mediator in the social exchange process in which employees perceive organizational justice and reciprocate with AOC. However, in different cultures, the roles of trust in the social exchange originating from a specific type of justice tend to be different. For one thing, in China and South Korea, employees' organizational trust mediates the relationship of AOC with distributive justice. By contrast, trust does not mediate distributive justice-AOC relationship in Australia. Further, an East Asian difference also exists in that trust functions as a full mediator in South Korea but a partial mediator in China. Combining the results of this study with trust's partial mediating role in the justice-AOC association found for India (Aryee et al., 2002), an Asian difference in the mechanism of trust in social exchange deriving from distributive justice may be identified. It is possible that it can be attributed to the economic gaps within Asia. In other words, Asian employees from more developed countries might rely more on trust to develop AOC from distributive justice. However, this proposition needs further investigation, addressing more Asian countries. In all the three countries, trust acts a full mediator in the procedural justice-AOC relationship. This suggests that across the three cultures, employees' tendencies to reciprocate with AOC in response to fair procedures largely depend on their trust in the organization.

Fifth, although the z-test clearly detects cultural differences in the indirect effect of procedural justice on AOC, this trust-mediated indirect effect in South Korea appears to be closer to that of China, than that of Australia. Therefore, one may anticipate that, in social exchange processes originating from procedural justice, the trust system is more valued in Western cultures than in Eastern cultures. An additional interesting phenomenon for Chinese employees seems to be that there are two paths for distributive justice to impact AOC. One relies on the trust system, and the other does not. Many factors may affect their preferences for the two paths, for example, employees' individual characteristics and organizational

changes such as mergers (Klendauer & Deller, 2009) and downsizing or layoffs (Brockner et al., 1997).

## Theoretical and practical implications

This research has significantly contributed to the justice and social exchange literature in a number of ways. First, results of this study indicate the generalizability of social exchange-based effects of justice (particularly procedural justice) on employee attitudes, found in North America (Shao et al., 2013), to multiple cultures in the Asia Pacific region. For example, in all three societies investigated, employees tend to repay procedural justice with trust and AOC, and trust can mediate the procedural justice-AOC relationship. Although similar findings have already been reported by research that focuses on a single country, the results generated from cross-cultural data enhance our confidence and understanding of justice effects in a broader context. Second, beyond the aforementioned generalizability, the cross-cultural comparisons demonstrated disparate styles of social exchange, originating from justice in different cultures, which have not been documented in the literature. Specifically, under different social contexts, economic exchange ideology may be less likely to interfere with social exchange ideology in a relatively more developed society. For instance, in Australia, procedural justice but not distributive justice affects employees' AOC. In South Korea, a less developed country than Australia, although both forms of justice could affect employees' AOC, the effect of procedural justice tends to be stronger. By contrast, in China, a developing country, the effect of distributive justice on AOC tends to be stronger than that of procedural justice. Third, and more importantly, almost no cross-cultural research has studied the mediating role of trust in justice-related relationships. The results of the present study, as mentioned above, not only provide empirical evidence that supports the facilitation role of trust in social exchanges (e.g., Aryee et al., 2002; Blau, 1964; DeConinck, 2010) in general, but has also distinguished a particular culture from other cultures in terms of the extent of employees' reliance on trust in the process of social exchanges. The present research suggests that trust tends to be more essential in the established social exchanges in Western cultures than in Eastern cultures. Hopefully, these findings provide a starting point for cross-cultural tests of the mediated influence of trust in social exchange relationships. Finally, in response to predecessors' (Greenberg, 2001; Shao et al., 2013) appeals, the present study has added new knowledge to cross-cultural justice research. It has been clearly identified that the patterns and strengths of justice effects vary by country, even when the countries are from the same

cultural cluster (e.g., China and South Korea, Hofstede, 2001). However, on average, the cultural differences in justice effects appear to be less significant between countries belonging to the same cultural cluster, compared with the cases that involve countries from different clusters. Although this conclusion should be treated with caution due to the limited number of countries and culture clusters examined in this study, the present results still suggest future research opportunities to investigate cross-cultural differences of justice utilizing more finegrained approaches, for example, both within-cluster and between-cluster comparisons.

From a practitioner perspective, based on the findings of the current study, it may be useful for employers from any culture to attach importance to fairness construction and trust building in companies, particularly in human resource practices. For example, in compensation management, employers could endeavor to realize at least two targets. The first one is visible equity in the distribution of salary and other benefits, which would give employees clear information that they receive appropriate rewards relative to their own inputs invested in the work. This target might be particularly noteworthy in East-Asian countries and perhaps in other less developed countries (e.g., India, Aryee et al., 2002) as well. Another possible target is the fair personal treatment of employees, i.e., making employees feel respected and comfortable. These two targets would also be beneficial in other human resource activities, such as recruitment, promotion, training, and performance appraisal. Additionally, it may not be wise for an organization to ignore the role of employee trust, as trust is able to influence employees' positive work-related reactions. The trust-AOC relationship can be a lubricant promoting normal organizational activities and is worthy of serious consideration.

Furthermore, multinational organizations need to consider cultural differences when managing employees from various countries. Similar to Pillai et al.'s (2001) work, the present research suggests that top management should be aware that the influences of distributive and procedural justice on employee outcomes might be diverse in an international environment. Although it is common that employees from various cultures value fairness, the extent to which they react to these two forms of fairness is distinctive. While workers from some cultures are more sensitive to either procedural or distributive fairness, those from other cultures might respond to both types of fairness to a similar degree. Thus, it would be helpful for employers to consider cultural background when managing staff in an international context.

#### **Limitations and future research**

The present study has limitations. First, the data was collected using a single method, i.e., self-report surveys, and might have introduced common method bias. However, CFA results have indicated that common method variance is not a significant problem in the present research. Future research may deal with common method variance by using other methodologies (Podsakoff et al., 2003), for example, the introduction of a marker variable, or the use of multisource data. Second, the three country-based samples were different in demographic composition. For example, respondents from China were much younger and held shorter organizational tenure than the counterparts from South Korea and Australia. Nonetheless, neither of these demographic variables was found to affect trust. In Australia, but not in China and South Korea, age and tenure influenced AOC. Because China and South Korea have congeneric cultures, it is expected that the findings for the influences of age and tenure on AOC were similar between these two countries. In addition, while males made up nearly 80% of the South Korean sample, this percentage was approximately 40% for both the Chinese and Australian samples. However, the results showed no influence of gender on either AOC or organizational trust for China and Australia. Taking these together, despite demographic differences, the results from the three countries were comparable. Third, as the respondents were from different universities in different countries, one may be concerned about the impact of different organizational cultures on the results. Considering that universities tend to have similar organizational cultures (Clark, 1987), this impact might be non-significant. Future research could address this by considering other organizations, e.g., multinational organizations located in different countries. Fourth, even though this research focuses on the employee-organization social exchange, interactional justice and trust in supervisor, variables not included in this study, may have an influence on the results. Past research has reported that trust in supervisor and interactional justice could directly or indirectly (e.g., via trust in organization) affect employees' AOC (Aryee et al., 2002; Cho & Park, 2011). Future research could consider this, in a cross-cultural context, comparing the relationships of different types of justice with both organization-focused and supervisorfocused work attitudes (e.g., supervisory trust and commitment).

There are several points for future research to follow. Extending the present findings and Greenberg's (2001) recommendations, future cross-cultural research may examine more dimensions of organizational justice in their social exchange relationships with employment outcomes. To obtain further findings, it is also valuable to include more countries when

investigating these relationships. Besides focusing on the country-level differences of the justice-AOC relationship, future studies might seek the differences resulting from individual-level cultural values, for instance, dealing with personal values as moderators in justice-related relationships (Ramamoorthy & Flood, 2002). In particular, it might be necessary to pay attention to the impact of *guanxi* on the effects of justice in Chinese-background countries and organizations.

#### Conclusion

In conclusion, the present research provides empirical evidence for the influence of organizational justice on employee outcomes in a cross-cultural context involving China, South Korea, and Australia. Results largely support the proposed hypotheses, and suggest that organizations in different countries could improve employees' organizational trust and AOC by creating an environment of fairness, despite the fact that employees from different countries may have different preferences for specific types of justice. In addition, although trust is an effective mediator in the justice-AOC relationship, its role tends to be distinctive for employees from different countries. More importantly, this study provides a cultural insight to distinguish various effects of distributive and procedural justice, offering a new perspective for investigating cross-cultural justice issues. The findings of the current study reveal that the effects of distributive justice tend to vary more with cultural or societal context, compared to the effects of procedural justice; and that the relative strength of these two types of justice in influencing employee attitudes differs between Western and Eastern cultures. It is hoped that this research will shed light on theoretical and empirical explorations of the distinct functions of justice dimensions on an inter-culture or -society basis. Practically, this study suggests that in international management, organizations, especially multinational organizations, should be aware of both cultural similarities and differences in the antecedent effects of justice and employees' trust perceptions. In addition to the implications of the present study, managers will benefit from more comprehensive knowledge of the relationship between culture and justice. Thus, future research is strongly encouraged to apply the effects of cultural values or orientations on social exchange-based relationships between justice, trust, and AOC, to more completely inform international human resource management theory and practice.

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## **Appendix**

Table 3. 8. Results for cross-cultural differences in the effects of justice on trust and commitment based on SEM path model comparisons

		Orgai	nizational	trust (OT)		Affecti	ve organization	al commitm	ent (AOC)		
			Total effe	ects		Total effects Indirect effec			fects		
		China	Korea	Australia	China	Korea	Australia	China	Korea	Australia	
Distributive justice	b	0.29***	$0.14^{\dagger}$	-0.02	$0.29^{***}$	$0.14^{\dagger}$	-0.04	$0.17^{***}$	$0.06^{\dagger}$	-0.01	
	Bootstrap SE	0.06	0.09	0.05	0.06	0.09	0.06	0.04	0.04	0.02	
	90% BCI-L	0.19	0.01	-0.10	0.19	0.01	-0.14	0.11	0.01	-0.04	
	90% BCI-U	0.39	0.28	0.06	0.40	0.29	0.07	0.24	0.12	0.02	
		$\Delta \chi^2_{ m China}$	Australia (1)	= 17.63***	$\Delta\chi^2_{ m China-2}$	$_{\text{Australia}}$ (1) =	15.25***	$\Delta\chi^2_{ m China-2}$	$A_{\text{Australia}}(2) =$	21.75***	
		$\Lambda v^2 r$	(1)	$= 3.98^*$	$\Delta \chi^2_{ m Korea-}$	Australia (1) =	4.03*	$\Delta \chi^2_{ m Korea-}$	$\Delta_{\text{maturalia}}(2) =$	= 3.98 <sup>†</sup>	
Procedural justice	b	0.42***	0.42***	0.96***	$0.30^{**}$	$0.20^{*}$	0.53***	$0.25^{***}$	0.17	$0.38^{**}$	
	Bootstrap SE	0.09	0.10	0.05	0.09	0.08	0.07	0.06	0.05	0.08	
	90% BCI-L	0.27	0.27	0.87	0.14	0.06	0.41	0.15	0.10	0.24	
	90% BCI-U	0.56	0.58	1.04	0.43	0.32	0.65	0.35	0.26	0.51	
		$\Delta \chi^2_{\text{Austra}}$	lia-China (1)	= 36.13***	$\Delta \chi^2_{ m Austral}$	$\Delta \chi^2_{\text{Australia-China}} (1) = 5.01^*$			ia-China (2) =	40.25***	
		$\Delta \chi^2_{\text{Austra}}$	<sub>lia-Korea</sub> (1)	$=31.36^{***}$	$\Delta \chi^2_{\rm Austral}$	<sub>ia-Korea</sub> (1) =	9.84**	$\Delta \chi^2_{ m Austral}$	$\Delta \chi^{2}_{\text{Australia-China}} (2) = 40.25^{***}$ $\Delta \chi^{2}_{\text{Australia-Korea}} (2) = 31.36^{***}$		

Note: Number of bootstrap samples = 2000. The hypothesized total effect models for organizational trust and affective organizational commitment, and the hypothesized indirect model for affective commitment are stature SEM path models such that they are necessarily perfect models ( $\chi 2 = 0.00$ , df = 0, SRMR = 0.00; RMSEA = 0.00; CFI = 1.00). BCI-L = bias-corrected confidence interval – lower bound; BCI-U = bias-corrected confidence interval – upper bound. To test Hypotheses 7 and 8, multi-group path analyses were conducted between Australia and China, and between Australia and South Korea. One total or indirect effect of distributive justice or procedural justice was constrained at a time to be equal across groups being compared, and chi-square difference tests were used to compare constrained models with the corresponding hypothesized models (Blunch, 2008; Kafetsios & Sideridis, 2006). One-tailed tests apply to chi-square differences. These SEM-based chi-square difference tests generated virtually the same results as the z-tests shown in Table 3.7.

<sup>\*\*\*</sup> p < 0.001, \*\* p < 0.01, \* p < 0.05, † p < 0.10.

# **Chapter 4**

Moderation of Individualism and Power Distance on Relationships among Justice, Trust, and Commitment: Perspectives from China, South Korea, and Australia

An earlier version of this chapter was reviewed and accepted by the 2012 International Conference on Human Resource Development.

## **Abstract**

This study investigates moderation of individualism and power distance on the relationship between organizational justice and affective commitment, and on two stages of a trust-mediated, justice/commitment relationship. Seven-hundred six surveys were collected from 65 universities in China, South Korea, and Australia, and hierarchical regression was used to test hypotheses. For the full sample, individualism and power distance had no moderating effects on the overall justice-commitment relationship. Although these cultural values did not moderate the trust-commitment relationship, individualism moderated relationships between trust and both procedural and distributive justice. Power distance moderated the relationship between procedural justice and trust. East-West comparisons suggest China differs from Australia concerning the moderating effects of power distance on overall distributive justice/commitment and procedural justice/trust relationships. These findings deepen understanding that in a cross-cultural context, how and why employees react to justice and how individual values' influences on justice effects are similar and different due to cultural universality and particularity. Practically, managers should be aware of individual values' influence on employees' reactions to justice, and pay attention to cultural differences.

**Keywords:** Organizational justice, Organizational trust, Organizational commitment, Individualism, Power distance, Cross-cultural

## Introduction

As a primary concern of employees, organizational justice has been shown to influence many organizational variables such as job satisfaction, organizational commitment, trust, and citizenship behaviors positively (Cohen-Charash & Spector, 2001; Colquitt, Conlon, Wesson, Porter, & Ng, 2001). Hence, it appears pivotal for organizations to value justice issues. With increasing globalization, organizations face challenges concerning how to deal with workers from disparate cultural backgrounds fairly. Although research suggests employees from various cultures react differently to organizational justice due to different value orientations (Pillai, Williams, & Tan, 2001; Shao, Rupp, Skarlicki, & Jones, 2013), Fischer and Smith (2006) conclude further exploration and testing are needed to guide managers in pursuit of effectiveness.

Since most justice theories were developed in Western societies—with considerable empirical studies emerging from North America (Shao et al., 2013)—research in other parts of the world is insufficient. Although justice studies that compare findings obtained from a single, non-western country with those in Western countries have contributed to the literature (e.g., Aryee, Budhwar, & Chen, 2002; Begley, Lee, Fang, & Li, 2002), Shao et al. (2013) argue that lack of truly comparative research limits the understanding of cross-cultural differences in justice effects. This study extends extant literature by examining the effects of justice on organizational commitment in three Asia-Pacific countries—China, South Korea, and Australia—all of which have not been studied extensively. Although Australia has a typically Western culture, China and South Korea have a typically Eastern culture, and South Korea recently accepted more Western culture than China (Rubin et al., 2006).

Cross-cultural studies on justice (e.g., Kim, Park, & Suzuki, 1990; Kim, Wang, Kondo, & Kim, 2007) generally assume people in the same country are culturally homogeneous. However, scholars criticize this assumption, and argue that intra-national and individual differences cannot be neglected (e.g., Tung, 2008; Vandello & Cohen, 1999). In cross-cultural research, it is worthwhile to pay attention to both individual and societal cultural values. Several studies examine both individual and societal differences in justice effects (e.g., Brockner et al., 2001; Lam, Schaubroeck, & Aryee, 2002). These studies employ individual values and country (or group culture) as moderators, and found their influences on justice effects were disparate. Lam et al. (2002) report that although an individual value (i.e., power distance) moderates the effect of justice on employee attitudes and behaviors, country

does not produce a moderating effect. Although this cluster of research enhances the understanding of how cultural values, both individual and societal, influence justice and its consequences, many areas remain unexamined. For example, only one study investigates whether moderating influences of individual values on justice effects differ across countries (UK and Germany), and it focuses solely on procedural justice (Fischer & Smith, 2006). To fill this gap, the present study uses two typically examined cultural values (Fortin, 2008)—individualism and power distance, which are often adopted to characterized and distinguish particular cultures (Hofstede, 1980; Lam et al., 2002), to explore relationships between organizational justice and organizational commitment in the samples from the three Asia-Pacific countries.

The social exchange relationship between organizational justice and organizational commitment is complex. Some social exchange variables such as trust mediate the relationship (Aryee et al., 2002). However, research on the topic focuses primarily on individual values' moderating roles in overall justice-outcome relationships (e.g., Lam et al., 2002; Ramamoorthy & Flood, 2002), and few studies examine moderating effects on justice-outcome relationships mediated by social exchange variables. This cross-cultural study also examines whether and how individualism and power distance moderate the overall justice-commitment relationship, and two stages of the trust-mediated justice-commitment relationship.

# Literature Review and Hypothesis Development

## Organizational justice

Organizational justice refers to employee perceptions of fairness in an organization (Fortin, 2008). Contemporary studies identify four dimensions of organizational justice: distributive, procedural, and interactional, which includes informational and interpersonal (Colquitt, 2001). Distributive justice refers to perceived fairness of distributed outcomes (Fortin, 2008). Employees perceive distributive justice when their outcome/input ratios agree with others' (Adams, 1965). Procedural justice refers to fairness perceptions of procedures used to arrive at outcomes or decisions (Colquitt & Rodell, 2011; Thibaut & Walker, 1975). Procedural justice suggests employers allow employee participation and voices in the process of determining outcomes to alleviate dissatisfaction with the outcomes (DeConinck, 2010). Interactional justice refers to perceived fairness of interpersonal treatment (Bies & Moag,

1986; Colquitt & Rodell, 2011; DeConinck, 2010). The study of interactional justice typically involves subordinate-supervisor interactions (Cropanzano, Prehar, & Chen, 2002). Since organizational justice from the perspective of employee-organization social exchanges is the focus, this study follows predecessors by considering only distributive and procedural justice (e.g., Loi, Ngo, & Foley, 2006). Both types of justice, in an organizational setting, matter in reward allocation issues, and influence employee work attitudes such as withdrawal, organizational commitment, and trust (Cohen-Charash & Spector, 2001; Colquitt et al., 2001).

# **Organizational commitment**

Meyer and Allen's (1991) model is the most popular conceptualization of organizational commitment (Klein, Becker, & Meyer, 2009). It distinguishes three commitment components: affective, continuance, and normative, each a force that binds employees to organizations. These binding forces are based on emotional attachment and involvement (affective), perceived obligation (normative), and awareness of the cost of discontinuing involvement with an organization (continuance) (Meyer & Maltin, 2010). The present study concentrates on affective organizational commitment (AOC), the primary form of organizational commitment and the most suitable component when studying social exchange relationships (Cohen & Caspary, 2011).

Research suggests many factors at the organizational level (e.g., organizational support and justice) increase AOC, and AOC reduces employee withdrawal (Meyer, Stanley, Herscovitch, & Topolnytsky, 2002). Compared with other commitment components, AOC relates to organizational justice more strongly (Meyer et al., 2002). Based on social exchange theory, studies consistently find a positive relationship between organizational justice and organizational commitment (Cohen-Charash & Spector, 2001; Colquitt et al., 2001). Employees perceiving high fairness are more likely to commit to an organization affectively (Andrews, Kacmar, Blakely, & Bucklew, 2008). Therefore:

*Hypothesis 1.* Organizational justice perceptions relate positively to affective organizational commitment.

# **Organizational trust**

Trust is a broad concept, studied frequently in multiple disciplines including psychology, sociology, economics, philosophy, and management (Rousseau, Sitkin, Burt, & Camerer, 1998; Schoorman, Mayer, & Davis, 2007). Regardless of disciplinary disparities,

elements of trust are "confident expectations and a willingness to be vulnerable" (Rousseau et al., 1998, p. 394). Mayer, Davis, and Schoorman (1995) define trust as people's willingness to be vulnerable, with the expectation of the other party's positive treatment, whether they are able to control the other party. This definition indicates that trust is an aspect of a relationship established between parties, varying with people and types of relationships (Schoorman et al., 2007). Employees engage in relationships with subordinates, coworkers, supervisors, the organization, and perhaps authorities and top managers who represent the entire organization. They face a variety of trust targets or referents (Whitener, 1997).

In this study, organizational trust focuses on employee trust in the organization as a whole, which receives little scholarly attention in comparison to other forms of trust (Tan & Tan, 2000). Organizational trust is important for maintaining social exchange relationships between employees and an organization (Aryee et al., 2002; Blau, 1964). Social exchange requires a party to trust another party to reciprocate (Blau, 1964); trust maintains a relationship with others and facilitates both reciprocation and social exchange. According to Blau (1964), when doing a favor is treated as a form of expressing trust in another party, the other party is expected to reciprocate with trust and other favorable attitudes and behaviors. Mutual trust forms gradually to foster mutual enforcement. Research demonstrates a mediating role of trust in the social exchange relationship between organizational justice and AOC (Aryee et al., 2002). When employees perceive higher organizational justice, they are likely to demonstrate higher trust, and thus repay with stronger commitment (Yamaguchi, 2013). Therefore:

*Hypothesis* 2. Organizational trust mediates the relationships between organizational justice perceptions and affective organizational commitment.

Although social exchange theory supports relationships among justice, commitment, and trust, recent studies suggest cultural values influence the magnitude of these justice-related relationships (Lam et al., 2002; Shao et al., 2013). The following sections draw theoretical backgrounds connecting culture and justice from literature and construct hypotheses concerning cultural value effects.

