Developments in Business Simulation and Experiential Learning, Volume 29, 2002 PROCEDURAL JUSTICE AND ACCEPTANCE IN GROUP DECISION MAKING

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ABSTRACT

This article describes an experiential exercise that explores how leaders can enhance procedural justice in group decision-making processes, and thereby promote higher levels of decision acceptance. In particular, we demonstrate how to use a simple exercise to show students how two contrasting approaches to leading a group decision-making process can lead to quite different levels of commitment, understanding, and group harmony. We provide a simple explanation of how to conduct the exercise, as well as how to debrief the session by providing students with an analysis of their responses to a simple survey.

Groups are used extensively for decision-making purposes. In many cases groups are used in an advisory capacity and in others they are decision-making bodies. Regardless of how they are used, a perennial question is whether groups are effective. The answer depends, in part, upon what is meant by effectiveness. Vroom and Jago (1988) put forth three main criteria, the quality of the decisions, the acceptance of the decisions for implementation purposes and the making of decisions in a timely manner. These are determined by how the group functions, its task and its composition. The acceptance of a group's decision by its members is influenced by the perception that procedural justice has been respected. This is achieved when the members of a group perceive that their ideas are understood and that they have had the opportunity to influence the decision (Shapiro, 1993; Korsgaard, Schweiger, & Sapienza, 1995; Kim & Mauborgne, 1997).

This paper describes an exercise that demonstrates how this may be achieved and the consequences that result when procedural justice is and is not perceived to have occurred. Roberto (2001) describes a simulation in which the group leader assumes a role of low consideration and low impartiality, while the group addresses a Harvard Business School case study. Upon finishing the case analysis, the leader and participants individually complete an evaluation of the group process; using the computers they have in-class and a program provided for analyzing their inputs.

The groups conduct a second case analysis and are assigned to one of three conditions. One is low impartiality-high consideration; another is high impartiality-low consideration and a third is high impartiality-high consideration. A second evaluation is completed and the results are analyzed in a similar manner. The debriefing after the completion of the exercise utilizes the students' evaluations and demonstrates the effects of the alternative ways of leading a group.

Implementation Issues: In another setting the exercise was used with undergraduate and MBA students in Organizational Behavior. In this setting the issues of time, complexity, clarity of instructions, cost and availability of computer support facilities were different than that in which the exercise was initially conducted. This resulted in modifying the exercise in a number of ways. It is these modifications, which are described in this article. These changes should facilitate the use of this type of exercise in a broader range of settings

<u>Time</u>: To lessen the time required to conduct the exercise, only one case was used. This was achieved by assigning each group to a different condition.

<u>Complexity</u>: Only two conditions were used. Half the groups were put into the low impartiality-low consideration condition and the others were put into the high impartiality-high consideration condition. A shorter and less complex case was used in place to the Harvard Business School cases.

<u>Clarity of Instructions</u>: A simpler set of instructions was provided to the leaders. Initially, the leaders were provided with a page of directions, describing the role they should perform. These instructions were modified and provided in

point form. The instructor also reviewed them with the group leaders. This was done to help ensure they behaved in a manner consistent with the role they were assigned. In one class, in which this was not done, some of the leaders ignored the instructions and lead the group in the manner in which they were most comfortable. The instructions that were provided are contained in Appendix 1.

<u>Cost</u>: A case within the textbook was used, which eliminated the need to purchase another case.

Availability of Computer Support Facilities: Paper and pencil evaluation forms were used, given the lack of computers in the classroom and a program to evaluate the results. Different evaluation forms were provided to the leaders and the group members. After everyone individually completed their evaluation of the group process, the group members were instructed to determine the mean and range of their responses for each question. The leaders from the low impartiality-low consideration condition were asked to do the same as were the leader from the high impartiality-high consideration condition.

These results as well as the individual leader's results were all put onto transparencies. Overlaying the transparencies showed the differences in the evaluations of the group members from the two conditions. Overlaying the transparencies also showed the difference in the perceptions of the leaders and group members. Different colored marking pens were used to help differentiate the groups, members and leaders. The evaluation forms are shown in Appendices 2 and 3.

Selected results from previously conducted exercises are contained in Appendix 4. These may also be used in the debriefing of the exercise. This is particularly useful if the results obtained in a class are not consistent with the expected outcomes.

Objective of the exercise: This exercise has three primary purposes. First, it highlights the importance of small changes in leader behavior and enables students to examine how these changes impact group members' perceptions of procedural fairness.

