Rewarding Leadership and Fair Procedures as Determinants of Self-Esteem

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In the present research, the authors examined the effect of procedural fairness and rewarding leadership style on an important variable for employees: self-esteem. The authors predicted that procedural fairness would positively influence people’s reported self-esteem if the leader adopted a style of rewarding behavior for a job well done. Results from a scenario experiment, a laboratory experiment, and an organizational survey indeed show that procedural fairness and rewarding leadership style interacted to influence followers’ self-esteem, such that the positive relationship between procedural fairness and self-esteem was more pronounced when the leadership style was high in rewarding behavior. Implications in terms of integrating the leadership and procedural fairness literature are discussed.

The topic of procedural fairness has been found to be of major importance within groups, work dyads, and organizations and, as such, has received considerable attention from scholars across a variety of disciplines within the social sciences. In fact, during the past 2 decades or so, it has been shown repeatedly that procedural fairness has a positive influence on, for example, support and evaluations of authorities (Greenberg, 1987; Tyler & Lind, 1992; Van den Bos, Wilke, & Lind, 1998), compliance with authorities (Lind & Tyler, 1988), goal setting (e.g., Earley & Lind, 1987), and outcome-fairness judgments (e.g., Van den Bos, Wilke, Lind, & Vermunt, 1998). Also, and of specific relevance to the present research, procedural fairness has been found to positively influence employees’ levels of reported self-esteem (Koper, van Knippenberg, Bouhuijs, Vermunt, & Wilke, 1993; Tyler, 1999).

Although it is well established that procedural fairness matters in influencing people’s self-esteem, a more interesting and important question from a psychological perspective regards when this effect is most likely to take place. More precisely, we know that procedural fairness enables leaders, managers, and groups to influence people’s self-esteem, but we also need to be concerned with what leaders may or may not do in order to ensure that the fairness of procedures affects self-esteem. Indeed, although the issue of procedural fairness is quite often applied to authorities and group leaders (and sometimes to equal-status members; Lind, 2001), it is surprising that (a) leader’s procedural fairness is not included as a leadership feature in the existing leadership literature and (b) hardly any empirical research has looked at which well-defined leadership behaviors may act in tandem with procedural fairness. Therefore, in the present research, we argue that to understand more precisely the situations under which procedural fairness is more likely to influence people’s self-worth, one needs to examine which style of leadership best accompanies the use of fair versus unfair procedures. That is, because procedural fairness needs to be communicated effectively to influence employees, it is necessary to examine more closely how leaders should behave to facilitate this process. Thus, the question of “Which leadership style acts best as a moderator of procedural fairness effects?” arises.

Therefore, in the present research, we examine the moderating effect of rewarding leadership—as an instance of leadership style—on procedural fairness. It is assumed that procedural fairness will more strongly enhance people’s feelings of self-esteem if the authority adopts a rewarding leadership style.

Procedural Fairness and Self-Esteem

Because of changing business conditions, which have included an increasing trend toward employee involvement in decision-
making, organizational research has begun to devote more attention to the role of managers and leaders in shaping employees’ self-esteem and self-definition (e.g., McAllister & Bigley, 2002; Pfeffer, 1998). In fact, recent organizational trends point out the responsibility of organizations to be responsive toward members’ self-concerns and needs (Liedtka, 1999; McAllister & Bigley, 2002). Also, research has demonstrated that individuals with high and low self-esteem react differently toward conflict situations and task interdependence and perceive relationships with others in the group as serving different functions (Brockner, 1988; Duffy, Shaw, & Stark, 2000; Leary & Baumeister, 2000). Therefore, because leaders are perceived as organizational representatives (Tyler & Lind, 1992), it thus follows that one of their main responsibilities is to care about followers’ self-esteem. We were interested in the question of “how?”

The fairness of treatment that people receive—that is, procedural fairness—exerts a powerful influence on people’s attitudes and evaluations (Lind & Tyler, 1988). One such evaluative outcome variable that is influenced by the fairness of procedures is people’s self-esteem. According to recent procedural fairness models like the group-value model (Lind & Tyler, 1988), the relational model of authority (Tyler & Lind, 1992), and the group-engagement model (Tyler & Blader, 2000), people care about procedural fairness because, in addition to economic concerns of maximizing control over their own outcomes, procedures communicate to people whether they are respected and valued by the authority enacting the procedures. As a consequence, if procedures are experienced as fair, people will evaluate the authority as more trustworthy and will experience a stronger sense of identity and self-worth (Tyler, 1999; Tyler & Smith, 1999).

Thus, procedural fairness is also considered to be important to organizational members because it communicates information relevant to one’s identity and self. Indeed, ever since the first experimental study of Koper et al. (1993), we have known that an important determinant of people’s self-esteem is fairness of procedures enacted by the authority or organization (see also Brockner et al., 1998; Tyler, Degoezy, & Smith, 1996; Wiesenfeld, Brockner, & Thibault, 2000). Moreover, Tyler (1999) also demonstrated in an organizational context that authorities’ use of fair procedures was positively correlated with self-esteem and that this was mediated by relational concerns like feeling respected and supportive treatment. Because not much experimental research has revealed causal evidence for this relationship, it is important to replicate the following prediction.

