

AN EXAMINATION OF THE ANTECEDENTS AND OUTCOMES OF PAY SATISFACTION AMONG RETAIL BUYERS

JAMES B. DECONINCK, Western Carolina University

MARY BETH DECONINCK, Western Carolina University

Pay satisfaction is one of the most important variables influencing employees' commitment to the organization. The study analyzed the effect of pay level and pay raise satisfaction on turnover among the sample of 428 retail buyers. The results indicated that both measures of pay satisfaction were related indirectly to turnover through organizational commitment. Distributive justice was a significant antecedent of pay satisfaction and withdrawal cognitions. Procedural justice, however, was related significantly only to pay raise satisfaction.

INTRODUCTION

Pay, and the satisfaction derived from one's pay, is one of the most important factors influencing employees' contribution to the organization (Gupta and Shaw 1998; Heneman and Judge 2000). According to Locke, Ferren, McCaleb, Shaw and Denny (1980), "No other incentive or motivational technique comes close to money" (p. 381). It has been used to encourage performance (Gardner, Van Dyne and Pierce 2004) and is correlated significantly to organizational commitment (Cohen and Gattiker 1994; Mathieu and Zajac 1990), and turnover intentions (Motowidlo 1983; Trevor, Gerhart and Boudreau 1997). While pay satisfaction is important to employees, research has indicated that many employees believe they are not being compensated fairly. For example, according to Heneman and Judge (2000), "Research has unequivocally shown that pay dissatisfaction can have important and undesirable impacts on numerous employee outcomes" (p. 85).

Although pay satisfaction has been linked to various outcomes, its relationship with turnover has been modest (Griffeth, Hom and Gaertner 2000). This finding may be due to the fact that pay satisfaction has been measured as a single

construct (Heneman and Judge 2000) even though research has found pay satisfaction to be multidimensional (DeConinck, Stilwell and Brock 1996; Heneman and Schwab 1985; Judge 1993; Vandenberghe and Tremblay 2008). For example, Miceli and Mulvey (2000) have stressed the importance of using multiple measures of pay satisfaction when investigating its relationship to outcomes. For example, is an employee's satisfaction with the level of pay or satisfaction with the amount of a pay raise more important in determining behavioral outcomes?

Another important issue is how pay satisfaction is related to organizational justice, specifically to distributive justice and procedural justice. Distributive justice, the perceived fairness in monetary outcomes has been shown to be an antecedent to pay and promotion satisfaction (DeConinck and Stilwell 2004; Folger and Konovsky 1989; McFarlin and Sweeney 1992). However, the relationship between procedural justice and pay satisfaction is less certain. Procedural justice refers to the process and procedures by which allocation decisions are made (Folger and Greenberg 1985; Lind and Tyler 1988). While distributive justice involves the perception of what an employee receives, procedural justice examines the employee's perception of how he or she was treated during the allocation process. Generally, research has found that procedural justice is more highly related to organizational outcomes such as supervisor satisfaction, organizational

commitment and organizational citizenship behavior than with personal outcomes such as pay and promotion (DeConinck and Stilwell 2004; Colquitt et al. 2001; Cohen-Charash and Spector 2001). However, some research indicates that procedural justice is a predictor of pay satisfaction, although it explains less variance than does distributive justice (McFarlin and Sweeney 1992; Miceli, Jung, Near and Greenberger 1991; Tekleab et al. 2005).

A possible reason that distributive justice has explained more variance in pay satisfaction than has procedural justice is the lack of using multiple dimensions of pay satisfaction in previous research. For example, Tekleab et al. (2005), using two samples of employees reported that both distributive justice and procedural justice were significant antecedents of pay raise satisfaction. However, only distributive justice was a significant predictor of pay level satisfaction in both studies. Thus, their results do indicate that procedural justice is an important variable explaining employees' satisfaction with at least certain aspects of pay satisfaction. Given the inconsistent results in the two studies, further research appears warranted to understand how both dimensions of organizational justice influence employees' satisfaction with pay.

This study has two purposes. First, this study will analyze how two dimensions of pay satisfaction (pay raise satisfaction and pay level satisfaction) are related to outcome variables (organizational commitment, turnover intentions, and turnover) among a sample of retail buyers. The second purpose of the study is to examine the relationship between two facets of organizational justice (distributive and procedural) and outcome variables with a specific emphasis on the relationship between justice and pay satisfaction. The hypotheses for this study appear in the literature review below.

