

## **Distributive and Procedural Justice in the Workplace**

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*The interrelatedness of procedural and distributive justice has implications for organizational practice, especially in the area of performance appraisal. I explore these implications by first describing how procedures can influence perceptions of distributive justice: Procedural improprieties can bring to mind the possibility that a more just outcome might have been obtained if only more acceptable practices had been followed. Next I discuss a second form of interrelatedness—how distributive consequences can influence perceptions of procedural justice—by suggesting that the fairness of a procedure can be assessed in terms of its “expected-value” (typical or most probable) outcome. These points are illustrated by a discussion of how voice, or the opportunity for employees to contribute information during the performance appraisal process, can affect both appraisal accuracy and perception of fairness.*

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### **INTRODUCTION**

Within organizations both employers and employees can be expected to have concerns about justice. Obviously employees prefer fair treatment over unfair treatment. Moreover, employers have a clear stake in fairness: They would not expect to find their most dedicated and loyal employees among those who feel unfairly treated.

But what does it mean to be treated fairly or unfairly? Disparate answers to this question have arisen due to the development of two distinct literatures

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on the psychology of justice. One has been concerned with *distributive justice*, or perceptions related to the fairness of amounts received (e.g., Adams, 1965). More recently, another body of research has directed attention to *procedural justice*, or perceptions of the fairness of decision-making processes. This literature stems from the work by Thibaut and Walker (1975) and their colleagues on the fairness of procedures used to resolve disputes. Although their research focused primarily on procedures used in legal decision-making, the relevance of Thibaut and Walker's work to organizational settings has become apparent (see Folger and Greenberg, 1985).

My purpose is to draw these two literatures together and to note some of the implications for organizational practice. The integration of distributive and procedural justice is based on a pair of related conceptual tools. The first of these is a framework termed *referent cognitions theory*, which I have described elsewhere (e.g., Folger, 1986a) chiefly in terms of hypotheses about the determinants of resentment. Here, I concentrate instead on what the theory implies about the interrelationship of distributive and procedural justice. The second tool is a new conceptualization of procedural justice itself, namely, that judgments about the fairness of a procedure reflect beliefs about the typical consequences of that procedure.

The implications for organizational practice are discussed vis-à-vis one broadly relevant set of workplace procedures, those that deal with evaluating workers' performance. Recently Ilgen and Feldman (1983) reexamined the performance appraisal process in light of theoretical and empirical lessons from the literature on social cognition. This approach helped identify the basis for problems with the *accuracy* of appraisals. By applying lessons from the literature on justice, I address separable issues concerning the perceived *fairness* of appraisals as well, a topic that Ilgen and Feldman's analysis overlooked.

## A CONCEPTUAL ORIENTATION

The following two sections provide a theoretical background, beginning with a discussion of referent cognitions theory. (For more detailed treatment, see Folger, 1986a; 1986b; 1987. For related empirical evidence, see Folger and Martin, 1986; Folger *et al.*, 1983a; 1983b.) This theory deals with the psychological basis for effects that procedures have on perceptions of distributive justice. The subsequent section develops the notion of procedures as instruments for achieving an "expected value" outcome. This notion in turn shows how a distributive justice consideration, namely, the fairness of the expected-value outcome of a given procedure, affects perceptions of procedural justice.

### Referent Cognitions Theory

To feel that an outcome is unjust is to be more than merely dissatisfied with that outcome, although clearly dissatisfaction with obtained outcomes is part of the sense of distributive injustice. Specifically, the belief that an outcome is unjust seems to entail a sense of moral outrage or righteous indignation—in short, resentment about having received the given outcome rather than some other.

Referent cognitions theory analyzes this experience of resentment into its component elements. These include (i) active consideration of some imaginable “other,” or referent, outcome that would have been more satisfying than the one actually obtained, and (ii) a moral evaluation that the more favorable outcome is the one that *should* have been forthcoming. The moral evaluation component in particular, with its implicit contrast between what should have happened and what did happen, gives rise to considerations about the appropriateness of the conduct of responsible parties. Actions by such parties (e.g., persons with allocative decision-making authority) that *prevent* the receipt of favorable outcomes (e.g., procedures that preclude these outcomes) need to be well-justified and considered morally acceptable. Otherwise, whatever outcome results from these actions itself seem unjust.