**Hypothesis 1:** People’s self-esteem will be enhanced when the leader uses fair rather than unfair procedures.

**Leadership Styles and Self-Esteem**

In the present research, we assume that leadership styles may act as a moderator of the effect of procedural fairness on self-esteem (see below for further reasoning; see also De Cremer & Alberts, 2004; Hollander, 1985), and following this line of reasoning it could then well be argued that the notion that leadership behaviors influence people’s self-esteem may also be acknowledged in leadership theories. Indeed, most leadership perspectives point out that leadership is a relational property within dyads, groups, and organizations and that it influences the identity, values, and esteem of those involved in these relationships. For example, in dyadic relationships, leadership theories assume that leaders aim to promote the quality of the interaction and the needs of the followers by showing behaviors that may go beyond the employment contract (e.g., leader–member exchange theory; Graen & Uhl-Bien, 1995), and in groups, leaders are supposed to take care of the values and identities of the group members they represent (e.g., Hogg, 2001). In a similar vein, Hollander (1971) already pointed out that “it is therefore important that the leader, by his behavior manifest a loyalty to the needs and aspirations of group members” (p. 498).

Following from this, we adopt the assumption that leadership behavior can be empowering. In the context of the present study, empowerment refers to specific leadership behaviors that activate a process in which a leader creates conditions for the followers to develop and promote their sense of competence and self (see, e.g., Conger, 2003). As a matter of fact, we suggest that empowerment implies influencing individuals’ competence and impact, which, consequently, fosters people’s sense of self-confidence (see also Sprecher, 1995). In this specific process, empowerment thus promotes feelings of competence. In addition, satisfying the need to feel competent is believed to enhance self-esteem (see self-determination theory; Deci & Ryan, 2000). Therefore, in this research, we adopt a narrow perspective and focus on one specific indicator or consequence of empowerment: self-esteem. Indeed, Pierce, Gardner, Cummings, and Dunham (1989) argued that empowerment enhances self-esteem by suggesting, “employees that possess high levels of organization based self-esteem... may be described by their peers as being motivated, capable, and empowered” (p. 625).

In the leadership literature, the empowerment of follower’s competence and self is indeed emphasized (e.g., Abzug & Phelps, 1998; Bass, 1998; Pearce & Sims, 2002). For example, recent leadership analyses have articulated that transformational leadership could be considered an empowerment style because it has a strong emphasis on follower development. Indeed, inspirational leaders have been found to exert influence on follower’s self-concept by, for example, reinforcing follower’s feelings of competence and self-confidence (Conger & Kanungo, 1998; Shamir, House, & Arthur, 1993). Further, and of specific relevance to the present study, recently, Pearce and Sims (2002) presented a list of empowerment leadership styles representative of behaviors promoting people’s self. One style that particularly builds confidence and competence among followers, consequently influencing self-esteem, is the rewarding leadership style (see also, Arnold, Arad, Rhoades, & Drasgow, 2000). This leadership style comprises behaviors of complimenting followers with their achievements and motivating them to reward themselves after a job well done. As such, by means of this behavior, the successful performance is clearly attributed by the leader to the efforts of the follower and, in addition, is reinforced by rewarding this successful performance by means of something that the followers choose themselves. The establishment of such a positive outcome has been shown to foster people’s feelings of confidence and competence and, ultimately, promotes people’s self-esteem (Deci & Ryan, 2000). Thus, leaders high in rewarding leadership style are typical examples of empowerment leadership as they motivate the follower to manage his or her own self-regard and worth (i.e., encouraging a link between self-regard and successful performance; see Pearce &
Sims, 2002). On the basis of the above, we therefore use leaders’ rewarding style as the operationalization of empowerment leadership. Moreover, because (to the best of our knowledge) no experimental (and as such causal) evidence exists demonstrating the effectiveness of this leadership style, the following prediction was made.

**Hypothesis 2:** People’s self-esteem will be enhanced when the leader is high in rewarding behavior rather than low.

Present Study: Interactive Effects of Procedural Fairness and Self-Reward

Thus, some evidence exists that self-esteem is enhanced when a leader uses fair procedures, and—following the notion of empowerment—this should also be the case when the leader exhibits rewarding leadership behavior. The present study extends and complements these earlier findings and suggestions by focusing on the interactive effects of leaders’ procedural fairness and rewarding style. Why should these two leadership characteristics interact?

The prediction for an interaction between procedural fairness and a leader’s rewarding style can be derived from research on the interactive effect between outcome favorability and procedures. That is, the line of research shows that procedural fairness interacts with people’s perceptions of outcome favorability to influence their self-esteem (e.g., Brockner, 2002; Brockner et al., 2003; see also Shroth & Shah, 2000). Indeed, studies have shown that when outcomes are favorable, procedural fairness and self-esteem bear a significant positive relationship. However, when outcomes are unfavorable, studies have revealed rather mixed findings. For example, Shroth and Shah (2000) found that procedural fairness and self-esteem have a significant and negative relationship when outcomes are unfavorable, whereas Brockner et al. (2003) found that this relationship is not negative but, rather, significantly less positive relative to what is observed when outcomes are favorable. Summarizing these findings, one can conclude that the one thing that can be said with confidence is that there is more likely to be a positive relationship between procedural fairness and self-esteem when outcomes are favorable than when they are unfavorable.

