The Relationships Between Justice Perceptions, Trust, and Employee Attitudes in a Downsized Organization

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ABSTRACT. The authors examined perceptions of distributive justice, procedural justice, trust, organizational commitment, organizational satisfaction, and turnover intentions among survivors in an organization that had recently completed an organizational downsizing. Results suggested that trust partially mediated the relationship between distributive justice and both organizational satisfaction and affective commitment. Additionally, the relationship between procedural justice and turnover intentions was mediated by trust perceptions.

Key words: employee attitudes, organizational justice, trust, turnover

ORGANIZATIONAL DOWNSIZING has become an increasingly important issue recently (Spreitzer & Mishra, 2002). Defined as a “purposeful reduction in the size of an organization’s workforce” (Spreitzer & Mishra, p. 707), downsizing can have a dramatic influence on all employees in an organization. Organizations decide to reduce their workforce for multiple reasons, including efforts to gain a more competitive advantage, to manage or reduce cost expenditures, and to streamline the way in which work is conducted. Regardless of the reason, downsizing has profound repercussions for everyone in the organization (Luthans & Sommer, 1999). The reactions of those who survive the downsizing determine the future success of the organization (Brockner, Wiesenfeld, & Martin, 1995).

Much of the empirical literature has focused on the reactions of employees who have been dismissed (Luthans & Sommer, 1999; Spreitzer & Mishra, 2002). However, recent studies have focused on the effects of downsizing on those who are left behind (Allen, Freeman, Russell, Reizenstein, & Rentz, 2001; Baruch &
Hind, 2000). In this study, we examined perceptions of distributive and procedural justice, trust, organizational commitment, organizational satisfaction, and turnover intentions among survivors in an organization that recently underwent downsizing.

The term survivor refers to an employee in an organization who was retained after reorganization or downsizing occurred (Mishra & Spreitzer, 1998). Survivors “often experience the adverse affects of change as profoundly as those who have left” (Baruch & Hind, 1999, p. 296). These employees are ultimately left with the responsibility of ensuring success and pursuing the goals of the company (Allen et al., 2001). Accordingly, survivorship often comes with an increase in workload and responsibility and the possibility that the work will change and become more or less interesting for the individual (Brockner, Wiesenfeld, Reed, Grover, & Martin, 1993). Also, watching coworkers and friends lose their jobs can impact the way employees view their organization. As a result, many employees begin to have feelings of insecurity about their positions in the company (Brockner & Wiesenfeld, 1996).

Brockner, Grover, Reed, and Dewitt (1992) stated that a person’s level of job insecurity depends on two perceptions: (a) perceived threat and (b) perceived control. Perceived threat consists of employees’ perceptions that they, too, will lose their jobs in the future. Perceived control refers to the degree of control employees believe they or the organization has in reducing the negative results of job loss (Brockner et al., 1992). Therefore, employees experience strong feelings of job insecurity when they perceive a high threat and low control in their organizations. Alternatively, when they perceive low threat and high control, they have a lower feeling of job insecurity (Brockner et al.).

Many researchers have studied the effects associated with survivors in organizations (Baruch & Hind, 2000; Cohen-Charash & Spector, 2001; Spreitzer & Mishra, 2002). Often, survivors of an organizational downsizing experience a change in emotions and attitudes to the same negative degree as those who left the organization (Baruch & Hind, 2000). Spreitzer and Mishra stated that some behaviors, such as job involvement, citizenship behaviors, effort, and productivity, can all be negatively impacted after a downsizing. Brockner and colleagues (1992) found that downsizing caused employees to become more cynical, demotivated, demoralized, and fearful of future downsizing. Other factors, such as increased stress and burnout, have been shown to increase among survivors (Mishra & Spreitzer, 1998). Evidence also suggests that decreased perceptions of organizational justice and trust can adversely impact an employee’s level of commitment and satisfaction with the organization (Cohen-Charash & Spector; Mishra & Spreitzer). The accumulation of these negative perceptions and feelings may lead to an increase in turnover among survivors (Aryee, Budhwar, & Chen, 2002). With any combination of these negative reactions, the savings or improvements the organization hoped to gain from downsizing could be undermined (Brockner et al., 1993).
Organizational Justice

Much research has been dedicated to the topic of organizational justice (Cohen-Charash & Spector, 2001; Greenberg & Colquitt, 2005; Harvey & Haines, 2005). Konovsky and Brockner (1993) stated that there is value in examining the effects of an organizational downsizing in terms of organizational justice because “the layoff process consists of a series of events in which victims and survivors evaluate the fairness of the layoff procedures” (p. 137). Hendrix, Robbins, Miller, and Summers (1998) defined organizational justice as an employee’s perception of the fairness of exchange he or she has with an organization in relation to rewards and procedures. Saunders and Thornhill (2003) stated that justice is a “framework through which to explain and understand employees’ feelings of trust or mistrust more fully” (p. 360).