Preventable harms arouse stronger emotions than harms having a retrospective aura of inevitability about them. When people do not get what they want, they are more disconcerted by just missing out than by never having come close. A good example of these effects has been provided by Kahneman and Tversky (1982), who presented subjects with a vignette about two passengers sharing a limousine on their way to the airport. The passengers, Mr. Crane and Mr. Tees, had booked different flights that were scheduled to depart at the same time. They arrived 30 min late, whereupon Mr. Crane learned that his plane had departed on time. Tees, however, discovered that his plane had been delayed and had not taken off until 5 min before the limousine got to the airport. When asked who was more upset, 96% of the subjects indicated Mr. Tees.

Does Tees, even though highly dissatisfied, necessarily feel that his missing the flight constitutes an unjust outcome? From the standpoint of traditional criteria for distributive justice such as equity theory (e.g., Adams, 1965), the answer would be no. People become entitled to the outcome of departing on a particular flight by contributing, as their part of a fair exchange with an airline company, the following inputs: (i) purchasing a ticket, and (ii) arriving on time. Those who fail to arrive on time lack one of the requisite inputs and “get what they deserve,” so no distributive injustice seems to be involved. On the other hand, if Tees was delayed through no fault of

his own because the limousine driver took a wrong turn, the outcome is in one sense distributively unjust: Tees has been unfairly penalized for someone else's mistake.

This example suggests that improper conduct can elicit perceptions of unfair outcomes. An outcome can seem unfair if it was preventable in a particular way, namely, it could have been prevented by someone else's doing what he or she was supposed to do. Procedural improprieties represent but a special case of improper conduct. Indeed, one of the *Webster's New Collegiate Dictionary* definitions of *procedure* is "a particular way of accomplishing something or of acting."

Referent cognitions theory formalizes this implicit relationship between procedural justice and distributive justice. It predicts that people will be especially resentful of an obtained outcome (will consider the outcome unjust) when (i) they imagine that a better outcome could have been obtained instead, and (ii) the events, actions, or circumstances that prevented the better outcome seem to be improper or to have involved someone else's misconduct. Specifically, the sense of distributive injustice is maximized by the combination of these two perceptions, respectively labeled a *high referent outcome* and a *low justification* for the "instrumentalities" that actually occurred (conditions leading up to the obtained outcome). Because such instrumentalities can include procedures that were implemented, this conceptualization addresses the role of procedural justice in shaping assessments of distributive justice.

In a study that investigated this relationship between procedural justice and distributive justice (Folger *et al.*, 1983b), the level of a referent outcome and the degree of justification for an implemented procedure were independently manipulated. An interaction of these two factors indicated that an unjustified procedure did not in itself maximize resentment about an obtained outcome. Rather, in the conditions where an unjustified procedure was implemented, resentment of the obtained outcome varied as a function of the referent outcome level (the quality of the outcome that *would* have been obtained if a more justifiable procedure had been implemented instead). That is, high-referent, low-justification condition produced significantly more resentment than the low-referent, low-justification condition.

The latter condition was operationalized as follows: Although subjects in this condition were denied a desirable reward as a result of the unjustified procedure that was implemented, they were led to believe that an alternative (more justifiable) procedure would not have changed the outcome (i.e., in a competition for the reward, they allegedly would have lost even if a fair scoring procedure had been implemented instead). In other words, the unfair procedure was cause for resentment only when subjects "knew" that a fair procedure would have yielded a more favorable result — which was the perception of high-referent subjects.

Knowledge of what an alternative procedure would have accomplished was manipulated in this experiment, but more generally people may not have such explicit information available. How, then, does the nature of a given procedure affect perceptions of distributive justice when people do *not* know what outcomes an alternative procedure would entail? Although tests of referent cognitions theory have not addressed this question, the conceptual origin of the theory suggests an answer.