Building on this conclusion, we believe that a possible reason for this relationship to emerge is that people see themselves as more personally responsible for their outcomes when the procedures used are fair rather than unfair. Under these circumstances, it stands to reason that people will feel better about themselves in the face of a favorable outcome than in the face of an unfavorable outcome. Research on self-enhancement (see Sedikides & Gregg, 2003, for a review) supports this line of reasoning, because it shows that people wish to maintain, or even promote, positive feelings about themselves, and, therefore, they are more likely to accept responsibility for outcomes obtained by means of fair procedures when those outcomes are favorable rather than unfavorable. Indeed, under those circumstances, they can feel good about themselves, whereas this will be more difficult when personal responsibility has to be taken when outcomes are unfavorable. In the latter situation, people will thus be less motivated to allow procedural fairness to influence their self-esteem.

Applying this logic to the issue of rewarding leadership, we conclude that it follows that leader behavior in a rewarding manner can be seen in terms of outcome favorability because it creates the preconditions for positive outcomes. In other words, working with a leader who compliments followers and encourages them to reward themselves for a job well done can symbolically be experienced as creating opportunities for greater outcome favorability. Consequently, if a leader then exhibits high procedural fairness, people will feel more regarded and personally responsible for favorable outcomes such as those bestowed on them by a high-rewarding leader. Thus, in a similar vein, it can be expected that a rewarding leadership style acts as a moderator of procedural fairness.

As an extension of this, the following prediction can be made.

**Hypothesis 3:** A leader’s rewarding behavior and procedural fairness interact, such that the effects of procedural fairness on self-esteem are stronger when the authority is high in a rewarding style rather than low.

In the following series of studies, use is made of controlled experiments to establish clear causality when examining the above three hypotheses. Because most procedural fairness and leadership style research has been correlational, one has to be cautious with respect to making predictions about causal relationships (i.e., reverse causality may, as such, often provide a plausible alternative explanation for observed relationships). Accordingly, to advance research in leadership and procedural fairness, researchers should preferably (also) test the hypotheses experimentally. In addition, they also need to establish whether observations made in a controlled laboratory setting apply to organizational contexts.

For these reasons, we tested the main predictions in three different types of studies: a scenario experiment (Study 1), a laboratory experiment (Study 2), and a field survey (Study 3). The scenario experiment allows one to draw conclusions concerning causality while maintaining a relatively high degree of mundane realism, whereas the field study allows an investigation of the research questions with people in actual organizations. The laboratory experiment was designed to provide an experimental replication of Studies 1 and 3 with high internal validity. This combination of methods allows one to benefit from the strengths of each method and to compensate for the weaknesses of each method with the strengths of the other methods (Dipboye, 1990; cf. De Cremer & van Knippenberg, 2002).

**Study 1**

**Method**

**Participants and Design**

Seventy Dutch undergraduate students (47 women and 23 men; M age = 20.86 years, SD = 3.64) participated voluntarily and were each paid 2 euros. Participants were randomly assigned to a 2 (reward leadership: high vs. low) × 2 (procedure: voice vs. no voice) between-subjects design.

**Experimental Procedure**

Participants were approached by a research assistant and asked whether they were willing to participate in a paper-and-pencil study addressing the issue of working behavior. When students agreed, they were given the materials and were seated at a table. Then, students read a scenario and were asked to imagine that they recently had experienced the described situation.
The scenario started immediately with the rewarding leadership manipulation. Recently, Pearce and Sims (2002) introduced a questionnaire assessing the relatively unexplored concept of rewarding leadership. The scale includes items representing the elements that are incorporated into the concept of rewarding leader behavior (see also Study 3), that is, providing compliments and encouragement to reward oneself after a job well done. In the present manipulations, we made sure that those elements were used. That is, participants clearly read whether the supervisor was motivating them to reward themselves or not. In both conditions, the scenario first said the following.

“You are an employee at a software company.” In the case of low-rewarding behavior, the scenario continued as follows: “Your direct supervisor is someone who always gives you a compliment and as such never motivates you to do something fun and rewarding for yourself whenever you succeed in finishing an innovative assignment.” In the case of high-rewarding behavior, the scenario continued as follows: “Your direct supervisor is someone who always gives you a compliment and as such always motivates you to do something fun and rewarding for yourself whenever you succeed in finishing an innovative assignment.”

This was followed by the manipulation of procedural fairness, which constituted either allowing group members’ voice in decision procedures or not allowing their voice. Voice is an important aspect of the fairness of decision procedures (Folger, 1977) that has been used in an impressive number of experiments on procedural fairness to manipulate procedural fairness (see, e.g., Brockner et al., 1998; Van den Bos, 1999), and it can be concluded that voice is now the most accepted and most frequently used manipulation of procedural fairness (e.g., Brockner et al., 1998). All participants thus first read the following.

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Thereafter, the dependent measures were solicited. All questions were answered on 7-point scales, ranging from not at all (1) to very much so (7). First, to assess whether the rewarding-leadership manipulation was successful, the scale asked participants to what extent they were “encouraged” and “given compliments” by their supervisor. These two items were combined to form one average score (r = .93, p < .001). Second, to assess whether the voice manipulation was successful, the scale asked participants to what extent they received voice from their supervisor. Thereafter, we assessed participants’ self-esteem by means of three items (taken from Leary, Cottrell, & Phillips, 2001; see also Rosenberg, 1979): To what extent would you feel “positive,” “proud of yourself,” and “competent.”

These items were combined to form one average self-esteem score (Cronbach’s α = .87). Finally, participants were thanked, debriefed, and paid.