Second, the exercise provides students with an in-depth understanding of the components of a fair decision-making process. Students learn that a fair process entails more than giving group members an opportunity to express their views. In order for individuals to perceive a decision process as fair, leaders need to listen attentively, try to incorporate others' input into their decision, and explain the rationale for their decision clearly and thoroughly. In short, students learn that fair process means more than giving people "voice". It entails considering others' views and opinions seriously, and providing them with a genuine opportunity to influence the leaders' decision (Shapiro, 1993).

Third, the exercise illustrates how fairness impacts decision-making outcomes. Students learn that low

perceived fairness leads to lower levels of commitment, understanding, and group harmony (Korsgaard, Schweiger, & Sapienza, 1995). Consequently, unfair decision processes inhibit effective implementation. The exercise may also be used to distinguish between functional and dysfunction conflict in group decision making processes (Amason 1996).

Target audience, size, materials and facilities: Students learning about leadership, group behavior, teamwork or motivation. Class sizes ranging from 6 to 60 may be used, although of 20 to 30 would be preferable. A case study, transparencies and an overhead projector are needed and a classroom with movable seats is helpful.

<u>Instructions to students</u>: Students are formed into groups of approximately 5-members each, although they could range from 3 to 7 members. A leader is selected, either by the team or the instructor. The leaders are given their instructions (see Appendix 1). A brief meeting is held separately with the leaders of both conditions and its emphasized that they are to follow the guidelines provided to them. They are given an opportunity to ask questions. The leaders are told to meet with their groups and that they are to provide the answers to the case when the class reconvenes.

The time for the group task depends upon the case selected, the group sizes and the class time available; however, an approximate time limit of 20 to 30 minutes is usually sufficient. At the end of the designated time period the leaders report their answers. These are briefly recorded, without any evaluative comment from the instructor. The students are then asked to evaluate their group process. The leaders and participants are given somewhat different evaluation forms. The group members then compile their average scores for each item, as do the team leaders from the same conditions. The students record these results on transparencies. This requires approximately 10 to 15 minutes.

<u>Debriefing</u>: The debriefing focused upon the different group processes and the perceptions of the members and the leaders. This was achieved by first reviewing the evaluations of the members of the high consideration-high impartiality condition and then the leaders response from these groups. Reviewing the responses from the members of the other condition follows this.

At this point the students do not know that the instructions to the leaders were different and the subsequent impact it would have on the group dynamics. They are therefore usually surprised to see more negative responses from these other students. Overlaying the transparencies further reinforces this. The differences in the evaluations of the leaders may be shown at this time or after discussing the dynamics within the two groups.

After highlighting the differences the instructor may raise the question as to what could account this. After

discussing the students' ideas, which have included such issues as personality conflicts, malcontents and incompetent leadership, the instructions given to the leaders in the two conditions are provided. This results in a discussion and recognition of the importance of the leader's behavior.

Other Recommended Reading: To complement these exercises, the instructor may assign a recent article on management decision-making entitled What You Don't Know About Making Decisions (Garvin & Roberto, 2001). Alternatively, the instructor may teach students a case study about an actual senior management team in the next session. One effective complementary case study is entitled Decision-Making at the Top: The Case of the All-Star Sports Catalog Division (Roberto, 1997). The case study explores how one chief executive leads his top management team's decision-making process. In particular, the case teaches students about the importance of fair process, and how difficulties may arise when leaders design and direct processes that are perceived as unfair.

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Developments in Business Simulation and Experiential Learning, Volume 29, 2002 APPENDIX 1 - INSTRUCTIONS TO GROUP LEADERS

<u>Condition 1 – Low Consideration-Low Impartiality</u>

- Tell group you have your views
- State your answers in a compelling manner
- Moderate the group discussion
- Announce your decision at the conclusion of the meeting

Condition 2 – High Consideration-High Impartiality

- Tell group how you will conduct the discussion
- Tell group you have not decided and are open to their ideas
- Take notes while listening attentively
- Restate each person's proposals
- Explain the decision you reached and your rationale
- Explain how each person's ideas contributed to the final decision

Developments in Business Simulation and Experiential Learning, Volume 29, 2002 APPENDIX 2 – SURVEY FOR GROUP LEADERS

Team	#	

Instructions:

Please fill in your team number now. Then mark your responses to the survey using the 1-7 scale shown to the right of each question. 1 represents the response "a very low level" or "very little". 7 represents the response "a very high level" or "a great deal". The entire range of responses is as follows:

- 1 = low level/ very little
- 2 = low
- 3 = moderately low
- 4 = moderate
- 5 = moderately high
- 6 = high
- 7 = very high level/ a great deal

Please do not discuss these questions with any other group or class member.