Early research on justice perceptions in organizations was based on equity theory (Adams, 1965). Adams described equity theory as the belief that the distribution of rewards should rely on individual contributions. In an organizational setting, equity refers to an implied or psychological contract between an organization and an employee dealing with expected inputs and outcomes from both parties (Hendrix et al., 1998). Individuals internally compare the treatment they receive to the treatment of other employees at the same organization and externally compare it with others in similar organizations to evaluate the input–output relationship of exchange between the employee and the organization (Cowherd & Levine, 1992; Hendrix et al.). When a discrepancy is detected in the relationship, employees may attempt to reduce it in one of three ways: (a) by altering their perceptions of the input and output, (b) by changing the input itself, or (c) by leaving the organization (Cowherd & Levine).

There are many conceptualizations of organizational justice (Holbrook, 1999). However, the two supported with the most empirical research in organizational downsizing are procedural justice and distributive justice. Procedural justice concerns the perception an employee holds of the fairness of the processes used by an organization (Hendrix et al., 1998; Holbrook; Saunders & Thornhill, 2003). When an unfavorable outcome is matched with the perception of an unfair decision, employees are likely to feel resentment toward the organization and those who made the decision (Brockner & Wiesenfeld, 1996). Cohen-Charash and Spector (2001) stated that “to the extent employees perceive their organization to be unfair because it uses unfair procedures for resource allocations, employees will develop negative attitudes towards the organization” (p. 287). Konovsky and Brockner (1993) also stated that resentment is often directed toward the organization and its managers after a downsizing. Brockner (1990) found a negative effect of adverse justice perceptions on survivors’ organizational commitment and their turnover intentions. McFarlin and Sweeney (1992) found that procedural justice was an important predictor of organizational commitment and trust in the evaluation of an organization and its representatives by an employee. Accordingly,
resentment directed at the organization and its managers may manifest itself as lower organizational commitment, lower organizational satisfaction, and an increased likelihood of voluntary turnover.

**Distributive justice** refers to an employee’s perceived fairness of outcomes (Greenberg & Colquitt, 2005). When employees believe the outcome of a decision is unfair, they may engage in counterproductive work behavior. Cohen-Charash and Spector (2001) stated that “when employees perceive distributive injustice, they might hurt the organization to make the outcome/input ratio less negative from their perspective” (p. 287). One determinant of distributive justice evaluations by survivors is the manner in which the organization treated the employees who were dismissed (Brockner & Wiesenfeld, 1996). The better the dismissed employees are treated, the more likely it is that survivors will perceive the distributions as fair. Perceptions of fairness may, in turn, decrease the likelihood of withdrawal behaviors such as turnover intentions (Cohen-Charash & Spector; Koys, 1991).

In sum, justice perceptions have the potential to influence employee attitudes toward the organization. This is especially true in an organization that has experienced a recent downsizing. Four attitudes of particular interest in this context are (a) satisfaction, (b) organizational commitment, (c) trust for the organization, and (d) turnover intentions.

**Organizational Commitment**

Brooke, Russell, and Price (1988) characterized organizational commitment as “acceptance of organizational goals and values, willingness to exert effort on behalf of the organization, and desire to maintain membership in the organization” (p. 140). Employees’ level of organizational commitment can change dramatically after they experience a threat to their job security. Survivors may think the organization is not as committed to them and their well-being and, therefore, may reduce their level of commitment to the organization (Spreitzer & Mishra, 2002). Consistent with this argument, Armstrong-Stassen (2004) reported a strong association between downsizing and a decrease in organizational commitment.

Three kinds of commitment commonly discussed in the literature are (a) affective, (b) continuance, and (c) normative (Brown, 1996; Meyer & Allen, 1991; Pinder, 1998). **Normative commitment** is the sense of responsibility an employee develops in helping to sustain the organization and its activities (Meyer & Allen). However, for the purpose of this article, the two other conceptualizations of commitment have more relevance. **Affective commitment** is defined as how attached individuals are to the organization and the extent to which they accept the organization’s values as their own (Somers, 1995). **Continuance commitment** is defined as commitment to the organization based on investments made in the organization that make it costly for individuals to leave (Brown).

Two approaches to viewing the process of commitment are the attitudinal and the behavioral approaches (Meyer & Herscovitch, 2001). Brown (1996) described
the formation of *attitudinal commitment* as the combining of positive experiences that cause a person to be positively obligated to the organization. During downsizing, efforts made to help employees adjust to the new organizational structure may help sustain a higher level of commitment. The behavioral approach to organizational commitment suggests that behaviors in which employees engage cause them to be more or less committed. *Behavioral commitment* is the way in which employees become locked into commitment with an organization and their responses to this situation (Meyer & Allen, 1991). The results of these committing behaviors make it costly to leave an organization (Brown).

