Employee's Participation: A Critical Success Factor for Justice Perception under Different Leadership Styles

Wai-Kwan Lau[1]

Abstract

The present study proposed and tested a model that examines the relationship between leadership style, employee's participation, and justice perceptions. The paper extended the literature of the justice by connecting three major research areas (leadership style, employee's participation, and organizational justice), and examined the influences of leadership style and employee's participation in shaping employee's perception of justice. Results indicated that transactional, transformational, and dynamic leadership have positive impact on distributive, procedural, and interactional justice. Moreover, the effect of leadership style on organizational justice was indirect through employee's participation. This study synthesized previous leadership studies and argued that leadership style can be categorized into four paradigms: classical leadership, transactional leadership, transformational leadership, and dynamic leadership. This typology provided a broad basis allowing for different forms of leadership to be evolved at different times and in different places. This study showed the importance of leadership in creating the correct atmosphere, and promoting positive or negative employee attitudes during decision-making process. This has important implications for the selection, training and development of managers.

Keywords: Leadership style, employee's participation, Organizational justice, transformational leadership, dynamic leadership

1. Introduction

The issue of justice is a dominant theme in organizational life and has been researched frequently in the field of organizational behavior (Cohen-Charash & Spector, 2001).

[1] Assistant Professor, Division of Management, Marketing, & MIS, Marshall University, One John Marshall Drive, Huntington, WV 25755.
Tel: (304)696-3089, Fax: (304)696-6013, Email: Lauw@marshall.edu

The previous study on organizational justice perceptions focuses on how the perceptions of fairness in the workplace affect the attitude of workers such as job satisfaction, turnover intentions, organizational commitment (Greenberg, 1990; Moorman, 1991), and workplace behavior such as absenteeism and organizational citizenship behavior (Saunders & Thornhill, 2004). An emerging area within this topic is that justice is an issue relevant to supervisors and organizational leaders (Tyler, 1987). It has been shown repeatedly that justice has a positive influence on support and evaluations of authorities (Tyler & Lind, 1992; Van den Bos, Wilke, & Lind, 1998) and compliance with authorities (Lind & Tyler, 1988). However, the justice literature has largely neglected to examine the role attributed to leadership in facilitating employee's perception of justice. Leadership has generally been described as involving both "Leader behaviors and decision-making process" (Brown & Trevino, 2003, p.162). The relationship between leadership style and justice perception, especially, the effect of different leadership style combined with different level of employee's participation on justice perception is still missing.

The purpose of this paper is to examine the relationship between leadership styles and perceived justice based on the existing literature. Different from previous studies, this paper extends the literature of the justice by connecting three major research areas (leadership style, employee's participation, and organizational justice), and examines the influences of leadership style and employee's participation in shaping employee's perception of justice. In addition, this study synthesizes previous leadership studies and argues that leadership style can be categorized into four paradigms: classical leadership, transactional leadership, transformational leadership, and dynamic leadership. This typology provides a broad basis allowing for different forms of leadership to be evolved at different times and in different places. Below I review literature relevant to each element of the model and discuss the results of an empirical study designed to test the hypotheses.

2. Theoretical Background and Hypotheses

2.1 Leadership Style

During the past decades, the impact of leadership style on organizational performance has been a topic of interest among academics and practitioners working in the areas of leadership (Cannella & Rowe, 1995; Giambatista, 2004; Bobocel & Zdaniuk 2005).

The style of leadership adopted is considered by some researchers (Awamleh, 1999; Conger, 1999) to be particularly important in achieving organizational goals, and in evoking performance among subordinates (Barling, Weber, & Kelloway, 1996; Berson, Shamair, Avolio, & Popper, 2001).

According to resource based theory (Barney, 1991), leadership style can be viewed as intangible assets to strengthen organization's competitive advantages. Scholars find that there is no one best way of thinking about leadership, rather that different kinds of leadership reflect social and historical roots, depending on the context (Drath, 2001; Yukl, 1999; Avery, 2004). Different leadership paradigms could affect performance differently, depending on the context. Some researchers (e.g. Judge & Piccolo, 2004; Keller, 2006; Meyer & Heppard, 2000) have started to explore the strategic role of leadership, and investigate how to employ leadership paradigms and use leadership behavior to improve organizational performance.

Several different typologies of leadership paradigms have been suggested by various researchers. For example, Bass (1985) claims three types of leadership: transformational, transactional and laissez-faire leadership. Goleman (1995) on the other hand proposed six leadership paradigms. Build on previous studies, this paper states four types of leadership style: classical, transactional, transformational, and dynamic leadership. This typology provides a broad basis allowing for different forms of leadership to respond to organizational needs and preferences depend on the context, and involve many interdependent factors that can be manipulated. Each type of style is discussed in turn below.

Classical leadership is probably the oldest and traditional style with its origins in antiquity. This type of leadership is still used in contemporary organizations (Avery, 2004). Organizations using classical leadership usually are dominant by a pre-eminent person or an elite group of people. This leadership can either be coercive or benevolent or a mixture of both. Using classical leadership, the elite individual or group commands employees to act toward a goal, however, this goal may or may not be explicitly stated and employees may not understand and accept it. The employees in such an organization just adhere to the directives of the leader, they do not openly question their directives, and execute orders largely because of fear of the consequences of not doing so, or because of respect for the leader, or both (Avery, 2004).

Transactional leadership involves a negotiated exchange relationship between a leader and a subordinate (Jung & Avolio, 2000). The basis of transactional leadership is the transaction or the exchange process. According to Judge and Piccolo (2004), transactional leadership consists of three dimensions: 1) contingent reward, the degree to which the leader sets up constructive transactions or exchanges with followers; 2) management by exception-active; and 3) management by exception-passive. In general, management by exception is the degree to which the leader takes corrective action on the basis of results of leader-follower transactions, the difference between management by exception-active and management by exception-passive lies in the timing of the leader's intervention (Howell & Avolio, 1993). Active leaders monitor follower behavior, anticipate problems, and take corrective actions before the behavior creates serious difficulties, while passive leaders wait until the behavior has created problems before taking action (Judge and Piccolo, 2004).