		1 =	low			7	/ = h	igh
1.	How comfortable would you feel working with other members of the group in the future?	1	2	3	4	5	6	7
2.	To what extent do you believe that the methods and processes employed to make this decision were fair?	1	2	3	4	5	6	7
3.	To what extent are these decision-making procedures consistent with your leadership style?	1	2	3	4	5	6	7
4.	How much did you enjoy working with this group on today's exercise?	1	2	3	4	5	6	7
5.	How much do you believe that group members influenced your final decision?	1	2	3	4	5	6	7
6.	How satisfied do you believe that group members are with your final decision?	1	2	3	4	5	6	7
7.	To what extent do you think group members comprehend why you selected the course of action that you announced at the final group meeting?	1	2	3	4	5	6	7

		1 =	low	•		7	$= \mathbf{h}$	igh
8	How comfortable did you feel employing this method of leading a group decision-making process?	1	2	3	4	5	6	7
9.	How much work do you believe that group members would be willing to do in order to implement the course of action that you chose?	1	2	3	4	5	6	7
10.	To what extent did you incorporate others' input and suggestions into your final decision?	1	2	3	4	5	6	7
11.	How much do you feel that you were really part of the group?	1	2	3	4	5	6	7
12.	How well do you think group members understand the rationale for your final decision?	1	2	3	4	5	6	7
13.	To what extent do you believe that group members feel that the final decision will lead to a successful future for the company?	1	2	3	4	5	6	7
14.	To what extent do you believe that you managed this process in a just and equitable manner?	1	2	3	4	5	6	7

Thank you very much for offering thoughtful responses to this survey.

Note: Questions adapted from the following sources:

Korsgaard, M., Schweiger, D., & Sapienza, H. 1995. Building Commitment, Attachment, and Trust in Strategic Decision-Making Teams: The Role of Procedural Justice. <u>Academy of Management Journal.</u> 38(1): 60-84.

Amason, A. 1996. Distinguishing the Effects of Functional and Dysfunctional Conflict on Strategic Decision Making. <u>Academy of Management Journal</u> . 39(1): 123-148.

Developments in Business Simulation and Experiential Learning, Volume 29, 2002 APPENDIX 3 – SURVEY FOR PARTICIPANTS

Team	#	

Instructions:

Please fill in your team number now. Then mark your responses to the survey using the 1-7 scale shown to the right of each question. 1 represents the response "a very low level" or "very little". 7 represents the response "a very high level" or "a great deal". The entire range of responses is as follows:

1 = low level/ very little

2 = low

3 = moderately low

4 = moderate

5 = moderately high

6 = high

7 = very high level/ a great deal

Please do not discuss these questions with any other group or class member.

		1 =	low			7	7 = h	igh
1.	How comfortable would you feel working with other members of the group in the future?	1	2	3	4	5	6	7
2.	To what extent do you believe that the methods and processes employed to make this decision were fair?	1	2	3	4	5	6	7
3.	To what extent did the group leader consider each person's opinions carefully?	1	2	3	4	5	6	7
4.	How much did you enjoy working with this group on today's exercise?	1	2	3	4	5	6	7
5.	How much do you believe that group members influenced the leader's final decision?	1	2	3	4	5	6	7
6.	How satisfied are you with the leader's final decision?	1	2	3	4	5	6	7
7.	To what extent do you comprehend why your leader selected the course of action that he or she announced at the final group meeting?	1	2	3	4	5	6	7

		1 =	low			7	= hi	gh
8.	To what extent was the leader a careful and attentive listener?	1	2	3	4	5	6	7
9.	How much work would you personally be willing to do in order to implement the course of action selected by the group leader?	1 f	2	3	4	5	6	7
10.	To what extent did your group leader incorporate others' input and suggestions into his or her decision?	1	2	3	4	5	6	7
11.	How much do you feel that you were really part of the group?	1	2	3	4	5	6	7
12.	How well do you understand the rationale for the leader's final decision?	1	2	3	4	5	6	7
13.	To what extent do you believe that the final decision will lead to a successful future for the company?	1	2	3	4	5	6	7
14.	To what extent do you believe that the leader managed this process in a just and equitable manner?	1	2	3	4	5	6	7

Thank you very much for offering thoughtful responses to this survey.