Employees continuously reevaluate their commitment to an organization. Employees want and expect particular outcomes for the effort they give to the organization (Brown, 1996). If there is a lack of expected outcomes, commitment toward the organization or to an individual (e.g., a supervisor) within the organization may be reduced. Employees also make evaluations of the organization’s worthiness for commitment, which can influence their strength of commitment.

There are multiple consequences of organizational commitment. One of the most commonly examined relationships is between commitment and voluntary turnover or employee retention (Meyer & Allen, 1991; Somers, 1995). Absenteeism and other avoidance behaviors (e.g., turnover) are affected by the level of commitment, which is costly to the organization (Hendrix et al., 1998). Armstrong-Stassen (2004) suggested that employees with higher commitment to the organization would have a more negative reaction to downsizing.

*Affective commitment.* Affective commitment describes how emotionally attached a person is to an object (e.g., the organization) and is referred to as the “want to” part of commitment (Brown, 1996, p. 240). Somers (1995) identified affective commitment as personal acceptance and integration of organizational values. This commitment can develop from antecedents (e.g., positive experiences with the organization, job-related characteristics, personal characteristics, and structural characteristics; Meyer & Allen, 1991).

Hendrix and colleagues (1998) and McFarlin and Sweeney (1992) found strong positive relationships between justice and commitment. Hendrix and colleagues stated that fair procedures allow employees to have faith in the organization and, therefore, increase their organizational commitment. Their results suggest that distributive and procedural justice are positively related to organizational commitment and satisfaction. Affective commitment is an outcome of the whole organization and usually demonstrates a stronger relationship with procedural justice than with distributive justice; however, the relationships tend to be similar (McFarlin & Sweeney). After an organizational downsizing or restructuring, negative experiences can impact employees’ perceptions of how they are treated by the organization. This, in turn, influences how they demonstrate their commitment to the organization. On the basis of these studies, we formed the following hypotheses:
Hypothesis 1a: A positive relationship exists between perceptions of procedural justice and affective commitment.

Hypothesis 1b: A positive relationship exists between perceptions of distributive justice and affective commitment.

**Continuance commitment.** Continuance commitment refers to investments made in the company. These investments would be lost if the person did not remain with the organization (e.g., a nontransferable retirement fund, accrued time off, seniority; Brown, 1996, p. 300). Meyer and Allen (1991) referred to the antecedents of continuance commitment as things that increase the cost of leaving the organization; an employee may view leaving as a sacrifice of privileges.

Cohen-Charash and Spector (2001) suggested that a positive relationship exists between continuance commitment and procedural justice. They explained this relationship by suggesting that employees think they have more investments in the organization and are therefore less likely to participate in withdrawal behaviors when they perceive that decisions and outcomes were made with an attempt to be fair. The level of one’s continuance commitment can vary depending on one’s experiences and involvement in the downsizing. Thus, we expected to find the following relationships:

Hypothesis 2a: A positive relationship exists between perceptions of procedural justice and continuance commitment.

Hypothesis 2b: A positive relationship exists between perceptions of distributive justice and continuance commitment.

**Organizational Satisfaction**

Satisfaction is comprised of both affective and cognitive components (Schleicher, Watt, & Greguras, 2004). The *affective component* relates to the way an individual feels about a particular target (Schleicher et al., 2004). In a downsizing context, the individual is the employee and the target is the organization, and an employee’s affect toward the organization can be either positive or negative. The *cognitive component* includes beliefs and thoughts about the target (Schleicher et al.). In this study, the cognitive component concerns what an employee thinks and believes about the organization. The combination of an employee’s thoughts concerning the organization and how he or she feels about the organization will help determine the satisfaction level of the employee.

Job satisfaction has been widely studied in psychological research (Judge, Parker, Colber, Heller, & Ilies, 2002). Pinder (1998) defined job satisfaction as “the degree to which a person’s work is useful for satisfying [his or] her needs” (p. 242). Job satisfaction is commonly viewed as including multiple facets (Judge et al., 2002; Pinder). Judge and colleagues identified “pay, promotions, coworkers,
supervision, the work itself...recognition, working conditions, and company and management” as facets of job satisfaction (p. 26).

Cohen-Charash and Spector (2001) found that satisfaction is strongly related to distributive and procedural justice. They suggested that to promote a high level of satisfaction, organizations must ensure that all distributions, procedures, and interactions are fair. Proposed consequences of job satisfaction include job performance, withdrawal behaviors, and life satisfaction (Judge et al., 2002). Judge and colleagues found that job satisfaction had a moderate correlation with performance. Satisfaction also correlated negatively with absenteeism and turnover. Beyond the work context, how people feel at work can influence how they feel outside of work (Judge et al.).