Results

Manipulation Checks

A 2 (procedure) × 2 (rewarding leadership) analysis of variance (ANOVA) on the average self-esteem score revealed, as expected, a significant main effect of rewarding leadership, showing that participants in the high-rewarding-behavior condition (M = 5.59, SD = 1.44; confidence interval: 5.20 vs. 5.99) felt more encouraged and complimented by their supervisor than those in the low-rewarding-behavior condition (M = 51.83, SD = 1.13; confidence interval: 1.43 vs. 2.24), F(1, 66) = 176.45, p < .001, η² = .73. Also, a significant main effect of procedure was found, indicating that participants in the voice condition (M = 4.27, SD = 2.29; confidence interval: 3.87 vs. 4.67) felt more encouraged and complimented than those in the no-voice condition (M = 3.16, SD = 2.18; confidence interval: 2.76 vs. 3.56), F(1, 66) = 15.30, p < .001, η² = .19. No significant interaction was found, F(1, 66) < 1.

A two-way ANOVA on the voice question revealed, as expected, a significant main effect of procedure, showing that participants in the voice condition (M = 4.77, SD = 2.12; confidence interval: 4.31 vs. 5.23) reported having more voice than those in the no-voice condition (M = 2.12, SD = 1.41; confidence interval: 1.66 vs. 2.58), F(1, 66) = 66.22, p < .001, η² = .50. Also, a significant main effect of rewarding leadership was found, indicating that participants in the high-rewarding-behavior condition (M = 4.19, SD = 1.96; confidence interval: 3.74 vs. 4.64) reported having more voice than those in the low-rewarding-behavior condition (M = 2.70, SD = 1.83; confidence interval: 2.23 vs. 3.17), F(1, 66) = 20.86, p < .001, η² = .24. No significant interaction was found, F(1, 66) < 1, ns.

Self-Esteem

A two-way ANOVA on the average self-esteem score revealed, first of all, a significant main effect of procedure (Hypothesis 1), showing that participants in the voice condition (M = 4.96, SD = 1.27; confidence interval: 4.54 vs. 5.38) reported higher self-esteem than those in the no-voice condition (M = 4.30, SD = 1.46; confidence interval: 3.88 vs. 4.72), F(1, 66) = 4.95, p < .05, η² = .07. Also, a significant main effect of rewarding leadership was found (Hypothesis 2), indicating that participants in the high-rewarding-behavior condition (M = 5.19, SD = 1.35; confidence interval: 4.78 vs. 5.60) reported higher self-esteem than those in the low-rewarding-behavior condition (M = 4.07, SD = 1.24; confidence interval: 3.65 vs. 4.50), F(1, 66) = 14.18, p < .001, η² = .18. Finally, a significant interaction emerged (Hypothesis 3), F(1, 66) = 3.84, p = .05, η² = .06 (see Table 1).

As expected, the voice effect was significant in the high-rewarding-behavior conditions, F(1, 66) = 9.03, p < .005, η² = .12, but not in the low-rewarding-behavior conditions, F(1, 66) < 1. The effect of rewarding leadership was significant within the voice conditions, F(1, 66) = 16.41, p < .001, η² = .20, but not within the no-voice conditions, F(1, 66) = 1.63, p < .21, η² = .02. Further, the means reported in Table 1 show that reported self-esteem was indeed highest in the high-rewarding-behavior/voice condition and this cell was significantly different from the other cells.

Table 1
Means (and Standard Deviations) as a Function of Rewarding Leadership and Voice (Study 1)

<table>
<thead>
<tr>
<th>Dependent variable and procedure</th>
<th>Rewarding leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>High</td>
</tr>
<tr>
<td>Self-esteem</td>
<td></td>
</tr>
<tr>
<td>Voice</td>
<td>5.81b (0.85)</td>
</tr>
<tr>
<td>No voice</td>
<td>4.57b (1.48)</td>
</tr>
</tbody>
</table>

Note. Means are based on 7-point scales, with higher values indicating higher ratings of self-esteem. Means with a different superscript differ at p < .01 (t test).
**Discussion**

As predicted, the results of Study 1 confirmed the hypotheses. Most important, however, the findings showed that participants’ procedural fairness influenced participants’ self-esteem but only if the style of the leader was high in rewarding behavior. This effect was not found when the leadership style was low in rewarding behavior. This finding provides the first causal demonstration that the effect of procedural fairness on people’s self-concept (as predicted by relational models of justice) depends on the specific leadership style that leaders adopt. As such, a first step is made toward examining possible interactions between leadership influence and procedural fairness (cf. De Cremer & Alberts, 2004; Pillai, Scandura, & Williams, 1999; Tyler, 2001).

Of course, before drawing strong conclusions, it is important to replicate the findings of Study 1. More precisely, Study 1 made use of a scenario in which participants had to imagine that they were members of an organization in which they received voice or were denied voice. One might wonder whether similar results will be obtained when participants are placed in groups with an actual leader and, as such, more directly experience the fairness of the procedure and the rewarding-leadership style. To this end, a laboratory experiment was conducted in which participants were actually immersed in the leadership situation. Also, in Study 2, the same successful manipulation of voice will be used again.

**Study 2**

**Method**

**Participants and Design**

One hundred and five Dutch undergraduate students (92 women and 13 men, average age = 20.72 years, SD = 3.70) participated voluntarily, and they were each paid 7 euros. Participants were randomly assigned to a 2 (rewarding leadership: high vs. low) × 2 (procedure: voice vs. no voice) between-subjects design.