Transformational leadership, on the other hand, involves a process to increase subordinates' understanding of the importance of organizational outcomes and help transform followers' personal values to be congruent with the collective goals or mission of their organization (Bass, 1985). It adds the visionary aspect of leadership and the emotional involvement of employees within an organization. The basic notion is that a visionary leader can create an impression that he or she has high competence and a vision to achieve success. Subordinates are expected to respond with enthusiasm and commitment to the leadership objectives, and may be recruited because they share the vision. According to Bass and Avolio (1993), transformational leadership behaviors include idealized influence, individual consideration, intellectual stimulation, and inspirational motivation.

Dynamic leadership is relatively new to organizational studies. Dynamic leadership is likely to blur the formal distinction between leaders and followers. This type of leadership relies on reciprocal actions where team members work together in whatever roles of authority and power they may have, not based on the position power (Raelin, 2003; Rothschild & Whitt, 1986). Dynamic leadership is treated as the most effective behavior that supports self-managing work team success (Druskat & Wheeler, 2003; Manz & Slims, 1987; Morgeson, 2005). Under dynamic leadership, multiple leaders may possible (Avery, 2004). People cope with heterogeneous helps the organization to deal with dynamic environment. Dynamic leadership allows for people with different degrees of expertise on current issues to emerge and be accepted by the group as leaders (Hirschhom, 1997; Avery, 2004).

Dynamic leadership seems particularly appropriate for professional and knowledge workers in dynamic, chaotic situations.

2.2   Employee's Participation

According to Federal Department of Employment and Industrial Relations (DEIR, 1986) report, employee participation describes the processes and practices for achieving a greater degree of employee influence in individual enterprises and workplaces. It is an essential part of the process of achieving industrial democracy when it enables employees to have a real influence on decision making which relates to matters affecting their working lives. Employee's participation links employee's productivity to communication between employees and their employers (Mayo, 1933). More recently employee's participation has been revived with a greater emphasis on teamwork accompanied by evidence that greater cooperation of employees leads to greater productivity benefits (Doucouliagos, 1995).

Employee's participation has also been described as encompassing a spectrum ranging from minimal to complete employee involvement (Pateman, 1970). According to Pateman (1970), minimal participation is described as employees playing a very limited role in the workplace whereas complete participation involving employees operating as partners in workplace processes.

Dachler and Wilpert (1978) identify four major theories for participation: democratic, socialist, human growth and development, and productivity or efficiency. These theories of participation are reconceptualized by Teicher (1992) who categorize them into four groups: psychological theory, organizational theory, political theory and sociological theory. According to Teicher (1992), psychological and organizational theories consider the role of the employee or the role of the organization in considering the nature of participation and in turn the expected benefit arising from the participation. Alternatively, political and sociological theories consider the wider context of the decision making process and the motivations of either management or employees in seeking to participate in organizational decision making processes.

There is a perception that participation creates a greater sense of engagement of employees in organizations which in turn leads to an increased capacity to facilitate organizational outcomes (Coch & French, 1948).

Davis and Lansbury (1989) explained that the importance of management-employee consultation at the workplace lies in the opportunity for employees to discover more about workplace issues and to influence their determination. This suggests that we should foster employee participation as an organizational approach since this approach supports management by creating a more participative and empowered workforce (Dumphy & Stace, 1988).

2.3 Impacts of Leadership Style on Employee's Participation

Researchers believe that the effects of leadership are more likely on the felt, and therefore observed, on the perceptions and beliefs that lead to member commitment and participation (Hammer, Bayazit, & Wazeter, 2009). An effective leadership is usually considered has good relationship with the subordinates. This good relationship is characterized by high levels of mutual trust, respect, and two-way communication (Otley & Pierce, 1995). Lansbury and Wailes (2002) highlight the limitations in developing employee participation within organizations when there is a lack of management support to advance the concept.

Employee's participation is found occurs more in situations where managers provide information or identify clearly defined opportunities for employees to participate in organizational decision making (Gollan & Markey, 2001; Parnell & Bell, 1994). The scale developed by Parnell and Bell (1994) identified three categories for managers' propensity for participative decision making. These are: 1) low participation, where there is a combination of low organizational effectiveness and reduced managerial power; 2) moderate participation, where there is a combination of low organizational effectiveness and increased managerial power, or high organizational effectiveness and reduced managerial power; and 3) high participation, where there is a combination of high organizational effectiveness and increased managerial power.

Under classical leadership style, organization is normally controlled and dominated by leaders. Employees passively follow the instructions and conduct the orders. Besides, classical leadership style often relies on the idea of a great person, implying that only a select few are good enough to exercise initiative.   This point of view discourages the employees and they are less likely to develop the skills and knowledge to idealize the leaders.

Employees under classical leadership style do not have much power and make relatively little contribution to the organization, which leaves the leader accountable for organizational outcomes. Therefore, it is hypothesized that:

H1a: Classical leadership will display negative relationship with employee's participation.

According to Judge and Piccolo (2004), transactional leaders adopt a consultative style for making decision. The transactional leader recognizes employees' needs and desires, and then clarifies how those needs and desires will be met in exchange for employees' work. By clarifying what is required of subordinates and the consequences of their behaviors, transactional leaders are able to build confidence in subordinates to exert the necessary effort to achieve expected levels of performance. Although under transactional leadership style, leaders remain the final decision-maker and employees are not very often empowered, employees are motivated to participate because of the rewards, agreements, and expectations negotiated with the leader. The leader's better understanding of the employees' needs and clearer explanation of the exchange process leads to higher level of employee's participation.

