

See discussions, stats, and author profiles for this publication at: <https://www.researchgate.net/publication/318921260>

Organizational Justice as a Predictor of Employee Cynicism about Organizational Change

Conference Paper · January 2016

CITATIONS

4

READS

430

2 authors:



Maria Resti

University of Indonesia

1 PUBLICATION 4 CITATIONS

SEE PROFILE



Wustari Mangundjaya

Universitas Bhayangkara Jakarta Raya

161 PUBLICATIONS 794 CITATIONS

SEE PROFILE

Organizational Justice as a Predictor of Employee Cynicism about Organizational Change

Maria Resti Kasih Kristina^{1,2*}, Wustari L. Mangundjaya¹

¹ Faculty of Psychology, Universitas Indonesia, Kampus Baru UI, Depok, Jawa Barat, 16424, Indonesia

² Industrial and Organizational Department, Faculty of Psychology, Universitas Indonesia, Kampus Baru UI, Depok, Jawa Barat, 16424, Indonesia^a

*E-mail: maria.resti@ui.ac.id

Abstract

Company's success in conducting organizational change may fail due to the cynical attitude of employees towards the change efforts implemented. This employees' attitude towards organizational change is more likely directing to become pessimistic and apathetic, which may influence the success of change process. The purpose of this study is to find the impact of organizational justice as a predictor of cynicism about organizational change. Data collected using a Cynicism About Organizational Change (CAOC) and Organizational Justice Scale (OJS) questionnaires. There were 281 respondents who were permanent employees – with at least 2-years tenure - working in companies that had undergone changes. This study shows that organization fairness had a significant negative effect on CAOC ($r = -0.238$, $p < 0.01$). Multiple regression analysis on the organizational justice dimensions showed that only interpersonal fairness dimension had significant negative effect on cynicism towards organization change in an independent way ($\beta = -0.293$, $p < 0.005$). This study shows that organizational justice has negative and significant effect on cynicism about organizational change, moreover on dimensionality level, interpersonal justice has effect on cynicism about organizational justice in an independent way.

Keywords— Cynicism About Organizational Change; Organizational Change, Organizational Justice

1. Introduction

Organizational change is essential to organizational growth. Lewis (in Rafferty, Jimmieson, and Armenakis, 2013) stated that organizations perform medium to major scale of organizational change at least once in four to five years. Changes in organizations are performed to survive the global challenge in the fast-growing market which affected by technologies, globalization, and competition (Hampel and Martsons, 2009). Although needed and essential for surviving, organizational changes often failed. Ashkenas (2013), for example, showed that 60% - 70% change efforts are considered failed, the changes did not give the result needed by organization. Organizational change is affected by various factors that are content, context, process, and individual differences (Walker, Armenakis, and Bernerth, 2007).

Individual differences may affect employees' attitude and behavior towards organizational change which will affect the result of change efforts (Walker, et al., 2007). This then should be investigated further to ensure the likeliness of organizational change success.

Failure in organizational change could affect employees in various ways, one of them is developing cynicism on organizational change efforts. Cynicism about organizational change (CAOC) may cause disruption on future organizational change efforts. CAOC is defined here as "a pessimistic viewpoint about change effort being successful because those responsible for making change are blamed for being unmotivated, incompetent, or both" (Wanous, Reichers, and Austin, 2000: 133). High level of CAOC in organization will negatively affect and cause failure in change efforts being made (Wanous, Reichers, and Austin, 2000). During the implementation of organizational change, employee and supervisor relationship, communication, and engagement in decision making could be a factor in developing CAOC (Wanous, Reichers, and Austin, 2000).

The relationship between employees and supervisor is essential in change efforts. Employees need to perceive that they are given enough information and fair opportunities (Colquitt, 2001). Other factors that may affect relationship between employees and supervisors is organizational justice.

Organizational justice is a term used to describe justice in the work place (Moorman, 1991). The effect of organizational justice in times of change, need to be investigated further because resources redistribution process in organizational change will create a perfect condition to evaluate employees' perception of fairness (Bernerth, Armenakis, Feild, & Walker, 2007).