**Experimental Procedure**

On arrival in the laboratory, each participant was placed in an experimental cubicle, containing a table, a chair, and a computer. After participating in an unrelated study, participants were informed that a study about group behavior would be conducted. Then, they were told that they would form a group of four people and that, first, each individual group member would engage in a language test. Then, this language test was explained. It was said that in a few moments, three pairs of words would be presented on the computer screen. Each time a new pair would be presented, all group members would be asked to think about a word that would fit the other two words. Thus, participants were required to reason which third word could complement the other two words. After all three pairs were finished, all the solutions of each individual group member would be emailed to another person that would try to make one group solution from all these individual solutions. It was told to participants that this group product would be important, because it would be communicated to the experimenter and the experimenter would evaluate the final product and reward it with a number of points (each point was said to have the value of 0.10 euros). Thus, a better performance would yield a higher total outcome. After evaluating the group product, the experimenter was said to return the total amount of points to the group, and this would be distributed among the group members.

Then, the rewarding leadership manipulation was introduced (again on the basis of the same logic as outlined in Study 1). It was first explained that a group leader would be appointed to fulfill the role of the person that would put together the group product. This person would not be someone from the group of four. Participants were further told that this group leader had already been able to read the task and that this leader had written up his or her thoughts about this task. This information was put in a file that was lying next to the computer. After hearing this information, participants were asked to read this information (they could not proceed with the experiment until they had read this information).

In the high-rewarding-behavior condition, the file read as follows.

As the group leader I have been informed which task you will have to perform, and I have some ideas how I as the leader should deal with this task. I would like to pursue your goals and interests and make sure that the task will be interesting and educational for all of you. Thus, if I notice that everything is going well I will not start giving you a compliment, and in case of good performance I will like to encourage all of you to be proud of your own performance and to enjoy it.

In the low-rewarding-behavior condition, the file read as follows.

As the group leader I have been informed which task you will have to perform, and I have some ideas how I as the leader should deal with this task. I will not pursue your goals and interests and will not make sure that the task will be interesting and educational for all of you. Thus, if I notice that everything is going well I will not start giving you a compliment, and in case of good performance I will not encourage all of you to be proud of your own performance and to enjoy it.

Thereafter, participants were required to start with the task. After finishing this task, participants were informed that all the individual solutions were communicated to the group leader and that this leader would make sure that the experimenter would get the final group product. After a few minutes, participants then received a message saying that the experimenter had evaluated the group product and that he had given the group leader a reward of 140 points (thus, the group product was evaluated to be worth 140 points). Then, it was said that this amount had to be distributed by the group leader.

At this moment, the procedural fairness manipulation was introduced. In the voice condition, participants were told by the leader that he wanted to know their opinion about how to allocate the amount of points. In the no-voice condition, participants were told by the leader that he did not want to know their opinion about how to allocate the amount of points.

Thereafter, the dependent measures of Study 2 were solicited. All questions were answered on 7-point scales, ranging from not at all (1) to very much so (7). First, to assess whether the rewarding leadership manipulation was successful, the scale asked participants to what extent their supervisor “was encouraging,” “was supportive,” “told them to reward themselves in case of a good performance,” and “gave them compliments in case of a good performance.” These four items were combined to form one average rewarding-leadership score (Cronbach’s $\alpha = .90$). Second, to assess whether the voice manipulation was successful, the scale asked participants to what extent their supervisor “listened to them” and “provided them voice.” These two items were combined to form one average voice score ($r = .93$, $p < .001$).

Then, we assessed how participants evaluated themselves in this situation (i.e., state self-esteem), by asking them to what extent they felt they were not valued (see Leary et al., 2001). We decided to use a one-item scale, because recent research has demonstrated that in more complex laboratory studies, participants become quickly bored and irritated with multiple-items measures assessing seemingly identical questions, and, therefore, a brief measure of self-esteem is required (see Robins, Hendin, & Trzesniewski, 2001). In line with this, Robins et al. (2001) demonstrated that a single-item self-esteem scale is just as predictive as, for example, the
Rosenberg Self-Esteem Scale (1979), because adult participants are assumed to have a self-esteem schema that can easily be activated by a single question. For these reasons, we decided to use a self-esteem item that was relevant to the present experimental setting, that is, the effect of relational qualities of authorities (procedures and self-reward) on how valued participants felt (see, e.g., Tyler & Lind, 1992, for the importance of feeling valued by authorities). Finally, participants were thanked, debriefed, and paid.

Results

Manipulation Checks

A two-way ANOVA on the rewarding-leadership score revealed only a significant main effect of rewarding leadership, showing that participants in the high-rewarding-behavior condition ($M = 5.96$, $SD = 0.83$; confidence interval: 5.77 vs. 6.15) evaluated their supervisor as more rewarding than those in the low-rewarding-behavior condition ($M = 1.87$, $SD = 0.60$; confidence interval: 1.46 vs. 2.28), $F(1, 101) = 320.01$, $p < .001$, $\eta^2 = .76$. No main effect of voice, $F(1, 101) < 1$, and no interaction, $F(1, 101) < 1$, were found.