Leadership research has consistently found a strong positive relationship between transformational leadership and employee's participation (House, Spangler, & Woycke, 1991; Bass, 1985). Specifically, by articulating a compelling vision of the future, communicating high expectations with respect to followers' participation, and displaying confidence in followers' ability to meet these expectations. Under transformational leadership, leaders employ a collaborative style for making decisions. They share problems with their followers and seek consensus before the leaders make the final decision (Bass, 1985). Moreover, employees under this leadership style have a higher level of power in organization compared with classical and transactional leadership. This is because the leader needs the followers' input and participation to realize his or her goals. Employees therefore need sufficient power to work autonomously towards the shared vision, which motivates them to commit in organizational activities.

Different from the above three styles, dynamic leadership may not has formal leaders and the interaction of all organizational members can act as a form of leadership.

Employees become interacting partners in determining what makes sense, how to adapt to changes, and what is a proper direction. Under dynamic leadership style, employees are highly participative to realize self-control and self-organization. Employees have a clear sense of purpose and autonomy within a particular context (Manz et al., 1987). Taken together, I propose that:

H1b: Transactional leadership, transformational leadership, and dynamic leadership all will display positive relationships with employee's participation. Moreover, transformational and dynamic leadership are expected to have a stronger effect on employee's participation compared with other two styles.

2.4 Perceived Justice

Organizational justice is the study of people's perception of fairness in organizations and features three specific forms of perceptions towards justice: distributive justice, procedural justice, and interactional justice (Greenberg, 1990; Moorman, 1991). Adams (1965) introduced the concept of the 'equity theory' to identify the issue of equity in terms of the fairness of outcomes as perceived by employees in relation to pay and promotion. This is called distributive justice and it presents employees' perception about the fairness of managerial decisions relative to the distribution of outcomes. In contrast, Folger and Konovsky (1989) suggest that employees could perceive the process of reaching a decision differently to how they perceived the outcome. In other words, the process taken to make the decision impacted on employees' notions of fairness more than did the outcome. As a third concept, interactional justice reflects the individual's perception of the degree to which he or she is treated with dignity, concern, and respect (Bies & Moag, 1986). These three elements of justice are detailed below.

Distributive justice refers to the employee's perceived fairness of the amount and allocation of rewards among individuals (Cohen-Charach et al., 2001). There are three key aspects to measuring the fairness of an outcome: equity, equality and need (Deutsch, 1975). In essence, it means that rewards are distributed proportionally based on the input of each participant.

In a consideration of the early development of the concept of distributive justice, Cohen (1987) identifies that the nature of distributive justice is about what kind of role participants are given within an organization in relation to a decision and the basis of the allocation of outcomes in a decision making environment. In other words, the relationship could be considered by virtue of the outcome of a process, those experiencing the outcome, the basis of determining the outcome and then the assessment in which it was considered fair or otherwise.

Procedural justice is defined as the perceived fairness of the process used to determine the distribution of rewards (Thibaut & Walker, 1975). The essence of procedural justice is the scope afforded to participants to be involved with and participate in the process of decision making. Luo (2007) identified procedural justice as individual's perceptions about the fairness of formal procedures governing decisions involving their treatment and benefits. According to Luo (2007), procedural justice contains both structural elements, such as the systems or processes operating in an organization, and work relationships, such as trust, and social harmony between work units. He further argues that procedural justice occurs when decision making processes are impartial and are perceived by all parties as being fair.

Leventhal (1980) proposed six criteria that a procedure should meet if it is to be perceived as fair: 1) consistency across people and time; 2) free from biases; 3) collection and usage of accurate information in decision making process; 4) mechanism used in correcting flawed or inaccurate decisions; 5) conformity of personal or prevailing standards of ethics or morality; and 6) consideration of opinions of various groups affected by decision.

Interactional justice is introduced by Bies and Moag (1986) focusing on the importance of the quality of the interpersonal treatment people receive when procedures are implemented. It reflects the individual's perception of the degree to which he or she is treated with dignity, concern, and respect. Tyler (1987) argued that employees placed greater importance on being treated and courteously than simply having their rights dealt with. The interactional element of perceptions of justice emerges through the way in which individuals experience interpersonal treatment in a decision making process. It highlights the importance of the social or behavioral context to the decision beyond a purely outcome or process context.

Masterson, Lewis, Goldman, and Taylor (2000) found that employees are more supportive of decisions and decision makers when they experience interactions that are perceived to be fair.

Colquit, Conlon, Wesson, Porter, and Ng (2001) described two sub-forms of interactional justice as interpersonal justice and informational justice. Interpersonal justice focuses on the extent to which employees are treated with politeness, dignity, and respect, whereas informational justice focuses on the explanations provided to people that convey information about why procedures where used in a certain way or why outcomes were distributed in a certain fashion.

2.5 Impacts of Employee's Participation on Perceived Justice

The interaction of employee participation and fairness in workplace was articulated well in the theory of organizational justice by Greenberg (1987, 1988, 1990). This study attempt to make a link between employee's participation and organizational justice by suggesting that there is a parallel between being involved in the decision making process and the requirements of justice.

Employee's participation is found important for the success of any kind of organizational change as it involves experiences of fair treatment (Heller, Strauss, & Wilpert (1998). More employees' participation in decision-making results stronger perceptions of justice and less negative views on the change process (Brockner, 1990; Heller et al., 1998). Literature reviews suggest that participation has beneficial consequences for employee attitudes and well-being (Heller et al., 1998). In line with this, Mikkelsen, Saksvik, and Landsbergis (2000) found that participatory interventions were associated with positive attitudes on work-related stress, job characteristics, and learning climate. These positive work attitudes appear to be more likely connected with perception of fair treatment (Brockner, 1990).

Dachler and Wilpert (1978) examined in greater detail the motivations for participation and the different contributions that those who participate can bring to a decision making process. The key argument to emerge through this process is the extent to which participation in the decision making process in turn results in greater acceptance of the decisions and more acceptance of the change outcomes. Management representatives generally perceived participative workplace evaluation to be effectively facilitated, employee's participation to be fostered and displayed an overall sense that the decision was fair.