Organizational justice is divided into four dimensions, namely: distributive justice which based on fairness of the result received, procedural justice which based on fairness of procedure used in decision making, interpersonal justice which based on fairness of treatment given to people in terms of politeness, dignity, and respect, and informational justice which based on fairness of explanations provided to people that convey information about procedures and outcomes (Colquitt, 2001).

This study has an objective to investigate the direct effect of organizational justice on CAOC. Given that organizational justice has various effect on organizational change efforts, such as employees' identification in changed organization, openness to change and cynicism about change (Lipponen, Olkkonen, and Moilanen, 2004; Chawla and Kelloway, 2004; Foster, 2010; Wirawan, 2013; Wu, Neubert, and Yi, 2007), this study aims to further investigate the solitary effect of organizational justice on CAOC. Relationship between these variables are shown in factors that affecting CAOC, namely the lack of communication and appreciation from supervisor and organization representatives (Reichers, Wanous, Austin, 1997), where fairness in communication and appreciation are the main things to assess in perceiving organizational justice (Hollensbe, Khazanchi, and Masterson, 2008). Based on this discussion, researcher propose the following hypothesis for this study:

H1: Organizational justice have negative and significant effect on cynicism about organizational change.

2. Methods

A. Data Collection

Data was collected using two questionnaires, namely: 1) Cynicism About Organizational Change measurement, which was developed by Wanous, Reichers, and Austin (2000) and modified into Indonesian language, consists of 8 items; 2) Organizational Justice Scale, which was developed by Colquitt (2001) and modified into Indonesian language, consists of 20 items and divided into four dimensions, distributive justice, procedural justice, interpersonal justice, and informational justice. Data were analyzed using descriptive statistics and multiple regression.

B. Sampling and Sample

Sample was collected from permanent employees with 2-years minimum experience in the same organizations which have undergone organizational change in the last 6 – 12 months. Sample was limited to employees who work in Jakarta, Bogor, Depok, Tangerang, and Bekasi.

Samples were chosen by convenience sampling. The number of participants of this study were 281 participants with the profile of the majority of participants as follows: within age range of 24 – 35 (64.4%), male (53.7%), bachelor's degree (72.6%), length of works between 2 – 5 years (43.8%), staff (53%).

3. Results

This study revealed that organizational justice had negative and significant effect on cynicism about organizational change, $r(279) = -0.238$, ($p < .01$). Further analysis on the dimensions of organizational justice through multiple regression, however, showed that only interpersonal justice affects CAOC in an independent way.

Table 1 shows the result of hierarchical multiple regression analysis conducted in this study. The result showed that 7.7% variance of CAOC can be explained by interpersonal justice and showed that interpersonal justice affects CAOC by $\beta = -.277$. The result showed that combined by other dimensions of organizational justice, 7.8% variance of CAOC could be explained by organizational justice. This result showed that procedural justice distributive justice, and informational justice don't affect CAOC in independent way.

Table 1. Regression Analysis on Organizational Justice Dimensions and CAOC

Organizational Justice Dimensions		<i>r</i>	CAOC <i>R</i> ²	β	<i>Sig</i>
<i>Step 1</i>					
Interpersonal Justice		-.277**	0.077	-.277	.000**
<i>Step 2</i>					
1.	Interpersonal	-.277**	0.078	-.293	.003**
2.	Procedural	-.207**	Sig =	-.010	.942
3.	Distributive	-.180**	0.000**	-.040	.676
4.	Informational	-.214*	*	.059	.665

4. Discussion

This result showed that the hypothesis is accepted, organizational justice has negative and significant effect on cynicism about organizational justice. Organizational justice is a crucial factor in organizational change attempt as it may affect employees' cooperation with the change (Oreg & Dam, 2008). Employees are important element in organization that are affected and affect the organizational change, therefore their cooperation is needed in organization change attempt. CAOC is one of the factors that may fail the change efforts taken in organization. CAOC will result in pessimistic viewpoints which lead into apathetic behavior on change efforts undertaken in organization (Wanous, et al., 2000). This study showed organizational justice could affect CAOC significantly, when employees perceive that they are being treated fairly by organization, they have lower level of CAOC. In times of change, redistribution of resources is involved and the change will lead individuals to re-evaluate the fairness of the organization (Oreg & Dam, 2008). Thus, perceiving the change as being fair will encourage employees to accept the changes, perceiving the opposite will increase

the chance of resistance to change (Bernerth, Armenakis, Field, & Walker, 2007). Cynicism about organizational change is another form to resist change by being pessimistic and putting the blame on those responsible for the change. High level of CAOC is said to be self-fulfilling prophecy on organizational change failures (Wanous, et al, 2000).