LITERATURE REVIEW

Organizational Justice

For the last four decades, much research has been devoted to understanding how employees' perceived fairness influences their behavior (see Cohen-Charash and Spector 2001 and Colquitt et al. 2001 for literature reviews). Organizational justice, which involves employees' perceived fairness at work, primarily has been analyzed through two constructs – distributive and procedural justice. The early research concentrated on distributive justice – the perceived fairness of outcomes. The concept of distributive justice was introduced by Homans (1961). He argued that in an exchange relationship participants will expect to gain proportionally with their investments. Fairness arises when those expectations are met.

Adams (1965) extended Homans' (1961) work with his concept of equity theory. According to equity theory, people compare their input/output ratio to another person. The other person may be another employee working in a similar position within the organization or another organization. They compare what they receive from the organization (e.g., pay and promotion) in relation to what others receive. The perceived ratio of what an employee obtains from his/her job compared to what an employee puts into his/her job helps to determine equity or inequity. If the employee perceives that he or she is receiving an adequate reward given his or her input (e.g., education and seniority) in comparison to others, then a perception of fairness will exist. Inequity will exist in the reverse situation. Essentially the employee *reacts* to perceived pay equity or inequity. Although equity theory has been criticized, research generally has supported Adams theory (Byrne and Cropanzano 2001).

Procedural justice focuses on the process and procedures that are used to determine outcomes (Cropanzano and Schminke 2001). While distributive justice involves the perception of what an employee receives, procedural justice

examines the employee's perception of how he or she was treated during the allocation process. It often has been used to assess employees' perception of the fairness associated with hiring procedures, promotions, and performance appraisals (Colquitt et al. 2001; Folger and Cropanzano 1998; Folger, R. and Cropanzano, R., 1998. *Organizational justice and human resource management*. , Sage, Beverly Hills (CA).). Overall, research has found that people perceive the process as fairer when they are given a "voice" in the process versus a "mute" condition where they are not allowed input (Folger and Cropanzano 1998).

An important question concerns the relationship between distributive and procedural justice and facets of pay satisfaction. What is the relationship between pay raise and pay level satisfaction and organizational justice? An abundance of research has determined that distributive justice is related to dissatisfaction with outcomes such as pay and promotion (e.g., DeConinck and Stilwell 2004; Folger and Konovsky 1989; Sweeney and McFarlin 1993) while procedural justice has been linked to satisfaction with the supervisor (DeConinck and Stilwell 2004) and organizational commitment (Fields, Pang and Chiu 2000; Colquitt et al. 2001).

However, some research indicates that both distributive justice and procedural justice are related to pay satisfaction. For example, in their meta-analysis Williams, McDaniel and Nguyen (2006) concluded that "distributive justice was more strongly related ($p = .79$) to pay satisfaction than was procedural justice ($p = .42$)." However, both types of justice were correlated significantly with pay satisfaction. A recent study by Tekleab et al. (2005) provides further insight into the relationship between organizational justice and facets of pay satisfaction. These authors conducted two studies analyzing the relationship among distributive justice, procedural justice, pay raise satisfaction, pay level satisfaction, and turnover. In the first study involving 288 managers, procedural justice was related directly to both pay raise satisfaction and pay

level satisfaction. The same results were found for distributive justice. However, in the second study involving part-time MBA students, procedural justice was related significantly to only pay raise satisfaction while distributive justice was once again related significantly to both facets of pay satisfaction.

The literature review supports hypothesizing that distributive justice is related to pay satisfaction.

H₁: Distributive justice is related positively to pay satisfaction.

The relationship between procedural justice and pay satisfaction is less clear. One of the purposes of this study is to clarify the relationship between procedural justice and pay satisfaction. Since prior research has produced inconsistent results, a hypothesis will not be proposed. Rather, the following research question will be investigated.

R₁: What is the relationship between procedural justice and pay satisfaction?