Walker, Lind, and Thibaut (1979) distinguish distributive and procedural justice and argue that the two forms of organizational justice are unrelated in terms of the perceptions of participants to a decision making process and operated distinct of each other in the perceptions of employees. To better appreciate how these relationships might exist, Walker et al. (1979) argue that it was necessary to consider the nature of the participation in the decision making process. They identified three types of participation: 1) directly participated in the decision making, these people are likely to have a greater understanding and are able to make an informed assessment of the outcome and the process; 2) do not participate in the decision making but are affected by the outcomes, these people would hold a positive or negative perception of the decision making process but could not appreciate the process; and 3) do not participate and are not affected by the outcomes, these people would be less likely to be able to make an informed assessment of whether the outcome or process is fair.

Overall, I expect that employee participation is a key variable that impact the perception of organizational justice. Participation helps employees to perceive that a comparatively fair rewards allocation was employed. At the same time, it also enhances the perception that procedural justice was obtained, regardless of the outcome. In addition, participation can strengthen the understanding and communication between the employees and employer, hence, the employees will experience a positive interpersonal treatment and perceive the interaction to be fair. Therefore, consistent with extant research and theory, I propose the following:

H2: There will be a positive relationship between employee's participation and their perceptions of justice (distributive, procedure, and interactional). However, with the same level of participation, it will have greater impact on distributive and procedural justice than on interactional justice.

2.6 Impacts of Leadership Style on Perception of Justice

Previous researchers found that justice is an issue relevant to supervisors and organizational leaders, particularly in how they consult with and treat employee (Tyler & Blader, 2003). Among the four styles, transformational leadership is the most popular studied concept (Judge & Piccolo, 2004).

Burns (1978) argues that transformational leaders encourage follower to embrace moral values such as justice, quality, and respectful treatment thereby suggesting that transformational leaders move followers to higher stages of moral development by directing their attention to important principles and end values as justice and equality.

This study expects that all the four types of leadership are positively associated the perception of justice. However, each focus on different dimension of justice. Classical leadership emphasizes the dominant role of leaders. Employees who perceive an effective classical leadership are more likely to express cognitive, affective, and behavioral reaction-the interactional justice toward the leaders.

According to Dirks and Ferrin's (2002) systematic-heuristic processing framework, employees who trust their manager will engage in heuristic processing of information, which will lead to greater acceptance of explanations. This favorable perception of explanation leads to favorable justice perceptions. Employees under transactional leadership are more likely to perceive distributive justice as the resource of employees' motivation comes from the rewards and expectations.

Transformational leadership styles motivate followers to focus more on fairness and justice issues, it follows that transformational leaders should increase the influence of procedural justice. Dynamic leadership style relies on attracting and retaining highly trained and knowledgeable stuff with self-controlling capabilities. Employees are less likely to perceive interactional justice since there is no formal leaders in this type of leadership. Employees' commitment is based on the values and visions shared by the organization, their cognition, affect, and behavior are more related to organization, therefore, are more likely to perceive procedure justice. Taken together, I formalize the implicit links in the model with the following prediction:

H3: All four types of leadership (classical, transactional, transformational, and dynamic leadership) are positively related to employee justice perceptions.
H3a: Classical leadership has stronger effect on interactional justice perception than on other two types of justices.
H3b: Transactional leadership has stronger effect on distributive justice perception than on other two types of justices.
H3c: Both transformational and dynamic leadership have stronger effect on interactional justice perception than on other types of justices.

3. Method

3.1 Sample and Procedure

This research design was a field study using survey methodology. Based on simple random sampling, the sample consisted of 145 working adults in United States. A total of 139 usable responses were obtained. The response rate is 95.8%. The survey questionnaires were passed to each participant and they were explained that all the results would be examined in the aggregate, and no respondent's name or other information would be published. Participation was completely voluntary. Respondents were promised anonymity, and asked to return the questionnaires directly to the researcher via email or mail.

These participants were working mainly in retail (34%) and service industries (40%). 61.1% were Caucasian, and 56.8% were female. The average age of the respondents was 30.47, and their average working experience in the currently company is 4.75 years. The current companies that the participants were working are primarily small size companies (56.5% have less than 20 employees). 64.5% of the respondents were general clerk, and 64.7% hold associate degree or below.

3.2 Measures

All items used in the survey were measured on a 5-point Likert scale ranging from 1-strongly disagree to 5-strongly agree. The pool of items for each dimension was compiled by selecting appropriate items from existing measurement instruments and by developing a few additional items based on relevant literature. A pilot study was conducted also to improve content validity and clarity. Based on pilot findings, questionnaire was revised accordingly for final data collection.

The concept of classical leadership means that leaders normally use an autocratic style for making decisions, involving followers in the decision making process never or very little. They do not empower. The instruments for classical leadership used the items from Multifactor Leadership Questionnaire (MLQ) developed by Bass and Avolio (1995). The MLQ is the most validated measure of leadership behavior (Awamleh & Gardner, 1999; Conger, 1999).

Respondents were asked to judge how frequently their current manager has displayed the behavior described. The six descriptive statements are: "decides what shall be done and how it will be done"; "assigns group members to particular tasks"; "schedules the work to be done; refuses to explain his or her actions"; "asks that group members follow standard rules and regulations" and "acts without consulting the group." Cronbach's alpha for classical leadership scale was 0.671.

Consistent with previous research (e.g. Podsakoff, MacKenzie, Moorman, & Fetter, 1990), transactional leadership is conceptualized as contingent reward behavior. Therefore, the instruments for transactional leadership were adapted from MLQ items that assessing contingent reward. There are total five items which are: "I can get what I want if I work as agreed with him/her"; "the work I do for him/her determines what I get for it"; "tells me what to do to be rewarded for my efforts"; "rewards me for good work; and arranges that I get what I want in exchange for my efforts". Cronbach's alpha for transactional leadership scale was 0.782.