Work on this theory was prompted by Kahneman and Tversky's (1982) discussion of the "simulation heuristic," or the mental process people use to estimate the propensities of a system by imagining the consequences that altering its parameters (systemic features) might have. Kahneman and Tversky argued people have cognitive rules governing their expectations of the end results that various systems are capable of achieving. By the same token, people would have a cognitive basis for simulating the outcomes that various procedures are likely to yield. Thus, people do not have to *know* what outcomes an alternative procedure would have produced. Outcomes from a procedure actually implemented can be evaluated in terms of the outcomes that an alternatively imaginable procedure could be *expected* to have produced.

One simulation principle that Kahneman and Tversky explored is especially germane to procedural justice. After subjects in one of their studies had read the description of an accident that killed "Mr. Jones," they were told that Jones's friends and relatives "often thought and often said 'if only . . .', during the days that followed the accident" (Kahneman and Tversky, 1982, p. 204). When asked to write likely completions of this thought, subjects tended to delete "a surprising or unexpected aspect of the story" and were "more likely to undo the accident by restoring a normal value of a variable than by introducing an exception" (p. 205). The implication is that when procedures contain surprising or unexpected aspects or apparent abnormalities (deviations from accepted practice), people's simulations of outcomes that might have been received are based on restoring "normal" values—that is, based on imagining what could have been obtained if a fair procedure had been used instead.

In a subsequent section I apply these ideas to the practice of performance appraisal, but for now it may be helpful to insert a brief illustrative example. This example comes from a letter written by a professor denied tenure (a friend of mine whose identity will be kept anonymous). This professor wrote that he believed certain unusual and inappropriate criteria were applied to evaluate his teaching and research, and he described his feelings in the following way:

I want to express clearly that I am not contending that the absence of the (in my judgment) flawed criteria I have discussed would have guaranteed a different outcome of the rank and tenure decision. I recognize that such decisions in academia

are inherently uncertain, and that their outcome is never “guaranteed.” I do feel the probability that I would have obtained a favorable rank and tenure decision would have been significantly higher in the absence of the application of what I have argued are flawed criteria.

Apparently, this person felt that the outcome from his performance appraisal was unjust, and the “flawed” (unfair) evaluation procedures contributed to his perception of the outcome’s injustice. Note also that the description of his sense of injustice refers explicitly to the outcome that could have been expected if the unusual aspects of the procedure had been removed. In other words, the reaction to obtained outcomes can be influenced by mentally comparing those outcomes to the expected-value (probable) outcome of an alternatively imaginable procedure.

### **An Expected-Value Conceptualization of Procedures**

The preceding discussion suggested how procedures can have an effect on perceptions of distributive justice. An equally important but relatively neglected issue, however, is the impact that distributive consequences can have on evaluations of procedures. Perhaps the reason this issue has not received much attention is that in Thibaut and Walker’s (1975) seminal research on procedural justice, manipulations of outcomes (e.g., verdicts rendered in a dispute-resolution hearing) had no effects on the perceived fairness of procedures.

A possible explanation of this null-effect finding is that the fairness of a procedure is often judged more in terms of its general distributive consequences than in terms of the outcome it produces on a particular occasion (although clearly there may be exceptions to this principle, such as cases where the outcome received on a particular occasion seems so unjust that it is impossible to believe a fair procedure could have allowed it to occur). Procedures are means to an end: Their proper object is to promote distributive justice to the greatest extent possible. But procedures are never perfect; they cannot ensure perfect distributive justice in all instances. Rather, their aim is that on the average, distributive justice will be achieved. Thus a legitimate procedure is one whose expected value (in a statistical sense) is a fair outcome.