# Culture and organizational justice

Early cross-cultural research on organizational justice examines reward allocation across cultures. Employees' preferences for particular reward allocation norms (e.g., equity, equality, or need) may partially explain cultural differences in distributive and procedural

justice (Lam et al., 2002). Bond, Leung, and Wan (1982) compared reward allocation patterns of Chinese and American students and found that although both groups emphasized equity, the American group preferred a more equitable and less equal allocation pattern than the Chinese group. The authors claimed that the difference could be explained by Chinese collectivism and American individualism. Because group identification is strong among people from collectivistic cultures, they value the interest of the group and interpersonal harmony and thus apply the equity rule moderately to preserve group cohesiveness. In contrast, group identification is weak among people from individualistic cultures, who emphasize self-interest and individual autonomy and thus tend to prefer greater equity. This explanation was also supported by Bond, Leung, and Schwartz's (1992) study of Chinese and Israelis, which was based on an expectancy-value model and found that both group harmony and performance influenced reward allocation rule preferences. However, other cross-cultural studies have reported different findings—for example, that people from collectivistic (rather than individualistic) cultures have a greater preference for the equity norm (Chen, 1995), and even that different groups of people have similar reward allocation preferences (Chen, Meindl, & Hui, 1998; Kim et al., 1990). Hence Lam et al. (2002) conclude that studies of individualism and collectivism are not entirely consistent and that other cultural factors beyond these might be responsible for cultural differences. Their study of Americans and Hong Kong Chinese found that power distance is a more appropriate cultural value than individualism for explaining differences in employees' responses (job performance, absenteeism, and job satisfaction) to perceptions of justice based on reward allocation. A recent meta-analytical study also found that, among a number of investigated cultural factors, power distance accounts best for cultural differences in allocating rewards (Fischer & Smith, 2003).

Despite cultural differences, these studies suggest that the equity rule is generalizable across cultures, although its strength varies (Kim et al., 1990). That is, the prevailing expectancy among people across cultural backgrounds is for an equity-based reward system (e.g., pay-for-performance). Although factors other than reward allocation preferences may affect the concepts of distributive and procedural justice (Lam et al., 2002), the rules of allocation play a primary role in developing perceptions of justice. For example, current theories of justice build on equity theory to a large extent, and this highlights the valence of the equity norm in reward allocation. Emphasizing equity, many studies have examined whether the effects of distributive and procedural justice on various employee outcomes differ

across cultures or through cultural values. For instance, Pillai et al.'s (2001) investigation of four countries demonstrated that distributive justice influences only the organizational commitment of Indians, whereas procedural justice influences organizational commitment in Germany, China (Hong Kong), and the United States, but not in India. Shao et al. (2013) conducted a cross-cultural meta-analysis involving 495 unique samples across 32 distinct countries and regions and found that all four cultural dimensions studied (individualism, masculinity, uncertainty avoidance, and power distance) could explain cultural differences in the effects of distributive and procedural justice. In contrast, other comparative cross-cultural studies have failed to find disparities in the effects of distributive and procedural justice across nations or cultures (Pillai, Schriesheim, & Williams, 1999; Rahim, 2001). Despite the mixed cross-cultural findings in the literature, Shao et al. (2013) conclude that culture is nevertheless likely to determine the magnitude of the effects of justice.

Many theoretical models can be used to explain cultural differences in the effects of justice. For example, Lam et al. (2002) applied an expectancy-valence framework to the social exchange process to reason about the task-related reactions of individuals with different cultural values to the effects of distributive and procedural justice. In a study of Chinese and Israeli behavioral choices, Bond et al. (1992) found that both expectancies and valences were responsible for cultural differences in resource allocation decisions. According to the expectancy-valence framework (Bond et al., 1992; Lam et al., 2002), the effects of justice in allocating rewards may depend on expectancies concerning various organizational practices as well as on the valences associated with these practices. When a particular practice accords with their values, employees are said to have a high intrinsic valence for that practice and tend to be more motivated. In other cases, where employees' expectancies associated with a practice conflict with their values, they tend to be less motivated. In this way, differences in cultural values can be expected to affect employee reactions to perceptions of fair or unfair organizational practices and work environments through expectancies and outcome valences. Shao et al. (2013) integrated four domain-theoretical perspectives (instrumental, relational, moral, and uncertainty management) and Hofstede's (1980) four cultural dimensions to explain the different effects of distributive and procedural justice across cultures. In what follows, this study combines the expectancy-valence framework described above and relevant theoretical perspectives from Shao et al. (2013) to elaborate how cultural values are expected to influence the effects of distributive and procedural justice on employee reactions (i.e., organizational commitment and trust).

#### Cultural values as moderators

Hofstede (1980) identifies four dimensions (individualism/collectivism, masculinity/femininity, power distance, and uncertainty avoidance) to describe national cultures. Over the past three decades, his cultural model has been the most influential cultural classification in organizational research due to its clarity, parsimony, and resonance in management practices (Kirkman, Lowe, & Gibson, 2006). Although Hofstede's dimensions originate at the country level, more interest has recently arisen to study them at the individual level, and individualism and power distance are two most frequently examined dimensions at the individual level (Kirkman et al., 2006); they explain more cultural differences concerning justice than any other dimension (Shao et al., 2013). The present study uses Hofstede's concepts, but not his constructs, due to recent doubts concerning reliability and validity (McSweeney, 2002). According to Lam et al. (2002), aggregation for group-level constructs requires a strong theoretical and empirical foundation when individual-level variables (such as individual cultural values and justice variables) are studied. Within-culture variations in norm and value orientations make it potentially problematic to treat individuals' reports about their individual cultural traits as group-level variables in specifications, because aggregating a trait assumed to be clustered homogeneously by country is likely to allow only a categorical measure of the construct unless the sample is drawn from multiple countries that differ considerably in the trait's arithmetic mean. Even if aggregation for group-level variables is free of problems and the sampling is perfect, Lam et al. claim that inferential differences among individuals are still better explained by finer-grained analyses at the individual level rather than at the group level. For these reasons, this study focuses on the individual level of analysis of cultural beliefs that result in different effects of distributive and procedural justice. This study also measures individual psychological predispositions closely related to societal culture, although the investigation involves three distinct national cultures. Although societal culture greatly affects the individual values this study measures—individualism and power distance—other factors are also influential. Thus, studying the effects of individual values does not necessarily require the observation of a particular national culture (Lam et al., 2002). This differentiation between individual and national values also implies the feasibility and rationality of this study's cross-cultural comparisons of the moderating effects of individual values.

#### The role of Individualism

Individualism/collectivism reflects individual integration into groups on a bipolar continuum (Hofstede, 1980). People with high individualism consider themselves autonomous, build loose ties with others, and pursue personal goals. People with high collectivism identify with a group, embed themselves in complex, in-group social relationships, and give priority to collective goals (Hofstede, 1980; Ramamoorthy & Flood, 2002). Due to the bipolar individualism/collectivism definition, higher individualism implies lower collectivism (Hofstede, 1980).

According to Shao et al. (2013), the instrumental perspective can be applied to interpret cultural differences in justice effects. This perspective proposes that employees' concern about justice issues is motivated by self-interest, with fairness enabling important mechanisms for maximizing outcomes. Based on equity theory (Adams, 1965), distributive justice assumes employees prefer outcomes that are distributed equitably; rewards should be decided based on individual ratios of input and performance (Ramamoorthy & Flood, 2002). Procedural justice assumes employees value fair procedures that are used to arrive at equitable outcomes. From an equity perspective, both types of justice emphasize performance-based reward systems (Lam et al., 2002), where an organization's rules and policies allow people to pursue personal outcomes. Identifying the self as an entity beyond a group, people with high individualism think highly of self-achievement, competiveness, and autonomy, and maximize personal outcomes (Lam et al., 2002; Ramamoorthy & Flood, 2002). When they perceive outcomes and procedures of a reward system are fair, they expend more effort to achieve personal goals. If personal values and goals are congruent with pay-for-performance systems, employees with high individualism might demonstrate higher AOC. In contrast, embedding themselves in a group, people with low individualism value shared goals, cooperation, group harmony, and solidarity, and sacrifice self-interest for group interests (Wagner III, 1995). They have concerns that pay-for-performance destroys harmonious, interpersonal relationships among group members because of a perception of conflict between equitable reward allocation and their own value system (Ramamoorthy & Flood, 2002). Since individuals with low individualism focus on collective success, in light of the expectancy-valence framework, they are less motivated, and thus less likely to increase AOC because they are reluctant to accept equitable rules in a reward system psychologically. Therefore:

*Hypothesis 3.* Organizational justice perceptions more strongly relate to affective organizational commitment for employees with high rather than low individualism.

Cultural values influence trust formation (Chathoth, Mak, Sim, Jauhari, & Manaktola, 2011), and according to Mayer et al. (1995), employees trust an organization because they are confident in the organization's trustworthiness (ability, benevolence, and integrity), and have a strong propensity to trust. Based on Mayer et al.'s discussion of integrity, justice reflects organizational trustworthiness among employees. On the basis of the instrumental and expectancy-valence perspectives discussed above, individualists emphasizes self-interest and react more strongly to justice perceptions in relation to rewards based on individual performance (Ramamoorthy & Flood, 2002), and have a greater propensity to trust (Huff & Kelley, 2005). Therefore, when perceiving justice, high-individualism employees have a stronger likelihood to trust in an organization. An individualism orientation may also influence the trust-commitment relationship. As instrumental perspective suggested, for lowindividualism employees, perhaps no matter how much they trust an organization, they put group interests above self-interests. Relative to high-individualism employees, they naturally have a stronger propensity to commitment (Kirkman & Shapiro, 2001), which benefits collective interests in an organization. When this is the case, low-individualism employees' commitment depends less on trust in an organization. Thus, it is expected that when trusting in an organization, employees with high individualism are more likely to increase AOC:

Hypothesis 4. Individualism moderates both stages of the indirect relationships between justice perceptions and affective organizational commitment via organizational trust, such that the organizational justice perception/organizational trust (H4a) and the organizational trust/affective organizational commitment (H4b) relationships are stronger when individualism is high rather than low.

#### The Role of Power distance

Power distance (PD) is the extent to which less powerful people accept unequal distribution of power in organizations or institutions (Hofstede, 1980). Individuals with low PD expect authorities (e.g., supervisors and the top managers) to consult with them and allow participation in decision-making. Individuals with high PD are more willing to accept inequalities and submit to authorities (Clugston, Howell, & Dorfman, 2000; Lam et al., 2002), without expecting input into the top-down decision-making (Begley et al., 2002; Lam et al., 2002). Although individuals with low PD are more likely to build closer relationships with authorities, those with high PD prefer a safe distance from authorities (Begley et al., 2002).

The moral perspective is of great significance in explaining the influence of PD on justice effects (Shao et al., 2013). As per the moral perspective, employees care about justice because treating people unfairly violates ethical and moral norms. Employees with high PD are less likely to question the morality of the actions of the authorities; they are more likely to perceive the fair or unfair treatment from the authorities as morally acceptable and have greater tolerance about injustice (Shao et al., 2013). On the other hand, equity-based pay-for-performance allocation constrains managers from making arbitrary decisions (Lam et al., 2002), which, based on the value system of employees low on PD, are usually deemed to lack of adequate ethics and moralities. In light of the expectancy-valence framework, employees with low PD tend to be more motivated and satisfied with the practices reflecting distributive and procedural justice in terms of outcomes and processes of reward allocation. This tendency may make them be more willing to develop high-quality exchanges with decision makers.

Extant research suggests that the strength of social exchange, based on employee-organization relationships, is established on the norm of reciprocity (Blau, 1964; Westphal & Zajac, 1997). From a social exchange perspective, the justice-AOC relationship may be influenced by employee acceptance of the reciprocity norm (Andrews et al., 2008). Since employees with high PD avoid close relationships with authorities, they prefer "deference, respect, loyalty, and dutifulness" (Farh, Hackett, & Liang, 2007, p. 717) over negotiation regarding up-down decision-making; they are less likely to rely on the reciprocity norm in employment relationships due to their strong deference to authority figures (Farh et al., 2007). Employees with low PD develop close relationships with authorities, which may build an atmosphere of interaction and negotiation, and promote employee reliance on the reciprocity norm (Farh et al., 2007), increasing involvement in social exchanges. Therefore, social exchange relationships between justice perceptions and AOC might be influenced by employee PD orientation.

*Hypothesis* 5. Organizational justice perceptions more strongly relate to affective organizational commitment for employees with low rather than high power distance.

Trust is based on social interactions (Tan & Chee, 2005) and relationships (Schoorman et al., 2007). Formation of trust in an organization requires employees to have interactions with authorities such as top managers, general decision-makers, and other actors (e.g., supervisors) (Tan & Tan, 2000). Low PD promotes individuals to engage in social interactions and develop strong relationships with authorities (Begley et al., 2002). These close relationships subsequently foster employee knowledge on the trustworthiness of

authorities if their manners of treating employees are perceived to be morally acceptable and trustworthy. Indeed, the fair treatment employees receive from authorities meets their morality-based values and promotes a high intrinsic valence for authorities' moral practices. As stated previously, employees high in PD accept distance from authorities so developing trust depends less on interactions and the norm of reciprocity (Farh et al., 2007). Compared with those low in PD, they care less about moral issues (Shao et al., 2013). Moral treatment, thereby, may be less important for high-PD employees to assess authorities' trustworthiness. When receiving fair treatment, low-PD employees are more willing to trust in the organization to assist social exchange relationships, and facilitate fulfillment of reciprocity norm. Trust in an organization might also interact with PD—reflecting employee dependence on reciprocity norm (Farh et al., 2007) and moral standards (Shao et al., 2013)—to influence employees' reciprocal attitudes (e.g., AOC) toward the organization. Since low-PD employees' trust builds partially on authorities' compliance with moral norms, in line with their value orientation, they have greater tendency to further commit to the organization as a type of reciprocation. Hence it is proposed:

Hypothesis 6. Power distance moderates both stages of the indirect relationships between justice perceptions and affective organizational commitment via organizational trust, such that the organizational justice perception/organizational trust (H6a) and the organizational trust/affective organizational commitment (H6b) relationships are stronger when power distance is low rather than high.

#### National and individual differences of cultural value effects

Although justice judgment is applicable in most situations, justice judgments may differ among nations/cultures due to societal differences in norms and values (Kim, Weber, Leung, & Muramoto, 2010; Tata, Fu, & Wu, 2003). Consequently, employee justice judgments and reactions may vary among cultures. At the individual level, high individualism and low PD promote positive reactions to organizational justice. As a Western country, Australia has high individualism and low PD (Hofstede, 1980), and may as a nation hold positive reactions to organizational justice. Asian countries such as China and South Korea have low individualism and high PD (Hofstede, 1980), suggesting people from these countries have weaker reactions to organizational justice. According to Tung (2008), there are variations in individualism and PD at the individual level within each country. Western countries typically have well-developed legislative frameworks that address workplace

relations, making access to organizational justice more prevalent than in non-Western countries. This study proposes that individual-level differences in reactions to organizational justice are weaker in countries in which organizational justice is available readily (e.g., Australia) in comparison to countries in which access to organizational justice is limited (e.g., China and South Korea).

Hypothesis 7. Among Chinese and South Korean employees, in comparison to Australian employees, organizational justice perceptions more strongly relate to affective organizational commitment when individualism is high rather than low.

*Hypothesis* 8. Among Chinese and South Korean employees, in comparison to Australian employees, organizational justice perceptions more strongly relate to affective organizational commitment when power distance is low rather than high.

Social exchange is universal and elaborated in most cultures (Cosmides & Tooby, 1992), and varies with both individual (Cohen & Keren, 2008; Farh et al., 2007) and national values (Shao et al., 2013). Since individual values might be different from national values (Fischer, Vauclair, Fontaine, & Schwartz, 2010), the strength of individual values' moderating effects might be different in disparate cultures. Following propositions regarding cross-cultural differences in the moderating effects of individualism and PD on the overall justice-AOC relationship (Hypotheses 7 and 8), this study proposes:

Hypothesis 9. Among Chinese and South Korean employees, in comparison to Australian counterparts, the justice perception/organizational trust (H9a) and the organizational trust/affective organizational commitment (H9b) relationships are stronger when individualism is high rather than low.

Hypothesis 10. Among Chinese and South Korean employees, in comparison to Australian counterparts, the justice perception/organizational trust (H10a) and the organizational trust/affective organizational commitment (H10b) relationships are stronger when power distance is low rather than high.

#### **Methods**

# Sample and procedure

As with Study 1, participants were employees from 65 universities across China, South Korea, and Australia. The data collection procedure (including the procedure for

questionnaire translation) was the same with Study 1, which is detailed in Chapter 3. Table 4.1 summarizes the response rate and demographic information.

Table 4. 1. Response rates and sample demographics.

	China	Korea	Australia	Total
Response rate (%)	46.6	4.2	10.7	8.4
Female (%)	57.3	21.9	59.1	45.8
Average age (year)	31.9	48.6	48.3	43.1
Average education level	Master	PhD	PhD	PhD
(% with average education level)	(44.9)	(81.0)	(63.3)	(53.8)
Employed academic (%)	69.6	85.5	73.4	76.3
Employed full time (%)	88.5	94.2	76.4	86.4
Average tenure (year)	5.7	10.5	7.7	8.0
Number of organizations	32	27	6	65
Sample size	227	242	237	706

Gender = male/female, job category = academic/non-academic, job status = full time/part time, education = Bachelor or below/Master/PhD.

#### Measures

Following Study 1, Study 2 employed the same measures for distributive justice (DJ), procedural justice (PJ), affective organizational commitment (AOC), and organizational trust (OT), and controlled the same demographic variables. Scales developed by Dorfman and Howell (1988) for Hofstede's (1980) cultural values at the individual level were used to measure individualism (six-item) and power distance (PD) (six-item). An example item for individualism/collectivism was "Group welfare is more important than individual rewards." All items were coded positively for collectivism, and hence, reverse-coded for individualism. An example item for PD was "Managers should make most decisions without consulting subordinates." Except for demographic variables, the six multi-item scales were measured using a Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree).

#### **Analyses**

To examine discriminant validity for the constructs (i.e., distributive justice, procedural justice, trust, AOC, individualism, and PD), I conducted confirmatory factor analyses (CFA) using AMOS 20 (maximum likelihood). Following methods used by Kim et al. (2010), I subsequently conducted a multi-group CFA to assess whether the six measures were comparable across countries. I tested the justice–AOC relationships using multiple regression, and used Baron and Kenny's (1986) methods to test the mediating effects of trust

on these relationships. To test the effects of moderation and country differences, I conducted hierarchical regression separately for each overall justice—AOC relationship and each stage of the trust-mediated justice—AOC relationships. For example, when testing moderation of individualism on the overall distributive justice—AOC relationship, in Step 1 I entered demographic and control variables with distributive justice and individualism in the regression equation for AOC. In Step 2, I loaded the interaction of distributive justice and individualism (i.e., distributive justice  $\times$  individualism) into the equation. In Step 3, I entered four two-way interactions, created by multiplying distributive justice and individualism by each country dummy variable. In Step 4, I entered two three-way interactions (distributive justice  $\times$  individualism  $\times$  South Korea). Independent and moderating variables were mean-centered before computing interactions and entering the regression equations (Aiken & West, 1991). In regression analyses, Country (Australia = 0), gender (female = 0), job category (non-academic = 0) and job status (part-time = 0) were dummy coded.

A moderating effect was concluded if the two-way interaction in Step 2 was significant, and Australia—China or Australia—South Korea differences were concluded if the corresponding three-way interaction in Step 4 was significant (Pedhazur, 1982). I followed Aiken and West (1991) and plotted the simple slopes for significant two-way interactions to determine direction. For significant three-way interactions, I plotted the simple slopes of moderation for all countries to examine country disparities more closely.

#### **Results**

Results of the CFA showed that the six-factor model fit the data ( $\chi^2 = 1968.59$ ,  $\chi^2/df = 3.61$ , SRMR = 0.06 , RMSEA = 0.06, CFI = 0.90), and all factor loadings were greater than twice their standard errors, so the constructs demonstrated acceptable discriminant and convergent validities (Anderson & Gerbing, 1988). The six-factor model also fit the data better than a one-factor model ( $\chi^2 = 7793.22$ ,  $\chi^2/df = 13.92$ , SRMR= 0.12, RMSEA = 0.14, CFI = 0.49), suggesting common method variance was not significant in the study (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). Results of a multi-group CFA suggested the six-factor model demonstrated adequate fit for both configural ( $\chi^2 = 3205.43$ ,  $\chi^2/df = 1.96$ , SRMR = 0.07, RMSEA = 0.04, CFI = 0.89) and metric invariances ( $\chi^2 = 3345.03$ ,  $\chi^2/df = 1.98$ , SRMR = 0.07, RMSEA = 0.04, CFI = 0.88); across countries, the pattern of fixed and free factor loadings was similar, and factor loadings for similar items were invariant. Therefore, it was

justifiable to combine data from the three countries to test hypotheses (Kim et al., 2010; Vandenberg & Lance, 2000).

Means, standard deviations, reliability coefficients, and correlations for all variables are shown in Tables 4.2 and 4.3. For all three country-based samples and the full sample, the mean (2.09) of PD was the smallest among all six variables. However, PD was greater in China than in South Korea or Australia (Mean = 2.45, 2.02, 1.82, respectively). All other variables differed in their means across two or three countries, and country differences in correlations were found. For example, the correlation between PD and procedural justice was smaller in Australia (r = -0.05) than in both South Korea (r = 0.17) and China (r = 0.26).

Table 4.4 shows results for Hypotheses1 and 2. Since distributive justice and procedural justice correlated positively with AOC, Hypothesis 1 was supported. Concerning trust's mediating role in the justice—AOC relationship, all four conditions proposed by Baron and Kenny (1986) were met: (1) distributive and procedural justice correlated with OT; (2) distributive and procedural justice correlated with AOC; (3) Trust correlated with AOC; and (4) the distributive justice—AOC relationship became non-significant and the procedural justice—AOC relationship became weaker when trust was added to the model. Thus, trust mediated both distributive justice—AOC and procedural justice—AOC relationships, supporting Hypothesis 2.

Table 4. 2. Means, standard deviations, reliabilities and correlations for the full sample and Chinese sample.