Although MLQ is used very often to measure transformational leadership, one of the shortcoming is that there are too many questionnaires that do not balance with other leadership style in this study. Therefore, I borrowed the instruments from Carless, Wearing and Mann (2000). They developed a seven items scale, which they called Global Transformation Leadership scale (GTL). Their t-test results show their GTL discriminates significantly between all of the contrasted groups and the Cronbach's alpha was calculated as .93, which support that GTL is a reliable measure of transformational leadership. The dimensions of GTL are: 1) vision-communicates a clear and positive vision of the future; 2) staff development-treats staff as individuals, supports and encourage their development; 3)supportive leadership-gives encouragement and recognition to staff; 4)empowerment-fosters trust, involvement and cooperation among team members; 5)innovative thinking-encourage thinking about problems in new ways and questions assumptions; 6) lead by example-is clear about his/her values and practices what he/she preaches; and 7) charisma-instills pride and respect in others ad inspires me by being highly competent. Cronbach's alpha for transformational leadership scale was 0.924.

The concept of dynamic leadership style encourages mutual agreement style for making decisions. The members have a high degree of power as a result of this shared leadership. The responsibilities are shared as well. Operations in dynamic leadership organization become more self-organizing and unpredictable.

The instruments for dynamic leadership were borrowed from Manz and Sims (1987). The leadership behavior statements consists of six item: 1) encourage rehearsal-he/she encourages us to go over an activity before we attempt it; 2)encourage self-goal-setting-he/she prompts us to define the goals for our own team; 3)encourage self-criticism-he/she expects us to be tough on ourselves when our performance is not up to standard; 4) encourage self-reinforcement-he/she encourages us to praise each other if we have done a job well; 5) encourage self-expectation-he/she encourages us to think we can do very well in our work; and 6) encourage self-observation/evaluation-he/she encourages us to be aware of our level of performance. Cronbach's alpha for dynamic leadership scale was 0.876.

The concept of employee participation used in this study focus on the extent to which managers can use employee cooperation and involvement to enhance the operational effectiveness of an organization. In other words, it can be seen as a measure of the extent to which employees are involved in the decisions which affect them. The instruments for employee participation were borrowed from the existing literature (Parnell & Bell, 1994; Margulie & Black, 1987; Dachler and Wilpert, 1978; Black & Gregersen, 1997). There are total seven items are included. Respondents were asked to think about the decision making process in the organizational, and then describe the degree of employee participation in questions like: "whether they are provided with information on the decision making process"; "whether they had the right to comment on the decision making process"; "whether their consultation is an obligatory part of the decision making process"; and "whether they are the joint decision makers in the management process". Cronbach's alpha for employee's participation scale was 0.825.

The instruments for distributive justice were borrowed from Cobb, Folger, and Wooten (1995) and Paterson, Green and Carey (2002). Five dimensions were finally developed to measure distributive justice, that is, the fairness of outcome in an organizational setting. Respondents were asked to indicate their response to the statements like: "I felt the outcome of the final decision was based on merit"; "I felt the decision impacted equally on all levels of participants in the organization"; "I felt the needs of the organization were considered in the decision making process"; "I felt the needs of the participants were considered in the decision making process"; and "I felt appropriate compensation was provided for perceived adverse change decisions." Cronbach's alpha for distributive justice scale was 0.775.

The instruments for procedural justice were adopted from Paterson et al. (2002). They developed a measurement scale for procedural justice in an organizational decision making context. They identified six dimensions of procedural justice: "decisions were made consistently"; "decision making processes were impartial"; "decisions were based on accurate information"; "opportunities were provided to employees to have input"; "compatibility of the process with organizational ethics and values"; and "appropriate mechanisms to appeal the decision". Cronbach's alpha for procedural justice scale was 0.831.

The instruments for interactional justice were also adopted from Paterson et al. (2002). The model for this measurement included six dimensions that allow employees to perceive justice regarding both the procedures and the interactions of organizational decision making. The six items are: "there was honesty in the decision making process"; "staffs were treated courteously during the process"; "staff had their rights respected during the process"; "the decision making process was devoid of prejudice"; "decisions that were made were appropriately justified"; and "decisions that were made were communicated transparently". Cronbach's alpha for interactional justice scale was 0.831.

To enhance the homogeneity of the sample or to control for some external factors that might affect the relationships being studied, it is important to add factors other than the variables as control variables. Gender, age, education, and race were used as control variables in this study.

4. Results

Means, standard deviations, reliabilities, and correlations of all the variables are displayed in Table 1. To test the hypotheses, several multiple regression analyses were conducted. In testing the relationship between leadership style and employee's participation, the four types of leadership style were independent variables and employee's participation was dependent variable. Employee's participation, however, was treated as independent variable and perceived justice was treated as dependent variable when testing the relationship between participation and justice. Finally, all the four leadership styles and participation were treated as independent variables and perceived justice was treated as dependent variable when testing the relationship between leadership style and justice.

Table 1 Means, Standard Deviations, and Intercorrelations of the Variables

	M	*SD*	*1*	*2*	*3*	*4*	*5*	*6*	*7*	*8*
1. Classical Leadership	4.70	0.97	(.67)							
2. Transactional Leadership	4.51	1.24	0.362	(.78)						
3. Transformational Leadership	5.03	1.37	0.207	0.532	(.92)					
4. Dynamic Leadership	4.92	1.25	0.326	0.559	0.746	(.87)				
5. Employee's Participation	4.37	1.28	0.105	0.239*	0.571**	0.450**	(.82)			
6. Distributive Justice	4.85	1.11	0.200	0.459**	0.649**	0.628**	0.577**	(.78)		
7. Procedural Justice	4.86	1.07	0.247*	0.443**	0.659**	0.656**	0.549**	0.711	(.83)	
8. Interactional Justice	5.39	1.59	0.206	0.428*	0.701**	0.667**	0.530**	0.652	0.804	(.83)

N = 139

*p<,05, **p<.001. Cornbach's alphas are on the diagonal.