This expected-value conceptualization is, I believe, consistent with everyday understandings of procedures as standard operating practice. For example, other *Webster’s New Collegiate Dictionary* definitions of *procedure* indicate that it involves “a series of steps followed in a regular definite order” or “a traditional or established way of doing things.” In either case, the emphasis is on a degree of standardization: procedures establish a characteristic pattern. The advantage of standardization, of course, is that it lends stability to expectations. It is possible to calculate (or at least to conceive of) an

expected value with much greater assurance when the same procedure is always applied than when a different way of doing things is adopted on each new occasion. Reliance on procedures, therefore, stems from an interest in uniformity of practice for promoting a certain predictability of consequences (outcomes)—across persons (or groups) and across time. Thus it can be said that procedural justice has to do with the “big picture” of broad range (transpersonal) and long-term (transtemporal) consequences (cf. Folger and Martin, 1986). In this sense, specifying the relationship of procedural justice to distributive justice necessitates distinguishing between two varieties of distributive justice. The first variety pertains to the fairness of a particular outcome in a given instance, which the application of a standard procedure cannot guarantee. The second pertains to the fairness of a hypothetical aggregation of outcomes, the presumed average result from an infinite series of applications of the procedure in all types of circumstances. It is this second variety of distributive justice that the implementation of standardized legitimate procedures is intended to maximize. Perceptions of procedural justice are enhanced when the implemented procedure is one that people believe is most likely to promote distributive justice on the average.

The distinction between these two varieties of distributive justice is analogous to the distinction made by Pauly and Willett (1968; 1972) between *ex post* and *ex ante* equity. *Ex post* or after-the-fact equity refers to evaluations of outcomes that actually have been obtained. That is, criteria for *ex post* equity are applied after the distribution of outcomes is known (e.g., criteria such as contributions, in the sense of equity specified by Adams, 1965). In contrast, *ex ante* equity refers to a before-the-fact assessment of outcome fairness—an assessment made prior to the time when it is known who receives which outcomes.

Pauly and Willett were interested in such matters as the use of a lottery for the military draft, and so their examples of *ex ante* equity focused on the fairness of randomization for equalizing risks or opportunities. The mechanism of randomization mathematically ensures equal chances and hence represents the purest form of *ex ante* equity. The relationship between *ex ante* equity and the expected value of procedures should be apparent, and it is illustrated by the following example of a lottery system that Pauly and Willett (1972) described:

Suppose that a group of six people, each member of which has the same wealth, is called upon to make a payment of \$60.00. One way to allocate the burden of payment would be to assign numbers from one to six to each of the persons, and then to roll an unbiased die to determine which individual should pay the entire \$60 amount. . . . Before the die is rolled, each individual has a one-in-six chance of paying \$60 or an expected (average) value of  $1/6 \times \$60 = \$10$ . (p. 9)

The use of an unbiased die in this example is a procedural device for achieving *ex ante* equity.

The concept of an expected value for a procedure, however, can be extended beyond instances in which pure randomization is involved. Randomization is merely one means of eliminating bias (chance plays no favorites); other procedural devices can play an analogous role in providing everyone the same sorts of chances, thereby introducing an expected-value outcome across persons and instances in which the procedure is applied. The common element among such procedural mechanisms is some means of eliminating or minimizing the influence of factors considered irrelevant or inappropriate to the determination of outcomes. Consider, for example, athletic competitions where prizes are awarded as outcomes. Competitors are supposed to “play by the rules of the game,” which help comprise procedures for ensuring that no one obtains an unfair advantage (e.g., no runner in a race is allowed a head start). “May the best person win” is not only a phrase often used just after the rules have been described—it is also a statement of the expected value (average outcome) to be obtained by following the procedures so outlined (see Greenberg *et al.*, 1985).

### **Interrelatedness and Independence of Distributive and Procedural Justice**

Two types of mutual influence relationships between distributive and procedural justice have been described in the preceding sections. First, I argued for a psychological mechanism whereby procedural justice perceptions can influence distributive justice perceptions: A procedural injustice can make an obtained outcome seem especially unfair because improprieties help bring to mind the possibility that a more favorable outcome might have been obtained if only more acceptable practices had been followed. Second, I argued that perceptions of general distributive consequences (the expected-value outcomes of procedures) can influence the evaluation of procedures.