We focused on organizational satisfaction, a facet of satisfaction that refers to both the company and the management. Much of the literature conducted in a downsizing context has focused on job satisfaction but has neglected the macro-level facet of satisfaction with the organization as a whole. To study organizational satisfaction, we proposed the following hypotheses:

Hypothesis 3a: A positive relationship exists between perceptions of procedural justice and organizational satisfaction.

Hypothesis 3b: A positive relationship exists between perceptions of distributive justice and organizational satisfaction.

Turnover Intentions

After downsizing, survivors often find themselves with new responsibilities and duties (Spreitzer & Mishra, 2002). Spreitzer and Mishra contended that some employees seek employment with other organizations because of the unstable environment caused by downsizing. Even one coworker’s departure from an organization can affect the turnover intentions of those remaining, especially if they had a close relationship with the employee who left (Krausz, Yaakobovitz, & Caspi, 1999).

Voluntary turnover of employees is costly to an organization because of the time and money invested in those employees and the time and money that would have to be invested to replace those who leave (Spreitzer & Mishra, 2002). Many of the factors can play a role in an employee’s decision to leave the organization are common effects of downsizing, such as decreased satisfaction, commitment, and trust (Saunders & Thornhill, 2003; Spreitzer & Mishra).

Researchers have found that procedural and distributive justice had an equally strong negative relationship with turnover intentions (Cohen-Charash & Spector, 2001). Brockner (1990) also found a relationship between justice perceptions and turnover intentions. If employees feel that future decisions that could impact them are likely to be unfair, they may feel there is little sacrifice in moving to a new employer (Cohen-Charash & Spector). For these reasons, we expected to find the following relationships:
Hypothesis 4a: A negative relationship exists between perceptions of procedural justice and turnover intentions.

Hypothesis 4b: A negative relationship exists between perceptions of distributive justice and turnover intentions.

Organizational Trust

The kind of the relationship an employee has with an organization is often defined by a *psychological contract*, an unspoken agreement between the employer and the employee (Robinson, 1996). When one of the parties breaches this contract, it creates a lack of trust. Robinson 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 interest” (p. 575). Aryee and colleagues (2002) discussed trust as a combination of cognition-based and affect-based trust. *Cognition-based trust* is determined by the evaluation of an individual as to the ability of another party (e.g., the organization) to fulfill obligations and, therefore, demonstrate reliability and dependability (Aryee et al.). *Affect-based trust* develops from a mutual care and concern between two parties (Aryee et al.). The combination of these two kinds of trust reflects “concern for others’ interests, reliability, openness and competence” (Aryee et al., p. 271).

During downsizing, perceptions of outcomes will influence the trust an employee has for the organization. The less fair that employees perceive procedures as being, the more likely it is that a negative impact on trust will occur. The amount of trust and morale an employee has for his or her employer commonly declines as the ramifications of downsizing (e.g., increased workload, increased job insecurity) become evident to the survivor (Mishra & Spreitzer, 1998). If employees do not trust that their employer is concerned with the impact downsizing has on the individual, they are likely to feel threatened and engage in destructive or withdrawal behaviors (Mishra & Spreitzer). Brockner (1990) noted that simple actions, such as letting employees know why a downsizing is necessary, can promote trust in the organization.

An organization breaching a contract with an employee can cause a decrease in the employee’s perceived obligations, organizational citizenship behaviors, commitment, and satisfaction (Robinson, 1996). Cohen-Charash and Spector (2001) found that trust was similarly related to procedural and distributive justice. These results suggest that trust, for both the organization and the supervisor, is greatly impacted by an employee’s perception of organizational justice (McFarlin & Sweeny, 1992). Because the psychological contract is based on employee perceptions, both the manner in which decisions are made and how outcomes are distributed are likely to impact the trust an employee has in the organization (Hosmer, 1995; Robinson). Taken together, this information suggests that when a breach of contract is experienced,
there is a negative influence on the behaviors and attitudes of employees (Hosmer).

We hypothesized that trust would mediate the relationships that distributive and procedural justice have with satisfaction, commitment, and turnover intentions. This hypothesis builds on the model presented by Aryee and colleagues (2002), who found that distributive and procedural justice were related to trust in organizations. They also found that trust was a mediator in the relationship between distributive and procedural justice and the outcome variables of job satisfaction, turnover intentions, and organizational commitment. Figure 1 shows the model we proposed and tested in this study.

Hypothesis 5a: A positive relationship exists between perceptions of procedural justice and trust.

Hypothesis 5b: A positive relationship exists between perceptions of distributive justice and trust.

Hypothesis 6a: Trust mediates the relationship between perceptions of procedural justice and organizational satisfaction, affective commitment, continuance commitment, and turnover intentions.

Hypothesis 6b: Trust mediates the relationship between perceptions of distributive justice and organizational satisfaction, affective commitment, continuance commitment, and turnover intentions.

