The Changing Context and the Organizational Justice Impact on the Employee Well-Being

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Abstract: The context of organizational change may affect the well-being, namely when this change generate unfairness perceptions on employees. The aim of this study was to investigate the influence of the organizational change context on the perception of organizational justice and well-being. We proposed a mediation model of perceived organizational justice between the context of organizational change and well-being. A cross-sectional quantitative study was conducted with 731 public employees in the energy sector. Participants answered three instruments which evaluate organizational change context, justice perception and well-being. Factorial analyses and regression analysis were performed in order to test the psychometric qualities of the scale and the mediation model, respectively. The results indicate that the relationship between context and welfare perception is mediated by justice perceptions. This study contributes to research on reactions to organizational change and its impacts on individuals, highlighting the influence of perceived justice on the affective outcomes of organizational change.

Keywords: organizational change, justice, well-being

In recent years, the study of behavioral and affective aspects has been highlighted in the theme area organizational change, due to the progressive acknowledgement of the importance of employees’ engagement for the success of interventions (Bordia, Restubog, Jimmieson, & Irmer, 2011; Fugate, Prussia, & Kinicki, 2012; Oreg, Vakola, & Armenakis, 2011). In the literature, the influence of the change context on the perception of justice (Ahmed, Rehman, Asad, Hussain, & Bilal, 2011; Giessner, Ullrich, & Van Dick, 2011, 2012; Gleibs, Täuber, Viki, & Giessner, 2013; Kickul, Lester, & Finkl, 2002; Saruhan, 2014) and on the well-being (Bordia et al., 2011; Burke & Greenglass, 2000; Cunningham, 2006; Harenstam, Bejerot, Leijon, Scheele, & Waldenstrom, 2011).
Characteristics of Organizational Change Context

Organizational change should not be studied dissociated from its context (Kalimo, Taris, & Schaufeli, 2003; Maes & Van Hootegem, 2011; Rafferty & Griffin, 2006). The dimensions and attributes of the change context have been appointed in the literature. To give an example, Maes and Van Hootegem (2011) listed eight attributes that dynamically describe organizational change: control refers to the emerging or planned change; scope refers to the continuum of the adaptation to transformation; frequency refers to the number of ongoing organizational changes; progress: the number of stages to implement the change; time: how long it takes to put the change in practice; speed: refers to how rapidly the change actions follow one another; objectives: refers to the final status, when the change is accomplished, leadership style; and decision making: defined by the degree of participation, which can vary according to the levels of cooperation and participation.

As context and process factors in organizational change, in some studies, the following aspects of change are identified, which are relevant and affect the individuals: frequency, scope, planning of change, communication and degree of psychological uncertainty (Kalimo et al., 2003; Rafferty & Griffin, 2006; Self, Armenakis, & Schraeder, 2007). Other attributes of the change context found in the literature are previous histories with change processes, intensity of communication, degree of perceived risk of changes and future perspectives of new change processes (Cunningham, 2006; Devos, Buelens, & Bouckenooghe, 2007; Kalimo et al., 2003; Self et al., 2007). The authors associated these variables with the employees’ commitment during the interventions for change (Cunningham, 2006), with the individuals’ opening to accept the change process and to adopt the desired behaviors (Devos et al., 2007), the affective reactions during the change (Self et al., 2007), the perception of justice in the organization and the individuals’ well-being (Kalimo et al., 2003).

In general, the studies that related the characteristics of organizational changes with individual well-being rest on theoretical models of (dis)equilibrium between effort and reward and on models of stress, coping and burnout (Neiva, 2012). That study adopts the model of the (dis)equilibrium between effort and reward. The adverse effects on well-being are discussed when the rewards are not perceived as equitable: the efforts are high and the rewards low (Robbins, Ford, & Tetrick, 2012), which indicates implications for the organizational justice variables: distributive, procedural and interactional justice (Neiva, 2012).

Organizational Justice

Organizational justice is defined as a guiding principle in the determination of rights and duties in the organizations and a defining principle of the distribution of benefits and charges deriving from social cooperation (Assmar & Ferreira, 2008; Greenberg, 2004; Mendonça, Pereira, Tamayo, & Paz, 2003; Sousa & Mendonça, 2009). Most studies on the perception of organizational justice highlight three dimensions of the phenomenon – distributive (assesses whether the results are considered fair or not), procedural (assesses whether formal procedures and policies adopted in the decision process are considered fair or not) and interactional (assesses whether the quality of the interaction affects what is considered as just; Assmar & Ferreira, 2008; Mendonça et al., 2003). Injustice can also be experienced if the procedures that led to the distribution of resources are considered unfair or biased (Greenberg, 2004; Sousa & Mendonça, 2009).