Variables		1	2	3	4	5	6	7	8	9	10	11	12
1. Gender		_	0.27***	0.28***	0.28***	0.21***	0.11**	-0.01	$0.07^{\dagger}$	0.10*	0.05	-0.03	0.16***
2. Age		$0.26^{***}$	_	$0.49^{***}$	$0.57^{***}$	$0.27^{***}$	-0.01	-0.11**	-0.21***	$0.18^{***}$	$0.11^{**}$	0.02	$0.18^{***}$
3. Educational level		0.11	0.36***	_	$0.28^{***}$	$0.61^{***}$	$0.11^{**}$	0.01	-0.22***	0.06	0.05	$-0.07^{\dagger}$	$0.07^{\dagger}$
4. Tenure		$0.25^{***}$	$0.64^{***}$	0.05	_	0.16***	$0.10^{**}$	$-0.09^*$	$-0.10^{**}$	$0.11^{**}$	0.02	-0.03	$0.20^{***}$
5. Job category		0.03	$0.18^{**}$	$0.45^{***}$	0.02	_	$0.17^{***}$	-0.01	$-0.12^{**}$	-0.04	-0.01	-0.11**	0.02
6. Job status		0.00	$0.11^{\dagger}$	0.07	0.09	$0.30^{***}$	_	0.01	-0.03	$-0.09^*$	$-0.07^{\dagger}$	$-0.08^{*}$	0.06
7. Individualism		-0.09	-0.06	0.11	-0.04	-0.04	-0.07	_	$-0.09^*$	-0.18***	-0.19***	-0.08 -0.22***	-0.25***
8. Power distance		0.11	0.09	0.05	-0.03	$-0.16^*$	$-0.12^{\dagger}$	-0.17**		0.03	0.06	$0.09^{*}$	0.03
<ol><li>Distributive justice</li></ol>		$0.27^{***}$	0.10	-0.00	$0.16^{*}$	$-0.18^{**}$	$-0.11^{\dagger}$	-0.24***	0.26***	_	$0.56^{***}$	0.45***	$0.27^{***}$
1. Procedural justice		$0.18^{**}$	0.08	0.08	0.07	-0.04	0.02	-0.32***	0.31***	0.50***	<del>-</del>	0.63***	0.34***
11. Organizational trust		0.06	-0.01	-0.09	0.05	$-0.14^*$	$-0.16^*$	-0.32 -0.33***	0.34***	0.51***	0.51***		$0.47^{***}$
12. AOC		$0.13^{\dagger}$	0.02	-0.10	0.06	-0.11	-0.02	$-0.32^{***}$	$0.22^{***}$	$0.48^{***}$	$0.44^{***}$	$0.70^{***}$	
Means	Full	0.54	2.06	2.29	3.55	0.76	0.86	2.69	2.09	3.12	2.93	3.23	3.33
	China	0.43	1.34	1.75	2.96	0.70	0.89	2.83	2.45	2.85	2.79	3.11	3.14
SD	Full	0.50	0.83	0.83	1.40	0.43	0.34	0.68	0.67	1.01	0.83	0.95	0.90
	China	0.50	0.60	0.70	1.41	0.46	0.32	0.69	0.72	0.98	0.76	0.86	0.84
Reliabilities	Full							0.75	0.73	0.92	0.88	0.94	0.90
	China							0.74	0.76	0.90	0.87	0.92	0.90

Notes: N (Full sample) = 706, N (China) = 227. AOC = affective organizational commitment. Correlations for the full sample are shown in the upper triangular matrix, and correlations for China are shown in the lower triangular matrix. Age (year): 18–34 (1), 34–49 (2), 50 or over (3); Education: Bachelor or below (1), Master (2), PhD (3); Tenure (year): under 1 (1), 1–3 (2), 3–5 (3), 5–10 (4), 10 or over (5).

 $<sup>^{\</sup>dagger}$  p < 0.10,  $^{*}$  p < 0.05,  $^{**}$  p < 0.01,  $^{***}$  p < 0.001.

Table 4. 3. Means, standard deviations, reliabilities and correlations for the South Korean and Australian samples.

Variables		1	2	3	4	5	6	7	8	9	10	11	12
1. Gender		_	0.31***	0.24***	0.21**	0.27***	0.04	0.01	0.10	0.17**	0.17*	0.07	0.15*
2. Age		$0.15^{*}$	_	$0.47^{***}$	$0.71^{***}$	$0.45^{***}$	$0.13^{*}$	-0.09	-0.03	0.23***	$0.16^{*}$	0.05	$0.17^{**}$
3. Educational level		0.23***	0.17*	_	$0.28^{***}$	$0.70^{***}$	0.10	0.08	$-0.03$ $-0.23^{***}$	0.09	$0.19^{**}$	-0.05	$0.15^{**}$
4. Tenure		$0.16^{*}$	$0.30^{***}$	$0.14^{*}$	_	0.25***	$0.16^{*}$	$-0.14^*$	0.08	$0.19^{**}$	0.11	0.02	0.10
5. Job category		0.23***	$0.17^{**}$	$0.74^{***}$	$0.11^{\dagger}$	_	$0.15^{*}$	-0.01	-0.06	$0.17^{**}$	$0.24^{***}$	0.05	$0.20^{**}$
6. Job status		0.10	-0.09	$0.14^{*}$	0.05	0.05	_	0.04	-0.07	0.02	-0.05	-0.01	0.06
7. Individualism		0.10	0.07	0.06	-0.01	0.07	0.02	_	$-0.21^{**}$	$-0.21^{**}$	-0.09	$-0.15^*$	-0.25***
8. Power distance		$0.12^{\dagger}$	-0.02	$-0.12^{\dagger}$	$-0.12^{\dagger}$	-0.09	-0.05	-0.07	_	$0.17^{*}$	$0.12^{\dagger}$	$0.15^{*}$	-0.04
9. Distributive justice		-0.01	-0.04	-0.04	-0.04	-0.07	-0.04	-0.00	-0.05	_	0.61***	0.39***	0.32***
1. Procedural justice		0.00	-0.07	-0.10	-0.07	$-0.12^{\dagger}$	-0.02	$-0.12^{\dagger}$	-0.01	$0.49^{***}$	_	$0.47^{***}$	0.33***
11. Organizational trust		-0.05	$-0.12^{\dagger}$	$-0.13^*$	$-0.11^{\dagger}$	$-0.17^*$	0.03	$-0.16^*$	0.02	0.37***	$0.78^{***}$	_	$0.48^{***}$
12. AOC		-0.04	$0.14^{*}$	$-0.13^*$	$0.19^{**}$	-0.09	0.01	$-0.20^{**}$	-0.03	$0.18^{**}$	$0.44^{***}$	$0.49^{***}$	_
Means	Korea	0.78	2.41	2.70	4.12	0.86	0.94	2.65	2.02	3.02	2.77	3.05	3.69
	Australia	0.41	2.40	2.41	3.52	0.73	0.76	2.58	1.82	3.48	3.24	3.53	3.15
SD	Korea	0.41	0.67	0.66	1.20	0.35	0.23	0.70	0.62	0.90	0.77	0.82	0.77
	Australia	0.49	0.73	0.84	1.35	0.44	0.43	0.61	0.53	1.04	0.87	1.08	0.98
Reliabilities	Korea							0.81	0.72	0.89	0.86	0.93	0.90
	Australia							0.68	0.64	0.94	0.90	0.96	0.91

Notes: N (South Korea) = 242; N (Australia) = 237. AOC = affective organizational commitment. Correlations for South Korea are shown in the upper triangular matrix, and correlations for Australia are shown in the lower triangular matrix. Age (year): 18–34 (1), 34–49 (2), 50 or over (3); Education: Bachelor or below (1), Master (2), PhD (3); Tenure (year): under 1 (1), 1–3 (2), 3–5 (3), 5–10 (4), 10 or over (5).

 $<sup>^{\</sup>dagger}\,p < 0.10,\ ^*\,p < 0.05,\ ^{**}\,p < 0.01,\ ^{***}\,p < 0.001.$ 

Table 4.4. Regression results for testing the justice-AOC relationship and OT's mediating role.

		ntional trust OT)		Affective organizational commitment (AOC)				
	Step 1	Step 2	Step 1	Step 2	Step 3			
China	-0.24***	$-0.08^{\dagger}$	0.04	0.14**	0.18***			
South Korea	-0.23***	-0.03	$0.27^{***}$	$0.40^{***}$	$0.41^{***}$			
Gender-male	0.05	-0.03	0.05	-0.00	0.01			
Age	-0.01	-0.03	$0.11^*$	$0.10^{\dagger}$	$0.11^{*}$			
Educational level	-0.06	$-0.08^{\dagger}$	$-0.10^{\dagger}$	$-0.11^*$	-0.07			
Organizational tenure	-0.01	-0.02	0.07	$0.07^{\dagger}$	$0.08^*$			
Job category-academic	-0.07	-0.04	-0.01	0.01	0.03			
Job status—full time	-0.02	-0.00	0.01	0.02	0.02			
Distributive justice		0.13***		$0.12^{**}$	0.06			
Procedural justice		$0.56^{***}$		0.34***	$0.07^{\dagger}$			
Organizational trust					$0.47^{***}$			
$\Delta R^2$		0.37***		0.16***	0.13***			
Overall R <sup>2</sup>	0.06	0.43	0.11	0.27	0.39			
Overall model F	$6.02^{***}$	53.35***	1.71***	25.09***	4.72***			

Notes: N = 706. Standardized coefficients are reported.

Step 2 of Table 4.5 shows results for the moderating effects of individualism on the overall and indirect justice—AOC relationships. Since neither of the two-way interactions in Models 1 and 2 was significant in predicting AOC, Hypothesis 3 was not supported. In Stage 1 of the mediation (i.e., the justice—trust relationship), both two-way interactions, distributive justice × individualism and procedural justice × individualism, were significant (see Step 2 of Models 3 and 4), supporting Hypothesis 4a. Figure 4.1 shows the simple slopes of these two interactions. Controlling the influence of country, the distributive justice—trust and procedural justice—trust relationships were stronger when individualism was high (slope = 0.43 and 0.78, p < 0.001, respectively) rather than low (slope = 0.33 and 0.59, p < 0.001, respectively). The two-way interaction by individualism and trust was not significant (see Step 2 of Model 5), suggesting the second stage of the mediation was not moderated by individualism. Thus, Hypothesis 4b was not supported.

 $<sup>^{\</sup>dagger}$  p < 0.10,  $^{*}$  p < 0.05,  $^{**}$  p < 0.01,  $^{***}$  p < 0.001.

Table 4.5. Results of hierarchical regression analyses for the moderating effects of individualism on the overall and OT-mediated justice-AOC relationships.

	Orvene 11 me1	المدادة المساملة	Indirect re	Indirect relationship				
	Overall rel		Stage 1:		Stage 2:			
			DJ/PJ→C		$OT \rightarrow AOC$			
	Model 1	Model 2	Model 3	Model 4	Model 5			
Indep. var. →	DJ	PJ	DJ	PJ	OT			
Step 1	ale ale	sle sle	*	*	***			
China	$0.14^{**}_{***}$	0.15**	-0.12*	$-0.08^{*}$	0.20***			
Korea	0.35***	0.39***	-0.12**	-0.04	0.41***			
Gender-male	0.01	0.01	-0.00	-0.01	0.01			
Age	$0.09^{\dagger}$	$0.10^{*}$	-0.04	-0.03	0.11**			
Educational level	-0.07	$-0.08^{\dagger}$	-0.05	-0.07	-0.05			
Organizational tenure	0.05	0.06	-0.05	-0.02	$0.07^{\dagger}$			
Job category-academic	0.01	-0.01	-0.04	-0.06	0.02			
Job status-full time	0.02	0.02	0.00	-0.01	0.02			
Distributive justice (DJ)	0.27***		0.40***		0.05			
Procedural justice (PJ)		0.37***		0.61***	0.07			
Organizational Trust (OT)					$0.46^{***}$			
Individualism	-0.20***	$-0.17^{***}$	-0.14***	-0.10**	-0.13***			
$\Delta R^2$	0.23***	0.28***	0.25***	0.43***	0.41***			
Step 2								
Indep. var. × individualism	0.05	0.05	$0.06^{\dagger}$	$0.09^{**}$	0.04			
$\Delta R^2$	0.00	0.00	$0.00^{\dagger}$	$0.01^{**}$	0.00			
Step 3								
Indep. var. × China	$0.11^*$	-0.04	0.01	-0.21***	$0.12^{**}$			
Individualism × China	0.04	0.02	0.00	-0.04	0.07			
Indep. var. × Korea	0.03	$-0.08^{\dagger}$	-0.01	-0.20***	-0.00			
Individualism × Korea	0.06	0.02	0.08	0.00	0.02			
$\Delta R^2$	0.01	0.00	0.00	0.03***	$0.01^*$			
Step 4								
Indep. var. $\times$ individualism $\times$ China	-0.02	0.05	-0.01	0.05	-0.02			
Indep. var. $\times$ individualism $\times$ Korea	-0.06	-0.05	-0.07	-0.01	0.03			
$\Delta R^2$	0.00	0.00	0.00	0.00	0.00			
$O = 11 P^2$	0.24	0.20	0.26	0.47	0.42			
Overall R <sup>2</sup>	0.24	0.29	0.26	0.47	0.42			
Overall model F	12.63***	16.84***	14.02***	36.05***	25.88***			

Notes: N = 706. Standardized coefficients are reported. AOC: affective organizational commitment.

 $<sup>^{\</sup>dagger}\,p < 0.10,\ ^*p < 0.05,\ ^{**}\,p < 0.01,\ ^{***}\,p < 0.001.$ 

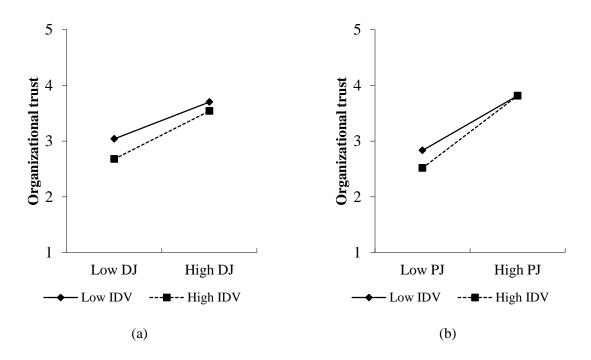


Figure 4. 1. Simple slopes for the effects of individualism with distributive justice (PJ) (a) and procedural justice (PJ) (b) on organizational trust (OT) for the full sample

As shown in Table 4.6, results did not support Hypothesis 5 in that both two-way interactions of PD by two justice perceptions were not significant in predicting AOC (see Step 2 of Models 1 and 2). Due to that the two-way interaction by procedural justice and PD but not that by distributive justice and PD, was significant for Stage 1 of the mediation, Hypothesis 6a was only partially supported. Figure 4.2 shows the simple slopes related to the moderating effect of PD on the procedural justice—trust relationship. Controlling the influence of country, the procedural justice—trust relationship was stronger when PD was low (slope = 0.81, p < 0.001) rather than high (slope = 0.54, p < 0.001). As the two-way interaction by trust and PD in Step 2 of Model 5 was not significant for the second stage (i.e., trust–AOC relationship) of the mediation, Hypothesis 6b was not supported.

Table 4.6. Results of hierarchical regression analyses for the moderating effects of power distance on the overall and indirect justice-AOC relationships.

	Overall rel		Stage 1:	Indirect relationship Stage 1: DJ/PJ→OT			
	Model 1	Model 2	$\frac{D3/F3 \rightarrow C}{\text{Model 3}}$	Model 4			
Indep. var. →	DJ	PJ	DJ	PJ	OT		
Step 1		10	23	10			
China	$0.10^{\dagger}$	0.13**	-0.19***	-0.14**	0.21***		
Korea	0.34***	0.39***	-0.14**	-0.05	0.42***		
Gender-male	0.01	0.01	-0.02	-0.03	0.02		
Age	$0.10^{\dagger}$	$0.10^{*}$	-0.04	-0.03	$0.12^{*}$		
Educational level	-0.10*	-0.11*	-0.06	$-0.08^{\dagger}$	$-0.08^{\dagger}$		
Organizational tenure	0.06	$0.07^{\dagger}$	-0.03	-0.01	$0.07^{*}$		
Job category–academic	0.02	0.00	-0.02	-0.04	0.03		
Job status–full time	0.03	0.02	0.01	-0.00	0.02		
Distributive justice (DJ)	0.30***		0.41***		$0.06^{\dagger}$		
Procedural justice (PJ)		$0.40^{***}$		0.61***	$0.07^{\dagger}$		
Organizational Trust (OT)					$0.48^{***}$		
Power distance (PD)	0.01	-0.01	$0.12^{**}$	$0.08^*$	-0.05		
$\Delta R^2$	$0.19^{***}$	0.26***	0.24***	0.43***	0.39***		
Step 2							
Indep. var. $\times$ PD	0.00	-0.04	-0.01	-0.12***	0.05		
$\Delta R^2$	0.00	0.00	0.00	0.01***	0.00		
Step 3							
Indep. var. × China	$0.14^{**}$	-0.01	0.02	-0.17***	$0.12^{**}$		
$PD \times China$	0.08	0.07	0.10	0.08	0.01		
Indep. var. × Korea	0.06	-0.07	-0.02	-0.19***	0.00		
PD × Korea	-0.04	-0.04	0.01	0.01	-0.04		
$\Delta R^2$	0.02**	$0.01^{\dagger}$	0.00	0.03***	0.01**		
Step 4							
Indep. var. $\times$ PD $\times$ China	$-0.11^{\dagger}$	-0.05	-0.10	$-0.12^*$	0.02		
Indep. var. $\times$ PD $\times$ Korea	0.03	0.04	-0.03	-0.06	0.03		
$\Delta R^2$	$0.01^{*}$	0.00	0.00	$0.00^{*}$	0.00		
Overall R <sup>2</sup>	0.22	0.27	0.25	0.47	0.41		
Overall model F	11.13***	15.01***	13.24***	35.77***	25.07***		

Notes: N = 706. Standardized coefficients are reported. AOC: affective organizational commitment.

 $<sup>^{\</sup>dagger}\,p < 0.10,\,^*\,p < 0.05,\,^{**}\,p < 0.01,\,^{***}\,p < 0.001.$ 

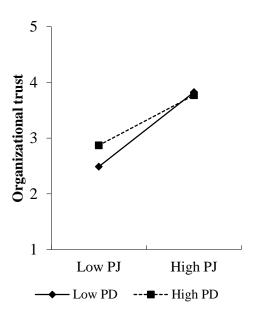


Figure 4.2. Simple slopes for the effects of power distance (PD) with procedural justice (PJ) on organizational trust (OT) for the full sample

To further explore to which degree that the trust-mediated effect of justice on AOC may have been moderated by individualism and power distance, the conditional effect of justice on AOC via trust across high and low levels of moderators was tested using process analyses based on 2,000 bootstrapping samples (Hayes, 2013; Preacher, Rucker, & Hayes, 2007). Results showed that the indirect effect of distributive justice was greater at the high (effect = 0.21, 90% bias-corrected CI = 0.17 to 0.26) rather than low (effect = 0.14, 90% bias-corrected CI = 0.10 to 0.19) level of individualism (effect difference = 0.07, p < 0.05). The indirect effect of procedural justice was greater at the high (effect = 0.37, 90% bias-corrected CI = 0.31 to 0.44) rather than low (effect = 0.24, 90% bias-corrected CI = 0.18 to 0.31) level of individualism (effect difference = 0.13, p < 0.05). By contrast, the indirect effect of procedural justice trended to be greater at the low (effect = 0.34, 90% bias-corrected CI = 0.26 to 0.42) rather than high (effect = 0.28, 90% bias-corrected CI = 0.22 to 0.36) level of power distance (effect difference = 0.06, *n.s.*)

I examined whether Australia differed from either China or South Korea in these two-way interactions in subsequent steps of a hierarchical regression analysis. From Step 4 of Table 4.5, none of the three-way interactions among justice perceptions, individualism, and countries were significant. Therefore, Hypotheses 7 and 9 were not supported.

As for the interactions related to PD, results (Table 4.6, Step 4) showed that only the interaction among distributive justice, PD, and China (i.e., Australia versus China) was

marginally significant in predicting AOC. Thus, Hypothesis 8 was supported marginally for the Australia-China difference, but not for the Australia-South Korea difference. The simple slopes of the moderating effects of PD on the distributive justice–AOC relationship for the three countries are shown in Figure 4.3. A simple slope test indicated that among Chinese employees, the distributive justice–AOC relationship was stronger when PD was low (slope = 0.47, p < 0.001) rather than high (slope = 0.26, p < 0.01). Slopes of distributive justice across low and high levels of PD were different (difference = 0.21, p < 0.05). For South Korean and Australian employees, the distributive justice–AOC relationship was stronger when PD was high (slopes = 0.34, p < 0.01 and 0.21, p < 0.05, respectively) rather than low (slope = 0.18, p < 0.001 and 0.14, *n.s.*, respectively). However, slope differences were non-significant (slope different = 0.16, *n.s.* and 0.07, *n.s.*, respectively).

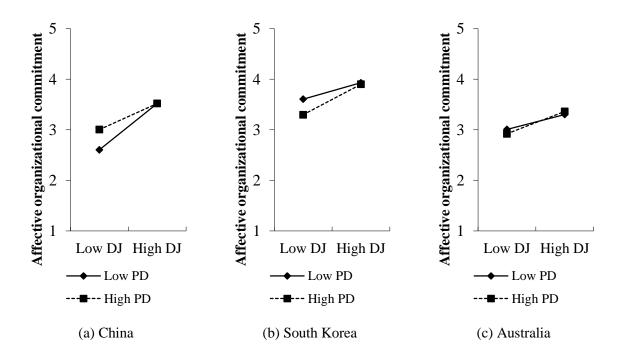


Figure 4.3. Simple slopes for the moderating effect of power distance (PD) on the relationship between distributive justice (DJ) and affective organizational commitment (AOC) across three countries

Step 4 of Table 4.6 shows that in the mediation justice—AOC relationship, only the interaction among procedural justice, PD, and China (i.e., Australia versus China) was significant in predicting trust. Hence, Hypothesis 10b was not supported; Hypothesis 10a was partially supported for the Australia-China difference, but not supported for the Australia-South Korea difference. A simple slope test showed that among Chinese and South Korean

employees, the procedural justice—trust relationship was stronger when PD was low (slope = 0.63, p < 0.001 and 0.59, p < 0.001) rather than high (slope = 0.32, p < 0.01 and 0.43, p < 0.001, respectively). The slope difference was significant for China (slope difference = 0.31, p < 0.001), but not significant for South Korea (slope difference = 0.16, n.s.). For Australian employees, the procedural justice—trust relationship was stronger when PD was high (slope = 1.00, p < 0.001) rather than low (slope = 0.92, p < 0.001), and the slope difference was non-significant (slope difference = 0.08, n.s.). Figure 4.4 plots the simple slopes.

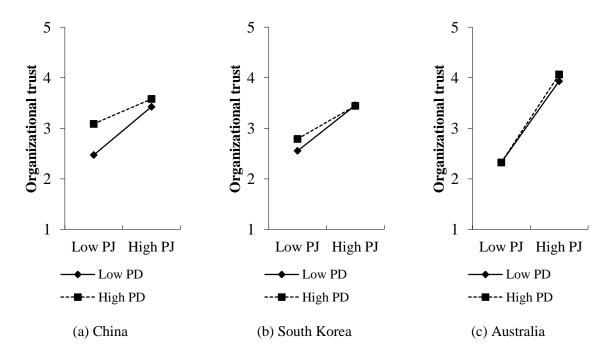


Figure 4. 4. Simple slopes for the moderating effect of power distance (PD) on the relationship between procedural justice (PJ) and organizational trust (OT) across three countries

# **Discussion**

# **General findings**

This study explores the moderating effects of individual-level individualism and PD on the justice—AOC relationship in a cross-cultural setting involving China, South Korea, and Australia. Extending extant research that examines moderation of individual values on the total effects of justice (e.g., Lam et al., 2002; Ramamoorthy & Flood, 2002), this study also investigates moderation of individualism and PD in two stages of the trust-mediated relationship between justice and AOC. Results for the full sample suggest individualism and PD do not moderate the overall justice—AOC relationship, but moderate parts of the justice—

trust–AOC relationship. Further analyses demonstrated slight cross-cultural differences for moderation of PD in both overall and trust-mediated justice–AOC relationships.