Nevertheless, there is also a conceptual basis for the independence of distributive and procedural justice. How could a specific outcome produced by a fair procedure be considered unfair unless some criteria for the distributive justice of outcomes existed independently of criteria for the justice of the procedures that produced them? The answer is that although perceptions of procedural justice can *influence* perceptions of distributive justice, application of the fairest possible procedure does not *define* distributive justice. The effect of procedures on perceptions of outcome fairness is relative, not absolute. A fair procedure often produces higher ratings of outcome fairness than the ratings of outcomes obtained from an unfair procedure (cf. Folger and Greenberg, 1985; Greenberg and Folger, 1983; Thibaut and Walker, 1975). At the same time, the outcome from a fair procedure may not completely satisfy the independent requirements of distributive justice.

For example, distributive justice in a legal sense requires that an innocent person not be convicted. Conviction can occur, however, if the person



is “proven guilty beyond a reasonable doubt.” Despite the fairest possible procedures, determination of reasonable doubt can be quite subjective. And because judges and juries are not infallible, distributive injustices can occur within the context of even the fairest procedures.

Empirical evidence supports both of the conclusions for which I have argued: (i) distributive and procedural justice are interrelated, such that perceptions of one can influence perceptions of the other; and (ii) distributive and procedural justice can nevertheless be evaluated on independent grounds, such that the two types of fairness need not coincide. Regarding the first point, an implication is that ratings of distributive fairness and procedural fairness will often be highly correlated. Such is indeed the case. For example, the responses to a survey of defendants in traffic and misdemeanor cases (Tyler, 1984) indicated that the correlation between distributive and procedural fairness ratings was 0.77.

Research by Thibaut, Walker, and their colleagues (summarized in Thibaut and Walker, 1975) supports the second point. In these investigations, factors related to distributive justice and to procedural justice were manipulated independently (i.e., equitable outcomes were provided on the basis of either fair or unfair procedures, as was likewise the case for inequitable outcomes). These manipulations were operationalized on the basis of the conceptual independence between distributive and procedural justice. Empirical independence was demonstrated by the effects these manipulations had on dependent measures that assessed each type of justice. For example, main effects of both distributive and procedural factors were found on measures of outcome fairness. It should be noted that distributive factors did not produce main effects on items measuring the fairness of procedures; only procedural factors did so. These results for perceived procedural fairness, however, are consistent with my contention that procedural justice pertains to an expected-value outcome rather than to the outcome received on a particular occasion (Thibaut and Walker’s manipulations of distributive factors pertained only to single-occasion outcomes).

### **AN ORGANIZATIONAL APPLICATION: PERFORMANCE APPRAISAL**

To illustrate implications of the analysis provided above, I consider the practice of performance appraisal in organizations. First I examine the meaning of distributive justice in the context of performance appraisal, noting how procedures can affect perceptions regarding the fairness of a performance appraisal outcome. I also discuss what procedural fairness means in performance appraisal, and how concerns for an expected value of fair appraisals influence reactions to appraisal systems. Finally, I discuss the effects of one particular procedural mechanism – “voice,” or the opportunity

to have a say in the performance appraisal process — from the standpoint of my conceptual analysis of distributive and procedural justice.

### **Distributive Justice in Performance Appraisal**

Work organizations evaluate their employees' performance for a variety of purposes, including decisions about pay raises, promotions, and the like. Disregarding the dollar and position outcomes that stem from decisions based on performance appraisals, I focus on the appraisal itself as a key outcome of interest to the employee. Such appraisals represent judgments about the individual's value to the organization (cf. Greenberg, in press). It seems safe to assume that many employees want to be considered valuable members of the organization. Moreover, the connotations attached to terms typically used in performance appraisal (e.g., poor, average, outstanding) certainly have potential impact on the self-esteem that presumably most people want to maintain. People care about how they are evaluated. They do not want to receive evaluations that are less favorable than the evaluations they deserve, the evaluations to which they feel entitled. A fair outcome from a performance appraisal is to receive the deserved evaluation, and a lower evaluation would constitute a distributive injustice. This injustice stems from the person's perception that his or her actual worth is higher than the level at which it was appraised.