FIGURE 1. Proposed model of the mediating role of trust in the relationship between distributive and procedural justice and organizational satisfaction, commitment, and turnover intentions.
Method

Overview

We recruited participants from an organization that had recently completed downsizing. As one of the largest transportation organizations in the eastern United States, the company employs approximately 34,500 employees, is a Fortune 500 company, and has annual revenues of approximately $8 billion. During November 2003, the organization announced its plan to reorganize, which included terminating between 800 and 1,000 nonunion employees. This initiative was part of an attempt to control costs and improve productivity by developing a smaller, more streamlined company with the ability to increase operating income. At the organization's request, we did not overtly mention the downsizing during data collection. Instead, we assumed that such a recent, large-scale event would have an impact on employee perceptions and attitudes.

Participants

We randomly selected 500 individuals to participate in this study and sent them a link via e-mail to a 56-item online survey. Of the 500 surveys distributed, 184 usable surveys were returned, resulting in a 37% response rate. Participants had a mean age of 46.52 years (SD = 9.86). There were 152 men (82.6%) and 32 women (17.4%). The majority of the participants were Caucasian (n = 166; 90.2%), 7 were African American (3.8%), 3 were American Indian (1.6%), 1 was Asian (0.5%), 1 was Hispanic (0.5%), and 6 identified themselves as belonging to another ethnic group (3.3%). Participants had an average of 228.6 months (SD = 143.98; about 19 years) of service with the organization and a mean of 21 (SD = 51.38) direct subordinates. Out of the 184 participants, 10.3% (n = 19) had previously been employed with the organization.

Measures

For consistency, we administered all items using a 7-point Likert-type scale (1 = strongly disagree, 7 = strongly agree). This required us to modify several scales from their original form. We indicate where changes were made in the description of each measure. Items are presented in the Appendix.

We assessed affective commitment using Allen and Meyer's (1990) eight-item measure, but we administered all items in a 7-point Likert scale format. In this sample, the alpha coefficient was .71. To assess continuance commitment, we used the eight-item measure developed by Allen and Meyer (1990). The converted 7-point Likert scale had a reliability coefficient of .86 in this sample.

We measured procedural justice using Moorman's Procedural Justice Scale (1991). This 7-point Likert scale consists of seven items and had an alpha of .94.
in this sample. We used Price and Muller’s (1986) six-item Distributive Justice Index to assess distributive justice, but we administered all items in a 7-point Likert scale. In this sample, the alpha coefficient was .95.

We used a modified version of the 12-item Firm as a Whole subscale of the Managerial Opinion Scale to measure satisfaction with the organization (Warr & Routledge, 1969). We modified this measure to a 7-point Likert scale, which had an alpha of .86 in a recent study (Weathington & Tetrick, 2000). In this study, the scale had a reliability of .56. Item analysis revealed that dropping item 5, which dealt specifically with satisfaction with senior management, would increase alpha to .71. However, because we wanted to study satisfaction with the whole organization, we used this scale in its entirety. We used Robinson’s (1996) seven-item organizational trust measure to assess organizational trust (Aryee et al., 2002). We modified the 5-point Likert scale to a 7-point format for this study. In this sample, the alpha coefficient was .85.

We assessed turnover intentions using a modified form of the measure used by Aryee et al. (2002). This two-item scale demonstrated an alpha reliability of .85, and we modified it from a 5-point Likert scale to a 7-point Likert scale to match the other measures used in this study.

Results

Correlational Analyses

Tables 1 and 2 show descriptive statistics and correlations. As Table 2 shows, we found a strong positive correlation between organizational satisfaction and both trust \( (r = .76) \) and affective commitment \( (r = .71) \). We also found a strong positive correlation between trust and distributive justice \( (r = .63) \). Turnover intentions had a strong negative relationship with both trust \( (r = -.63) \) and affective commitment \( (r = -.68) \). Supporting H1a, we found a moderate

<table>
<thead>
<tr>
<th>TABLE 1. Means and Standard Deviations for Procedural Justice, Distributive Justice, and Employee Attitudes</th>
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<tbody>
<tr>
<td><strong>Variable</strong></td>
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<td>Procedural justice</td>
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<td>Distributive justice</td>
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<td>Trust</td>
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<td>Turnover intentions</td>
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<td>4. Affective commitment</td>
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<td>5. Continuance commitment</td>
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<td>6. Organizational satisfaction</td>
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<td>7. Turnover intentions</td>
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</tbody>
</table>

*p < .05. **p < .01.
positive relationship between procedural justice and affective commitment ($r = .53, p < .01$). A significant positive relationship also existed between distributive justice and affective commitment ($r = .53, p < .01$), which supports $H1b$. However, results did not support $H2a$ or $H2b$; we found a nonsignificant, negative relationship between procedural justice and continuance commitment ($r = -.10$). A weak nonsignificant relationship also existed between distributive justice and continuance commitment ($r = .11$).