Hypothesis 1a and 1b examine the relationship between leadership style and participation. Regression analysis results show that the effect of classical leadership on employee's participation is insignificant. Thus there is no empirical support for H1a. Transformational leadership (F=66.258, R^2=.303, p < .001), dynamic leadership (F=38.353, R^2=.219, p < .001), and transactional leadership (F=5.458, R^2=.038, p < .05) are found positively related to employee's participation. In addition, Bivariate correlations show that the correlation between transformational leadership and participation (r=.571), and between dynamic leadership and participation (r=.450) are higher than the others (r=.105 for classical leadership and r= .239 for transactional leadership) Therefore, H1b is supported.

Hypothesis 2 examines the relationship between employee's participation and perceived justice. Regression analysis results indicate that the effects on distributive justice (F=60.9, R^2=.303, p < .001), procedural justice (F=56.978, R^2=.294, p < .001), and interactional justice (F=38.104, R^2=.218, p < .001) are all significant. Moreover, employee's participation is found more correlated with distributive justice (r=.577) and procedural justice (r=.549) than with interactional justice (r=.530). Therefore, H2 is supported.

Hypothesis 3 examines the relationship between leadership style and justice. Regression analysis results show that the overall model is acceptable. Leadership style has positive effect on distributive justice (F=31.177, R^2=.482, p < .001), procedural justice (F=32.916, R^2=.496, p < .001), and interactional justice (F=16.98, R^2=.336, p < .001). In addition, the correlations results indicate that classical leadership has more impact on procedural justice. This is not consistent with the prediction. However, in line with the hypotheses, transactional leadership is found has more impact on distributive justice and both transformational and dynamic leadership have more impact on interactional justice. Thus, H3, H3b, and H3c are supported while H3a is not supported.

5. Discussion

The present research examined the effects of leadership style and employee's participation on organizational justice. The findings provide a relative strong support for the hypotheses that leadership style has both direct and indirect impact through employee's participation on organizational justice. Further, it is found that transformational and dynamic leadership are more effective in influencing employee's participation and their perception of justice compared with transactional leadership. Leaders who can create better circumstances under which employees are emotionally involved, and motivated to collaborate in decision-making process, the more likely the employees perceive the fairness of the outcome, the policies, and the leader. This study showed the importance of leadership in creating the correct atmosphere, and promoting positive or negative employee attitudes during decision-making process. This has important implications for the selection, training and development of managers.

The study emphasizes the importance and usefulness of employee's participation in shaping the perception of justice. Employee's participation is found positively relate to organizational justice. Moreover, the bivariate correlations indicate that the correlations between employee's participation and distributive/procedural justice are higher than that between employee's participation and interactional justice. The study shows that classical leadership is not significantly related to justice, however, when employee's participation is added in the model, the positive relationship is significant. This can also be understood in the light of equity theory. Equity theory emphasizes the perceived (un)fairness rather than the real (un)fairness.

Therefore, under classical leadership, even the final decision is still made by the leader, even the outcome remain the same, increased employee participation can help employees to increase positive attitudes and better understandings of the situation, which in turn, lead to an increased justice perception.

Generally, the findings of the study deepen our understanding of organizational justice. The study contributes to the literature by synthesizing three major theories: leadership style, employee's participation, and organizational justice. Perceptions of justice and fairness are critical when employees assess their work environment. Good leadership can improve this through allowing more employee participation to create perceptions of justice. Proper leadership style creates the correct atmosphere in the organization. Managers play a key role in determining who is involved in the decision-making process and to what degree the subordinates are able to be involved. Another useful contribution of this work perhaps is the category of leadership style. Existing literature has too focused on transformational and transactional leadership. The present study proposes four types of leadership style: classical, transactional, transformational, and dynamic leadership. This typology provides a broad basis for researches of different forms of leadership.

The study is not without limitation. A first potential limitation is that self-report measures are used to collect data. Research designs that rely on self-report measures are susceptible to common-method variance (Campbell & Fiske, 1959). Also, another problem using self-administered questionnaire is the non-response error. However, t-tests and analysis of variance were used to compare early and late respondents. The first 50 respondents and last 50 respondents were compared across demographic values and no major differences were found.

A second potential limitation is that I did not measure the supposed underlying moderate effects. That is, whether the relationship between leadership style and organizational justice could be influenced by some moderate factors such as personality and leader's capability. Therefore, it is urged that future research examining the interactive effects of leadership styles and leader's capability or personality do assess these suggested moderating effects.

A third potential limitation is that the focus of this research was on the mediating role of employee's participation.

It should not be ignored that leadership style and justice can be linked via subordinate's emotional reactions. Humphrey (2002) stated that research into relationship between leadership and emotion is only just beginning. Dvir, Kass, and Shamir (2004) agreed with Humphrey arguing that there is little empirical research focusing the relationship between leadership and followers' emotions in general. Also, leadership style can be situated at different levels of the organization, and, in addition, research has shown that organizational justice plays a role at different levels of management as well (Wiesenfeld, Brockner & Thibault, 2000). A multi-level research would be worthwhile.

6. Conclusion

Taken together, the current investigation puts forward the important scientific task to examine how leadership styles and employee's participation interact in affecting organizational justice. The present findings indicate that except classical leadership, all other leadership styles are found positively related to employee's participation and organizational justice. The findings also show that transactional leadership has stronger effect on distributive justice while transformational and dynamic leadership influence more on interactional justice. Moreover, employee's participation is a critical success factor for justice perception, especially for distributive and procedural justice. It is hoped that the present investigation will spark additional forays into the relation between leadership styles and organizational justice.

References

Adams, J.S. (1965). Inequity in social exchange. In L.Berkowitz Ed. Advances in Experimental Social Psychology (pp. 267-299). Academic Press, New York.

Avery, G.C. (2004). Understanding leadership paradigms and case. London: Sage.

Awamleh, R. & Gardner, W.L. (1999). Perceptions of leader charisma & effectiveness: the effects of vision content, delivery & organizational performance. The Leadership Quarterly, 10, 345-373.

Barling, J., Weber, T., & Kelloway, E.K. (1996). Effects of transformational leadership training on attitudinal & financial outcome: a field experiment. Journal of Applied Psychology, 81(6), 827-832.