A two-way ANOVA on the average voice score revealed only a significant main effect of procedure, showing that participants in the voice condition ($M = 5.85$, $SD = 0.92$; confidence interval: 5.66 vs. 6.03) felt that they were listened to more than those in the no-voice condition ($M = 1.06$, $SD = 0.36$; confidence interval: 0.64 vs. 1.49), $F(1, 101) = 417.41$, $p < .001$, $\eta^2 = .81$. No main effect of rewarding leadership, $F(1, 101) = 1.55$, $p < .22$, $\eta^2 = .02$, and interaction, $F(1, 101) < 1$, was found. Thus, the manipulations were successful.

Self-Esteem

A two-way ANOVA on the self-esteem score revealed, first of all, a significant main effect of procedure (Hypothesis 1), showing that participants in the no-voice condition ($M = 3.80$, $SD = 1.73$; confidence interval: 3.09 vs. 4.52) felt that they were valued less than those in the voice condition ($M = 2.84$, $SD = 1.24$; confidence interval: 2.52 vs. 3.16), $F(1, 101) = 5.97$, $p < .05$, $\eta^2 = .06$. Also, a significant interaction emerged (Hypothesis 3), $F(1, 101) = 3.97$, $p < .05$, $\eta^2 = .04$ (see Table 2).

As in Study 1, and as expected, the voice effect was significant in the high-rewarding-behavior conditions, $F(1, 101) = 28.47$, $p < .01$, $\eta^2 = .22$, but not in the low-rewarding-behavior conditions, $F(1, 101) < 1$. The effect of rewarding leadership was significant within the voice conditions, $F(1, 101) = 8.94$, $p < .005$, $\eta^2 = .08$, but not within the no-voice conditions, $F(1, 101) < 1$. Further, the means reported in Table 2 show that people reported feeling the best about themselves in the high-rewarding-behavior/voice condition, relative to all others.

Discussion

As expected, the findings of Study 2 provide further support for our line of reasoning: Procedural fairness influences people’s self-esteem positively, but only if the authority is high in rewarding behavior. As mentioned earlier, this interaction is a novel finding, and an important aspect of Studies 1 and 2 is that these studies allow the establishment of causality in this relationship.

Even so, an obvious question is whether these effects may also be observed in field settings. Study 3 was designed to address this question. This time, we measured employees’ perceptions of their supervisor’s procedural fairness and rewarding leadership style. The dependent measure was organization-based self-esteem (Pierce et al., 1989). In the past decade, it has become increasingly clear that self-esteem is not only an important psychological need of followers but that it can also be considered as an adequate predictor of organizational performance (Branden, 1998; see also Judge, Martocchio, & Thoresen, 1997, for evidence demonstrating the relationship between self-esteem and performance). That is, self-esteem constitutes an important aspect of the self in terms of how people evaluate themselves and how efficacious they feel. These feelings, in turn, are of major importance in the process of how employees, at different levels in the organization, reason, decide, and regulate action (e.g., Wiesfield et al., 2000). Because of these reasons, it is important to assess self-esteem directly linked to the organizational setting.

Study 3

Sample and Procedure

To obtain a diverse sample of job types and organizations (as such, enhancing the generalizability of our results), we approached employees from different organizations in the Dutch region of Limburg and asked whether they were willing to fill out a questionnaire assessing organizational life. A research assistant approached 125 Dutch employees and they all agreed to participate. In this sample, 68% of employees were male and average age was 31.40 years ($SD = 11.89$). Average organizational tenure was 6.64 years ($SD = 8.42$), while the average tenure of work with the supervisor was 4.32 years ($SD = 6.08$).

1. It has to be noted that we did not use exactly the same self-esteem item as Robins et al. (2001) did. However, these authors noted that, because of the reasons mentioned in the present article, the self-esteem item should connect as best as possible with the social setting in which the process of self-evaluation takes place, something that we tried to do in the present study. Moreover, and of importance to the present findings, research by Leary, Tambor, Tersdal, and Downs (1995) also demonstrated that assessing feelings of one’s own value and acceptance, for example, is strongly correlated (ranging between .60 and .92) with a variety of accepted self-esteem measures.

| Table 2 | Means (and Standard Deviations) as a Function of Rewarding Leadership and Voice (Study 2) |
|-----------------|------------------|------------------|
| Dependent variable | Rewarding leadership | |
| procedure | High | Low |
| Self-esteem | | |
| Voice | 2.36$^a$ (1.07) | 3.32$^b$ (1.28) |
| No voice | 4.11$^a$ (1.75) | 3.50$^b$ (1.73) |

Note. Means are based on 7-point scales, with higher values indicating higher ratings of not feeling valued. Means with a different superscript differ at $p < .01$ ($t$ test).


**Procedural fairness**. To assess perceptions of procedural fairness, we used the recently developed seven-item Justice Scale of Colquitt (2001). This scale contains seven items, which more or less contain the procedural fairness rules that are proposed by Leventhal (1980). Example items include the following: (a) When your supervisor used decision-making procedures, “have you been able to express your views and feelings?” (b) “have those procedures been applied consistently?” and (c) “have those procedures been based on accurate information?” Responses were given on a 5-point scale (1 = strongly agree, 5 = strongly disagree).

**Rewarding leadership.** To measure to what extent the behavior of their supervisor was perceived as rewarding, we used the Pearce and Sims’ (2002) items. These items were “My supervisor encourages me to treat myself to something I enjoy when I do a task especially well,” “My supervisor urges me to reward myself with something I like when I have successfully completed a major task,” and “My supervisor encourages me to give myself a pat on the back when I meet a new challenge” (1 = strongly agree, 5 = strongly disagree).