At the individual level, moderations of individualism were different in the overall and trust-mediated justice-AOC relationships. Results suggest that regardless of country, individualism does not moderate the total effects of justice perceptions on AOC. This finding accords with that found by Ramamoorthy and Flood (2002). Controlling for country and other demographics, individualism alters trust's mediation mechanism in the justice-AOC relationship. For employees with higher individualism, once they perceive higher distributive or procedural justice, they increase trust in the organization, leading to higher AOC. Trust explains AOC development in this process. For the trust-mediated justice–AOC relationship, individualism influenced the first stage positively—the justice–trust relationship—but not the second stage—the trust–AOC relationship. This suggests that although it is universal that trust and reciprocation are mutually supportive to improve social exchange (Blau, 1964), the interaction between reciprocity norm and trust prior to further actions (e.g., exhibition of AOC) is stronger for employees with high rather than low individualism. No cultural differences across the countries were found regarding moderation by individualism in the justice-trust link, suggesting moderation by individualism in trust development through justice occurs at the individual employee level, at least in the cross-cultural context I examine, and may be generalizable. Further research is recommended.

Similar to individualism, moderation roles by PD in the total effects and trust-mediated effects of justice on AOC were different. For example, controlling for the influence of country and other demographics, PD did not moderate the total effects of justice on AOC. Further results demonstrate this finding varied across the three countries. Similar to Farh et al.'s (2007) investigation in China, the present study suggests Chinese participants with low rather than high PD were more likely to reciprocate an organization's positive conduct (e.g., distributive justice) with AOC. For Korean and Australian participants, this situation was different in that those with high rather than low PD used AOC to reciprocate distributive justice, even though findings suggest this tendency was not significant. In comparison to China, recent societal development has moved South Korea closer to Western cultures (Rubin et al., 2006). Hofstede (1980) suggests that regarding national culture, most Western countries are low and most Eastern countries high on PD. In this study and consistent with Hofstede, China ranked higher on PD than South Korea, which in turn ranked higher than Australia (Tables 4.2 and 4.3). It may be concluded that during commitment development, employees

with lower PD from higher PD countries (e.g., China) are more sensitive to distributive justice, although further confirmation is warranted. This might be due to conflict between national culture and individual values. Extant research suggests some cultural values are manifested differently at country and individual levels (Fischer et al., 2010; Tung, 2008). At the country level, PD links to inequality of power distribution in society (Hofstede, 1980). In a high PD country, employees with high PD may not experience strong negative reactions to an organization's unfairness in decision outcomes because they view these inequalities as acceptable, deferring to broader societal environment. Employees with low PD orientation are more likely to conflict with a high PD national culture, and disrespect traditional, countrywide inequalities instead perceiving an expectation of more fairness.

In the full sample, moderation by PD exists in the process of procedural justice influencing AOC through trust indirectly. Employees with low rather than high PD are more willing to reciprocate organizations with AOC through building trust. However, PD was not found to alter trust's mediation from distributive justice to AOC. Similar to individualism, PD moderated only the first stage of the trust-mediated justice-AOC relationship; it influenced the indirect effect of procedural justice on AOC primarily through the moderation on the procedural justice-trust relationship. These findings are distinct from Begley et al. (2002), whose results suggest PD moderates the distributive justice-trust but not the procedural justice–trust relationship. Considering Begley et al. (2002) study affective trust in supervisors not organizations, this paper argues PD plays diverse moderating roles in the relationships of various types of justice, with different forms of trust. Therefore, whether differences in moderation by PD are caused by trust referents remains an important issue future research should address. Results suggest cross-cultural disparities for moderation by PD in the trustmediated procedural justice–AOC link. Among Chinese employees, those with low rather than high PD were more likely to repay employers' procedural justice with higher AOC through a mediated psychological process involving trust development. Australians with high rather than low PD have the potential to be involved in this mediated procedural justice-AOC exchange. These findings suggest Chinese employees with low rather than high PD have stronger social exchange awareness and sense of reciprocity, and attach more importance on trust ideology in the exchange process. High-PD Australian employees preferred social exchanges related to trust more than low-PD employees did, and South Korea appeared closer to China in that high-PD employees demonstrated a stronger procedural justice-trust

relationship than low-PD employees did, though this relationship was not significant (Figure 4.4).

#### **Strengths and Limitations**

This study adds knowledge to social exchange theory by introducing a model that incorporates a mediator and moderators that involve individual cultural values and relationships between social exchange variables in a cross-cultural context. This study is among the first to examine the moderating effects of individual values on overall social exchange relationships, and the mediated social exchange process cross-culturally. Results somewhat accord with findings of extant social exchange studies concerning individual values' moderation (Farh et al., 2007; Ramamoorthy & Flood, 2002). The examination conducted in the present study suggests individual values might moderate indirect relationships among workplace variables. Simultaneous examination of moderators and mediators develops new insight to test individual values' influences empirically on employee-organization relationships. This study also adds empirical evidence to the application of level of analysis (Kirkman et al., 2006) when incorporating cultural values in organizational research. Crosscultural comparisons of personal values' effects suggest national cultures differ from individual values. For example, low-PD employees from high-PD countries (e.g., China) are less likely to tolerate inequalities in decision-making procedures in comparison to high-PD employees, suggesting conflicts exist between country and individual values. Results reflect both inter- and intra-cultural disparities in cultural values (Tung, 2008). Cross-cultural examination of organizational justice contributes to theory development of justice research internationally (Greenberg, 2001). Extending extant research that compares justice perceptions among countries, the introduction of the influences of individual values in this study provides a more comprehensive perspective for establishing a cross-cultural research framework of organizational justice. To develop a mature theory that connects culture and justice (Greenberg, 2001), future cross-cultural studies should continue to consider both country- and individual-level differences when investigating justice issues.

This study includes limitations that offer opportunities for future research. The first limitation is that data were collected using self-report surveys, which may have caused common method biases. However, biases were not significant according to results of a CFA. Since moderation is the focus of this study, common method biases are less likely to influence variable interactions (Crampton & Wagner, 1994). Future research should reduce this concern

by collecting multi-source data. The second limitation is that not all dimensions of justice, trust, and commitment were examined. Although this study is based on employeeorganization exchanges, variables related to supervisors might have influenced results. Future research should apply more forms of justice, trust, and commitment. Since few hypotheses concerning interaction effects were supported strongly, it is difficult to draw a general conclusion. Australia-China differences in PD's moderation might have appeared by chance, given that most hypotheses regarding cross-cultural differences were not supported. Future research should use other samples from China and Australia to verify findings. One reason for lack of statistical support might be due to unsatisfactory measurement reliabilities (Berndt, Laychak, & Park, 1990) for cultural values. Similar to Clugston et al. (2000), individualism and PD exhibited moderate reliabilities for the full sample and the three country-based samples (most were lower than 0.80). Future research should use alternate measures for individualism and PD, or follow Vitell, Paolillo, and Thomas (2003) and mix items developed by various scholars. Hofstede's (1980) cultural dimensions originate at the country level. Although I employ a redesigned instrument at the individual level, issues concerning results might arise from differences in the structures of national and individual values (Fischer et al., 2010). Future research should apply individual values from other culture-related models (e.g., Kluckhohn & Strodtbeck, 1961) that can focus more specifically on the individual level.

# **Practical Implications**

Despite limitations, results from this study have important implications for international managers. This study helps managers understand differences between universality and particularity regarding individual value influences on employee reactions to organizational justice. For example, in a broad international context, individual values may not influence social exchange-based attitudes (e.g., AOC). However, in some countries, individual values might produce influences. Multinational organizations might need to operate two supplementary sets of management practices, one applied to all countries and the other as a supplement applied to a specific country.

Managers should be aware that individual values interact with national cultures to influence employee reactions to justice. These two levels of values function in terms of conflict and congruence, depending on the types of values. The present findings suggest that managers should not take it for granted that all employees from a particular country respect and accept the values endorsed at the country level. Specifically, employees with low PD in a

high PD country and those with high PD in a low PD country tend to experience conflicts raised by the deviance of personal values from national cultures regarding attitudes to power inequalities. Therefore, when operating business in a specific culture, it is important to deal with this type of conflict in compensation and motivation management. Specifically in reward allocation, it is recommended that equity and equality can be considered simultaneously, which may cater to people with different personal values. One approach is to adopt componential rewards. For instance, the component of base salary that is the same for all comparable employees reflects the rule of equality, and the component of pay-for-performance reward that is viable among employees reflects the rule of equity. The combination of different reward components may be able to balance the conflicts caused by values from different levels. Another approach, which might be more flexible, is to employ optional rewards. For example, employees are allowed to choose the reward program that fits their own preferences or needs from a number of options, which may be based on various rules such as equity, equality, or a combination of different rules.

Interactions between national and personal values may be interesting to managers when they consider interactions between employee personal values and organizational values during policy-making. For example, if an organizational goal is maintaining stability, managers might prefer recruiting applicants whose individual values are consistent with the organization's culture since these applicants are more compatible with the rules and goals of the organization. However, although researchers contend that it is organizational culture that leads the recruitment process (Swart & Kinnie, 2003), the literature suggests that the strength of organizational culture is difficult to measure (O'Reilly, Chatman, & Caldwell, 1991; Saffold, 1988), particularly the culture that organizations under reform intend to create in the future. This potential flaw makes the person-organizational culture fit difficult to predict in a changing process. Thus, human resource managers should be able to identify the organization's culture at different developmental stages, so as to facilitate the recruitment and selection process.

Also, managers need to understand employees' preferences for various types of justice based on disparate individual values. To cater to strategic goals, organizations should emphasize different types of justice. Managers should balance justice-related policies/outcomes and the effects of employees' individual values to mitigate negative reactions from employees.

# **Conclusion**

Combining social exchange theory and Hofstede's (1980) cultural dimensions at the individual level, this cross-cultural study demonstrates the potential of individual values to influence the effects of justice on employee attitudes. It provides empirical findings that link justice-based social exchange with both national and individual cultural values. Findings suggest that a person's individualism and power distance orientations moderate the indirect relationship between organizational justice and commitment through organizational trust. Moderation of these individual values in social exchange relationships varied slightly in China, South Korea, and Australia. This study extends previous simple moderation (Lam et al., 2002; Ramamoorthy & Flood, 2002; Shao et al., 2013) and mediation (Aryee et al., 2002) models into a more comprehensive model involving mediators and moderators, and offers a new path to study culture and organizational justice. Future studies are warranted to validate the research framework of this study, applying other variables for cultural values in other cross-cultural or multicultural contexts to advance development of knowledge regarding the link between culture and justice.

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# **Chapter 5**

Moderation of Doing and Mastery Orientations on Relationships among Justice, Trust, and Commitment: Perspectives from China, South Korea, and Australia

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### **Abstract**

This study examines whether and how two individual value orientations – Doing (the tendency to commit to goals and hold a strong work ethic) and Mastery (an orientation toward seeking control over outside forces) – moderate: (a) the relationship between organizational justice and affective organizational commitment, and (b) the mediation role of organizational trust in this relationship. Hierarchical regressions were performed using 706 usable questionnaires collected from university employees in China, South Korea, and Australia. Results from the full sample showed that Doing and Mastery moderated the distributive justice–commitment relationship and the procedural justice–trust relationship. Comparisons between countries demonstrated limited cross-cultural differences. The present findings add to our understanding of the impact of individual differences on the relationship between justice and commitment, helping managers understand how employees' reactions to justice are influenced by value orientations.

**Keywords:** Doing orientation, Mastery orientation, Justice, Trust, Commitment, Cross-cultural

## Introduction

Justice is an important issue for organizations. Employees who perceive management practices to be unfair are likely to experience negative feelings, which reduce their own, and the organization's, effectiveness (Wan, Sulaiman, & Omar, 2012). Recent meta-analyses underline the positive impact of organizational justice on various employee outcomes, including increased affective commitment, citizenship behavior, organizational trust, and task performance (Cohen-Charash & Spector, 2001; Colquitt, Conlon, Wesson, Porter, & Ng, 2001; Colquitt et al., 2013). The relationship between justice and affective commitment to the organization is one of the most studied (Andrews, Kacmar, Blakely, & Bucklew, 2008), frequently from the perspective of social exchange (Colquitt et al., 2013). Many studies (e.g., Aryee, Budhwar, & Chen, 2002; Cheung & Law, 2008; Sousa-Lima, Michel, & Caetano, 2013; Tremblay, Cloutier, Simard, Chenevert, & Vandenberghe, 2010) have found that the justice–affective commitment relationship is mediated by social exchange elements such as trust (Blau, 1964).

While the literature considering the justice—commitment relationship appears well developed, several areas warrant further investigation. One area is the potential moderators of the relationship, where some researchers have called for additional exploration (Ambrose & Schminke, 2003; Andrews et al., 2008). Recent research has shown that the formation of justice perceptions is substantially influenced by social contexts, cultural backgrounds, and values (Colquitt, Greenberg, & Scott, 2005; Greenberg, 2001), suggesting that culture is one potential moderating variable. Although it has been shown (Farh, Earley, & Lin, 1997; Fischer & Smith, 2006) that cultural values can influence the relationship between justice and affective commitment, surprisingly little is known about how this would extend to the justice—affective commitment relationship when mediated by social exchange elements such as trust.

A second area is the between-country differences in the moderating effects of cultural variables. Current empirical studies regarding the impact of culture on justice-related relationships, mainly fall into three categories: country-level analyses, individual-level analyses, and analyses addressing both of these levels (Kirkman, Lowe, & Gibson, 2006; Shao, Rupp, Skarlicki, & Jones, 2013). Country-level analyses typically measure aggregate levels of relevant variables and consider the differences from a cultural perspective (e.g., Pillai, Williams, & Tan, 2001). Individual-level analyses typically sample one country, but may sample more than one country and combine them into a single sample. The moderating

effects are then considered (e.g., Begley, Lee, Fang, & Li, 2002). The question of how the moderating effect of individuals' cultural values might vary between countries remains essentially unexplored.

A third area is that much of the research on culture and justice utilizes Hofstede's (1980, 2001) cultural dimensions. Although Hofstede's model has provided a strong foundation, ignoring other cultural models might limit research findings. Moreover, Hofstede's constructs were originally developed around the country level, and, recently, have been found to lack isomorphism between the national and individual levels (Fischer, Vauclair, Fontaine, & Schwartz, 2010). Hence, without strong theoretical guidance, applying Hofstede's dimensions to the individual level might be feasible, but results should be treated with caution. To avoid these shortcomings and to generate more extensive findings, Kirkman et al. (2006) argue that the use of competing conceptualizations of culture such as those developed by Trompenaars (1993) and Kluckhohn and Strodtbeck (1961) is valuable. The Kluckhon-Strodtbeck model has attracted substantial research lately (Bolino & Turnley, 2008; Maznevski, Gomez, DiStefano, Noorderhaven, & Wu, 2002; Yeganeh & Su, 2011). Kluckhohn and Strodtbeck's cultural orientations address values at the individual level more specifically than Hofstede's dimensions and are receiving increasing appeals for academic attention in justice research (Bolino & Turnley, 2008). It has been suggested that these cultural orientations may affect employee attitudes in reward allocation decisions (Kirkman & Shapiro, 2001), an area where justice issues frequently arise (Kirkman & Shapiro, 1997).

A fourth area is that the extant literature is predominantly from the North American context. Shao, Rupp, Skarlicki and Jones (2013) argue that intensive study of culture and justice outside of North America is imperative and promises to advance our knowledge of cross-cultural justice in a broader context.

This study seeks to advance research in each of these four areas. It investigates the moderating effects of individual cultural values, examining both the unmediated justice—commitment relationship and the trust-mediated (justice—trust—commitment) relationship, using national samples from Australia, China, and South Korea. As this study is more inclined to be exploratory, two cultural orientations from Kluckhohn and Strodtbeck's (1961) model are employed: Doing orientation—being goal oriented and committed to a strong work ethic, and Mastery orientation—believing outside forces are in one's own control. These two orientations were chosen partly because the literature has documented that they, or their related connotations, are connected with the dependent variable, organizational commitment

(Kirkman & Shapiro, 2001), which may facilitate the exploration. Differences in the moderating effects of the Doing and Mastery orientations among these countries are also investigated.

# Literature Review and Hypothesis Development

### Organizational Justice, Commitment, and Trust

Organizational justice is an employee's subjective appraisal of the ethical and moral appropriateness of managerial conduct (Cropanzano, Bowen, & Gilliland, 2007). People usually base their judgments of organizational justice on: the distribution of outcomes (distributive justice), the procedures employed for distribution (procedural justice), and the quality of interpersonal treatment they receive from decision makers (interactional justice) (Cropanzano et al., 2007; Cropanzano, Prehar, & Chen, 2002). Research suggests that the impact on employee outcomes of interactional justice, relative to distributive and procedural justice, is more closely related to interactions with individuals (e.g., supervisors) rather than with the organization as a whole (Colquitt et al., 2001; Cropanzano et al., 2002). Therefore, this study, based on member—organization social exchange, only includes the distributive and procedural dimensions.

A number of mechanisms linking justice and commitment have been proposed. For example, fairness in the organization may enhance employees' perceptions of being treated well, which may reinforce their identification with, and emotional attachment to, the employer (Pare & Tremblay, 2007; Poon, 2012). However, justice effects on commitment, to a large extent, rely on the mechanism of trust development (Cropanzano et al., 2007). Employees perceiving justice expect that the organization will apply fair rules in the future, and thus be willing to trust, i.e., to be vulnerable to the organization (DeConinck, 2010). Prior findings suggest that justice strongly and positively influences trust (Cohen-Charash & Spector, 2001; Colquitt et al., 2001). Trust in an organization is a reflection of an employee's recognition of the organization's integrity, benevolence, and abilities (Mayer, Davis, & Schoorman, 1995), leading the employee to endorse reciprocation in their social exchange with the organization (Aryee et al., 2002). Previous studies have consistently found a positive relationship between trust and commitment (Tan & Tan, 2000; Tremblay et al., 2010). The mediating role of trust in the relationship between justice and commitment has been demonstrated by several studies (e.g., Albrecht & Travaglione, 2003; Aryee et al., 2002; Sousa-Lima et al., 2013).

#### **Cultural Value Orientations**

Since the middle of last century, researchers have proposed a number of cultural models (e.g., Hofstede, 1980; House, Hanges, Javidan, Dorfman, & Gupta, 2004; Rokeach, 1973; Schwartz, 1992; Trompenaars, 1993) to explore differences in feelings, thoughts, and actions between members of different groups (Bolino & Turnley, 2008). Acknowledging doubts about the unlimited generalizability of Hofstede's model, Bolino and Turnley (2008) argue that Kluckhohn and Strodtbeck's (1961) value-orientation model, one of the earliest frameworks for cultural difference, may provide further insights into cultural effects on justice and its consequences.

Kluckhohn and Strodtbeck (1961) drew on fundamental social factors that are common across all human groups to develop a comprehensive value-orientation model that can be applied to the individual level of analysis (Kluckhohn & Strodtbeck, 1961; Maznevski et al., 2002). They proposed six major categories of orientations, which describe culture as a set of deep-level values dealing with relationships among human beings, and between humans and their associated environment: relational, environmental, activity, time, human nature, and space orientations. (Aycan, Al-Hamadi, Davis, & Budhwar, 2007)

According to Bolino and Turnley (2008), the value-orientation model has distinct advantages over other cultural models in cross-cultural justice research. For example, the various existing cultural models are generally classified into two categories (Brannen et al., 2004): those describing the ways cultures vary in terms of the values expressed by their members (e.g., Hofstede, 1980; Schwartz, 1992; Trompenaars, 1993) and those that are functionally-based and rooted in societal functions or basic problems facing every society (e.g., Kluckhohn & Strodtbeck, 1961). Functionally-based cultural models, compared to others, have been argued to be more intuitive and helpful, and not overly specified for understanding management processes (Brannen et al., 2004). Also since organizational justice issues, based on equity theory, involve multiple processes such as equity evaluations and assessment of morality and ethics, the effects on the individual may be wide-ranging and complex. The comprehensive nature of functionally-based models makes them better suited to addressing such effects (Bolino & Turnley, 2008). Furthermore, the other category of cultural models are often derived from one or more functionally based cultural theories, but they address a much narrower set of cultural issues than the functionally based frameworks, particularly the value-orientation model (Brannen et al., 2004). Therefore, the valueorientation framework enables more specific ways to examine justice-related issues than other models can provide (Bolino & Turnley, 2008). Moreover, Kluckhohn and Strodtbeck's value orientations allow researchers to gain insights into human culture from both the individual and societal levels (Maznevski et al., 2002; Yeganeh & Su, 2011).

For these reasons, I apply the value-orientation framework to offer a relatively new perspective in empirical justice research. I specifically explore Doing and Mastery orientations, components of the activity and environmental categories respectively, considering that these two cultural orientations could be helpful in understanding employee attitudes in employee-organization social exchanges (Kirkman et al., 2006; Kirkman & Shapiro, 2001). Although the cultural orientations (e.g., individual, collective, and hierarchical) under the relational category are also relevant in explaining employee attitudes and social exchanges (Kirkman & Shapiro, 2001), these orientations in essence correspond with Hofstede's (1980) power distance and individualism/collectivism (Maznevski et al., 2002), which have been extensively studied in justice research. It is hoped that the employment of Doing and Mastery orientations can generate relatively new information for the literature on cross-cultural justice and social exchange.

Doing orientation describes a view that people should continually engage in accomplishing tangible tasks (Maznevski et al., 2002; Yang, 2012), and reflects the extent to which people have a strong work ethic (Kirkman & Shapiro, 2001). High Doing orientation appears similar to, and highly correlated with, Hofstede's (1980) masculinity (Yeganeh, 2011), and like people's assertiveness (Yeganeh & Su, 2011) it underscores actions, hard work, initiatives, and taking charge (Joy & Kolb, 2009). People with a high Doing orientation pay less attention to the quality of life and human relationships (Yeganeh & Su, 2011).

Mastery orientation emphasizes that people should control, direct, and change outside forces rather than submit to these forces or accept environmental harmony (Bolino & Turnley, 2008). It is characterized by the belief that people's success or failure should be attributed to one's internal forces rather than outside forces (Kirkman & Shapiro, 2001; Maznevski et al., 2002; Yang, 2012). People with high Mastery orientation tend to assign less importance to having harmonious relationships with the environment (Yeganeh & Su, 2011).