Barney, J. (1991). Firm resources and sustained competitive advantage. Journal of Management Studies, 17(1), 99-120.

Bass, B.M. (1985). Leadership & performance beyond expectations. New York, NY: Free Press.

Bass, B.M. & Avolio, B.J. (1995). The multifactor leadership questionnaire (5x-short). CA: Mind Garden.

Berson, Y., Shamair, B., Avolio, B.J. & Popper, M. (2001). The relationship between vision strength, leadership style & context. The Leadership Quarterly, 12, 53-73.

Bies R.J., & Moag, J. (1986). Interactional justice: communication criteria of fairness. In Lewicki R.J., Sheppard B.H. & Bazerman M. (Eds.), Research On Negotiation In Organizations (pp. 43-55). JAI Press, Greenwich, CT, USA.

Black, J.S., & Gregersen, H.B.(1997). Participative decision making : an integration of multiple dimensions. Human Relations, 50(7), 859-878.

Bobocel, R.B, & Zdaniuk, A. (2005). How can explanations be used to foster organizational justice? In J. Greenberg & J.A. Colquitt (Eds.) Handbook of Organizational Justice (pp.469-498). Mahwah, NJ: Erlbaum.

Brockner, J. (1990). Scope of justice in the workplace: how survivors react to co-worker layoffs. Journal of Social Issues, 46, 95-106.

Brown, M.E., & Trevino, L.K.(2003). Is values-based leadership ethical leadership? In S. W. Gilliland, D.D., Steiner, & D.P. Skarlicki (Eds.), Emerging Perspective on Values in Organizations (pp. 151-174). Greenwich, CT: Information Age Publishers.

Burns, J.M.(1978). Leadership, New York, Harper Row.

Carless, S.A., Wearing, A.J., & Mann, L. (2000). A short measure of transformational leadership. Journal of Business and Psychology, 14(3), 389-405.

Cobb, A., Folger, R. & Wooten, K. (1995). The role justice plays in organizational change. Public Administration Quarterly, 19(2), 135-151.

Coch, L. & French, J.R.P. (1948). Overcoming resistance to change. Human Relations, 1, 512-533.

Cohen, R.L.(1987). Distributive justice: theory and research. Social Justice Research, 1(1), 19-40.

Cohen-Charash, Y., & Spector, P.E. (2001). The role of justice in organization: a meta-analysis. Organizational Behavior and Human Decision Process, 86(2), 278-321.

Colquitt, J.A., Conlon, D.E., Wesson, M.J., Porter, C. & 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.

Campbell, J.P. & Fiske, D.W. (1950). Convergent and discriminant validation by the multitrait-multimethod matrix. Psychological Bulletin, 56, 86-105.

Cannella Jr., A.A. & Rowe, W.G. (1995). Leader capabilities, succession & competitive context: a baseball study. The Leadership Quarterly, 1, 69-88.

Conger, J.A. (1999). Charismatic & transformational leadership in organizations: an insider's perspective on these developing streams of research. The Leadership Quarterly, 10(2), 45-169.

Dachler, H.P. & Wilpert, B. (1978). Conceptual dimensions and boundaries of participation in organizations: a critical evaluation. Administrative Science Quarterly, 23(1), 1-39.

Davis, E. M. & Lansbury, R.D. (1989). Worker participation in decisions on technological change in Australia, New Technology, G.J. Bamber & R.D. Lansbury, London, Unwin Hyman.

Department of Employment and Industrial Relations (DEIR) (1986). Industrial Democracy and Employee Participation, AGPS, Canberra.

Deutsch, M. (1975). Equity, equality and need: what determines which value will be used as the basis of distributive justice? Journal of Social Issues, 31(3), 137-150.

Dirks, K. T., & Ferrin, D. L. (2002). Trust in leadership: meta-analytic findings and implications for research and practice. Journal of Applied Psychology, 87(4), 611-628.

Doucouliagos, C. (1995). Worker participation and productivity in labor-managed and participatory capitalist firms: a meta-analysis. Industrial and Labor Relations Review, 49(10), 58-77.

Drath, W.H. (2001). The Deep blue sea: rethinking the source of leadership. San Francisco, CA: Jossey-Bass.

Dumphy, D.C. & Stace, D.A. (1988). Transformational and coercive strategic for planned organizational change: beyond the O.D. Model. Organization Studies, 9(3), 317-334.

Druskat, V.U. & Wheeler, J.V. (2003). Managing from the boundary: the effective leadership of self-managing work teams. Academy of Management Journal, 46(4), 435-457.

Dvir, T., Kass, N., & Shamir, B. (2004). The emotional bond: vision and organizational commitment among high-tech employees. Journal of Organizational Change Management, 17, 126-143.

Folger R. & Konovsky, M.A. (1989). Effects of procedural and distributive justice on reactions to pay raise decisions. Academy of Management Journal, 32(1), 115-130.

Giambatista, R.C. (2004). Jumping through hoops: a longitudinal study of leader life cycle in the NBA. The Leadership Quarterly, 15, 607-624.

Gollan, P.J. & Markey, R. (2001). Additional forms of employee representation in Australia. ACIRRT Working Paper, 64, 1-25.

Goleman, D.P. (1995). Emotional intelligence: why it can matter more than IQ for character, health & lifelong achievement. New York, NY: Bantam.

Greenberg, J. (1987). A taxonomy of organizational justice theories. Academy of Management Review, 12(2), 9-22.

Greenberg, J. (1988). Cultivating an image of justice: looking fair on the job. Academy of Management Executive, 2(2), 155-158.

Greenberg, J. (1990). Employee theft as a reaction to underpayment inequity: the hidden cost of pay cuts. Journal of Applied Psychology, 75, 561-568.

Hammer, T.H., Bayazit, M., & Wazeter, D.L. (2009). Union leadership and member attitudes: a multi-level analysis. Journal of Applied Psychology, 94(2), 392-410.

Heller, F, Strauss, E., & Wilpert, B. (1998). Organizational participation: myth and reality. Oxford: Oxford University Press.