Further analysis on dimensions of organizational justice showed that only interpersonal justice dimension had a negative effect on cynicism about organizational change in an independent way. Interpersonal justice refers to how people perceive fairness in politeness, dignity, and respect in treatments given by authorities (Colquitt, et al., 2001). Colquitt, Conlon, Porter, & Ng (2001) further stated that interpersonal justice affects the perception of results or decisions, sensitivity shown in behaviors will make people feel better, even in unfavorable situations. In times of change, employees are faced with unfavorable situations because they have less control on their jobs, increased uncertainty, and doubt on their competencies which lead employees to resist organizational changes (Kanter, 2012). Therefore, interpersonal justice shown by organization might help employees to cope with unfavorable situations and become less cynical about organizational change.

This study was conducted in organizations specialized in financial industry, during the opening of ASEAN Economic Community. Organizational changes undertaken were mostly strategic changes and restructuring of the organization, these characteristics may have effect on the results, thus limit this study. Future research should look into other organizations in different industries, to get better understanding on cynicism about organizational change.

However, this study research cynicism about organizational change as unidimensional construct, next study regarding cynicism about organizational change should look further into CAOC as multi-dimensional construct, as suggested by Wanous, Reichers, and Austin (2000). CAOC dimensions are pessimistic viewpoint and the act of blaming the ones responsible as being unmotivated, incompetent, or both (Wanous, et al., 2000).

5. Conclusion

This study attempted to get better understanding on a factor affecting organizational change attempt, namely cynicism about organizational change. Cynicism about organizational change is a learned behavior affected by employees' interaction with organization. Employees' interaction with organization also affect and is affected by organizational justice, the employees' perception on fairness in workplace.

This study showed that organizational justice, especially interpersonal justice dimension, have negative and significant effect on cynicism about organizational change. This means treating employees fairly, especially in interpersonal relationship, during times of change is

important in order to keep employees feeling optimistic about the change undertaken which may make employees more cooperative.

This study also showed that one of the important factor in conducting organizational change are psychological aspect of employees. Employees need to perceive that they are treated fairly with dignity and appreciation to minimize the development of cynicism about organizational change.

References

- Aiken, L.R. & Groth-Marnat, G. (2006). *Psychological Testing and Assessment*, 12 th ed. Boston: Pearson Educational Group, Inc.
- Ashkenas, R. (2013, April 16). *Change Management Needs to Change*. Harvard Business Review. Retrieved January 13, 2016, from <https://hbr.org/2013/04/change-management-needs-to-cha#>
- Bernerth, J. B., Armenakis, A. A., Feild, H. S., & Walker, H. J. (2007). Justice, cynicism, and commitment: A study of important organizational change variables. *The Journal of Applied Behavioral Science*, 43(3), 303-326.
- Bommer, W. H., Rich, G. A., & Rubin, R. S. (2005). Changing attitudes about change: Longitudinal effects of transformational leadership behavior on employee cynicism about organizational change. *Journal of Organizational Behavior*, 26, 733-753
- Chawla, A., & Kevin Kelloway, E. (2004). Predicting openness and commitment to change. *Leadership & Organization Development Journal*, 25(6), 485-498. doi:10.1108/01437730410556734
- Coertse, S., & Schepers, J. M. (2004). Some personality and cognitive correlates of career maturity. *South African Journal of Industrial Psychology*, 30(2) doi:10.4102/sajip.v30i2.150
- Cohen-Charash, Y., & Spector, P. E. (2001). The role of justice in organizations: A meta-analysis. *Organizational Behavior and Human Decision Processes*, 86(2), 278-321. doi:10.1006/obhd.2001.2958
- Colquitt, J. A. (2001). On the dimensionality of organizational justice: A construct validation of a measure. *Journal of Applied Psychology*, 86(3), 386-400. doi:10.1037/0021-9010.86.3.386
- Colquitt, J. A., Conlon, D. E., Wesson, M. J., Porter, Christopher O. L. H, & Ng, K. Y. (2001). Justice at the millennium: A meta-analytic review of 25 years of organizational justice research. *Journal of Applied Psychology*, 86(3), 425-445. doi:10.1037//0021-9010.86.3.425
- Colquitt, J., and Greenberg, J. "Organizational Justice: A Fair Assessment of the State of the Literature." *Organizational Behavior: A Management Challenge*. By Linda Stroh, Gregory Northcraft, and Margaret Neale. 2nd ed. Taylor and Francis, 2003. 159-200.
- Daly, J. P., & Geyer, P. D. (1994). The role of fairness in implementing large-scale change: Employee evaluations of process and outcome in seven facility relocations. *Journal of Organizational Behavior*, 15(7), 623.
- Dean, J. W. Jr., Brandes, P., & Dharwadkar, R. (1998). Organizational cynicism. *Academy of Management Review*, 23(2), 342-352.
- Eidelman, S., Pattershall, J., & Crandall, C. S. (2010). Longer is better. *Journal of Experimental Social Psychology*, 46(6), 993-998.
- Elrod, D. and Tippett, D. (2002), "The 'death valley' of change", *Journal of Organizational Change Management*, 15(3), pp. 273-91.
- Foster, R. D. (2010). Resistance, justice, and commitment to change. *Human Resource Development Quarterly*, 21(1), 3-39. doi:10.1002/hrdq.20035
- Fuchs, S. (2011). The impact of manager and top management identification on the relationship between perceived organizational justice and change-oriented behavior. *Leadership & Organization Development Journal*, 32(6), 555-583.