Recent studies about justice have been associated with variables that describe the organizational change, such as intolerance to change and performance during the change (Ahmed et al., 2013), communication and resistance to change (Saruhan, 2014), rupture of job contract during the change (Kickul et al., 2002), employee integration and identification post-merger (Giessner et al., 2011, 2012; Gleibs et al., 2013). In fact, distribute and procedural justice concerns cannot be fully independent in a merger situation (Giessner et al., 2011, 2012), as respectful treatment and the use of just procedures during the merger can also provide ground for the perception of distributive justice in resource allocation.

In view of the important role of the perception of justice in the change outcomes and in individual behaviors, this research presents study hypotheses 1 and 2: H1: the planning and preparation of organizational changes are directly associated with the perceptions of procedural, distributive and interactional justice during the change process; H2: the degree of risk and uncertainty of the organizational changes is directly associated with the perceptions of procedural, distributive and interactional justice during the change process.

Well-Being at Work

Organizational change can influence the collaborators’ well-being. The literature indicates that, when change is implemented, new behaviors can be required that are necessary to change, but can also evoke unplanned effects, such as denial, resistance, stress, cynicism, reduced commitment or illness in the employees. These effects are potential indicators of the success or failure of change actions (Fugate et al., 2012; Oreg et al., 2011; Self et al., 2007).

Paschoal, Torres, and Porto (2010) affirm that well-being is mixed up with other phenomena, such as health, suffering and satisfaction in the field of organizational studies. Therefore, they define occupational well-being as the “prevailance of positive emotions at work and the individuals’ perception that, at work, they express and develop their potentials and advance towards the achievement of their life targets” (p. 23, authors’ translation). This concept includes both affective aspects, assessed by emotions and moods, and

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cognitive aspects, represented by accomplishment. In another perspective, Dessen and Paz (2010a, 2010b) argue that well-being depends on the individual's relations of reciprocity with the organization and define it as the satisfaction of the individuals' needs and the accomplishment of their desires when they perform their role in the organization.

The literature emphasizes the impacts of organizational change and downsizing on employees' wellbeing, such as increased turnover (Fugate et al., 2012; Rafferty & Restubog, 2010); high burnout, cortisol and testosterone levels (Spreitzer & Mishra, 2000); low rates of well-being, stress, cardiovascular complaints (Spreitzer & Mishra, 2000), absenteeism (Burke & Greenglass, 2000; Cunningham, 2006), psychosomatic complaints (Burke & Greenglass, 2000) and other forms of illness (Harenstam, et al., 2004).

In view of this influence, research hypotheses 3 and 4 were formulated: H3: the planning and preparation of organizational changes are directly associated with the employees' well-being during the change process; H4: the degree of risk and uncertainty of the organizational changes is directly associated with the employees' well-being during the change process.

Scientific publications report on associations between organizational justice and well-being (Paz, Gosendo, Dessen, & Mourão, 2009; Robbins et al., 2012). Distributive justice was a strong predictor of personal well-being in a study by Paz et al. (2009). The interest in investigating the mediation and moderation power of justice is increasing in order to understand the workers' affection and well-being (Kool & Van Dierendonck, 2012; Robbins et al., 2012). In the study by Sousa and Mendonça (2009), procedural justice mediated the relation between distributive justice and experiences of pleasure and suffering at work, while interactional justice mediates the relation between distributive justice and experiences of suffering at work.

Some proposals to analyse the effects of the organizational change context, of downsizing and of restructuring (past experiences and future expectations) on the employees' wellbeing suggest its relation of mediation with perceived justice (Kalimo et al., 2003; Giessner et al., 2011, 2012). According to Kalimo et al. (2003), the perceived well-being at work rests on the abovementioned model of disequilibrium between effort and reward. This model recommends that high efforts at work associated with low rewards in terms of low valuation, low promotions and salary, besides instability at work and risk, can cause adverse effects on health, as they promote a great perception of injustice (Robbins et al., 2012; Saruhan, 2014).

To investigate the relations between the perception of justice, the context of change and well-being, the following hypotheses were elaborated: H5: the perceptions of distributive, procedural and interactional justice mediate the relation between planning and the preparation of organizational changes and the employees' well-being during the change process; H6: the perception of distributive, procedural and interactional justice mediate the relation between the degree of risk and uncertainties of the organizational changes and the employees' well-being during the change process.