These considerations lead quite naturally to focusing attention on the appraisal process. The appraisee, that is, is drawn to questions such as "Why was I not evaluated more favorably?" and "What was it about the appraisal process that led to this result?" (which presume that the appraisal was incorrect). Assuming that the self-evaluation is steadfastly held to be true, it seems inevitable for the person to ponder *how* an appraisal discrepant from it could have resulted.

Unfavorably discrepant evaluations thus invoke consideration of how the appraisal was conducted, how it was supposed to be conducted, and whether or not actual practice conformed to accepted practice. The person receiving such an evaluation has an interest in determining whether the performance appraisal procedures were legitimate. In making this determination, the person relies on his or her understanding of what an appraisal of performance is all about—that is, what performance appraisals are supposed to accomplish.

### **Procedural Justice in Performance Appraisal**

The common understanding is that a performance appraisal is supposed to represent an assessment of how well someone is doing a job. If a super-

visor is in charge of a performance appraisal, the supervisor's responsibility presumably is to learn how well the job is being done, to investigate and obtain information about the quality of performance. The comprehensiveness and accuracy of this information is vitally important. When a supervisor conducts a performance appraisal, the employee feels that the supervisor should ensure the comprehensiveness and accuracy of such information.

Thus the steps taken to obtain information constitute an important part of the procedures relevant to performance appraisal, and procedural legitimacy hinges on mechanisms governing the comprehensiveness and accuracy of this information (Greenberg, 1986). A fair outcome is the *reporting* of correct (comprehensive and accurate) information. Procedural justice in performance appraisal, therefore, involves the use of procedures designed to ensure such reporting.

Employees who receive evaluations lower than those they feel they deserve perceive distributive injustice, by definition. But they may or may not perceive that a procedural injustice has been responsible for the distributive injustice. Suppose two employees, Green and Brown, both feel the information reported was incorrect, but only Green believes a procedural injustice has occurred. The difference between the two consists of divergent explanations as to why the information was incorrect. Brown's perception of procedural justice amounts to an explanation in which the procedure was not inherently to blame; that is, it was not flawed by design. Brown accepts the premise that the expected value of this procedure is a fair outcome, and hence the supervisor who used this procedure acted reasonably and responsibly.

Green's explanation, on the other hand, implies that some other procedure might have prevented the error (e.g., a procedure exists that on the average minimizes such errors). Whereas Brown in effect assumes that it was impossible for the supervisor to come up with a more accurate appraisal, Green feels that some other procedure could and should have been used. Green's perception of procedural injustice amounts to a claim that the supervisor neglected to take certain steps. This neglect constitutes wrongdoing when the steps not taken have an expected-value outcome that more closely approximates distributive justice than the expected-value outcome of the implemented procedure.

### **Employee Voice as a Neglected Focus in Performance Appraisal**

A distributively unjust performance appraisal consists of a mistaken evaluation, and procedural injustice consists of using appraisal systems that readily contribute to such mistakes. The essence of a charge of procedural

injustice is that the kinds of mistakes generated by the system in operation could easily be prevented by use of another procedure instead. I turn now to considering the kinds of performance appraisal mistakes that are the most preventable, and to considering voice as a mechanism designed to prevent these mistakes.

Employee voice (expressions of opinion that feed into the decision-making process) represents a relatively neglected topic in the performance appraisal literature. As Ilgen and Feldman (1983) noted, "early research on performance appraisal was confined almost exclusively to psychometric issues" and hence restricted attention chiefly to "some of the most severe problems of performance measures themselves" (p. 142). Ilgen and Feldman directed attention to the broader performance appraisal process and argued for the need to formulate a "realistic conception of the *evaluator* [emphasis added] as an information gatherer and processor" (p. 143). The implications of voice likewise represent a supplement to the psychometric approach, but with additional considerations regarding the role of the *appraisee* (in exercising voice during the appraisal process) and with attention to the importance of perceived fairness as well as accuracy. Indeed, although problems of accuracy might remain severe if not intractable and might require major technological advances in measurement and rater training, gross appraisal injustices may be easier to prevent and may involve relatively simpler steps involving the role of the appraisee as an underutilized resource. Increased use of the appraisee as an information resource (i.e., greater provision for employee voice in the appraisal process) might also produce gains in both accuracy and fairness. I discuss the impact of voice on accuracy and on fairness in the sections that follow.