**Self-esteem.** To assess employees’ self-esteem at work, we relied on the Organization-Based Self-Esteem (OBSE) Scale developed by Pierce et al. (1989) and a modified item by Rosenberg (1979). Pierce et al. defined OBSE as “the degree to which organizational members believe that they can satisfy their needs by participating in roles within the context of an organization” (p. 625). OBSE thus reflects the self-perceived value that individuals have of themselves as organization members acting within an organizational context. Four items were used to assess OBSE: “I am valuable around here,” “I am helpful around here.” “I can make a difference around here,” and “I am a valuable employee around here” (1 = strongly agree, 5 = strongly disagree).

### Results

Means, standard deviations, and intercorrelations for the study variables are displayed in Table 3. To test our hypotheses, we conducted a hierarchical regression analysis in which OBSE was predicted by main-effect terms (rewarding leadership and procedural fairness) at Step 1 and the interaction term at Step 2 (see Table 4). Following Aiken and West (1991), procedural fairness and rewarding leadership were centered (i.e., by subtracting the mean from each score), and the interaction term was based on these centered scores. Table 4 shows the regression results: Self-esteem was positively related to procedural fairness (Hypothesis 1) and rewarding leadership (Hypothesis 2). Furthermore, the interaction between rewarding leadership and procedural fairness (Hypothesis 3) was significant (see Figure 1). Simple slopes analysis was conducted to further analyze this interaction (Aiken & West, 1991). When rewarding behavior was high (1 SD below the mean), procedural fairness was significantly related to self-esteem, \( \beta = .45, p < .001 \), but not when rewarding behavior was low (1 SD above the mean; \( \beta = .13, p < .19 \)). When procedural fairness was high, rewarding leadership was significantly related to self-esteem, \( \beta = .44, p < .001 \), but not when procedural fairness was low, \( \beta = .13, p < .29 \). As in Studies 1 and 2, results thus show that procedural fairness is more strongly related to self-esteem when the leader is high in rewarding behavior rather than low.

### General Discussion

Procedural fairness has a pervasive influence in organizations, and it is therefore of crucial importance to examine more closely how managers should act in the process of communicating to employees the fairness of procedures (Tyler, 2001). Therefore, in line with recent analyses, we proposed that research should devote attention to how leadership styles may moderate the effect of procedures on self-esteem. As such, the leadership style rewarding behavior was examined as a moderator of procedural fairness across three studies.

The core finding emerging from these studies concerns the interaction between procedural fairness and rewarding leadership. As predicted, procedural fairness and rewarding leadership did not merely produce main effects; they also produced an interaction effect. This finding provides evidence that, in agreement with the reasons articulated in the present introduction (see, e.g., Brockner et al., 2003), rewarding leadership can indeed be seen as a mod-

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**Table 4**

<table>
<thead>
<tr>
<th>Stepwise Regression</th>
<th>( \beta )</th>
<th>( R^2 )</th>
<th>( R^2_{ab} )</th>
<th>( R^2_{change} )</th>
<th>df/s</th>
</tr>
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<tr>
<td>Dependent variable: OBSE</td>
<td></td>
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<td></td>
<td></td>
<td></td>
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<td>.23</td>
<td>.22</td>
<td>.01</td>
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</tr>
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<td>Procedural fairness</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Step 2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rewarding Leadership</td>
<td>.34**</td>
<td>.26</td>
<td>.24</td>
<td>.02</td>
<td>3, 118</td>
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<td>( \times ) Procedural Fairness</td>
<td>.18</td>
<td></td>
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</tbody>
</table>

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**Figure 1.** The relationship between procedural fairness and self-esteem as a function of rewarding leadership (Study 3).
erator of procedural fairness when self-esteem is the dependent measure of interest. In fact, just as the frequently observed interaction between outcome favorability and procedural fairness where procedures influence self-esteem stronger when outcomes are favorable, the present findings similarly show that procedural fairness has a positive and significant relationship with self-esteem when the leadership style is favorable, that is, exhibits rewarding behavior. As such, given that Brockner and his colleagues focused on favorability in terms of the valence of fairness of outcomes, the present results extend these earlier findings to leadership behavior.

In addition, the finding that procedural fairness and rewarding leadership style interact aligns well with recent suggestions that both the leadership and the organizational-justice literature need to be integrated (e.g., De Cremer & Alberts, 2004; Pillai et al., 1999). Indeed, this common focus on fairness has been adequately put by Hollander (1985) when he noted that “a leader also may play a significant psychological part in group functioning, for example, ... by showing concern for them through the quality of fairness” (p. 487). Thus, the observation that a leadership style like rewarding behavior moderates the effects of procedural fairness points out that it is valuable for future research in organizational justice, where leadership behavior is typically not taken into account. However, more recently, organizational-justice researchers have started to look at leadership behavior, but then only in relation to interactional justice (e.g., Cropaanzo, Prehar, & Chen, 2002). Further, the recent findings are also important for leadership research, where procedural fairness is typically not taken into account by existing leadership theories (see Hollander, 1985; Pillai et al., 1999).