Method

Participants

The research was undertaken at a Brazilian public organization present in 11 states which went through an intense restructuring process, directed by its holding. The aspects changed included the mission, vision, values, corporate strategy, competency-based career plan, outcome-based performance assessment, company name and brand. Random sampling was applied per states of the federation. In total, 731 subjects answered the questionnaire, of whom 81.3% passed a public exam, 67.5% are male, 53.1% hold a higher education degree, 42.3% work in the target area and 33.9% work in Brasilia – where the organization's headquarters are located.

Instruments

To collect the data, three tools were used, all of them with an 11-point response scale, ranging between 0 (I completely disagree) and 10 (I completely agree). The first tool was applied was the Organizational Change Context Scale (Nery & Neiva, 2015), with a two-factor structure. The factor planning, preparation and background experiences with change (PPBEC) refers to the individual perceptions of the preparations that took place before the implementation of the change, the background experiences and the frequency of the change. The factor risk and impact of the changes – Risk: relates to the individual’s perception of the interpersonal risks that can be taken in the work environment. The original tool consists of 21 items with factor loadings superior to .45 and Cronbach's alpha coefficients superior to .749. One example of an item: “The organization has gone through many changes in recent years”.

The second tool applied was the Scale of Perception of Organizational Justice, validated by Mendonça et al. (2003), which consists of three factors. The tool assesses the perception of – interactional, procedural and distributive justice, with original factor loadings superior to .43 and Cronbach’s alpha coefficients for the factors ranging between .87 and .89. The third tool applied was the Scale of Well-being, validated by Dessen and Paz (2010b), a one-factor scale consisting of 16 items. The factor loadings of the original scale are superior to .40, with a Cronbach’s alpha coefficient of .91. The items assess the individuals’ well-being in the organizational context.

Procedure

Data collection. The data collection was structured in online software one year after the implementation of the changes. The participants were drafted from the staff lists of the organizations and received an invitation to recruit them for the research. In total, 731 respondents received the Free and Informed Consent Form and the questionnaires.

Data analysis. To assess whether the variables complied with the normal curve, the asymmetry and kurtosis rates indicated by Miles and Shevlin (2001) were
considered and all variables complied with the parameters. The homoscedasticity and linearity of the regression model were analyzed based on the regression residues. The multicollinearity was analyzed by means of the VIF (Variance Inflation Factor) and Tolerance rates. To verify the factorial structure of all tools, exploratory factor analyses were applied to verify the factorial structure for the study sample. To verify the research model, Multiple Regression (MR) analyses were undertaken. To test the mediation model, the indications by Baron and Kenny (1986), Field (2013) and Miles and Shevlin (2001) were used.

This study used only one data source, and is therefore subject to the common-method variance problems. Hence, confirmatory factor analysis was applied using one-factor structural equations, as recommended by Podsakoff, MacKenzie, Lee and Podsakoff (2003). According to the authors, if the one-factor model presents adjustment, there is common-method variance. Nevertheless, the results indicated that the adjustment of the one-factor model was not acceptable (NFI = .23; CFI = .29 and NNFI = .29).

Thus, it is concluded that the common-method variance alone does not explain the results.

**Ethical Considerations**

Approval for this study was obtained from the Ethics Committee in Human Sciences at Universidade de Brasília under protocol n. 10-09/2011. The respondents participated on a voluntary base after signing the free and informed consent form.

**Results**

The results demonstrate that the mean perception of the risks and damages the interventions cause is higher than the mean perception of the planning, preparation and background experiences with change (PPBEC). Among the perceived dimensions of justice, interactional justice obtained high rates and the level of well-being showed the highest mean score. The descriptive statistics are displayed in Table 1.

<table>
<thead>
<tr>
<th>Table 1</th>
<th>Correlations, Mean and Standard Deviation of Research Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variable</td>
<td>1</td>
</tr>
<tr>
<td>1. (Co) PPBEC</td>
<td>-</td>
</tr>
<tr>
<td>2. (Co) Risk</td>
<td>-</td>
</tr>
<tr>
<td>3. (Jus) Interactional</td>
<td>.615*</td>
</tr>
<tr>
<td>4. (Jus) Procedural</td>
<td>.757*</td>
</tr>
<tr>
<td>5. (Jus) Distributive</td>
<td>.597*</td>
</tr>
<tr>
<td>6. Well-being</td>
<td>.651*</td>
</tr>
</tbody>
</table>

*p < .01.

Research hypotheses 1 and 2 focus on the relation between the variables of the context of change (PPBEC) and Risk – and the perceptions of distributive, procedural and interactional justice. Table 2 presents the results that partially support hypothesis 1 but do not support hypothesis 2. According to the results, the antecedent variable planning and preparation of organizational changes positively influences the three types of justice investigated. On the other hand, the degree of risk and the intensity of the changes do not influence the three types of justice investigated.