Extended to the workplace setting, different levels of Doing and Mastery reflect people's tendency toward independence or their reliance on relationships in their responses to managerial practices (Aycan et al., 2007; Yeganeh & Su, 2011). One approach providing a

theoretical link between an individual's attitudes toward relationships and the influence of Doing and Mastery on justice effects is the relational perspective. According to Shao et al. (2013), the relational perspective proposes that employees pay attention to justice because fair treatment maintains status and standing within a social collective, which subsequently contributes to their sense of self-esteem and self-worth. This perspective has developed from three theoretical models, the relational model of authority (Tyler & Lind, 1992), the group value model (Lind & Tyler, 1988), and the model of group engagement (Tyler & Blader, 2003), all of which underscore that individuals care about their own value and importance to their associated groups (Shao et al., 2013). Although justice effects can also be explained by other perspectives (e.g., moral, instrumental, and uncertainty management) in some circumstances (Shao et al., 2013), the relational perspective appears to be particularly relevant, given that this study focuses on social exchanges that involve on-going and high-quality employee-organization relationships. Therefore, relying on the relational perspective, this study argues that, to the extent that the individual is dependent on relationships within the organization, a function of Doing and Mastery, their perceptions of justice may impact important outcomes.

## The moderating role of Doing orientation

People with high Doing orientation continually engage in activities to accomplish tangible tasks, valuing achievement, assertiveness and diligence (Yeganeh & Su, 2011). Compared with those low on Doing orientation who value tenderness, modesty, and relationships, they tend to be more ambitious in the workplace (Maznevski & DiStefano, 1995; Yeganeh & Su, 2011). Since people high in Doing think that it is human nature to invest more effort into work than other activities (Maznevski et al., 2002), their sense of gratification and self-worth may come from the process of perfectly performing their work and also achieving goals. They usually do not engage in interpersonal relationships as much as those low on Doing (Yeganeh & Su, 2011). That is, regardless of the fairness of the organization, for people high in Doing, their psychological state with respect to self-esteem and self-worth is likely to be affected more by their own actions than by the conduct of organization (e.g., unfair treatment) and one's perception of the quality of the employee—organization relationship. Moreover, high-Doing individuals' orientation toward taking action equips them with the ability to self-generate positive affect and down-regulate negative affect, such that, being adept in self-regulatory processes, they are less likely to exhibit negative responses (e.g.,

reduce commitment) to unfair treatment compared to their low-Doing counterparts (Baumann, Kuhl, & Kazén, 2005). Even though they also need equitable outcomes as the recognition for their work, their self-regulation, which is less dependent on interpersonal relationships, may reduce their negative reactions when perceiving injustice (Di Fabio & Palazzeschi, 2012). These arguments are in line with the findings of Shao et al. (2013) suggesting that the characteristics of Doing orientation (similar to masculinity, Yeganeh & Su, 2011) reduce justice effects. Therefore, I expect that organizational justice produces less impact on commitment for high-Doing employees.

*Hypothesis 1.* Organizational justice and affective organizational commitment will be more strongly related for employees with low rather than high levels of Doing orientation.

As discussed previously, employees with high levels of Doing naturally commit to goals and have a strong work ethic (Kirkman & Shapiro, 2001). Similar to those with high masculinity (Yeganeh & Su, 2011), they are more likely to acquire self-worth and self-esteem through being a doer compared to those low on Doing who might spend more energy on thinking, and be more concerned about interpersonal relationships within the organization (Shao et al., 2013). In contrast, the self-worth and self-esteem of low-Doing employees are largely derived from high-quality interpersonal exchanges with their organizations. Although the above justification for Hypothesis 1 can also apply to justice effects on trust, I provide additional explanations for the influence of Doing on the mediation process of trust (i.e., the justice–trust–commitment relationships).

Both organizational justice and trust are pertinent to employees' perceived quality of interpersonal relationships (Schoorman, Mayer, & Davis, 2007; Shao et al., 2013). For example, justice provides information about how fairly employees are treated in the employee—organization exchange process (Cropanzano et al., 2002). The development of trust in the organization requires employees to establish mature relationships with the organization, through which employees can expect favorable conduct from the employer (Tan & Tan, 2000). Justice and trust's emphasis on relationships suggests the potentiality that the justice—trust association is affected by the value offered by interpersonal relationships. In light of the relational perspective, employees experiencing (in)justice are likely to judge their value in an organization using their perceived (un)fair treatment (Shao et al., 2013). As low-Doing (versus high-Doing) employees place more weight on group ties and interpersonal exchange (Joy & Kolb, 2009; Shao et al., 2013), low-quality exchanges with the organization in the context of perceived injustice, may result in reduced self-worth and self-esteem. As a result,

low-Doing employees would react more strongly to perceptions of injustice (e.g., reduce their levels of trust in the organization). Since trust develops in relationships, its influence on work outcomes such as commitment might also vary with the extent to which employees emphasize interpersonal relationships. For low-Doing (versus high-Doing) employees, when they have higher levels of trust (a reflection of high-quality relationships), they might show higher levels of commitment, which in turn furthers their attachment to and relationships with the organization, given that they expect to gain more from the high-quality employee—organization relationship. Thus, I propose:

Hypothesis 2. Doing orientation moderates the two stages of the indirect relationship between organizational justice and affective organizational commitment via organizational trust, such that the organizational justice /organizational trust (H2a) and the organizational trust/affective organizational commitment (H2b) relationships will be stronger for employees with low rather than high levels of Doing orientation.

### The moderating role of Mastery orientation

Mastery orientation describes people's tendency to view themselves as the controllers of the outside forces influencing their lives (Kluckhohn & Strodtbeck, 1961; Maznevski et al., 2002; Yeganeh & Su, 2011). While high-Mastery people tend to have higher levels of internal locus of control, self-confidence, self-determination, and self-efficacy, low-Mastery people, who emphasize compatible interactions with outside forces, tend to have higher levels of external locus of control, fatalism, and powerlessness (Finch, Shanahan, Mortimer, & Ryu, 1991). Therefore, compared with low-Mastery people, high-Mastery individuals might perceive their work environment in more favorable ways. Due to their lack of confidence to deal with outside forces, people low on Mastery are likely to seek balanced relationships with these forces which offer them psychological security. When injustice exists, employees high on Mastery may be less concerned because they tend to view the unfair situations to be manageable. By contrast, although employees low on Mastery might perceive that their selfesteem and self-worth are impaired by the unfair treatment, they are less likely to actively eliminate the unfairness. Instead, they may no longer affectively commit to their current employers and explore other organizations where they believe harmony exists. Thus, for high-Mastery employees, the influence of justice perceptions on commitment might not be as great as for their low-Mastery counterparts.

*Hypothesis 3.* Organizational justice and affective organizational commitment will be more strongly related for employees with low rather than high levels of Mastery orientation.

In the same theoretical track, Mastery might affect the impact of justice on trust due to employees' different attitudes to environmental forces. As stated earlier, while low-Mastery people tend to submit to outside forces and establish a harmonious relationship with the environment, high-Mastery counterparts prefer to control these forces to achieve their goals (Maznevski et al., 2002). Justice usually promotes high-quality interpersonal relationships in an organizational environment (Shao et al., 2013). For low-Mastery employees, justice is likely to fulfill their expectations of harmony, which advances their confidence in the organization's trustworthiness, and thus increases their levels of trust. However, when perceiving injustice, they might accept unfair top-down decisions without endeavoring to change situations (e.g., via appeal and complaint), because they tend to regard these decisions as being out of their personal control. Consequently, to the extent that they perceive the injustice to be unchangeable, they are likely to reduce their trust, and their expectations of future positive treatment from the organization. By contrast, high-Mastery employees, with higher perceptions of control, may be better equipped to cope with injustice. Oriented toward personal control (Finch et al., 1991), they tend to work to eliminate or lessen injustice (e.g., via appeal or negotiation). Thus, compared with low-Mastery employees, their trust might be less influenced by (in)justice. In general, employees trusting the organization are inclined to affectively commit to the organization (Tan & Tan, 2000), because employees feel willing and obligated to reciprocate the organization's trustworthiness with positive work attitudes (Aryee et al., 2002). That is, the trust–commitment relationship reflects employees' willingness and obligation to reciprocate in social exchanges (Aryee et al., 2002). Reciprocation can help maintain harmony in social interactions (Birnberg & Snodgrass, 1988). Given that low-Mastery employees value harmony more than high-Mastery employees, they might have a greater tendency to reciprocate, that is, to show commitment, as a consequence of trust.

Hypothesis 4. Mastery orientation moderates the two stages of the relationship between organizational justice and affective organizational commitment via organizational trust, such that the organizational justice/organizational trust (H4a) and the organizational trust/affective organizational commitment (H4b) relationships will be stronger for employees with low rather than high levels of Mastery orientation.

#### National differences in value orientation effects

Social exchange principles are evident in almost all human cultures (Cosmides & Tooby, 1992). Based on the aforementioned hypotheses, the processes of social exchange might be influenced by individual value orientations. Given that cultural values are applicable to both individual and country levels (Kirkman et al., 2006; Maznevski et al., 2002) and tend to be different across these two levels (Fischer et al., 2010; Tung, 2008), one concern is whether the influences of value orientations at the individual level are affected by those at the country level (Ramamoorthy & Flood, 2002). In other words, it remains a question whether the effects of individual value orientations on social exchange relationships between justice, trust, and commitment are different between countries. As discussed earlier, individuals low on Doing and Mastery tend to care more about justice, and be more likely to engage in social exchange to reciprocate organizational justice and trustworthiness. When conducting between-country comparisons, Maznevski et al. (2002) found that Anglo cultures (e.g., Canada and USA) scored higher on Mastery but lower on Doing than Confucian Asian cultures (e.g., Taiwan). Although they did not investigate mainland China, South Korea, and Australia, it might be reasonable to expect that Australia, as an Anglo country, ranks higher on Mastery but lower on Doing than the two Confucian Asian countries, China and South Korea. Previous research (Ramamoorthy & Flood, 2002) suggests that when individual values are congruent with national cultural values, they exert a greater influence on employees' positive reactions to social exchange-based justice perceptions. To this end, in Australia, relative to China and South Korea, employees are expected to be more likely to reciprocate an organization's "goodness" (e.g., justice and trustworthiness) with positive attitudes (e.g., trust and commitment) when they have a low-Doing rather than a high-Doing orientation. Similarly, in China and South Korea, relative to Australia, employees are expected to have a greater tendency to reciprocate justice with positive attitudes when they possess a low-Mastery rather than a high-Mastery orientation.

*Hypothesis 5.* Among Australians, as compared to Chinese and South Koreans, organizational justice more strongly relates to affective organizational commitment for employees with low rather than high levels of Doing orientation.

*Hypothesis* 6. Among Australians, as compared to Chinese and South Koreans, the organizational justice/organizational trust (H6a) and the organizational trust/affective

organizational commitment (H6b) relationships will be stronger for employees with low rather than high levels of Doing orientation.

*Hypothesis* 7. Among Chinese and South Koreans, as compared to Australians, organizational justice more strongly relates to affective organizational commitment for employees with low rather than high levels of Mastery orientation.

*Hypothesis* 8. Among Chinese and South Koreans, as compared to Australians, the organizational justice/organizational trust (H8a) and the organizational trust/affective organizational commitment (H8b) relationships will be stronger for employees with low rather than high levels of Mastery orientation.

#### Method

## **Participants**

The same participants in the first two studies (Chapters 3 and 4) were analyzed in this study. The procedures for data collection and questionnaire translation were also consistent with the prior two studies (see Chapter 3 for details). Response rates and demographic information are shown in Table 5.1.

**Table 5. 1. Response Rates and Sample Demographics** 

	Australia	China	South Korea	Total
Response rate (%)	10.71	46.60	4.23	8.40
Female (%)	59.07	57.27	21.90	45.75
Academic employees (%)	73.42	69.60	85.53	76.35
Full time employees (%)	76.37	88.55	94.21	86.40
Average age	2.40	1.33	2.41	2.06
Average education level	2.41	1.75	2.70	2.29
Average tenure	3.52	2.96	4.12	3.55
Number of universities	6	30	27	65
Sample size	237	227	242	706

*Note.* Gender = female/male; job category = non-academic/academic; job status = part-time/full-time. Entries for age (18–34: 1, 35–49: 2, 50 or over: 3), education (bachelor or less: 1, master: 2, doctorate: 3), and tenure (under 1 year: 1, 1–3 years: 2, 3–5 years: 3, 5–10 years:4, 10 years or over: 5) are scale means.

#### Measures

The four organizational variables, distributive justice, procedural justice, organizational trust, and affective organizational commitment were assessed using the same

measures used in Studies 1 and 2. For the two cultural orientations, I used Maznevski and DiStefano's (1995) scales to measure Doing (six-item scale) and Mastery (seven-item scale) orientations. An example item for Doing was "Hard work is always commendable". An example Mastery item was "We can have a significant effect on the events in our lives". One item for Mastery was excluded from analyses as the deletion of this item improved internal consistency for Chinese and South Korean samples as well as the full sample. To keep consistent with prior two studies, country, age, gender, education, organizational tenure, job status, and job category were controlled in data analyses. Country, gender, job status and category were dummy-coded. Except for demographic statistics, all scale items used a Likert response format ranging from "strongly disagree (1)" to "strongly agree (5)".

## Analyses

I performed confirmatory factor analyses (CFA) to assess the construct validity of the six measures using AMOS 20. Then I adopted a multi-group CFA to examine the crosscultural equivalence of the measurement model, so as to assess if these measures were legitimately comparable across nations. Hierarchical regression analyses were employed to test the hypotheses. Before examining the moderating effects of cultural orientations, I also tested the mediating role of trust employing Baron and Kenny's (1986) four-condition method. Following predecessors (e.g., Farh et al., 1997), I separately ran hierarchical regression analyses to examine the moderating roles of Doing and Mastery on the overall justice commitment relationships and each stage of the trust-mediated justice-commitment relationships. For cross-cultural differences in cultural orientations' moderating effects, I applied further regression steps to examine the significance of the three-way interactions created by dummy variables for country (China = 1 and South Korea = 1), independent and moderating variables (Kim, Weber, Leung, & Muramoto, 2010). For any significant threeway interaction, I plotted the corresponding moderating effect for all three countries to more specifically identify national differences. To reduce multicollinearity in the tests for moderation, independent and moderating variables were mean-centered prior to calculating the interaction terms and running the regression analyses (Aiken & West, 1991).

## **Results**

I compared the six-factor measurement model with the single-factor model in CFA. The six-factor model ( $\chi$ 2= 1886.44, df = 545, RMSEA = 0.06, SRMR = 0.06, CFI = 0.91)

fitted the data well, indicating good discriminant validity of the measures. By contrast, the single-factor model ( $\chi 2=7266.86$ , df = 560, RMSEA = 0.13, SRMR = 0.13, CFI = 0.50) was a poor fit. Therefore, the common method bias was not significant. Multi-group CFA demonstrated the cross-cultural equivalence of the measures at the configural ( $\chi 2=3240.73$ , df = 1635, RMSEA = 0.04, SRMR = 0.07, CFI = 0.89) and metric ( $\chi 2=3377.08$ , df = 1693, RMSEA = 0.04, SRMR = 0.07, CFI = 0.88) levels, suggesting that the number of factors, the items loaded on each factor, and the factor loadings, were invariant across nations. Table 5.2 reports the means, standard deviations, reliabilities and correlations of the measured variables.

Regression analyses (see Table 5.3) supported Baron and Kenny's (1986) four conditions for mediation: (1) distributive and procedural justice related to trust, (2) trust related to commitment, (3) distributive and procedural justice related to commitment, and (4) the relationships between commitment and distributive and procedural justice weakened with the addition of trust in the regression equations. That is, organizational trust was found to mediate the relationships between justice perceptions and affective organizational commitment.

Table 5. 2. Means, Standard Deviations, Correlations and Reliabilities

	М	SD	1	2	3	4	5	6
Australia								
<ol> <li>Doing orientation</li> </ol>	3.32	0.66	(0.66)					
2. Mastery orientation	3.82	0.52	0.39**	(0.63)				
3. Distributive justice	3.48	1.04	0.06	$0.14^{*}$	(0.94)			
4. Procedural justice	3.24	0.87	0.02	0.18**	0.49**	(0.90)		
5. Organizational trust	3.53	1.08	0.12	0.23**	$0.37^{**}$	0.78**	(0.96)	
6. AOC	3.15	0.98	$0.14^*$	$0.16^{**}$	$0.18^{**}$	0.44**	$0.49^{**}$	(0.91)
China								
1. Doing orientation	3.86	0.76	(0.75)					
2. Mastery orientation	3.56	0.69	$0.56^{**}$	(0.75)				
3. Distributive justice	2.85	0.98	$0.22^{**}$	0.28**	(0.90)			
4. Procedural justice	2.79	0.76	$0.15^{**}$	$0.27^{**}$	0.50**	(0.87)		
5. Organizational trust	3.11	0.86	$0.25^{**}$	$0.29^{**}$	$0.51^{**}$	0.51**	(0.92)	
6. AOC	3.14	0.84	$0.15^{**}$	$0.20^{**}$	$0.48^{**}$	0.44**	0.70**	(0.90)
South Korea								
1. Doing orientation	3.59	0.63	(0.66)					
2. Mastery orientation	4.01	0.54	0.36**	(0.74)				
3. Distributive justice	3.02	0.90	$0.29^{**}$	0.26**	(0.89)			
4. Procedural justice	2.77	0.77	$0.18^{**}$	0.03	0.61**	(0.86)		
5. Organizational trust	3.05	0.82	$0.18^{**}$	0.11	$0.39^{**}$	$0.47^{**}$	(0.93)	
6. AOC	3.69	0.77	$0.29^{**}$	0.23**	$0.32^{**}$	0.33**	0.48**	(0.90)
Full sample								
1. Doing orientation	3.59	0.72	(0.72)					
2. Mastery orientation	3.80	0.62	0.36**	(0.73)				
3. Distributive justice	3.12	1.01	$0.09^{*}$	$0.24^{**}$	(0.92)			
4. Procedural justice	2.93	0.83	0.03	$0.15^{**}$	0.56**	(0.88)		
5. Organizational trust	3.23	0.95	$0.11^{**}$	$0.19^{**}$	$0.45^{**}$	$0.63^{**}$	(0.94)	
6. AOC	3.33	0.90	0.17**	0.25**	0.27**	0.34**	0.47**	(0.90)

Note. N (Australia) = 337; N (China) = 227; N (South Korea) = 242; N (Full sample) = 706. AOC = affective organizational commitment. Reliabilities are in parentheses.

<sup>\*</sup> p < 0.05. \*\* p < 0.01.

Table 5.3. Regression Analysis for Total Effect Model and Mediation Model

	Organizational trust				Affective organizational commitment					
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8		
China	-0.24***	-0.14**	-0.10*	0.04	0.11*	0.13**	0.18***	0.17***		
Korea	-0.23***	$-0.12^{**}$	-0.04	$0.27^{***}$	0.35***	0.39***	$0.41^{***}$	0.41***		
Gender	0.05	-0.01	-0.02	0.05	0.01	0.01	0.01	0.02		
Age	-0.01	-0.03	-0.03	$0.11^{*}$	$0.10^{\dagger}$	$0.10^{*}$	$0.12^{*}$	$0.12^{*}$		
Education	-0.06	-0.07	$-0.08^{\dagger}$	$-0.10^{\dagger}$	$-0.10^*$	$-0.11^*$	-0.07	-0.07		
Tenure	-0.01	-0.04	-0.01	0.07	0.06	$0.08^{\dagger}$	$0.08^*$	$0.08^*$		
Job category-fulltime	-0.07	-0.03	-0.05	-0.01	0.02	0.00	0.03	0.03		
Job status-academic	-0.02	0.00	-0.01	0.01	0.02	0.02	0.02	0.02		
Distributive justice		$0.43^{***}$			$0.30^{***}$		$0.08^*$			
Procedural justice			$0.62^{***}$			$0.40^{***}$		$0.10^*$		
Organizational trust							0.51***	$0.48^{***}$		
$\Delta R^2$	_	$0.16^{***a}$	$0.36^{***a}$	_	$0.08^{***b}$	$0.15^{***b}$	$0.20^{***c}$	$0.13^{***d}$		
$\mathbb{R}^2$	0.06	0.23	0.42	0.11	0.19	0.26	0.39	0.39		
F	6.02***	22.81***	56.62***	10.71***	18.11***	26.54***	44.38***	44.44***		

Note. N = 706. Standardized regression coefficients are reported. Country (Australia = 0), gender (female = 0), job category (non-academic = 0), and job status (part-time = 0) are dummy-coded. a, b, c, d Relative to Models 1, 4, 5 and 6, respectively.

† p < 0.10. \* p < 0.05. \*\* p < 0.01. \*\*\* p < 0.001.

Step 2 of Table 5.4 presents the results for Hypotheses 1 and 2. Models 1 and 2 show that the interaction of distributive justice and Doing but not the interaction of procedural justice and Doing significantly and negatively impacted affective organizational commitment (see Models 1 and 2), suggesting that only the relationship between distributive justice and commitment was stronger when Doing was low rather than high. Thus, the results partially supported Hypothesis 1. Since only the two-way interaction by procedural justice and Doing was significant and negative in the first stage of the mediation relationship between justice and commitment via trust (see Step 2 of Models 3 and 4), Hypothesis 2a was supported for the procedural justice–trust relationship but not the distributive justice–trust relationship. Hypothesis 2b was not supported in that the interaction of trust and Doing was non-significant in the second stage of the mediation (see Step 2 of Model 5). Following Aiken and West's (1991) procedure, I graphed the significant moderating effects of Doing in Figure 5.1. The relationship between distributive justice and commitment was stronger when Doing (slope = 0.30, p < 0.001) was low rather than high (slope = 0.20, p < 0.001). The relationship between procedural justice and trust was stronger at the low (slope = 0.77, p < 0.001) rather than high (slope = 0.62, p < 0.001) levels of Doing.

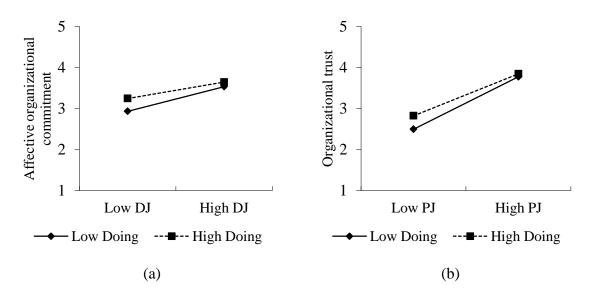


Figure 5. 1. Moderating effects of Doing orientation on (a) the relationship between distributive justice (DJ) and affective organizational commitment and (b) the relationship between procedural justice (PJ) and organizational trust.