- Grant, P. (1996). "Supporting transition: how managers can help themselves and others during times of change", *Organizations and People*, 3(1), p. 4.
- Greenberg, J. (2009). Everybody Talks About Organizational Justice, But Nobody Does Anything About It. *Industrial and Organizational Psychology*, 2, pp 181-195 doi:10.1111/j.1754-9434.2009.01131.x
- Hempel, P.S. & Martinsons, M.G. (2009). Developing international organizational change theory using cases from China. *Human Relations*, 62(4), 459- 99.
- Hollensbe, E. C., Khazanchi, S., & Masterson, S. S. (2008). How do I assess if my supervisor and organization are fair? identifying the rules underlying entity-based justice perceptions. *The Academy of Management Journal*, 51(6), 1099-1116. doi:10.5465/AMJ.2008.35732600
- Kanter, R. M. (2012). Ten Reasons People Resist Change. *Harvard Business Review*. Retrieved January 13, 2016, from <https://hbr.org/2012/09/ten-reasons-people-resist-change>
- Kernan, M. C., & Hanges, P. J. (2002). Survivor reactions to reorganization: Antecedents and consequences of procedural, interpersonal, and informational justice. *Journal of Applied Psychology*, 87(5), 916-928. doi:10.1037//0021-9010.87.5.91
- Komodromos, M., Halkias, D., & Ebooks Corporation. (2015). *Organizational justice during strategic change: The employee's perspective*. Burlington, VT;Farnham, Surrey;: Gower
- Korsgaard, M. A., Sapienza, H. J., & Schweiger, D. M. (2002). Beaten before begun: The role of procedural justice in planning change. *Journal of Management*, 28(4), 497-516. doi:10.1177/014920630202800402
- Kumar, R. (2011). *Research methodology: A step-by-step guide for beginners* (3rd ed.). London; Los Angeles; SAGE.
- Landy, F. J., & Conte, J. M. (2007). *Work in the 21st century: An introduction to industrial and organizational psychology* (2nd ed.). Malden, Mass: Blackwell.
- Lipponen, J., Olkkonen, M., & Moilanen, M. (2004). Perceived procedural justice and employee responses to an organizational merger. *European Journal of Work and Organizational Psychology*, 13(3), 391-413. doi:10.1080/13594320444000146
- Lipton, J. (2014). Google's best and worst acquisitions. *CNBC Online*. Retrieved February 1, 2016, dari <http://www.cnbc.com/2014/08/19/googles-best-and-worst-acquisitions.html>
- Marzucco, L., Marique, G., Stinglhamber, F., De Roeck, K., & Hansez, I. (2014). Justice and employee attitudes during organizational change: The mediating role of overall justice. *Revue Européenne De Psychologie Appliquée/European Review of Applied Psychology*, 64(6), 289-298.
- Moorman, R. H. (1991). Relationship between organizational justice and organizational citizenship behaviors: Do fairness perceptions influence employee citizenship? *Journal of Applied Psychology*, 76(6), 845-855.
- Muchinsky, P. M. (2000). *Psychology Applied to Work*. (6th ed.). Belmont CA: Wadsworth Thomson Learning
- Oreg, S., & van Dam, K. (2008). Organisational justice in the context of organizational change. *Netherlands Journal of Psychology*, 65, 127-135.