### Voice and Appraisal Accuracy

Ilgen and Feldman (1983) characterized performance appraisal as a judgmental process based on fallible memories. After discussing how attention affects encoding and how factors unrelated to the appraised performance can affect attention, they concluded that "irrelevant information about employees is almost certain to be obtained despite [even the best] intentions of the appraiser" (p. 155). The irrelevant information may in turn provide the basis for erroneous inferences about employee behavior or underlying traits, with consequences leading to further distortions if left unchecked. In particular, biases and distortions can easily arise because "people tend to seek confirmation of their hypotheses and frame questions aimed at eliciting instances of hypothesized traits" and because "they also tend to notice and recall hypothesis-confirming behaviors more than disconfirming ones" (p. 165).

In light of the errors to which appraisers seem prone, we might expect those who are appraised to want increased opportunities for submitting information and for challenging misimpressions. Ilgen and Feldman's analysis, however, did not encourage giving the appraisee an active role in performance appraisal. Instead, their discussion of the appraisee as an element in the performance appraisal process mentioned ways that he or she also has limitations in information-processing and judgmental capabilities. Moreover, they stressed that "the appraisee often actively attempts to manage performance-related information in order to present as favorable an impression as possible" (p. 173).

If information provided by an employee is likely to be biased by self-presentational concerns, in what sense could providing employees greater voice in the performance appraisal process lead to more accurate information? If both appraiser and appraisee are biased, can two wrongs make a right? Although allowing employees a voice in the appraisal process cannot guarantee a more accurate base of information, there may nonetheless be benefits in thereby providing for *offsetting* forms of bias. Specifically, an observer of someone's actions is inclined toward different kinds of inferences than those that would be reached by the person himself or herself. The observer's tendency is often to explain the action in terms of internal causes of behavior (e.g., character traits), whereas the person performing the action frequently tends to take more cognizance of external causes (e.g., features of the situation). Arguments for the existence of this "actor-observer bias," originally articulated by Jones and Nisbett (1971), have received consistent empirical support (Watson, 1982).

Thibaut and Walker (1978) have noted implications of the actor-observer bias for civil or criminal litigation. Determination of a fair outcome in such litigation "takes the form of evaluating the relative weight of . . . [a] party's claims for a favorable distribution of the outcomes" (p. 548). Thibaut and Walker pointed out that such claims involve attributional accounts: "These claims are primarily arguments designed to maximize the party's perceived causal responsibility for, or contribution to, "good" consequences . . . or to minimize the party's attributed responsibility for a change of "bad" consequences" (p. 549). Thus the role of the decision maker (e.g., judge) in such cases is to evaluate the validity of a party's attributional claims. But by being cast in the role of an observer, this decision maker may be biased against taking sufficient cognizance of "external" or contextual factor such as features of the situation that constrained the party's behavior. Thibaut and Walker concluded that "the disputing parties themselves ought to control the description of their respective inputs" because these parties "can be relied on to describe possibly important contextual factors relating

to the dispute that are likely to be overlooked when information is developed from the narrower perspective of the decisionmaker" (p. 550).

The role of voice as a safeguard against unilateral control over information by any single party to a decision, facilitating at least a more thorough base of information and perhaps a more accurate one as well, is the role of a mechanism for correcting possible bias from one source of information by making sure other sources are available. Extending Thibaut and Walker's procedural analysis to the topic of performance appraisal, however, requires taking note of an important difference between the legal and organizational domains: whereas performance appraisal involves the two roles of evaluator and person being evaluated, dispute resolution in the legal context involves the three roles of decision maker and two disputing parties with conflicting interests. Thus, there are different implications regarding the possible effects on bias of denying the decision maker a controlling role over information. If the decision maker were to have no such control in performance appraisal, the person being evaluated would obtain this control by default. The result would be merely substituting one form of bias (the evaluated person as the sole source of information) for another (the evaluator as the sole source of information). The consequences of denying or severely limiting the informational control of the decision maker in the legal context are quite different. Giving informational control to the disputing parties allows information to be obtained from two different sources, and each source presumably is motivated to counteract bias introduced by the other source. Furthermore, each disputant is permitted to be actively engaged in the process of counteracting bias introduced by the other disputant (e.g., using cross-examination of one another's witnesses, rebuttal arguments, and the like).