Outcomes of Pay Satisfaction

Various studies have analyzed the outcomes of pay satisfaction. In particular, the results of three meta-analyses have found that pay satisfaction is related positively to organizational commitment (Cohen and Gattiker 1994; Mathieu and Zajac 1990; Meyer, Stanley, Herscovitch and Topolnysky 2002). With respect to the relationship between pay satisfaction and turnover intentions and turnover, Williams et al. (2006) reported that pay level satisfaction had a moderate relationship with turnover intentions ($p = -.31$) and a weaker relationship with voluntary turnover ($p = -.17$). Recently, Vandenberghe and Tremblay (2008) found that pay satisfaction was an indirect predictor of turnover intentions through organizational commitment. An examination of the literature supports the following hypothesis.

H₂: Pay satisfaction is related positively to organizational commitment.

Two additional hypotheses will be tested. Abundance of research supports that organizational commitment is an antecedent to turnover intentions while turnover intentions is as antecedent to turnover (Griffeth et al. 2000; Meyer et al. 2002; Williams et al. 2006). Thus, the following two hypotheses will be tested.

H₃: Organizational commitment is related positively to turnover intentions.

H₄: Turnover intentions are related positively to turnover.

METHODOLOGY

Sample Characteristics and Procedure

A similar procedure as used by Keaveney (1992) in her study of turnover among retail store buyers was employed in this study. A probability sample of 1800 retail store buyers employed by both small and large retailers dispersed throughout the United States was chosen from Sheldon's Retail Directory. This directory contained the names of approximately 30,000 retail buyers. The directory was six months old at the time the survey was sent to the retail buyers. A letter was sent to the 1800 retail buyers selected informing them of the purpose of the study and requesting them to participate. They were told that a second survey would be sent to them one year later to determine if their attitudes had changed. The procedure that was used to obtain respondents was as follows:

1. An introductory letter was sent stating the purpose of the survey and asking the buyers to participate in the study.
2. One week later, the survey accompanied with a cover letter was sent to the sample of 1800 buyers.
3. Two weeks later, a second copy of the survey along with a cover letter was sent to the sample of buyers.
4. Three weeks later, a reminder letter was sent to the sample of buyers.

A total of 428 buyers returned the survey (23.7 percent). The response rate was similar to the

response rate reported by Keaveney (1992) and other studies involving marketing employees (Ganesan and Weitz 1996; DeConinck and Stilwell 2004). At the end of one year, a telephone call was placed to the buyers who had returned a survey. A total of 307 buyers were found to still be working for their organizations. Twelve of these buyers, however, were no longer employed as buyers and were dropped from the study. Thus, 295 buyers were still employed in their respective jobs one year later (68 percent).

The average age of the buyers was slightly less than 39; they had worked for their present employer an average of 10.5 years; most of the buyers were Caucasian (415 buyers, 95 percent); slightly more than half were males (244, 56 percent) and the average household income was almost \$83,000. Approximately 58 percent of the buyers (253) were employed by chain stores.

Measures

Distributive justice was measured using the five item *Distributive Justice Index* developed by Price and Mueller (1986) ($\alpha = .95$). Retail buyers were asked to rate how fair their employers have been in rewarding them regarding their responsibility, education and training, effort, job stress, and the quality of their work. *Pay satisfaction* was measured using two dimensions taken from the *Pay Satisfaction Questionnaire* (PSQ) developed by Heneman and Schwab (1985). The two dimensions measured retail buyers' satisfaction with a pay raise (Four items) ($\alpha = .84$) and satisfaction with their level of pay (Four items) ($\alpha = .94$). The items were measured using a scale ranging from (1) very dissatisfied to (5) very satisfied. Except for turnover, all of the other items were measured using a Likert scale ranging from (1) strongly disagree to (5) strongly agree. *Withdrawal cognitions* (a buyer's intent to search and/or leave their job or the profession) were measured using three items developed specifically for this study ($\alpha = .91$). *Affective organizational commitment* was

measured using the 6-item version of the scale developed by Meyer, Allen and Smith (1993) ($\alpha = .85$). *Procedural justice* was measured using seven items from the planning and feedback factors developed by Folger and Konovsky (1989) ($\alpha = .92$). Turnover was measured as a dichotomous variable. It was coded 1 for retail buyers employed one year after the questionnaire was administered and 2 for buyers who left their jobs.

Statistical Analyses

The data were analyzed using the LISREL 8 program (Jöreskog and Sörbom 2005). Before analyzing the structural models, the fit of a confirmatory factor analytic (CFA) model to the observed data was evaluated to determine if the items loaded on their respective scales. With the exception of turnover, the items were used as indicants of the latent variables.