<table>
<thead>
<tr>
<th>Table 2</th>
<th>Predictive Power of Antecedent Variables in Relation to the Mediating Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antecedent variables</td>
<td>Mediating variables</td>
</tr>
<tr>
<td>PPBEC</td>
<td>Interactional justice</td>
</tr>
<tr>
<td></td>
<td>R²</td>
</tr>
<tr>
<td>PPBEC</td>
<td>.372*</td>
</tr>
<tr>
<td>Risk</td>
<td>.003</td>
</tr>
</tbody>
</table>

*p < .01.

Hypotheses 3 and 4 focus on the relation between the variables of the change context and the employees’ well-being. Table 3 indicates that the research data support hypothesis 3, but lead to the rejection of hypothesis 4. The planning and preparation of the organizational changes affect the employee’s wellbeing during the implementation of the changes, but the risk degree and intensity do not seem to affect the well-being.
Table 3  
Predictive Power of Antecedent Variables in Relation to the Criterion Variable

<table>
<thead>
<tr>
<th>Antecedent variables</th>
<th>Criterion variable</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R</td>
</tr>
<tr>
<td>PPBEC</td>
<td>.638*</td>
</tr>
<tr>
<td>Risk</td>
<td>.013</td>
</tr>
</tbody>
</table>

*p < .01.

Test of Mediation Relations

The characteristics of the mediation relation through the regression is based on the four conditions defined by Baron and Kenny (1986), Field (2013) and Miles and Shevlin (2001): (1) the antecedent variable significantly predicts the criterion variable; (2) the antecedent variable significantly predicts the mediating variable; (3) the mediating variable significantly predicts the criterion variable; and (4) when including the antecedent and mediating variables in the equation, the magnitude of the relation between the antecedent variable and the criterion variable that was previously identified as significant decreases and is considered as partial mediation. Nevertheless, when this relation drops to zero or loses significance, the mediation relation is complete.

The data related to the prediction test between the context and well-being indicate the PPBEC variable as a significant predictor of the variable well-being. Based on the data in Table 3, it can be affirmed that the Risk variable does not comply with the criterion proposed by Baron and Kenny (1986). The data presented in Table 2 demonstrate that the second criterion proposed by Baron and Kenny was only complied with for the variable PPBEC.

The data displayed in Table 4 demonstrate that the third criterion proposed by Baron and Kenny was complied with, as all justice variables (distributive, procedural and interactional) affect the well-being at work.

Table 4  
Predictive Power of Mediating Variables in Relation to the Criterion Variable

<table>
<thead>
<tr>
<th>Antecedent variables</th>
<th>Criterion variable</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R</td>
</tr>
<tr>
<td>Interactional justice</td>
<td>.665*</td>
</tr>
<tr>
<td>Distributive justice</td>
<td>.668*</td>
</tr>
<tr>
<td>Procedural justice</td>
<td>.667*</td>
</tr>
</tbody>
</table>

*p < 0.01.

To verify the fourth criterion proposed by Baron and Kenny, multiple regressions were calculated, whose results are displayed in Table 5. The results presented in Table 5 indicate that the three dimensions of the perception of organizational justice significantly mediate the relation between the antecedent and the criterion variables. Therefore, the distributive, procedural and interactional justice mediate the relation between the planning and preparation of changes and the employees' well-being, which empirically supports hypothesis 5. The empirical data did not support hypothesis 6 due to the fact that the relations between the risk degree and intensity of the changes, the perceived justice and well-being were not confirmed.

Table 5  
Mediation Relations for Criterion Variable

<table>
<thead>
<tr>
<th>Variable</th>
<th>Well-being</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R</td>
</tr>
<tr>
<td>PPBEC</td>
<td>.638</td>
</tr>
<tr>
<td>PPBEC</td>
<td>.728</td>
</tr>
<tr>
<td>Interactional</td>
<td>.742</td>
</tr>
<tr>
<td>PPBEC</td>
<td>.696</td>
</tr>
<tr>
<td>Distributive</td>
<td>.696</td>
</tr>
<tr>
<td>Procedural</td>
<td>.696</td>
</tr>
<tr>
<td>Interactional</td>
<td>.742</td>
</tr>
<tr>
<td>PPBEC</td>
<td>.696</td>
</tr>
</tbody>
</table>

*aAntecedent variable. bMediating variable.
To confirm the mediation model found through the hierarchical regression, the Sobel test was executed, as proposed by Baron and Kenny (1986). The result of this test confirmed that the mediation of distributive justice in the relation between the planning, preparation and background experiences and the well-being was significant (Z = 2.83; \( p < .004 \)). The other relations were also significant. The mediation relation among interactional justice, planning, preparation and background experiences and well-being was also significant according to the Sobel test (Z = 2.94; \( p < .003 \)). Finally, the procedural justice mediates the relation between PPBEC and well-being in the organization (Z = 3.091; \( p < .001 \)). According to the results of the Sobel tests, all dimensions of justice completely mediate the relation between PPBEC and change and personal well-being in the organizations, because the relations between the antecedent and criterion variables lose significance.