In light of the roles envisioned for disputants acting as mutual bias deterrents, it is possible to derive from Thibaut and Walker's recommendation (that such control over information be given to disputants) a general principle regarding voice as a bias-reduction mechanism. The principle can be stated as follows: When information from a given source might result in a decision unfavorable to a person, the person should have the opportunity to take steps toward correcting possible biases in that information (cf. Leventhal, 1980). It is in this sense that increased opportunities for employee voice in the appraisal process might contribute to more accurate appraisals.

### **Voice and Perceived Fairness**

Although the contention that voice can have a salutary effect on appraisal accuracy is speculative, evidence already exists indicating that voice enhances the perceived fairness of appraisal systems in general (procedural justice) as well as the perceived fairness of specific appraisals (distributive

justice). For example, Greenberg (1986) reported that when employees in the pharmaceuticals industry were asked to name the single most important determinant of a fair performance appraisal, the majority of the responses focused on procedural matters—and one typical example given was “I should have a chance to speak on my own behalf.” Research by Landy *et al.* (1978; 1980) also showed that the rated fairness of appraisal systems correlated positively with such procedural variables as the appraisees’ opportunity to express their personal feelings (cf. Dipboye and de Pontbriand, 1981; Kanfer *et al.*, 1987). Lissak (1983, Field Study 1) found that Canadian soldiers rated the fairness of their evaluations more highly when they had been provided with opportunities to give their superiors appraisal-relevant information than when such appraisals were absent.

Such results suggest that members of organizations can evaluate the expected-value outcome of a procedure (its systemic operating characteristic—the general distributive consequences that it is at least in principle capable of generating) quite independently from the specific outcomes the members themselves have received (i.e., the content of the performance appraisals they have experienced). Indeed, the Landy *et al.* (1980) data indicated that voice-related variables were associated with perceived system fairness regardless of the specific performance appraisal ratings the employees had obtained.

The analytical framework I have proposed in this article also suggests that this capacity for assessing the systemic propensities of procedures can in turn affect the perceived distributive justice of specific performance evaluations received (e.g., Lissak, 1983). When a performance appraisal system lacks the element of voice, I think employees can easily imagine (and often *do* imagine) what evaluations they might have received if only they had been given a chance to provide additional information, to refute, interpret, or clarify information, and so on (cf. Sheppard, 1984). The referent cognitions model (e.g., Folger, 1986a) implies that the absence of voice makes it more likely for employees to perceive that the actual evaluations they receive are unfair, especially if these evaluations are in any way unfavorable to the employees. By analogy to the kinds of mental “simulations” that Kahneman and Tversky’s (1982) research showed influencing people’s reactions to missed flights or a relative’s death, reaction to an unfavorable evaluation should also be subject to “if only” thoughts about evaluations that might have been obtained through using another procedure instead. The Kahneman and Tversky research indicated that reactions to an unfavorable event are affected by considerations of how it might have been prevented. Likewise, an employee’s reaction to an unfavorable evaluation from a supervisor is affected by a belief that the supervisor could (and should) have obtained information that might have led to a more favorable evaluation.

## CONCLUSION

This article has been designed to draw together two types of justice considerations, procedural and distributive, and to explore their implications for organizational performance appraisal systems. Employee voice, as a potential element of performance appraisals, is germane to both types of concerns. Further research on voice in the performance appraisal context promises not only to shed new light on theoretical issues but also to demonstrate the relevance of such issues for applied problems that are common in all organizations.

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