RESULTS

Confirmatory Factor Analysis Model

The first step in analyzing the data was to conduct a confirmatory factor analysis (CFA) of the variables. The results of the CFA indicated a good model fit ($\chi^2 = 688.29$, $df = 385$, $p = .00$, GFI = .86, AGFI = .83, NFI = .97, CFI = .98, RMSEA = .053). The loadings estimates ranged from .70 to .78 for pay raise satisfaction; .93 to .96 for pay level satisfaction; .83 to .92 for distributive justice, .78 to .84 for organizational commitment; .77 to .88 for procedural justice, and .90 to .96 for withdrawal cognitions.

An examination of the modification indices indicated that one of the procedural justice items (the item appears in Appendix A) loaded highly on one or more other scale items and was dropped. The data were analyzed again with the deletion of that variable. Deleting this item improved χ^2 by 92.15 ($\chi^2 = 596.14$, $df = 357$, $p = .00$, GFI = .87, AGFI = .84, NFI = .97, CFI = .99, RMSEA = .049).

Structural Model

The next step in analyzing the data was to test the hypothesized model. The results indicated a very good fit by most indices ($\chi^2 = 635.99$, $df = 367$, $p = .00$, GFI = .86, AGFI = .84, NFI = .97, CFI = .98, RMSEA = .051). The results indicated support for all of the hypotheses. According to H₁, distributive justice is related positively to pay satisfaction. Distributive justice was an antecedent to both pay raise satisfaction ($\beta = .75$, $t = 9.54$, $p < .01$) and pay level satisfaction ($\beta = .61$, $t = 10.08$, $p < .01$). The results indicated support for H₂. Both pay raise satisfaction ($\beta = .44$, $t = 4.79$, $p < .01$) and pay level satisfaction ($\beta = .16$, $t = 2.26$, $p < .01$) were related positively to organizational commitment. Hypotheses 3 and 4 also were supported. Organizational commitment was related negatively to withdrawal cognitions ($\beta = -.66$, $t = 11.05$, $p < .01$) while withdrawal cognitions were related positively to turnover ($\beta = .75$, $t = 9.54$, $p < .01$).

The research question investigated the relationship between procedural justice and pay raise satisfaction. Partial support was found for procedural justice being related significantly to pay raise satisfaction. A significant relationship was found between procedural justice and pay raise satisfaction ($\beta = .16$, $t = 2.92$, $p < .01$). However, a significant relationship was not found between procedural justice and pay level satisfaction ($\beta = .04$, *NS*). The results indicate that a retail buyer's most recent pay raise but not his or her level of pay determines the perception of the fairness of the process by which rewards are allocated.

The modification indices indicated that one path could be added to improve the model's fit. This path was from distributive justice to withdrawal cognitions ($\beta = -.22$, $t = 3.53$, $p < .01$). Thus, distributive justice is related indirectly to turnover through both pay raise satisfaction and withdrawal cognitions.

CONCLUSIONS

The purpose of this study was to analyze the relationship among organizational justice, pay satisfaction, organizational commitment, withdrawal cognitions, and turnover among a sample of retail buyers. The results have several important implications. First, these results indicate the importance of organizational justice in determining retail buyers' satisfaction with their pay. Both distributive justice and procedural justice were related significantly to pay satisfaction. Retail buyers will perceive greater pay satisfaction when they believe that rewards are distributed fairly given their efforts, educational level, and responsibilities.

The research in this study both supports and contradicts prior research. As was been reported in previous research (e.g., DeConinck and Stilwell 2004; Folger and Konovsky 1989; Sweeney and McFarlin 1993), distributive justice was related to both pay raise and pay level satisfaction. However, contrary to the results reported by Tekleab et al. (2005), distributive justice has a slightly stronger relationship with pay raise satisfaction than does pay level satisfaction. However, both measures of pay satisfaction were highly significant outcomes of distributive justice.