Results supported $H3a$ and $H3b$. We found a significant positive relationship between procedural justice and organizational satisfaction ($r = .59, p < .01$). We also found a significant positive relationship between distributive justice and organizational satisfaction ($r = .54, p < .01$). Our findings supported $H4a$, which predicted a negative relationship between procedural justice and intent to leave the organization ($r = -.44, p < .01$). $H4b$ predicted a negative relationship between distributive justice and intent to leave the organization, and this was also supported ($r = -.55; p < .01$). Our results supported $H5a$ (a positive relationship between procedural justice and trust; $r = .59, p < .01$) and $H5b$ (a positive relationship between distributive justice and trust; $r = .63, p < .01$).

**Mediation Analyses**

Mediation is the influence of a third variable on a relationship, "which represents the generative mechanism through which the focal independent variable is able to influence the dependent variable of interest" (Baron & Kenny, 1986, p. 1173). The most commonly used method to test for mediation is correlation and regression analyses to examine the relationships among variables. To test for mediation, therefore, it is necessary to demonstrate that (a) both the independent (i.e., distributive justice and procedural justice) and mediating (i.e., trust) variables are related to the dependent variables (i.e., organizational satisfaction, affective commitment, continuance commitment, and turnover intentions); (b) the independent variable is related to the dependent variable; and (c) the relationship between the independent variable and the dependent variable becomes nonsignificant or is reduced significantly when controlling for the mediating variable (Baron & Kenny).

The correlations support the first condition for three of the four outcome variables (see Table 2): distributive justice with affective commitment ($r = .53, p < .01$), with organizational satisfaction ($r = .54, p < .01$), and with turnover intentions ($r = -.55, p < .01$); procedural justice with affective commitment ($r = .53, p < .01$) and with organizational satisfaction ($r = .58, p < .01$); and procedural justice with turnover intentions ($r = -.44, p < .01$). The mediating variable—trust—correlated significantly with affective commitment ($r = .70, p < .01$), with organizational satisfaction ($r = .76, p < .05$), and with turnover intentions ($r = -.63, p < .01$). We found only one variable, turnover intentions, that had a significant correlation with continuance commitment ($r = -.18, p < .05$). Correlations also demonstrated a significant
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relationship between the independent variables (procedural justice and distributive justice) and the dependent variables of affective commitment ($r = .53, p < .01; r = .53, p < .01$), organizational satisfaction ($r = .59, p < .01; r = .54, p < .01$), and turnover intentions ($r = -.44, p < .01; r = -.55, p < .01$).

We conducted a regression analysis to test for the final condition of mediation (see Table 3), which was not met for all of the variables. When we controlled for trust, the significant relationship between distributive justice and organizational satisfaction disappeared ($\beta = .08, p > .05$). This result suggests that trust mediates the relationship between distributive justice and organizational satisfaction. We also found that trust mediated the relationship between distributive justice and affective commitment ($\beta = .12, p > .05$) and the relationship between procedural justice and turnover intentions ($\beta = -.09, p > .05$). We modified the proposed model to account for these relationships (see Figure 2). In Figure 2, we removed continuance commitment, leaving the outcome variables of organizational satisfaction, affective commitment, and turnover intentions. This added a direct relationship between distributive justice and turnover. Additionally, procedural justice has a direct relationship with organizational satisfaction and affective commitment. The regression demonstrated direct relationships between distributive justice and affective commitment, distributive justice and turnover intentions, and procedural justice and organizational satisfaction.

Discussion

We examined the relationships between perceptions of distributive and procedural justice, trust, organizational commitment, organizational satisfaction, and turnover intentions among survivors in a recently downsized organization. Specifically, we proposed and tested a mediating role for trust in the relationships between organizational justice and employee attitudes.

We did not find a strong relationship between continuance commitment and the other variables; turnover intentions was the only variable with a significant relationship with continuance commitment. Continuance commitment refers to investments made by an employee that make it costly to leave the organization (Meyer & Allen, 1991). Our results suggest that, although employees recognized the costs involved in leaving the organization, the costs had little influence on their attitudes. Some of their investments may be transferable (e.g., retirement funds), or they may not be as important as other reasons for remaining with the organization. Another explanation is that employees at this organization do not value the investments they have made. They may remain with the organization for reasons other than to avoid losing their investments. This result is especially interesting because the organization recently downsized. Continuance commitment may have had little relation with other attitudes and intentions because employees felt they had little control over continuing their employment with the organization. Future researchers should examine this relationship further.
### TABLE 3. Summary of Regression for Mediation of Trust Between Distributive Justice, Procedural Justice, and Employee Attitudes