Table 5. 4. Hierarchical Regression Results for the Moderating Effects of Doing Orientation on the Overall and Trust-Mediated Justice-Commitment Relationships

			Indirect relationship			
	Overall relati	onship	Stage 1:	Stage 2:		
	Justice → commitment		Justice → tru	Justice $\rightarrow$ trust		
				commitment		
	Model 1	Model 2	Model 3	Model 4	Model 5	
Indep. var. →	Distributive	Procedural	Distributive	Procedural	Trust	
Step 1						
China	0.06	0.07	-0.18***	-0.14**	0.15**	
Korea	0.32***	0.36***	$-0.14^{**}$	$-0.06^{\dagger}$	$0.40^{***}$	
Gender-male	0.00	-0.00	-0.02	-0.03	0.01	
Age	$0.09^\dagger$	$0.09^{\dagger}$	-0.04	-0.04	$0.11^{*}$	
Educational level	$-0.09^{\dagger}$	$-0.10^{*}$	-0.06	$-0.07^{\dagger}$	-0.07	
Organizational tenure	0.06	$0.07^{\dagger}$	-0.04	-0.01	$0.08^*$	
Job category-academic	0.02	0.01	-0.03	-0.05	0.03	
Job status-full time	0.03	0.02	0.00	-0.01	0.02	
Distributive justice (DJ)	0.28***		0.41***		0.05	
Procedural justice (PJ)		0.39***		0.61***	$0.08^{\dagger}$	
Organizational Trust (OT)					0.46***	
Doing	0.12***	0.13***	0.11**	0.11***	$0.07^{\circ}$	
$\Delta R^2$	0.20***	0.27***	0.24***	0.43***	0.40***	
Step 2						
Indep. var. × Doing	$-0.06^{\dagger}$	-0.04	-0.02	$-0.07^{*}$	-0.01	
$\Delta R^2$	$0.00^{\dagger}$	0.00	0.00	$0.01^{*}$	0.00	
Step 3						
Indep. var. × China	$0.19^{***}$	0.00	0.05	-0.17***	0.14***	
Doing $\times$ China	$-0.12^*$	-0.08	-0.02	-0.01	$-0.10^*$	
Indep. var. × Korea	0.04	$-0.09^{\dagger}$	-0.00	-0.20***	-0.00	
Doing × Korea	-0.01	0.01	-0.02	-0.01	0.02	
$\Delta R^2$	$0.02^{**}$	$0.01^{\dagger}$	0.00	0.03***	$0.02^{**}$	
Step 4						
Indep. var. $\times$ Doing $\times$	0.03	-0.00	0.00	-0.04	-0.06	
China						
Indep. var. $\times$ Doing $\times$	$0.15^{**}$	0.05	0.07	-0.05	-0.01	
Korea						
$\Delta R^2$	0.01**	0.00	0.00	0.00	0.00	
Overall R <sup>2</sup>	0.24	0.28	0.24	0.47	0.41	
Overall model F	12.68***	15.97***	13.01***	35.28***	25.54***	

*Note.* N = 706. Standardized regression coefficients are reported.

 $<sup>^{\</sup>dagger}\;p<.10.\;^{*}\;p<.05.\;^{**}\;p<.01.\;^{***}\;p<.001.$ 

Step 2 of Table 5.5 shows results for Hypotheses 3 and 4. The significant and negative two-way interaction by distributive justice and Mastery indicates that the distributive justice—commitment relationship was stronger when Mastery was low rather than high (see Step 2 of Models 1 and 2). However, the interaction of procedural justice and Mastery in predicting commitment was non-significant. Therefore, Hypothesis 3 was only partially supported. Since in Stage 1 of the indirect justice—commitment relationship, the two-way interaction by procedural justice and Mastery, but not that by distributive justice and Mastery, was significant in predicting trust (see Step 2 of Models 3 and 4), Hypothesis 4a was partially supported. In the second stage of the mediation, the interaction of trust and Mastery was non-significant in predicting commitment (see Step 2 of Model 5). Thus, Hypothesis 4b was not supported. Figure 5.2 plots the detected significant moderating effects of Mastery. The relationship between distributive justice and commitment was stronger at the low (slope = 0.31, p < 0.001) rather than high (slope = 0.17, p < 0.001) levels of Mastery. The relationship between procedural justice and trust was stronger when Mastery was low (slope = 0.77, p < 0.001) rather than high (slope = 0.62, p < 0.001).

To further assess the degree of the trust-mediated effect of procedural justice on commitment being moderated by Doing and Mastery, I tested the significance of the differences between conditional indirect effects across low and high levels of these two moderators, employing conditional process analyses recommended by Hayes (2013) . The analyses based on 10,000 bootstrap samples indicated that the indirect effect of procedural justice was significant on both low (unstandardized effects = 0.34 [90% bias-corrected CI = 0.26 to 0.44] and .38 [90% bias-corrected CI = 0.30 to 0.47], respectively) and high (unstandardized effects = 0.28 [90% bias-corrected CI = 0.21 to 0.36] and 0.25 [90% bias-corrected CI = 0.19 to 0.32], respectively) levels of Doing and Mastery. The conditional indirect effects of procedural justice only differed significantly across the low and high levels of Mastery (effect difference = 0.13, p < 0.05) but not that of Doing (effect difference = 0.06, n.s.).

Table 5.5. Hierarchical Regression Results for the Moderating Effects of Mastery Orientation on the Overall and Trust-Mediated Justice-Commitment Relationships

			Indirect relationship			
	Overall relationship Justice → commitment		Stage 1: Justice → tru	Stage 2 : Trust → commitment		
	Model 1	Model 2	Model 3	Model 4	Model 5	
Indep. var. →	Distributive	Procedural	Distributive	Procedural	Trust	
Step 1	ata da	al als			distribute	
China	0.13**	0.15**	-0.12*	$-0.08^{\dagger}$	0.20***	
Korea	0.32***	0.36	$-0.14^{**}$	$-0.06^{\dagger}$	$0.40^{****}$	
Gender-male	0.01	0.01	-0.01	-0.02	0.01	
Age	$0.10^{\dagger}$	$0.10^{*}$	-0.03	-0.03	$0.11^{*}$	
Educational level	$-0.09^{\dagger}$	-0.09 <sup>†</sup>	-0.06	-0.07	-0.06	
Organizational tenure	0.06	$0.08^{\dagger}$	-0.03	-0.01	$0.08^*$	
Job category-academic	0.02	0.01	-0.03	-0.05	0.03	
Job status-full time	0.02	0.02	0.00	-0.01	0.02	
Distributive justice	0.27***		0.40***		0.05	
Procedural justice		0.38***		0.61***	$0.07^{\dagger}$	
Organizational Trust	ali ali ali	districts	at de	deste	0.47***	
Mastery	0.13***	0.13***	0.11**	0.10**	$0.07^{*}$	
$\Delta R^2$	0.20***	0.27***	0.24***	0.43***	0.40***	
Step 2						
Indep. var. × Mastery	-0.09*	-0.05	-0.03	-0.08*	-0.04	
$\Delta R^2$	$0.01^*$	0.00	0.00	$0.01^{*}$	0.00	
Step 3	*			***	**	
Indep. var. $\times$ China	0.12*	-0.03	0.03	-0.21***	0.13**	
Mastery × China	$-0.11^{\dagger}$	-0.03	-0.09	-0.02	-0.04	
Indep. var. $\times$ Korea	0.05	-0.07	0.02	-0.18***	-0.01	
Mastery $\times$ Korea	-0.03	0.05	-0.13*	-0.02	0.05	
$\Delta R^2$	$0.01^{\dagger}$	0.01	0.01	0.03***	0.01	
Step 4					*	
Indep. var. $\times$ Mastery $\times$	-0.08	-0.08	-0.07	-0.02	$-0.10^{\dagger}$	
China						
Indep. var. $\times$ Mastery $\times$	-0.01	0.04	-0.08	-0.01	-0.03	
Korea						
$\Delta R^2$	0.00	$0.01^{\dagger}$	0.00	0.00	0.00	
Overall R <sup>2</sup>	0.22	0.28	0.25	0.47	0.41	
Overall model F	11.48***	15.91***	13.28***	35.27***	25.39***	

Note. N=706. Standardized regression coefficients are reported.  $^{\dagger}$  p < 0.10.  $^{*}$  p < 0.05.  $^{**}$  p < 0.01.  $^{***}$  p < 0.001.

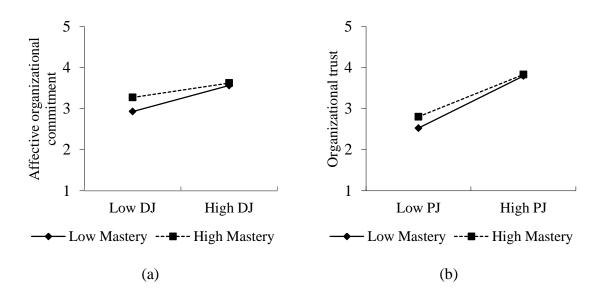


Figure 5. 2. Moderating effects of Mastery orientation on (a) the relationship between distributive justice (DJ) and affective organizational commitment and (b) the relationship between procedural justice (PJ) and organizational trust.

I continued to examine whether the moderating effects of Doing and Mastery differed across countries. The fourth step in Tables 5.4 and 5.5 detected two significant three-way interactions (i.e., distributive justice  $\times$  Doing  $\times$  South Korea, Table 5.4 and organizational trust  $\times$  Mastery  $\times$  China, Table 5.5). Therefore, for Hypotheses 5, 6, 7, and 8, only the subhypotheses H6a and H8b were partially supported. Specifically, Hypothesis 6a was supported for the Australia–South Korea difference but not for Australia–China difference in the moderating effect of Doing on the distributive justice–commitment relationship (Step 4 of Model 1 in Table 5.4). Among Chinese and Australians, the distributive justice–commitment relationship was stronger when Doing was low (slope = 0.53, p < 0.001 and .35, p < 0.001, respectively) rather than high (slope = 0.27, p < 0.001 and -0.00, n.s., respectively); slope differences (0.25, p < 0.05 and 0.35, p < 0.01, respectively) were significant. However, the distributive justice–commitment relationship for South Koreans was stronger when Doing was high (slope = 0.26, p < 0.001) rather than low (slope = 0.13, p < 0.10); the slope difference (0.13) was non-significant. Figure 5.3 displays the moderating effect of Doing on the distributive justice–commitment relationship for the three countries.

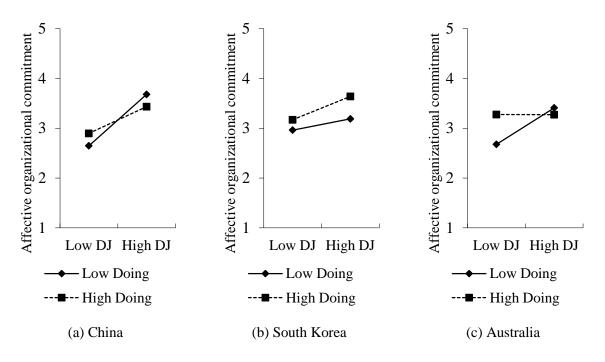


Figure 5.3. Moderating effect of Doing orientation on the relationship between distributive justice (DJ) and affective organizational commitment across three countries.

Hypothesis 8b was accepted for the Australia–China difference but not for the Australian–South Korea difference in the moderating effect of Mastery on the trust–commitment relationship (Step 4 of Model 5 of Table 5.5). For South Korean and Australians, the trust–commitment relationship tended to be stronger when Mastery was high (slope = 0.39, p < 0.001 and 0.43, p < 0.001, respectively) rather than low (slope = 0.38, p < 0.001 and 0.35, p < 0.001, respectively); slope differences (0.02 and 0.08, respectively) were non-significant. By contrast, For Chinese, the trust–commitment relationship was stronger when Mastery was low (slope = 0.65, p < 0.001) rather than high (slope = 0.53, p < 0.001); the slope difference (0.13) was non-significant. Figure 5.4 displays the moderating effects of Mastery on the trust–commitment relationships for the three countries.

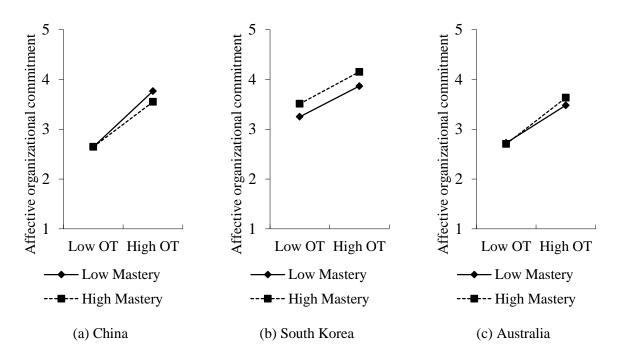


Figure 5. 4. Moderating effect of Mastery orientation on the relationship between organizational trust (OT) and affective organizational commitment across three countries.

## **Discussion**

This research examined how individual cultural orientations (Doing and Mastery) moderated the relationships among justice, trust, and commitment, and how their moderating effects differed between Australia, China, and South Korea. Applying social exchange theory and the relational perspective in a cross-cultural context, I focused on the influences of individual value orientations on the employee—organization exchange. Results demonstrated partial support for the moderating effects of Doing and Mastery in the overall and indirect (mediated by trust) justice—commitment relationships. The cross-cultural comparisons showed limited national differences in these moderating effects.

For the full sample, Doing and Mastery orientations were found to moderate the overall effect of distributive justice on commitment, but not the effect of procedural justice. Specifically, when perceiving distributive justice, low-Doing and low-Mastery employees exhibited greater commitment than their high-Doing and high-Mastery counterparts. That is, the contribution of distributive justice in the development of commitment is greater when employees focus less on goals and work achievements, and rely more on outside forces to fulfill expectations. I also found that Doing and Mastery orientations could moderate the trust-mediation mechanism in the justice—trust—commitment relationship by moderating the

procedural justice—trust relationship. Results suggest that for those with low-Doing and low-Mastery orientations, higher (lower) procedural justice is likely to lead them to trust (distrust) more in their organizations. In comparison, for those with high-Doing and high-Mastery, their levels of trust (distrust) in the organization are relatively less influenced by procedural justice. I found that neither Doing nor Mastery moderated the trust—commitment link.

Doing's moderating effect on the distributive justice-commitment and procedural justice-trust relationships supplements previous similar findings (e.g., Schilpzand, Martins, Kirkman, Lowe, & Chen, 2013; Shao et al., 2013) at the individual level, if one accepts that Doing orientation and masculinity share several characteristics such as endorsement of achievement, assertiveness, and material success (Yeganeh & Su, 2011). For example, focusing on the country level, Shao et al. (2013) found that people from low rather than high masculine cultures (Doing oriented) reacted more strongly to perceived justice or injustice. Together with the present findings, it seems to be suggested that, regardless of the level of analysis, Doing tends to be a stable negative moderator for justice–outcome relationships. However, it should be noted that Doing orientation does not equal masculinity. Masculinity is sometimes used to refer to gender inequality (Dorfman & Howell, 1988), which may produce a contrary moderating effect. For instance, measuring masculinity based on gender egalitarianism (rather than Doing or assertiveness orientation), Schilpzand et al. (2013) reported that the relationship between procedural justice and organizational citizenship behavior was slightly stronger for people with high rather than low masculinity orientation. For further distinctions, future research can treat Doing and the multifocal masculinity together as moderators in examining justice-related relationships.

To my knowledge, the findings for Mastery's moderating effects on the distributive justice—commitment and procedural justice—trust links are also relatively new in justice research. Based on prior research (Kluckhohn & Strodtbeck, 1961; Maznevski et al., 2002; Yeganeh & Su, 2011), I define high-Mastery as being oriented toward acting to control in response to outside forces, and low-Mastery as being oriented toward submission to and harmony with outside forces. As expected, the findings imply that low-Mastery (versus high-Mastery) employees attach more importance to organizational justice. Unfair distribution, procedures and policies might cause more serious consequences among low-Mastery employees, who tend to rely more on organizational harmony than high-Mastery employees.

Interestingly, Doing and Mastery exhibited somewhat similar moderating roles in justice effects. Whether the nature of justice effects is influenced by these two cultural

orientations depends on the type of justice. Concerning distributive justice, only its relationship with commitment was moderated by Doing and Mastery. This demonstrates a degree of consistency with Andrew et al.'s (2008) finding that group cohesion moderates the distributive justice—commitment rather than the procedural justice—commitment relationship, given that low-Doing, low-Mastery, and high group cohesion all imply the characteristic of valuing interpersonal relationships (Andrews et al., 2008; Yang, 2012; Yeganeh & Su, 2011). Concerning procedural justice, only its relationship with trust was negatively moderated by Doing and Mastery. This, to some extent, corresponds with Ambrose and Schminke's (2003) study of organizations with an organic structure, which values interpersonal relationships and cooperation, and presumably attracts employees who also value these activities, i.e., employees with lower levels of Doing and Mastery. They found that employees perceiving procedural justice rather than distributive justice tended to have higher levels of perceived organizational support and supervisory trust, which are likely to increase these employees' trust in the organization (Chen, Aryee, & Lee, 2005; Wong, Ngo, & Wong, 2006). Although both moderators studied seem able to affect the first stage of the procedural justice-trustcommitment relationship, as conditional process analyses for moderated mediation demonstrated, Mastery is the more influential moderator in the whole mediating process. Specifically, the effect of procedural justice on affective commitment via trust tends to be stronger among employees with lower rather than higher Mastery orientation.

Originating from social exchange theory, the findings of this study, on the whole, support the proposition that employees with lower Doing and Mastery orientations have a greater tendency to reciprocate organizational justice with positive attitudes toward organizations. Regarding cross-cultural differences of the moderating effects of Doing and Mastery, I found only limited rather than overwhelming evidence supporting original predictions. Except that the influence of Doing on the distributive justice—commitment link differed between South Korea and Australia, and that the influence of Mastery on the trust—commitment relationship differed between China and Australia, Doing and Mastery's (non)moderation effects on the overall or indirect justice—commitment relationships seemed consistent between the Anglo and Confucian Asian cultures. Hopefully these suggestive results will motivate more research to compare the effects of value orientations on justice issues in different contexts.

#### Strengths, Limitations and Future Research

This study strengthens the four areas of justice research identified earlier in this article. First, this study is among the earliest to extend previous cross-cultural and cross-national justice research (e.g., Lam, Schaubroeck, & Aryee, 2002; Schilpzand et al., 2013) to explore how individual cultural values' moderating functions vary in different cultural backgrounds. It incorporates comparisons at both individual and country levels, thus adding empirical evidence to the application of levels of analysis to the study of cultural values, as well as further theorizing culture's role in justice effects (Greenberg, 2001). Second, although only the first stage of the trust-mediated justice-commitment link was found to be moderated by individual values, the social exchange-based application of the combination of moderation and mediation helps develop this new approach to exploring culture's influence on justice effects. Third, this study goes beyond Hofstede's (1980) cultural model that has been popularly employed but doubted due to methodological concerns, and is one of the pioneers to empirically examine the moderating effects of Kluckhohn and Strodtbeck's (1961) cultural orientations on social exchange relationships. It may help establish a new perspective regarding the effects of interactions between individual value orientations and social exchange variables, especially organizational justice and trust. Fourth, this research contributes to the understanding of cross-cultural and cross-national justice issues in an Asia-Pacific context. It has been noted that considerable empirical justice research is related to North America. The findings of justice effects, whether cross-cultural or not, are not readily generalizable to employees from different cultural backgrounds. The Asia-Pacific has been experiencing the fastest economic growth in the world (Fien, Sykes, & Yencken, 2003), yet the cross-cultural or cross-national studies of justice in this region are extremely rare. Hopefully, this study will arouse more cross-cultural justice research within the Asia-Pacific region.

Additionally, this study successfully extends the relational perspective instigated by Shao et al. (2013) for the explanation of country-level cultural differences to the individual level. Also, previous empirical research (e.g., Lam et al., 2002; Ramamoorthy & Flood, 2002; Schilpzand et al., 2013) only produced "hint" rather than "substantial" support for individual values' moderating effects on relationships between justice and important employee outcomes (e.g., absenteeism, commitment, trust, and citizenship behavior). The pioneering findings of the present study for Doing and Mastery orientations may provide a relatively new understanding of why and how justice perceptions, stemming from social exchange theory, affect employees' attitudes toward their organizations.

Inevitably, this study has several limitations. First, the use of cross-sectional self-report survey data may have raised concerns regarding common method bias. However, the CFA results indicate that this bias is not a substantial problem. In addition, common method bias is unlikely to affect the key hypotheses which focus on interactions (Brockner, Siegel, Daly, Tyler, & Martin, 1997). Even so, further research, ideally, can adopt other methods for data collection to avoid or reduce common method variances.

Second, even though I found two (out of the ten tested) cultural differences regarding the moderating effects of individual value orientations, most hypotheses for cultural differences were not supported. In this regard, there is a possibility that these findings were detected by chance (Schilpzand et al., 2013). For example, one detected cultural difference is for the Australia–China difference in Mastery's moderating role in the trust–commitment relationship. While the three-way interaction (Table 5.5) indicated the existence of significant difference, the additional R square was not significant. Although the graphs (Figure 5.4) illustrate the slight Australia–China difference, the moderating effect of Mastery in the trust–commitment relationship for each of these two countries was not statistically significant. Future research should examine whether these cultural differences hold in other cross-cultural contexts.

Third, more than half (six out of ten) of the hypotheses regarding individual values' moderating effects were not supported. One reason could be the lack of extensive specificity of the moderators. In spite of the focus on the relational components, Doing and Mastery orientations have many other characteristics, which may have produced influences. To obtain a fine-grained understanding, future research needs to control for the effects of more characteristics related to a cultural orientation, and even explore the sub-dimensions of Doing and Mastery orientations. Although I believe the results were true in the context studied because of this study's strict adherence to scientific research methods, there might be some statistical problems influencing the results. For example, the reliabilities of both Doing and Mastery were much lower than those of the other variables, which may have caused their moderating effects on some relationships to appear non-significant (Shook, Ketchen, Hult, & Kacmar, 2004). Future research should strive to improve the internal consistencies of these individual value instruments. Additionally, future research should check whether the current statistical results will be different when larger samples, or data from industries outside of higher education, are used.

Fourth, the definition of Mastery is to some extent similar to that of locus of control, which refers to the expectancy that outcomes are controlled not by external factors but by one's own actions (Elanain, 2010; Spector, 1988). One may wonder whether Mastery has added new insights to locus of control, the individual difference factor that I did not control in this study. However, although they share some commonalities, these concepts are different. For example, in comparison to locus of control, Mastery also emphasizes how people view their relationships with their associated environments and how they deal with these relationships. Future research is warranted to compare the roles of locus of control and Mastery.