The finding that procedural fairness had more impact on people’s reports of self-esteem when the leader was high in rewarding behavior is consistent with the notion that both procedures and empowering leadership styles are assumed to have a profound impact on the development and strength of people’s sense of self (see Hypotheses 2 and 3). Enactment of fair procedures indicates to people that they are respected and valued by the enacting authority, and this information, in turn, positively influences their sense of self and identity (Tyler, 1999; Tyler & Lind, 1992). In a similar vein, rewarding behavior seems to be a specific instance of empowerment as it influences the management of followers’ self-concept and self-evaluation, such as self-confidence and self-esteem (Bass, 1998; Pearce & Sims, 2002). As such, the present findings indicate that leadership styles like rewarding behavior create a focus on the self (i.e., competence, self-confidence; see Conger, 2003; Sprecher, 1995), a situation that consequently will allow other self-relevant information like fair procedures to more strongly influence people’s sense of self-esteem. In line with this reasoning, it is therefore important that future research examines whether rewarding leadership indeed enhances people’s self-confidence and feelings of competence and whether these feelings may mediate the relationship between procedural fairness and rewarding leadership on self-esteem.

The present research also yields additional evidence for the proposition that rewarding leadership is an aspect of empowerment leadership (e.g., Pearce & Sims, 2002). To date, only correlational and anecdotal evidence exists to demonstrate that this type of leadership can be regarded as empowering the management and development of people’s self-concept. However, a clear understanding of the specific properties and causal relationships of this leadership style was missing. The present research demonstrates that providing compliments and motivating employees to reward themselves after successful performance indeed constitutes a valid element of empowerment, and the experimental evidence points to the fact that these elements influence people’s sense of self.

Regarding the validity of the present findings, an important strength of the present research is that it used a variety of research methods. Studies 1 and 2 yielded experimental evidence with high internal validity. A potential criticism of these studies is that they might be relatively low in external validity. However, the fact that Study 3, for which concerns about external validity pose less of a problem, also yielded support for our main prediction argues against this potential criticism. Conversely, Study 3 might be criticized (a) for being correlational in nature (i.e., rendering it mute in matters of causality) and (b) for the fact that all variables were assessed in a single questionnaire (i.e., making common-method variance a potential problem). Yet, in combination with the experimental design of Studies 1 and 2, these concerns are less of a threat to the overall conclusions of the present study.

Of course, the present research also has its limitations. Our experimental studies relied on a single operationalization of procedural fairness (Study 3, however, provided correlational evidence for multiple instances of procedural fairness), and it would therefore seem important to put our hypothesis to the test in other experimental studies using a broader range of behaviors relating to procedural fairness (see Brockner, Ackerman, & Fairchild, 2001, for a similar argument). It has, for instance, been suggested that the more interactional aspects of procedural fairness (cf. interactional fairness; Folger, 1993) may be more important in affecting people’s sense of self (Tyler, 1994). Exploring a broader range of procedural elements may help researchers determine the relative importance of different aspects of procedural fairness and may thus help to refine our theories of procedural fairness and the self.

It would also seem valuable to use a wider range of self-related variables. One very interesting variable with respect to people’s sense of self would be the concept of self-doubt (Oleson, Poehlmann, Yost, Lynch, & Arkin, 2000) and self-concept clarity (Campbell et al., 1996). Indeed, organizational scholars have recently argued that within organizations, people (and particularly newcomers) may feel uncertain about many issues, such as their standing and position within the work team, department, and organization as a whole (see, e.g., Kramer, 2001). This type of uncertainty, in turn, influences how coherent and strong people perceive their self-conception to be, that is, how they see themselves within the organization. Both measures of self-doubt and self-concept clarity are useful indicators of this type of uncertainty and therefore need to be included in future research to examine whether the combination of procedural fairness and rewarding leadership may affect these measures in the same way as it does with self-esteem.

Of course, the focus of the present research was on self-esteem, because current debates have highlighted the importance of employees’ sense of self in organizational practices, but it should not be ignored that both the procedural fairness and leadership literature also have important implications for other organizational outcomes like job satisfaction (e.g., Aryee, Budhwar, & Chen, 2002), organizational commitment (e.g., Brockner, Tyler, & Cooper-Schneider, 1992), performance (e.g., Douthitt & Aiello, 2001), organizational-citizenship behavior (e.g., De Cremer & van
Knippenberg, 2002), and turnover (e.g., Sprecher & Mishra, 2002). One may wonder whether the interaction between leadership styles and procedural fairness on these dependent measures may reveal similar results as it does with regard to people’s self-evaluations. We invite future researchers to build on Brockner’s (2002) finding that the interaction between procedures (e.g., voice vs. no voice) and outcome favorability (e.g., rewarding or not) may take a different form when the dependent measure is people’s self-evaluation than when the dependent measure is people’s attitude or behavior such as organizational commitment and performance. Specifically, it could be valuable to examine whether the interaction between procedural fairness and rewarding leadership also takes different forms as a function of the dependent measure under inquiry.

Overall, the major strength of the present research is that across three studies, evidence was found that leadership styles moderate the effect of procedural fairness on self-esteem. As such, the present research contributes necessary evidence that group and organizational means such as leadership have a significant impact on the effectiveness of organizational-justice practices. Future research may explore further the moderating influence of other empowerment leadership styles related to employees’ sense of self. Some of these styles may be the encouragement of self-development (Yukl, 1994) or participative goal setting (Locke & Latham, 1990; Pearce & Sims, 2002).

References