Note: Questions adapted from the following sources:

Korsgaard, M., Schweiger, D., & Sapienza, H. 1995. Building Commitment, Attachment, and Trust in Strategic Decision-Making Teams: The Role of Procedural Justice. <u>Academy of Management Journal.</u> 38(1): 60-84.

Amason, A. 1996. Distinguishing the Effects of Functional and Dysfunctional Conflict on Strategic Decision Making. <u>Academy of Management Journal</u> . 39(1): 123-148.

Developments in Business Simulation and Experiential Learning, Volume 29, 2002 APPENDIX 4 – PAST RESULTS FROM THE EXERCISE

Survey Results: Fairness & Influence

The following results were obtained when the experiential exercise was conducted using the four conditions as described by Roberto (2001). Conditions A and D are those that relate to the exercise as it is described in this paper. The first diagram below displays the participants' perceptions of procedural fairness. In the lower left-hand quadrant, the scores for Method A are divided into three segments: the score for teams that later experienced Method B, the score for those that later experienced Method C, and the scores for those that also experienced Method D. This segmentation of the scores for Method A enabled accurate statistical comparisons of the results. The second diagram below presents the participant's perceptions of influence, i.e. to what extent did they believe that they influenced the leader's final decision. Typically, I also show two additional diagrams that display the leaders' scores for fairness and influence along with the participants' scores.¹

Perceptions of Procedural Fairness (Participant Data Only)

Impartiality	High	Method C 5.9	Method D 6.3*
Impar	Low	Method A B: 5.2 C: 5.5 D: 4.6	Method B 5.7
		Low	High
		Cons	ideration

Perceptions of Influence (Participant Data Only)

Impartiality	High	Method C 5.9*	Method D 6.6*
Impa	Low	Method A B: 4.9 C: 5.5 D: 5.6	Method B 5.8*
		Low Cons	High ideration

¹ The * next to a score designates that the mean is different than the Method A mean at a 0.05 level of statistical significance.

Developments in Business Simulation and Experiential Learning, Volume 29, 2002 SURVEY RESULTS: CORRELATIONS

Key Correlations (Participant Data Only)

	Fairness	Influence
Commitment	0.75	0.77
Understanding	0.64	0.59
Group Harmony	0.72	0.58

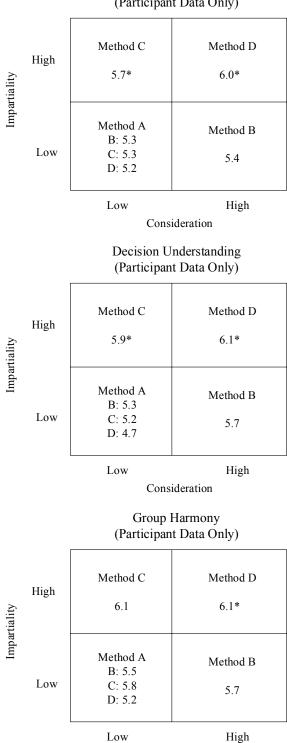
Key Correlations (Leader Data Only)

Fairness	Influence
0.60	0.59
0.76	0.51
0.62	0.33
	0.60

Constructs and Survey Questions				
Construct	Survey Questions			
Group Harmony	Questions 1, 4, 11			
Procedural Justice	Questions 2, 14			
Consistency/Comfort with Leadership Style	Questions 3, 8			
Influence	Questions 5, 10			
Commitment/Acceptance	Questions 6, 9, 13			
Decision Understanding	Questions 7, 12			

SURVEY RESULTS: COMMITMENT, UNDERSTANDING, AND GROUP HARMONY²

Commitment (Participant Data Only)



² The * designates that the mean is different than the Method A mean at a 0.05 level of statistical significance.

Consideration

SURVEY RESULTS: LEADER-MEMBER ALIGNMENT

The two diagrams below examine the alignment of perceptions with regard to influence and commitment. One may also display similar graphs for variables such as decision understanding. In the graphs, each team's score is displayed for each method. For example, in the first diagram, the data point that is labeled 3A represents Team 3's influence score for Method A. For that team, the leader reported that the group members exerted a great deal of influence over the final decision (score = 5.8). However, the group members perceived that they did not have much influence on the leader's choice (score = 4.0). This is an example of misaligned perceptions. Note that Team 3's score for Method B indicates a higher level of alignment (leader score = 5.9, members score = 5.7).