Fifth, the method of data collection was not consistent across countries. Online surveys were employed in Australia and South Korea, while paper surveys were used in China. Despite the fact that previous findings suggest the availability of mixing online and paper surveys (e.g., Query Jr & Wright, 2003), the use of different data collection approaches may potentially confound the cross-cultural comparisons. Further cross-cultural or cross-group studies should adopt the same strategy of data collection, which may generate findings of higher reliability

### **Practical Implications**

This study helps managers understand how employees with different levels of cultural value orientations may, in different ways, respond to organizations' fair treatment. According to the present results, under some situations (e.g., when temporary difficulties prevent fairness from being guaranteed for all employees), it might be helpful to a priori meet the expectations of employees who are less goal-oriented, commit less to work ethic, rely more on outside forces, and value relationships with their environment. However, this should not be a long-lasting strategy, because other employees may also negatively react to the "low-quality" treatment over the long haul, albeit their reactions might not be significant in the short term. The present findings suggest these justice-related practices might be relevant in managing a diverse workforce across a broad international context, where employees' commitment to work ethic and reliance on outside forces are concerned. However, managers may also consider distinct interventions in some particular cultures (e.g., South Korea) to maintain employees' positive attitudes (e.g., affective commitment).

## **Conclusion**

The objective of this study is to investigate Kluckhohn and Strodtbeck's (1961) value orientations (Doing and Mastery) in social exchange relationships between organizational justice, trust, and commitment. Based on the data collected from China, South Korea, and Australia, results suggest that, on the whole, Doing and Mastery orientations can moderate the justice—commitment relationship and trust's mediation process in this relationship.

Specifically, employees low on Doing and Mastery orientations are more likely to reciprocate organizational justice with trust and commitment, compared to their counterparts who are less oriented to Doing and Mastery. In addition, only two significant cultural differences were found, suggesting that the effects of Doing and Mastery are broadly consistent across the cultures studied. These findings extend social exchange-based justice research to a two-level (individual and country) cultural perspective, generating important empirical evidence for culture—justice theory development. Future research should endeavor to develop this stream of research through cross-culturally applying other and more types of justice, value orientations, trust, and commitment.

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# **Chapter 6**

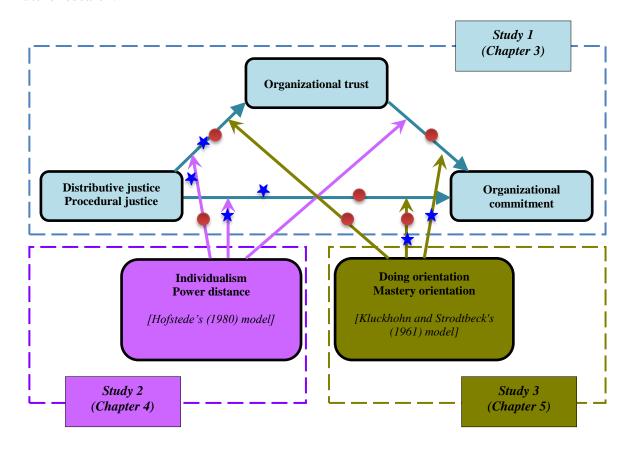
**General Discussion and Conclusion** 

Organizational justice is an essential factor in explaining employees' attitudes to the organization (Folger & Cropanzano, 1998; Sweeney & McFarlin, 1993). It is extremely important for organizations to understand justice due to its relationship with organizational commitment, which is closely related to employees' intention to quit (DeConinck & Stilwell, 2004). Although past research has devoted significant effort to the study of justice, as mentioned in Chapter 1, the literature suggests that the influence of justice on employee outcomes, particularly organizational commitment, and the mechanism of this influence, need to be further explored from the cross-cultural perspective (Fortin, 2008; Greenberg, 2001; Shao, Rupp, Skarlicki, & Jones, 2013). Accordingly, this thesis contributes to the justice literature by offering additional cross-cultural evidence of the justice—commitment relationship. Specifically, by extending previous research, this thesis cross-culturally examines the relationship between organizational justice and affective organizational commitment, the mechanism of this relationship (via organizational trust), and the influences of specific personal cultural values/orientations.

In Chapter 1, I have identified the specific research scope of this thesis. Taking an employee-organization social exchange perspective, I specified that this thesis would include only distributive justice and procedural justice, which are more suitable for studying the employee-organization relationship than other types of justice. In a similar theoretical track, I focused on trust in the organization in examining the mechanism of the justice-commitment relationship. When exploring the impact of cultural dimensions on the justice–commitment linkage and the relevant mechanism, I employed Hofstede's (1980) individualism and power distance and Kluckhohn and Strodtbeck's (1961) Doing and Mastery orientations as moderators. Furthermore, as the literature indicates that the majority of justice research is conducted in North America, and predecessors have called for examinations of justice issues in other parts of the world (Fortin, 2008; Shao et al., 2013), this thesis focused on three Asia Pacific countries: China, South Korea, and Australia. These countries were chosen because the Asia Pacific region has been experiencing the fastest economic growth in the world, and as discussed in Chapter 1, the three countries include both Anglo and Confucian Asian cultures, and both Eastern and Western cultures, which enabled West-East comparisons and also reflected East Asian differences or similarities.

In summary, focusing on China, South Korea, and Australia, this thesis examined: (1) the relationships of affective organizational commitment with distributive justice and procedural justice; (2) the mediating effect of trust in the organization on these relationships;

(3) the moderating effects of individualism and power distance on the unmediated and mediated justice-commitment relationships; (4) the moderating effects of Doing and Mastery orientations on the unmediated and mediated justice-commitment relationships; and (5) the cross-cultural differences in these relationships and also in the relevant mediating and moderating effects. In the following sections, I first summarize the results of the empirical sections (see Figure 6.1), followed by the elaboration of theoretical and practical implications. Then I move to discuss major limitations of the thesis and identify several directions for future research.



- The relationship was partially or fully supported.
- **\*** Cross-cultural differences were detected.

Figure 6.1. Overview of results for empirical studies

# **Summary of Results**

Figure 6.1 illustrates the overall results of this thesis. This section summarizes these results in terms of the specific empirical studies.

## **Study 1 Results**

In Study 1 (reported in Chapter 3), based on social exchange theory, I compared the relationships of affective organizational commitment with distributive and procedural justice, and the mediating role of trust in the organization in the justice-commitment relationships in a cross-cultural context. I used hierarchical regression analyses to examine these relationships and the mediating effect of trust in each of the three countries, with confirmation from additional analyses (e.g., Sobel test and bootstrapping analysis). Z-tests, along with multigroup path analyses, were employed to explore cross-cultural differences.

It was found that in the two East Asian countries, China and South Korea, both types of justice were positively related to affective commitment and organizational trust. However, in the Western country, Australia, only procedural justice was found to significantly and positively relate to commitment and trust. Results also demonstrated that in Australia and South Korea, procedural justice produced a greater impact on commitment than distributive justice, but in China, the opposite was true. In all three countries, the influence of procedural justice on trust was greater than that of distributive justice. In addition, in all three countries, organizational trust fully mediated the relationship between procedural justice and commitment. The relationship between distributive justice and commitment was also mediated by trust in China (full mediation) and South Korea (partial mediation).

Based on the proposition of West-East differences, Study 1 further compared the strength of the justice–commitment relationship, both unmediated and mediated, and the justice–trust relationship, between Australia and China and South Korea. Results suggested that both unmediated and trust-mediated relationships between distributive justice and commitment were stronger in China and South Korea than in Australia. By contrast, the unmediated and trust-mediated relationships between procedural justice and commitment were stronger in Australia than in China and South Korea. In general, these results suggest that across countries, organizational justice is critical in influencing employees' commitment, and that its influence, to a large extent, relies on two factors, the mediating role of organizational trust, and the likely cultural elements that influence the impact of types of justice. Compared to employees from China and South Korea, employees from Australia assign greater importance to the fairness of the procedures and less importance to the fairness of distributed outcomes.

## **Study 2 Results**

Study 2 (Chapter 4) addressed cultural aspects, investigating the moderating roles of individualism and power distance (Hofstede, 1980) in unmediated and trust-mediated relationships between distributive and procedural justice, and affective organizational commitment. Following predecessors (e.g., Farh, Earley, & Lin, 1997; Kim, Weber, Leung, & Muramoto, 2010), I performed hierarchical regression analyses separately to test moderating effects, and utilized three-way interactions to explore cross-cultural differences in these moderating effects (Fischer & Smith, 2006).

Based on the full sample and controlling for the impact of country, I found that none of the unmediated relationships between distributive and procedural justice and organizational commitment were moderated by individualism or power distance. However, the first stage of the trust-mediated relationship between justice and commitment (i.e., the justice—trust relationship) could be moderated by these two cultural values. Specifically, individualism moderated the relationships of trust with both distributive justice and procedural justice, such that the positive impacts of distributive and procedural justice on trust were stronger among employees with higher rather than lower individualism. Power distance moderated the positive relationship between procedural justice and trust, such that the impact of procedural justice on trust was stronger among employees with lower rather than higher levels of power distance.

Furthermore, the cross-cultural comparisons of the moderating effects of cultural values demonstrated very slight differences between China and Australia, and nearly no significant differences between South Korea and Australia. Specifically, Chinese employees showed a stronger relationship between distributive justice and commitment, and a stronger relationship between procedural justice and trust, when they had a lower rather than higher level of power distance. By contrast, for Australian employees, and noting that they were statistically insignificant, these relationships trended to be stronger when power distance was higher rather than lower. These results suggest that individualism and power distance have the potential to moderate the effects of justice on employees' work attitudes. Although there were only slight cross-cultural differences, the results provide several indications that individual-and country-level cultural values might interact to produce resultant influences on justice effects.

## **Study 3 Results**

Study 3 (Chapter 5) used a similar research framework as Study 2 to cross-culturally explore the moderating effects of Doing and Mastery orientations (Kluckhohn & Strodtbeck, 1961) on unmediated and trust-mediated relationships between organizational commitment and both distributive and procedural justice. To a very large extent, this study was exploratory. As with Study 2, this chapter employed separate hierarchical regression analyses to test moderating effects and cross-cultural differences.

It was found that Doing and Mastery orientations (Kluckhohn & Strodtbeck, 1961) could moderate the unmediated relationship between distributive justice and organizational commitment. That is, when perceiving higher levels of distributive justice, employees who had lower rather than higher levels of Doing and Mastery orientations were more likely to increase their commitment to the organization. Results also demonstrated that Doing and Mastery orientations moderated the first stage of the procedural justice—trust—commitment relationship (i.e., the procedural justice—trust relationship). Specifically, the relationship between procedural justice and trust was stronger among employees who had lower rather than higher levels of Doing and Mastery orientations.

Similar to Study 2, only very slight cross-cultural differences were detected. For example, South Korea differed from Australia in the moderating effect of Doing orientation on the relationship between distributive justice and commitment, such that the moderating role of Doing orientation was more apparent among Australian rather than Korean employees. For Australians, the distributive justice–commitment relationship was stronger when Doing orientation was lower rather than higher, but for Koreans, this relationship tended to be stronger when Doing orientation was higher rather than lower. Additionally, the exploration detected the tendency of China to differ from Australia in the moderating effect of Mastery orientation on the second stage of the justice-trust-commitment relationship. Namely, results indicated that in China, the trust-commitment relationship was stronger when Mastery orientation was lower rather than higher. However, in Australia, this relationship appeared stronger when Mastery orientation was higher rather than lower. This exploratory study suggests that Doing and Mastery orientations might be influential in justice-outcome relationships. The findings suggest that, in general, the roles of Doing and Mastery orientations may not be different across countries, although in some cases, these two orientations exhibited varying moderation effects in social exchange processes.

# **Theoretical Implications**

This thesis applied social exchange theory (Blau, 1964) in a cross-cultural context to examine the justice–commitment relationship. The findings from the empirical sections suggest that social exchange-based justice effects can be extended to a broader international setting, and that the social exchange varies with the specific cultural background. In this regard, the current research reflects the argument that the ideology of social exchange can be applied to most human cultures, among which the frequency, dependence, and modes of exchange may be variant (Cosmides & Tooby, 1992; Shao et al., 2013). Combining the findings of previous studies conducted in various cultures, this thesis emphasizes the different strengths of distributive and procedural justice in influencing social exchange processes, the role of trust in facilitating social exchanges, and the roles of individual cultural values and orientations in these processes, along with cross-cultural similarities and differences in justice-initiated exchanges. Since most of the key findings have been discussed in earlier chapters (i.e., the empirical sections) of the thesis, I herein discuss several major findings with a brief elaboration of their theoretical implications.

#### **Summary of theoretical contribution**

This thesis has not only confirmed the basic research framework (i.e., the justice trust-commitment relationship) shown in predecessors' work (e.g., Aryee, Budhwar, & Chen, 2002; Tremblay, Cloutier, Simard, Chenevert, & Vandenberghe, 2010), but also extended our knowledge of the justice-commitment relationship through the use of more refined approaches, the study of the Asia-Pacific region, and the simultaneous investigation of China, South Korea, and Australia, which have never been studied together previously. Additionally, the employment of more fine-grained methods (e.g., cross-cultural comparisons of moderated mediation relationships) in integrating justice and culture paves a new avenue for studying cross-cultural justice. Furthermore, the consideration of cultural attributes of the individual and the society, through individual-level and societal-level comparisons of the justicecommitment relationship and its mechanism, has offered a more complicated lens to test justice effects, and has also provided new knowledge for further development of theories connecting culture and fairness. Particularly, as a pioneering work, this thesis has initiated the study of Kluckhohn and Strodtbeck's (1961) cultural orientations in justice research, a cultural model that is one of the most important, yet neglected in empirical studies of fairness issues (Bolino & Turnley, 2008). The follow sections provide a more detailed discussion.

## **Power of justice**

The current theoretical perspective contends that procedural justice tends to predict organization-based outcomes more strongly than personal outcomes, given that procedural justice focuses more on processes and policies set by the organization and distributive justice is more closely related to ultimate results (Greenberg, 1987; McFarlin & Sweeney, 1992). As discussed in Chapter 3, researchers have demonstrated mixed results in validating this theoretical perspective (Andrews, Kacmar, Blakely, & Bucklew, 2008). Overall, the crosscultural empirical studies reported in this thesis have confirmed this perspective, although only organization-based outcomes have been examined. Chapter 3 suggests that, for the three countries studied, procedural justice, relative to distributive justice, appears to be the more important influence on employees' trust in their organizations. Except for the Chinese sample, the relative importance of procedural justice (compared to distributive justice) also emerged in predicting employees' commitment to the organization. The results from Chapter 4, which also tested the justice—commitment and justice—trust relationships using the full sample, support procedural justice as the more powerful factor in explaining organization-based outcomes.

Extending prior research (e.g., Clay-Warner, Hegtvedt, & Roman, 2005; Farmer, Beehr, & Love, 2003; McFarlin & Sweeney, 1992), these findings generated from multiple countries provide a more comprehensive and stronger conclusion that, in most circumstances, the formation of organization-directed employee attitudes (e.g., commitment and trust) tends to be dependent more on procedural than on distributive justice. This indicates that procedural justice rather than distributive justice is more likely to be a promoter of social exchanges. Although distributive justice has been popularly operationalized as starting social exchange processes (Andrews et al., 2008; Loi, Ngo, & Foley, 2006), it can also initiate economic exchange, for it focuses on the fairness of the outcomes, which incorporate economic components. As suggested in Chapter 3, economic exchanges seem to intervene in social exchange processes. Interestingly, cross-cultural comparisons imply that the extent of this intervention might be subject to a country's economic growth or the level of its socioeconomic development. Economic exchange ideology has a greater tendency to intervene in social exchange processes in a country experiencing faster economic growth or in a lessdeveloped country. This conclusion may be more convincing if validation is provided by research that involves a larger number of countries that significantly vary in economic growth and societal development.

## The justice-commitment relationship and the role of trust

In line with previous studies (e.g., Aryee et al., 2002; Sousa-Lima, Michel, & Caetano, 2013), the current research supports the important role of trust in social exchange relationships. As revealed in the findings, organizational trust acts as a facilitator in the exchange between the employee and the organization. Based on the theoretical standpoint that trust is an essential element of social exchange (Blau, 1964; DeConinck, 2010), employees' trust in the organization was applied as a mediator in the social exchange-based relationship between justice and commitment. Wherever organizational justice initiates social exchange processes, it can first influence employees' trust in the organization, which, in turn, influences employees' other attitudes (e.g., organizational commitment). Although this finding has been reported in previous research, the current research extends the role of trust to a cross-cultural setting, which includes countries (China, South Korea, and Australia) that have never been examined together in this regard. This contributes to the justice literature by providing multicultural information on trust-mediated justice—outcome relationships, helping generalize the role of trust in justice research to different cultures.

As discussed in Chapter 3, the extent to which organizational trust explains the mechanism of the justice–commitment relationship varies with the specific form of justice. Overall, trust plays a more important role in the procedural justice–commitment relationship than in the distributive justice-commitment relationship. The percentage of the total effect of procedural justice on commitment that the trust-mediated effect accounts for exceeds 70% in all three investigated countries. In contrast, considering distributive justice, the trust-mediated effect of distributive justice on commitment accounts for less than 60% of the total effect in all three countries. That is, the influence of procedural justice is more likely to build on trust than that of distributive justice. I also discussed earlier that since trust is an element and a facilitator of social exchange processes, its differential mediating roles in the justicecommitment linkage help distinguish different types of justice based on the social exchange lens. Indeed, the distinction detected here reflects that, compared to distributive justice, procedural justice tends to be more relevant in workplace social exchanges (Cropanzano, Prehar, & Chen, 2002). Distributive justice focuses on the ultimate results and outcomes, and procedural justice involves a longer process wherein procedures and policies are used to arrive at the outcomes.

Compared to procedural justice, distributive justice may initiate social exchange processes and contribute to the development of trust, but might be a weaker trigger. Fairness is a reflection of the organization's trustworthiness and affects employees' levels of trust in the organization (Robinson, 1996). Procedures are usually implemented before the decisions or outcomes are finalized. Thus, employees may firmly entrench their first impression of procedural justice or injustice, which makes them depend less on distributive justice to judge the overall justice and trustworthiness of the organization. This conclusion is consistent with Ambrose and Schminke's (2009) finding that procedural justice, relative to distributive justice, contributes more to employees' overall perception of organizational justice. The similar results of the relative strength of trust's mediating role in different countries imply that the explanations provided here might be applicable across cultures.

In addition, Chapter 3 also discussed cross-cultural differences regarding the role of trust in the justice-commitment relationship. For example, trust facilitates the exchange relationship between distributive justice and commitment in the two East Asian countries (e.g., China and South Korea), but not in Australia. Trust tends to be a stronger mediator in the relationship between procedural justice and commitment in Australia than in China and South Korea. These results support my prediction that employees who are from countries with higher power distance orientations and greatly influenced by Confucian ideology, which emphasizes the metaphysical belief of retributive justice—pao (Chiu, 1991)—care less about high-quality relationships with the organization and place more importance on distributed outcomes rather than allocation procedures. As noted in Chapter 3, people from cultures with the belief in pao believe that the amount of good or bad deeds that a person has done will automatically affect whether this person will receive blessings or curses (Chiu, 1991; Pillai, Williams, & Tan, 2001). They tend to value procedural justice less than counterparts from other cultures in deciding whether to trust in, or commit to, their organizations, given that they are more willing to accept non-voice or non-intervention in the process of decision making. This pao belief may have also made Confucian cultures emphasize distributive justice more than other cultures do.

Also, lower rather than higher power distance promotes closer relationships between employees and the organization (Begley, Lee, Fang, & Li, 2002), such that employees from low power distance cultures (i.e., Australia) are more comfortable in social exchanges with employers than those from high power distance cultures (i.e., China and South Korea). Therefore, the exchange process initiated by procedural justice and linked by trust might be

smoother in low rather than high power distance cultures. In high power distance cultures, the employees, lacking close relationships with the employer, have less access to information regarding how to access procedural justice, which may make them care about the ultimate outcomes more than those from low power distance cultures do. These cross-cultural differences have largely validated the conjecture regarding the role of *pao* in justice effects and in social exchange relationships, and have also further confirmed the influence of power distance on the more complex mechanism of social exchange.

## The justice-commitment relationship and roles of individualism and power distance

Extending previous research, Chapter 4 investigated whether Hofstede's (1980) cultural values (i.e., individualism and power distance) altered the justice—commitment relationship and the mechanism (via trust). Although, seemingly, the relationships of commitment with distributive and procedural justice were not moderated by individualism and power distance, more in-depth investigations suggested that these two cultural values could affect these relationships by influencing the first stage of the trust-mediated justice—commitment relationship (i.e., the justice—trust linkage). This shows that it is worthwhile to explore more specific aspects of the justice—commitment relationship when considering the roles of cultural values, so as to obtain more in-depth knowledge hidden within the relationship. As part of the justice—trust—commitment relationship, the justice—trust linkage, affected by individualism and power distance, is reflective of a specific exchange stage that may influence the whole exchange process. Considering trust's important role in social exchanges, the results might indicate that individualism and power distance tend to be influential in more fine-grained processes of social exchange.

The two cultural values investigated in this thesis, individualism and power distance, are highly relevant to Shao et al.'s (2013) instrumental and moral perspectives, proposed to explain the justice—outcome relationships. The current research extends the individualism-instrumental and power distance-moral combinations to individual level studies, integrating the expectancy-valence framework (Lam, Schaubroeck, & Aryee, 2002). As Chapter 4 discussed, high individualism and instrumental perspectives share commonalities in that both emphasize the individual's motivation in terms of self-interest, such that people with high individualism use an instrumental perspective to evaluate whether the valence of the management practices (e.g., equity-based pay-for-performance systems) conform with their own expectancies. Likewise, low power distance and the moral perspective are related. People

with low power distance orientation are likely to directly question authority regarding morality in reward allocation when seeking the expectancy-valence balance. Based on the findings of this thesis, moderation by individualism and power distance might suggest that the expectancy-valence framework and the instrumental and moral justice perspectives jointly affect the process of trust development, which has been shown to precede employees' commitment to the organization. Furthermore, the non-moderation by individualism and power distance in the unmediated justice—commitment relationship may indicate that instrumental and moral justice perspectives are able to separately distinguish the concepts of trust and commitment. Chapter 3 stated that trust and commitment overlap with regard to connotation, and some scholars even propose that commitment is a dimension of trust (Chathoth, Mak, Jauhari, & Manaktola, 2007; Chathoth, Mak, Sim, Jauhari, & Manaktola, 2011). The significant and non-significant roles of these two cultural values on the justice—trust and justice—commitment relationships, respectively, indirectly reflect the distinction between trust and commitment.