<table>
<thead>
<tr>
<th>Predictors</th>
<th>Organizational satisfaction&lt;sup&gt;a&lt;/sup&gt;</th>
<th>Affective commitment&lt;sup&gt;b&lt;/sup&gt;</th>
<th>Continuance commitment&lt;sup&gt;c&lt;/sup&gt;</th>
<th>Turnover intentions&lt;sup&gt;d&lt;/sup&gt;</th>
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<td>B</td>
<td>SEB</td>
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<td>B</td>
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<td>Step 1</td>
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<tr>
<td>Trust</td>
<td>0.93</td>
<td>0.06</td>
<td>0.76**</td>
<td>0.71</td>
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<tr>
<td>Step 2a</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trust</td>
<td>0.86</td>
<td>0.08</td>
<td>0.70**</td>
<td>0.63</td>
</tr>
<tr>
<td>Distributive justice</td>
<td>0.18</td>
<td>0.14</td>
<td>0.08</td>
<td>0.20</td>
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<td>Step 2b</td>
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<tr>
<td>Trust</td>
<td>0.77</td>
<td>0.08</td>
<td>0.64**</td>
<td>0.63</td>
</tr>
<tr>
<td>Procedural justice</td>
<td>0.27</td>
<td>0.08</td>
<td>0.21**</td>
<td>0.17</td>
</tr>
</tbody>
</table>

<sup>a</sup>ΔR² = .01 for Step 2a; ΔR² = .03** for Step 2b. <sup>b</sup>ΔR² = .01 for Step 2a; ΔR² = .02* for Step 2b. <sup>c</sup>ΔR² = .01 for Step 2a; ΔR² = .03* for Step 2b. <sup>d</sup>ΔR² = .03** for Step 2a; ΔR² = .01 for Step 2b.

*<sup>p</sup> < .05. **<sup>p</sup> < .01.
The significant relationship between affective commitment and all of the measured variables suggests that, for employees at this organization, emotional attachment to the company had an important influence on attitudes and behavioral intentions. Meyer and Allen (1991) suggested that positive past experiences, satisfaction with the job, and policies and procedures are all antecedents of affective commitment. Employees may have accepted and integrated the organiza-
tion’s values as their own and, therefore, may remain with the organization simply because they want to, not because of prior investments.

Pinder (1998) suggested that satisfaction is a multifaceted construct. We studied one facet, organizational satisfaction, which has been relatively neglected in previous research. This has implications for both future research and organizational functioning. Organizational satisfaction had a statistically significant positive relationship with trust and affective commitment. Satisfaction with the organization also had significant relationships with procedural justice and distributive justice. Organizational satisfaction is the facet of satisfaction that reflects an employee’s satisfaction with the whole company and management. With this in mind, these correlations are not surprising. The more satisfied employees are with the organization, the more trust they have that the company is concerned about them and will not take action that will be detrimental to them. Similarly, this relationship explains the relationship between organizational satisfaction and affective commitment. This result is consistent with Weathington and Tetrick’s (2000) finding of a positive relationship between employee attitudes and the extent to which employees viewed the organization as valuing their health and well-being.

One of the antecedents of affective commitment is positive past experiences with a company (Meyer & Allen, 1991). Thus, an individual who has had positive experience with the organization is likely to be more satisfied with the organization. The study of organizational satisfaction has been underutilized in past literature, and our results suggest that more work needs to be done using this facet of satisfaction. Organizations that take on initiatives to create more satisfied employees should consider that this facet of satisfaction may make their initiatives more successful.

Our results also support the partial mediation of several of the proposed relationships. We found that trust partially mediated the relationship between distributive justice and both organizational satisfaction and affective commitment. Trust also partially mediated the relationship between procedural justice and turnover intentions (see Figure 2). These findings demonstrate the important role trust plays in the relationship between employee and employer. Past actions by an organization will have implications on future reactions to decisions. Improving trust may lessen the impact that a negative decision made by the company has on employees. Maintaining trust in a relationship may also reduce withdrawal behaviors after a negative event, such as downsizing, occurs.

We found three direct relationships between variables in this study, including a direct relationship between procedural justice and organizational satisfaction. This implies that the procedures used in organizational decision making will directly impact employees’ satisfaction with the organization. We found another direction relationship between procedural justice and affective commitment. This adds further support to literature on the relationship between these variables (Hendrix et al., 1998; McFarlin & Sweeney, 1992). A final direct relationship existed between distributive justice and turnover intentions. This finding also
adds to literature in support of this relationship (Saunders & Thornhill, 2003).

One strength of this study is also a potential limitation: we used employees from only one organization, which may limit the generalizability of our findings. The culture of this organization may have contributed to the results, and the same outcomes may not be found in another organization. Future researchers should involve different organizations. Another limitation of this study came at the request of the organization. The company was conducting its own studies on the impact of the recent downsizing and asked that we not mention the downsizing directly. Instead, we assumed that this event was recent and significant enough to play an important role in employee attitudes.