- Podsakoff, P. M., MacKenzie, S. B., Moorman, R. H., & Fetter, R. (1990). Transformational leader behaviors and their effects on followers' trust in leader, satisfaction, and organizational citizenship behaviors. *The Leadership Quarterly*, 1, 107-142.
- Podsakoff, P. M., MacKenzie, S. B., Paine, J. B., & Bachrach, D. G. (2000). Organizational citizenship behaviors: A critical review of the theoretical and empirical literature and suggestions for future research. *Journal of Management*, 26, 513-563.
- Rafferty, A. E., Jimmieson, N. L., & Armenakis, A. A. (2013). Change readiness: A multilevel review. *Journal of Management*, 39(1), 110-135.
- Reichers, A. E., Wanous, J. P., & Austin, J. T. (1997). Understanding and managing cynicism about organizational change. *The Academy of Management Executive*, 11(1), 48.
- Richards, L. (n.d.). Why Is Change Important in an Organization? Retrieved January 12, 2016, from <http://smallbusiness.chron.com/change-important-organization-728.html>
- Rubin, Robert S., Dierdorff, Erich C., Bommer, William H., Baldwin, Timothy T. (2009). Do leaders reap what they sow? Leader and employee outcomes of leader organizational cynicism about change. *The Leadership Quarterly*, 20(5), pp. 680-688.
- Scholl, R. W., Cooper, E. A., & McKenna, J. F. (1987). Referent selection in determining equity perceptions: Differential effects on behavioral and attitudinal outcomes. *Personnel Psychology*, 40, 113-124.
- Shapiro, D. L., & Kirkman, B. L. (1999). Employees' reaction to the change to work teams: The influence of "anticipatory" injustice. *Journal of Organizational Change Management*, 12(1), 51-67. doi:10.1108/09534819910255315
- Suroso, G. T. (2015). Masyarakat Ekonomi ASEAN dan Perekonomian Indonesia. Retrieved from <http://www.bppk.kemenkeu.go.id/publikasi/artikel/150-artikel-keuangan-umum/20545-masyarakat-ekonomi-asean-mea-dan-perekonomian-indonesia>
- Walker, H. J., Armenakis, A. A., & Bernerth, J. B. (2007). Factors influencing organizational change efforts: An integrative investigation of change content, context, process and individual differences. *Journal of Organizational Change Management*, 20(6), 761-773. doi:10.1108/09534810710831000
- Wanous, J. P., Reichers, A. E., & Austin, J. T. (2000). Cynicism about organizational change: Measurement, antecedents, and correlates. *Group & Organization Management*, 25(2), 132-153.
- Wiesenfeld, B. M., Brockner, J., & Thibault, V. (2000). Procedural fairness, managers' self-esteem, and managerial behaviors following a layoff. *Organizational Behavior and Human Decision Processes*, 83(1), 1-32. doi:10.1006/obhd.2000.2894
- Wirawan, D. (2013). Pengaruh keadilan organisasi dan kepercayaan organisasi terhadap komitmen perubahan pada karyawan studi pada PT. XYZ. Skripsi. Depok: Universitas Indonesia.
- Wu, C., Neubert, M. J., & Yi, X. (2007). Transformational leadership, cohesion perceptions, and employee cynicism about organizational change: The mediating role of justice perceptions. *The Journal of Applied Behavioral Science*, 43(3), 327-351. doi:10.1177/0021886307302097
- Zhang, H. (2006). Antecedents and consequences of organizational justice: An investigation in China. Dissertation. ProQuest Dissertations Publishing.