Hirschhom, L. (1997). Reworking authority: leading and following in the post-modern organization. Cambridge, MA: MIT Press.

House, J.M., Spangler, W.D., & Woycke, J. (1991). Personality and charisma in the U.S. presidency: a psychological theory of leader effectiveness. Administrative Science Quarterly, 36, 364-369.

Howell, J.M. & Avolio, B.J. (1993). Transformational leadership, transactional leadership, locus of control & support for innovation: key predictors of consolidated-business-unit performance. Journal of Applied Psychology, 78(6), 891-902.

Humphrey, R.H. (2002). The many faces of emotional leadership. Leadership Quarterly, 13, 493-504.

Judge, T.A. & Piccolo, R.F. (2004). Transformational & transactional leadership: a meta-analytic test of their relative validity. Journal of Applied Psychology, 89(5), 755-768.

Jung, D.L., & Avolio, B.J. (2000). Opening the black box: an experimental investigation of the mediating effects of trust and value congruence on transformational and transactional leadership. Journal of Organizational Behavior, 21, 949-964.

Keller, R.T. (2006). Transformational leadership, initiating structure & substitutes for leadership: a longitudinal study of research & development project team performance. Journal of Applied Psychology, 91(1), 202-210.

Lansbury, r. D. & Wailes, N. (2002). The meaning of industrial democracy in an era of neo-liberalism, Partnership at Work: The Challenge of Employee Democracy, P.J.Gollan & G.Patmore, NSW.

Leventhal, G.S. (1980). What should be done with equity theory: new approaches to the study of fairness in social relationships. In Gergen K, Greenberg M & Willis R. (Eds.), Social Exchange: Advances in theory and Research, (pp. 27-55), Plenum Press, New York, USA.

Luo, Y. (2007). The independent and interactive roles of procedural, distributive and interactional justice in strategic alliances. Academy of Management Journal, 50 (3), 644-664.

Manz, C.C. & Sims, Jr. H.P. (1987). Leading workers to lead themselves: the external leadership for self-managing work teams. Administrative Science Quarterly, 32, 106-128.

Margulies, N. & Black, J. (1987). Perspectives on the implementation of participative programs. Human Resource Management Journal, 16, 385-412.

Masterson, S., Lewis, K., Goldman, B, & Taylor, M. (2000). Integrating justice and social exchange: the differing effects of fair procedures and treatment on work relationships. Academy of Management Journal, 43(4), 738-74.

Mayo, E. (1933). The Human Problems of an Industrial Civilization, Macmillan Press, New York.

Meyer, G.D. & Heppard, K.A. (2000). Entrpreneurial strategies: the dominant logic of entrepreneurship. New York, NY: Irwin University Books.

Mikkelsen, A, Saksvik, P.O, & Landsbergis, P. (2000). The impact of a participatory organizational intervention on job stress in community health care institutions. Work & Stress, 2, 156-170.

Moorman, R. (1991). Relationship between organizational justice and organizational citizenship behaviors: do fairness perception influence employee citizenship? Journal of Applied Psychology, 76, 845-855.

Morgeson, F.P. (2005). The external leadership of self-managing team: intervening in the context of novel and disruptive events. Journal of Applied Psychology, 90(3), 497-508.

Otley, D.T., & Pierce, B. (1995). The control problem in public accounting firms: an empirical study of the impact of leadership style. Accounting, Organization and Society, 20(5), 405-420.

Parnell, J.A. & Bell, E.D. (1994). The propensity for participative decision making scale: a measure of managerial propensity for participative decision making. Administration & Society, 25(4), 518-533.

Paterson, J.M., Green, A. & Carey, J. (2002). The measurement of organizational justice in organizational change programmes: a reliability, validity and context-sensitivity assessment. Journal of Occupational and Organizational Psychology, 75, 393-408.

Podsakoff, P.M., MacKenzie, S.B., Moorman, R.H., & Fetter, R. (1990). Transformational leader behaviors and their effects on followers' trust in leaders, satisfaction, and organizational citizenship behaviors. Leadership Quarterly, 1, 107-142.

Raelin, J. (2003). Creating leadership organizations: how to bring and leadership in everyone. San Francisco, CA: Bernett-Koehler.

Rothschild, J. & Whitt, J.A. (1986). The cooperative work place: potentials & dilemmas of organizational democracy & participation, Cambridge: Cambridge University Press.

Saunders, M.N.K., & Thornhill, A. (2004). Trust and mistrust in organizations: an exploration using an organizational justice framework. European Journal of Work and Organizational Psychology, 13(4), 493-515.

Teicher, J. (1992). Theories of employee participation and industrial democracy: towards an analytical framework, contemporary Australian industrial relations readings. B.Dabscheck, G. Griffin & J. Teicher, Melbourne, Longman Cheshire.

Thibaut, J. & Waler, L. (1975). Procedural justice: a psychological analysis. Erlbaum, Hillsdale, NJ, USA.

Tyler, T.R. (1987). Procedural justice research. Social Justice Research, 1(1), 41-65.

Tyler, T.R., & Blader, S. (2003). Social identity and fairness judgments. In D.P. Skarlicki, S.W. Gililand, & D.D. Steiner (Eds.), Emerging Perspectives On Values In Organizations (pp. 67-96). Greenwich, CT: Information Age Publishing.

Thler, T.R., & Lind, E.A. (1992). A relational model of authority in groups. In M. Zanna (Ed.), Advances in Experimental Social Psychology, (pp. 115-191). New York: Academic Press.

Van den Bos, K., Wilke, H.A.M., & Lind, E.A. (1998). When do we need procedural fairness? the tole of trust in authority. Journal of Personality and Social Psychology, 75, 1449-1458.

Walker, L., Lind, E., & Thibaut, J. (1979). The relationship between procedural and distributive justice. Virginia Law Review, 65(8), 1401-1420.

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, 1-32.

Yukl, G. (1999). An evaluative essay on current conceptions of effective leadership. European Journal of Work & Organizational Psychology, 8(1), 33-48.