On the country level, this thesis compared the moderating effects of individualism and power distance between the three countries studied. As Hofstede's (1980) cultural dimensions were originally developed on the country level (although these dimensions have been popularly investigated at the individual level, Kirkman, Lowe, & Gibson, 2006) and research suggests that individual values and national cultures can interact to produce joint influences (Fischer & Smith, 2006; Ramamoorthy & Flood, 2002), the current research also used individualism and power distance as benchmarks to explore cross-cultural differences. Similar to the findings reported in Chapter 3, results suggested that wherever East-West differences exist, the differences between China and Australia tend to be greater than those between South Korea and Australia. For example, in South Korea and China, the relationship between procedural justice and trust is stronger among employees with lower levels of power distance, whereas in Australia, this relationship is stronger among those with higher levels of power distance. However, the difference between South Korea and Australia is not as significant as the difference between China and South Korea. These results are consistent with the idea mentioned earlier that South Korea, compared to China, has accepted more elements of Western cultures (Rubin et al., 2006), as it opened its doors to the Western world earlier than China. Although in most circumstances, the joint influences of individual values and national cultures did not appear, the slight between-country differences in the moderating roles of power distance provide the potential to explore such influences in future research, which may

incorporate other types of work attitudes. Between-country comparisons of the moderating effects of individual cultural values in justice research were not found in the literature. Chapter 4, together with Chapter 5, have provided a starting point for this stream of research.

## The justice-commitment relationship and roles of Doing and Mastery orientations

Using a research framework similar to that presented in Chapter 4, Chapter 5 employed the Doing and Mastery orientations from Kluckhohn and Strodtbeck's (1961) value-orientation model to examine the justice—commitment relationship. High Doing orientation describes people's tendency to prioritize the process of accomplishing goals and tasks and care less about the results from this process, and thus to engage in fewer relationships, relationships which might be relied on to seek equitable results or information related to such results. Low Doing orientation delineates the opposite, and potentially emphasizes elements of the relationship. Mastery orientation relates humans to the environment: high Mastery depicts humans' orientation toward exercising control over the environment without considering harmonious coexistence between humans and their environments, and low Mastery endorses submission to the environment and emphasizes the harmonious relationships between humans and the environment around them. This thesis is pioneering in that it empirically applies these cultural orientations to justice studies and explores their applicability to the explanation of justice issues.

Although other theoretical perspectives (e.g., the instrumental and uncertainty management perspectives, Shao et al., 2013) may help with the exploration of the fit of cultural orientations in justice—outcome relationships, this thesis extensively drew on Shao et al.'s (2013) relational perspective to probe the roles of Doing and Mastery orientations in justice effects because these two cultural orientations, to a certain extent, reflect people's valuing or inconsideration of relationships, and have been initially supported in Shao et al.'s meta-analytical study. Despite the fact that most findings were generated on an exploratory basis, they appear to offer some potential implications to distinguish distributive and procedural justice based on their different effects on different dependent variables when influenced by cultural orientations.

Only the procedural justice—trust and distributive justice—commitment relationships varied with levels of Doing and Mastery orientations. Relative to the unmediated justice—commitment relationship, the justice—trust—commitment relationship involves more sophisticated exchange processes, in which multiple stages exist. As elaborated previously,

trust is essential in social exchanges, and procedural justice is more closely related to social exchanges than distributive justice is. Chapter 3 showed that the relationship between procedural justice and commitment is more likely to form via trust. Although the second stage of the procedural justice—trust—commitment relationship was not moderated by Doing and Mastery, the varying strength of the first stage implies that when the elements of the relationship are considered, procedural justice tends to initiate a more detailed process in social exchanges.

Since only the unmediated distributive justice—commitment relationship, and not the procedural justice—commitment relationship, was moderated by Doing and Mastery orientations, it would seem that, compared to procedural justice, distributive justice is less related to the fine-grained social exchange process when Doing and Mastery orientations are taken into account. One explanation might be that when trust, the facilitator of social exchange, is not considered in the distributive justice—commitment relationship, the exchange process starting from distributive justice may need catalysis from elements reflecting the relational perspective, such as lower levels of Doing and Mastery orientations. As presented in Chapter 5, these exploratory findings are to some extent consistent with those of previous research that examined justice—outcome relationships by applying variables that implied or incorporated a relational component (Andrews et al., 2008).

This study also explored the cross-cultural differences in the moderating effects of Doing and Mastery orientations in the justice–commitment relationship. Similar to Chapter 4, which tests the roles of individualism and power distance, these two cultural orientations demonstrated very limited differences in their moderating roles between countries. Considering the exploratory nature of this thesis in this regard, the evident between-country differences in the moderating roles of Doing and Mastery orientations may provoke reflective thought and stimulate further research efforts. In only a few cases, the Eastern Asian countries (i.e., China and South Korea) are different from Australia in the roles of cultural orientations. However, the extent of differences seems to neither totally accord with the original proposition nor reflect the Eastern Asian countries' cultural or institutional transitions or changes. More exploratory studies may be helpful in obtaining a more comprehensive pattern of cultural influences.

# **Practical Implications**

On the whole, this thesis suggests a roughly unified mechanism of the justice—commitment relationship in a cross-cultural context, and the potential roles of cultural values in justice—outcome relationships. In Chapters 3–5, I have discussed some potential practical implications for each study. This section revisits former chapters to integrate the implications that this thesis may have for practitioners.

First, the findings of the thesis can inform organizations and human resource professionals of the importance of prioritizing fair management systems that meet the needs and expectations of employees from different cultures. On the one hand, it is universal that nearly all employees value fairness in the organization. That is, regardless of cultural background, employees expect to be treated fairly. In any culture or country, to maintain employees' genuine positive attitudes and consequent behaviors, organizations should take fair management seriously to ensure that the outcomes (e.g., pay, rewards, and other benefits) are distributed equitably and that the procedures for the distribution are consistent, accurate, voice-permitted, unbiased, moral, ethical, and transparent (Colquitt, 2001). On the other hand, although fairness should be ensured in almost every circumstance (Kim et al., 2010), taking into account the distinction between different types of justice may increase effectiveness. In most cases, organizations might benefit from more positive employee attitudes when procedures are perceived as fair, although the fairness of outcomes can also achieve positive employee attitudes.

Second, this thesis suggests that in nearly all cultures, organizations should endeavor to demonstrate their trustworthiness to employees and ensure that they are trusted by employees. Trust is important in maintaining a positive relationship between an employee and an organization. As demonstrated by the present findings, to increase employees' commitment or loyalty, which is related to reduced turnover intention (Chang, 1999), it is very helpful to build employees' trust. Organizations should be aware that the way they treat employees (e.g., use of fair procedures to make decisions) can influence employees' recognition of the organization's goals and values (Olkkonen & Lipponen, 2006), and employees' desire to remain with the organization (Aryee et al., 2002). These influences largely rely on the extent to which employees trust in their organizations. Since the importance of trust appears to be generalizable across cultures, it might be helpful for decision makers, especially those from

multinational organizations, to consider policies that assist in increasing trust between the employee and the organization.

Third, in working out and implementing unified human resource policies to fit a broad cross-cultural context, multinational organizations and their representatives need to be more aware of the influences of individual values on the specific mechanisms, through which fairness plays an important role in affecting employees' commitment. Managers need to pay close attention to the mechanism involving procedures for decision-making and the employee's evaluation of organizational trustworthiness, because employees with different levels of individual values tend to differ in this psychological mechanism. In order to take advantage of these differences, managers should be more careful in treating employees who are more sensitive to the fairness of decision-making procedures, in terms of increasing or decreasing their trust in the organization, and further, their commitment to the organization. As suggested by the present research, managers may be able to recognize these employees based on one or more characteristics: They may be reluctant to accept unequally distributed power in the organization; they may be motivated by self-interest; they tend to be relatively less goal- or work ethic-oriented but more focused on life quality and human relations; and they tend to accept harmonious human-environment relationships and do not seek to control and change the environment or others around them.

Fourth, despite the fact that there seems currently to be a lack of objective laws regarding how individual values can influence employees' reactions to fairness differently in disparate cultures, managers need to be aware that invariant implementation of a policy might not be effective in certain specific situations. As discussed earlier, it may be helpful for multinational organizations to establish two parallel sets of management systems: one about the general management rules and regulations for all branches spread across cultures, and the other about the particular management modes catering to a specific culture. The literature suggests that top management of multinationals should commit to cultural diversity management strategies and concrete practices, and reflect them in transparent organizational diversity policies (Gröschl, 2011). Aligning with strategic human resource activities, senior management commitment helps create the core values and visions that are to be infused in different cultures where the organization operates (Thorbjørnsen & Supphellen, 2011). The first management system may aim to maintain the consistency of core corporate values across cultures by getting cross-level, cross-divisional, and cross-cultural staff to set and regulate fundamental policies. To ensure the effectiveness of the second management system,

multinationals may need to employ higher levels of power decentralization on condition that the core value is stable enough to tie all branches together (Sim, 2013). According to the findings of this thesis, it might be better to have branches in a specific culture set their own rules that fit the preference of a particular cultural population, especially for the rules related to reward allocation. Managers need to be more flexible in operating these systems and pay attention to their connectedness and differences.

Finally, this thesis provides potential guidance for organizations expanding overseas business with regard to human resource management practices. For example, when an organization originally based in a Western country sets up human resource policies for branches in East Asian countries, managers may need to understand that employees from East Asia might value a specific type of fairness to a different extent than employees from the host country do. These differences might be caused by individual or nation-wide values, but a more in-depth analysis of influences of institutional systems and economic status may also be highly useful. Further fine-grained explorations of these issues will probably offer more extensive and accurate implications.

## **Limitations and Directions for Future Research**

It should be acknowledged that a number of noteworthy limitations exist in the current thesis that deserve serious consideration in future research.

#### **Data collection**

In this thesis, while an online survey was used to collect data in Australia and South Korea, a paper survey was adopted in China due to information and access constraints. There was a significant difference in response rate between these two types of surveys. For example, the online survey in Korean response rate was particularly low (only 4.2%), which raises concerns regarding whether the Korean sample is representative enough. The difference in data collection approaches might have the potential to confound some cross-cultural results. Although some research (e.g., Query Jr & Wright, 2003) suggests that online surveys and paper surveys do not have significant differences in many respects, consistency in the use of data collection methods across different countries can increase the reliability of cross-cultural findings. Future cross-national or cross-group research should pay attention to methodological consistency.

In addition, as previously stated, the cross-sectional single source data used in this thesis may have increased the common method bias. Even though confirmatory factor analyses demonstrated that the biases were not significant in this thesis, it is impossible to completely eliminate the effects of these biases due to the data source. Future research should take measures to reduce common method variance. One future research avenue is to use multivariate methods (e.g., multitrait-multimethod) in data collection (Lievens & Conway, 2001). A number of statistical remedies can also help deal with common method variance, such as marker variable analysis and partial correlation procedures (Lindell & Whitney, 2001; Podsakoff, MacKenzie, Lee, & Podsakoff, 2003).

#### **Incomplete reflection of workplace constructs**

There are various forms of social exchanges existing in the organization; e.g., the exchange between the supervisor and the subordinate, the exchange between the organization and the employee, and even the exchange between coworkers. This thesis considered only employee-organization social exchange. This theoretical choice also directly led to the choice of the dimensions for study, including organizational justice and organizational trust.

In light of the employee-organization exchange perspective, only distributive justice and procedural justice, shown to be more closely related to employees' organization-based outcomes, were examined. The other dimension, interactional justice, was excluded. Although interactional justice appears to more closely related to the supervisor (Cropanzano et al., 2002), it is also possible that interactional justice exists in the social exchange between the employee and the organization (Klendauer & Deller, 2009). Therefore, exclusion of interactional justice has prevented this thesis from obtaining a complete understanding of justice effects based on social exchange theory.

Likewise, this thesis considered only trust in the organization, as employeeorganization exchange was the focus. In the employment relationship, two forms of trust are
the most important: trust in the organization and trust in the supervisor (Tan & Tan, 2000). As
supervisors, in many situations, are considered to be representatives of an organization,
employees' attitudes toward the supervisor might also affect their attitudes toward the
organization (Aryee et al., 2002). In this thesis, some findings may have been influenced by
employees' trust in the supervisor. But due to the exclusion of trust in the supervisor and
other types of trust, such influences could not be evaluated.

In addition, organizational commitment was studied only for its affective aspect. A complete construct of organizational commitment has been proposed by Meyer and Allen (1997) to comprise affective, continuance, and normative commitments. As discussed in Chapter 3, theoretically, affective and normative aspects appear to be more suitable for examining social exchange relationships. Although the choice of including only affective commitment avoided the debate and criticism around normative and continuance commitments, it has hindered this thesis in fully depicting employees' psychological bonds with their organizations.

These sub-constructs, excluded in the present research, warrant future explorations, especially in cross-cultural settings. To proceed to a more comprehensive understanding of the social exchange-based justice—trust—commitment relationship, future research needs to consider more types of exchanges (e.g., inclusion of all coworker-, supervisor-, and organization-based exchanges), a full set of dimensions of justice and commitment, as well as more forms of trust within the organization.

#### **Measurement concerns**

There are two main measurement concerns in this thesis. One is that some variables were measured by scales in which several items were deleted from the original. For example, following previous scholars, organizational trust was measured using six items from the seven-item scale used by Robinson (1996), with one item specifically addressing fairness being deleted. This strategy may raise the question as to whether findings based on an incomplete set of items can be identical or similar to those based on a full set of items, which reflect the concept of the variable more fully. Future research may need to explore this question by comparing the findings generated under different item-selection strategies.

The other is about the cross-cultural equivalence of the measurements. Although the back-translation procedure and the expert judgement have, to a large extent, increased the content equivalence across the three countries studied, the confirmatory factor analyses demonstrated only marginal cross-cultural equivalence of the constructs in the second and third studies. Although the indexes appear marginally acceptable, there are still potential risks that the cross-cultural findings are confounded by some items that are marginally equivalent. Future cross-cultural research should endeavour to improve the equivalence of measures across cultures. One consideration might be to deliberate and explore a response format that is more suitable for all involved countries. Research suggests that East Asians have a greater

tendency than people from Western societies such as Australia and North America to choose the midpoint when a Likert-type scale is provided (Wang, 2011). Thus, a scale that can reduce this discrepancy across cultures might help increase the cross-cultural equivalence of constructs. Future studies are warranted to validate this conjecture.

#### **Choice of Moderators**

In selecting moderators, this thesis addressed only two cultural dimensions from each of the two cultural models. Although these dimensions have relatively strong theoretical foundations for explaining employee attitudes, more than half of the hypotheses relating to these cultural dimensions were not supported. It may be that the consideration set of moderators is not sufficiently inclusive to hold the complete explanation for justice—outcome relationships.

Despite the relevance and popularity of individualism and power distance in explaining justice effects and social exchanges suggested by previous research (Fortin, 2008; Kirkman et al., 2006), the exclusion of other dimensions (e.g., uncertainty avoidance and masculinity) of Hofstede's (1980) model in Chapter 4 might miss important and interesting findings. There is the possibility that the non-findings related to cultural values' moderating effects can be explained by these other cultural dimensions, given that several studies have already revealed that uncertainty avoidance and masculinity can also influence the effects of justice on employees' outcomes directed toward the organization (Schilpzand, Martins, Kirkman, Lowe, & Chen, 2013; Shao et al., 2013). Future research needs to expand the considered set of cultural moderators to obtain more comprehensive findings regarding the variation of justice effects.

The same limitation exists in Chapter 5. For simplicity and demonstrability in this exploratory study, Chapter 5 employed a very small fraction (two) of cultural orientations from Kluckhohn and Strodtbeck's (1961) value-orientation model. Although the roles of some cultural orientations may be seen from findings about Hofstede's (1980) cultural values shown in Chapter 4, as these two cultural models overlap regarding some concepts, a lack of information about other cultural orientations makes it difficult to infer more systematic functions of culture. In addition, as discussed in Chapter 5, one may have concerns over the legitimacy of the choice of Doing and Mastery orientations. The theories used to explain justice effects are based on relationships. Although these two cultural orientations reflect elements of relationships, the reflection is indirect. Furthermore, it seems that the definition of

Mastery orientation has some commonality with the construct of locus of control (Rotter, 1990); the detected roles of Mastery orientation may have been, to some extent, a surrogate for locus of control. Therefore, this line of research might be improved in at least three ways. First, future research should consider more cultural orientations and apply more fine-grained examinations to seek the most suitable cultural dimensions in explaining justice effects. Second, in examining the role of Doing orientation, future studies may consider controlling a variable that is more directly based on the relationship (e.g., relational interdependence), so as to explore whether Doing orientation still has an influence on justice effects. Third, the unique power of Mastery orientation in explaining justice effects should be further validated with the role of locus of control being incorporated.

#### Other issues

As shown in Chapter 5, one result that warrants further consideration is the different moderating roles found for Doing and Mastery orientations. That is, whether the effects of the two types of justice can be moderated by Doing or Mastery orientations depends on a specific justice—outcome (trust or commitment) match. Based on employee—organization social exchange, these two cultural orientations moderated the relationship between distributive justice (but not procedural justice) and commitment, and the relationship between procedural justice (but not distributive justice) and trust. More in-depth understanding and explanation of these findings require further explorations. They might be caused by potential roles of the unmeasured interactional justice, given that interactional justice can also be seen from a social exchange perspective, and the two components of interactional justice (informational and interpersonal justice) are regarded as the social aspects of procedural justice and distributive justice, respectively (Greenberg, 1993). Therefore, future research may seek to determine whether the roles of interactional justice have resulted in such different effects of distributive justice and procedural justice under different levels of Doing and Mastery orientations. Future research is warranted to explain such differences based on other possible lenses.

It should also be admitted that in these comparisons (Chapters 4 and 5), there were more non-findings than significant findings. Partly due to the "file drawer problem" (Rosenthal, 1979), which is regarded as an established bias against publishing academic research with more non-findings than significant findings, it is difficult to determine the proportion of studies that fail to detect significant moderating effects versus those that succeed (Schilpzand et al., 2013). Without roughly knowing this proportion, despite several

existing articles demonstrating non-findings (e.g., Lam et al., 2002; Schilpzand et al., 2013), it is difficult to make a rigorous conclusion through comparing the non-findings of this thesis with the few published works (Schilpzand et al., 2013). However, a possible reason for the non-findings might be the validity of the universality of justice arguments (Leung, 2005; Pillai, Schriesheim, & Williams, 1999; Schilpzand et al., 2013). These arguments state that since fairness perceptions are fundamental to promoting positive employee outcomes for all, cultural values and orientations may not be powerful enough to override the basic human desire for fair treatment (Schilpzand et al., 2013). More relevant to this thesis, at the individual level, is that employees' basic desire for fairness to some extent may have hindered the functions of personal values and value orientations. To clarify this issue, as suggested by prior scholars (Gibson, Maznevski, & Kirkman, 2009; Schilpzand et al., 2013), future research may need to explore when cultural values matter, and perhaps more importantly, when they do not matter, as a fundamental question in organizational justice issues.

# **Concluding Remarks**

This thesis begins from a social exchange perspective to provide a deeper understanding of the relationship between organizational justice and organizational commitment in a cross-cultural context. I found that it is universal across the investigated countries—China, South Korea, and Australia—that employees value justice and tend to reciprocate the organization's fair treatment with higher commitment. The reciprocation process in the employee—organization exchange is largely facilitated by employees' trust in their organizations. However, particularity also exists within this universality. Namely, it is suggested that although people from all cultures are concerned about justice and rely on trust in social exchange processes, Westerners (i.e., Australians) assign greater importance to procedural justice and trust than East Asians, who pay more attention to distributive justice than Westerners do. This suggests that although the principles of social exchange theory and justice effects may be generalizable across cultures, the exchange styles and the strengths of justice effects can vary with cultural group.

I then moved to integrate social exchange theory and cultural dimensions from two cultural models—individualism and power distance from Hofstede's (1980) model and Doing and Mastery orientations from Kluckhohn and Strodtbeck's (1961) model—to investigate how individual cultural values or orientations influence the justice–commitment relationship across cultures. I found that these cultural variables could offer only partial explanations for

the variation of the relationship between justice and commitment. In most of these cases, cultural dimensions influence this relationship through a more sophisticated psychological process, in which trust plays a mediating role. In addition, very slight cross-cultural differences regarding the roles of these cultural variables were detected. Synthesizing all findings, such explorations have revealed some potential cultural factors that moderately, rather than strongly, explain justice and its effects. To more clearly identify the roles of these factors, other justice effects not studied in this thesis are recommended for examination, preferably in cross-cultural settings.

Overall, this thesis has cross-culturally examined the justice—commitment relationship through multiple approaches, including moderation and mediation. The findings not only empirically extend social exchange-based justice effects to a broader international context, but also reveal suggestive patterns of justice—culture combinations. Based on the results and the basic framework offered in this thesis, it is hoped that future research can continue to devote efforts to the investigation of justice issues from cultural perspectives. Further explorations that connect more justice dimensions, employee outcomes, and cultural models will provide more comprehensive and systematic knowledge of cross-cultural justice.

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# **Appendix**

**Final Ethics Approval** 



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19 September 2011

Professor Paul Gollan Faculty of Business and Economics Macquarie University, NSW 2109

Reference: 5201100676(D)

Dear Professor Paul Gollan

#### **FINAL APPROVAL**

Title of project: A Cross-cultural study of the relationship between organizational justice and organizational commitment.

Thank you for your recent correspondence. Your response has addressed the issues raised by the Faculty of Business & Economics Human Research Ethics Sub Committee, and you may now commence your research. The following personnel are authorised to conduct this research:

Paul Gollan - Chief Investigator/Supervisor Zhou Jiang- Co-Investigator

Please note the following standard requirements of approval:

- 1. The approval of this project is **conditional** upon your continuing compliance with the *National Statement* on Ethical Conduct in Human Research (2007).
- 2. Approval will be for a period of five (5 years) subject to the provision of annual reports. **Your first progress report is due on 19 September 2012.**

If you complete the work earlier than you had planned you must submit a Final Report as soon as the work is completed. If the project has been discontinued or not commenced for any reason, you are also required to submit a Final Report on the project.

Progress Reports and Final Reports are available at the following website: http://www.research.mq.edu.au/researchers/ethics/human\_ethics/forms

- 3. If the project has run for more than five (5) years you cannot renew approval for the project. You will need to complete and submit a Final Report and submit a new application for the project. (The five year limit on renewal of approvals allows the Committee to fully re-review research in an environment where legislation, guidelines and requirements are continually changing, for example, new child protection and privacy laws).
- 4. Please notify the Committee of any amendment to the project.
- 5. Please notify the Committee immediately in the event of any adverse effects on participants or of any unforeseen events that might affect continued ethical acceptability of the project.
- 6. At all times you are responsible for the ethical conduct of your research in accordance with the guidelines established by the University. This information is available at: http://www.research.mq.edu.au/policy

Faculty of Business & Economics Human Research Ethics Sub Committee MACQUARIE UNIVERSITY

http://www.research.mq.edu.au/researchers/ethics/human\_ethics

If you will be applying for or have applied for internal or external funding for the above project it is your responsibility to provide Macquarie University's Research Grants Officer with a copy of this letter as soon as possible. The Research Grants Officer will not inform external funding agencies that you have final approval for your project and funds will not be released until the Research Grants Officer has received a copy of this final approval letter.

Yours sincerely

Alan Kilgore Chair, Faculty of Business and Economics Ethics Sub-Committee