**Discussion**

The results of this research indicate partial support for the research model and its hypotheses, as the dimension risk degree and intensity does not predict the other variables. Nevertheless, what PPBEC is concerned, all types of justice (distributive, interactional and procedural) mediated the relations between the planning, preparation, background experiences of change and well-being. These results are in accordance with the specialized literature, demonstrating the importance of employees’ perception of organizational change as being planned and of the organization’s preparedness to implement the change (Robbins et al., 2012; Sousa & Mendonça, 2009).

As regards the validity rates, the results on the organizational change context presented the two-factor structure found by Nery and Neiva (2015), besides moderate rates of risk and damages for the research sample and low rates of planning, preparation and successful background experiences of change, also in accordance with the previous study by Nery and Neiva. The mean interactional justice coefficient was higher than that of procedural and distributive justice, supporting similar results by Mendonça et al. (2003), Paz et al. (2009) e Sousa e Mendonça (2009). The rates of well-being were also relatively high, in line with Brazilian studies (Dessen & Paz, 2010a, 2010b; Sant’Anna, Paschoal, & Gosendo, 2012). It can also be inferred that, in a public organization, a high sense of stability for employees can favor the feeling of well-being. Therefore, although the organization is going through organizational changes and the employees perceive that the change entails risks, this does not seem to be sufficiently strong to alter the feeling of well-being.

Concerning the relations between the context of change, perception of justice and personal well-being in the organizations, few studies have explored the influence of the degree of planning and preparation of the organizational changes on justice and well-being. Nevertheless, these study results support the findings by Cunningham (2006), Devos et al. (2007), Kalimo et al. (2003), Nery and Neiva (2015) and Rafferty and Griffin (2006) about the effects of planning on the attitudes and behavior of employees in organizational change processes. The effects of the perception of justice on well-being and/or illness at work also confirm Brazilian studies like Paz et al. (2009) and Sousa and Mendonça (2009).

The most surprising findings relate to the lack of influence of the degree of risk and damages associated with the organizational changes on organizational justice and personal well-being in the organizations. These findings do not support most studies in the area, which rest on assertions about whether psychological uncertainty, risk and damages cause a perception of injustice, absence of well-being at work and illness (Devos et al., 2007; Rafferty & Griffin, 2006; Rafferty & Restubog, 2010; Robbins et al., 2012; Self et al., 2007; Spreitzer & Mishra, 2000). These results can be characteristic of the organizational change situation studied in this organization. Being a public organization, changes in brands and market positioning without the risks of dismissals, the perceived degree of risk and uncertainty did not cause sufficient variation in the answers to support the results appointed in the literature.

In short, the research objectives were achieved and the results entail perspectives for organizational change research in Brazil. These perspectives include the opening of a research area to investigate the emotional reactions and affective results linked to organizational change. This result also affects the inclusion of affective results as success indicators of organizational change programs.

Being a cross-sectional study, this study does not permit comments on the occurrence of these phenomena over time, as negative or positive reactions could be managed throughout the change process, an aspect the research section did not cover. In the organization studied, employees have reached distinct career changes. Therefore, in future studies, it should be verified whether this influences the impact of the change on the well-being.

Another limitation of this research were that three exclusively self-reported measures were used, which increases the risk of a common-method variance bias. Nevertheless, the recommendations by Podsakoff et al. (2003) were used, testing the model with the inclusion of the latent variable. Studies about organizational change that identify the relation between justice and well-being are still rare. Hence, the study should be replicated in other organizations, using triangulated methods and, if possible, a longitudinal design. In addition, no systematic studies exist about effects of organizational changes on the relation between the perception of justice and disease-related absenteeism. Studies that relate the aspects of the organizational change context with well-being are also rare, which are necessary to assess the successful implementation of change.

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Nery, V. F., & Neiva, E. R. (2015). Variáveis de contexto e respostas à mudança organizacional: Testando o papel mediador das atitudes [Context variables and responses...


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*How to cite this article:*