An additional limitation occurred because we distributed this survey and participants completed it on the Internet. To ensure anonymity, we sent participants secure Web links so responses were not traceable. This method was convenient because of the large distance between the researchers and the organization, but it may have added limitations. Many participants dropped out in the middle of the survey, and it was not possible to follow up to ask them to complete it. We also could not ask follow-up questions, which may have provided more insight into responses. Finally, even with the assurance of confidentiality, it is possible participants were unsure about the anonymity of their responses.

As another limitation, the independent and mediating variables assessed in this study are not completely independent. The relationship among these variables makes it difficult to separate their effects on the dependent variables and suggests that multicollinearity may result in a reduction of statistical power.

Our results demonstrate the utility of examining an underresearched facet of satisfaction, specifically, organizational satisfaction. Whereas much of the literature focuses on job satisfaction, our results allow for a different view of how employees feel about the organization for which they work. Future researchers should continue to investigate this component of satisfaction.

These results also demonstrate the importance of trust for organizations. Employees need to feel that their organization is looking out for them and their interests. These results reiterate the importance of conducting downsizing in a fair and unbiased manner. The development of a relationship built on trust begins early in an employee's career with an organization (Aryee et al., 2002; Robinson, 1996). In this study, we demonstrated that the amount of trust employees have in their employers can impact how they perceive organizational decisions and their reactions to those decisions. Actions taken by an employer will influence how an individual perceives the organization, and companies should be mindful of the manner in which downsizings are communicated and conducted.

In a general context, this study contributes to the literature on organizational trust by displaying the importance it plays in many established relationships. The unwritten contract between employer and employee affects employee attitudes. Employees expect to receive favorable outcomes for their input into the organization. Whether or not these outcomes are received will impact the
employee's perception of the organization. Our results serve as a reminder to those in applied settings that organizational decisions can have a profound impact on employee perceptions.

REFERENCES


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**APPENDIX**

**Scales and Items Used to Measure Employee Attitudes and Justice Perceptions**

**Satisfaction With the Organization**
- I feel my organization is too big.
- I feel I belong to my organization.
- My organization has a good reputation.
- My organization needs some fresh people at the top.
- Top management at my organization tends to keep employees in the dark about things we ought to know.
- My organization runs in an efficient manner.
- My organization has too much class distinction.
- My organization looks after its employees.
- There are too many rules and regulations in my organization.
- There is insufficient coordination between departments at my organization.
- My organization is a good one for which to work.
- My organization is not afraid to tackle new projects and take risks.

**Affective Commitment**
- I would be very happy to spend the rest of my career with this organization.
- I enjoy discussing my organization with people outside it.
- I really feel as if this organization’s problems are my own.
- I think that I could easily become as attached to another organization as I am to this one.
- I do not feel like “part of the family” at my organization.
- I do not feel emotionally attached to this organization.
- This organization has a great deal of personal meaning for me.
- I do not feel a strong sense of belonging to my organization.

**Continuance Commitment**
- I am not afraid of what might happen if I quit my job without having another one lined up.
- It would be very hard for me to leave my organization right now, even if I wanted to.
- Too much in my life would be disrupted if I decided I wanted to leave my organization now.
- It wouldn’t be too costly for me to leave my organization now.
- Right now, staying with my organization is a matter of necessity as much as desire.
- I feel that I have too few options to consider leaving my organization now.
- One of the few serious consequences of leaving this organization would be the scarcity of available alternatives.

*appendix continues*
APPENDIX (Continued)

One of the major reasons I continue to work for this organization is that leaving would require considerable personal sacrifice; another organization may not match the overall benefits I have here.

Trust in the Organization⁴

I believe my employer has high integrity.
I can expect my employer to treat me in a consistent and predictable fashion.
My employer is not always honest and truthful. ⁵
In general, I believe my employer’s motives and intentions are good.
I don’t think my employer treats me fairly. ⁶
My employer is open and upfront with me.
I am not sure I fully trust my employer. ⁷

Turnover Intentions⁸

I often think about quitting my job with my present organization.
I will probably look for a new job within the next year.

Procedural Justice⁹

Stem: My department’s formal procedures are designed to...
...collect accurate information necessary for making decisions.
...provide opportunities to appeal or challenge the decision.
...have all sides affected by the decisions represented.
...generate standards so that decisions can be made with consistency.
...hear the concerns of all those affected by the decision.
...provide useful feedback regarding the decision and its implementation.
...allow for requests for clarification or additional information about the decision.

Distributive Justice¹⁰

Stem: To what extent are you fairly rewarded...
...considering the responsibilities that you have?
...taking into account the amount of education and training that you have had?
...in view of the amount of experience that you have?
...for the amount of effort that you put forth?
...for work that you have done well?
...for the stresses and strains of your job?

²Reverse-coded.