While prior research has indicated a significant relationship between distributive justice and pay satisfaction, few studies have examined the relationship between procedural justice and pay satisfaction. An interesting finding is that the process by which allocation decisions are made (procedural justice) was related significantly to only retail buyers' satisfaction with a pay raise and not their pay level satisfaction. The results indicate that the supervisor indirectly impacts turnover among retail buyers by the method by which the performance appraisal is conducted. Thus, by using consistent standards, being candid and fair, and providing feedback, the supervisor can increase a retail buyer's satisfaction with the pay raise decision. However, these same methods will not have an influence retail buyers' satisfaction with their

level of pay. The results in this study partially support the findings from prior research (Tekleab et al. 2005). Perhaps the economy or other factors have a greater impact on pay level satisfaction than does the method in which the supervisor conducts the performance appraisal. Future research needs to ascertain the reasons why only one facet of pay satisfaction (pay raise satisfaction) is related significantly to procedural justice.

In this study, the effect of pay satisfaction on withdrawal cognitions and turnover was indirect through organizational commitment. This study's results confirm the findings reported by Griffeth et al. (2000) in their meta-analysis of turnover that the relationship between pay satisfaction and turnover is mediated by other variables. However, the results contradict the results reported by Tekleab et al. (2005). In their study Tekleab et al. (2005) reported a direct link between pay satisfaction and turnover intentions. But, in the Tekleab et al. (2005) study, organizational commitment was excluded. Thus, the mediation effect of organizational commitment was not measured. The results from this study and the one conducted by Tekleab et al. (2005) indicate the need for additional research to clarify the relationship among pay satisfaction, organizational commitment, and turnover intentions/turnover.

One of the most interesting findings was the direct relationship between distributive justice and withdrawal cognitions. The results indicate the important role that perceptions of distributive fairness play in determining withdrawal cognitions of retail buyers. Given the significant relationship between distributive justice and both pay satisfaction and withdrawal cognitions, understanding the reasons for a perception of distributive justice/injustice is important if organizations want to control turnover.

In summary, this study has shown the importance of organizational justice and pay satisfaction in the turnover process. Although the results provide important insights into

understanding turnover, several limitations exist. First, the study was limited to examining only two facets of procedural justice. Future research needs to include interactional justice, the interpersonal treatment or the level of perceived fairness in how employees are treated in the organization, and determine its relationship to pay satisfaction. In addition, the scope of the study was limited to examining only pay satisfaction. Including other facts of job satisfaction (e.g., supervisor and promotion satisfaction) may provide more information to assist organizations in controlling turnover among retail buyers.

REFERENCES

- Adams, J. Stacy. (1965), "Inequity in Social Exchange," in L. Berkowitz (Ed.), *Advances in Social Psychology*, New York, NY: Academic Press, 267-299.
- Byrne Zinta S. and Russell Cropanzano (2001), "The History of Organizational Justice: The Founders Speak," in Russell Cropanzano (Ed.), *Justice in the Workplace: From Theory to Practice* vol 2, Mahwah, NJ: Lawrence Erlbaum Associates, 3-26.
- Cohen Aaron and Urs E. Gattiker (1994), "Rewards and Organizational Commitment Across Structural Characteristics: A Meta-Analysis," *Journal of Business & Psychology*, Vol. 94, pp. 137-157.
- Cohen-Charash Y. and Paul E. Spector (2001), "The Role of Justice in Organizations: A Meta-Analysis," *Organizational Behavior and Human Decision Processes*, Vol. 86, pp. 278-321.
- Colquitt Jason A., Michael J. Wesson, Christopher O. L. H. Porter, Donald E. Conlon and K. Yee Ng (2001), "Justice at the Millennium: A Meta-Analytic Review of 25 years of Organizational Justice Research," *Journal of Applied Psychology*, Vol. 86, pp. 425-445.
- Cropanzano, Russell and Marshall Schminke (2001), "Using Social Justice to Build Effective Work Groups," in M. R. Turner (Ed.), *Groups at Work: Theory and Research*, Mahwah, NJ: Lawrence Erlbaum Associates, pp. 143-172.
- DeConinck James B. and C. Dean Stilwell (2004), "Incorporating Organizational Justice, Role States, Pay Satisfaction and Supervisor in a Model of Turnover Intentions," *Journal of Business Research*, Vol. 57, pp. 225-231.
- DeConinck, James B., C. Dean Stilwell and Baird A. Brock (1996), "A Construct Validity Analysis of Scores on Measures of Distributive Justice and Pay Satisfaction," *Educational and Psychological Measurement*, Vol. 56, pp. 25-231.
- Fields Dail, Mary Pang and Catherine Chiu (2000), "Distributive and procedural justice as predictors of employee outcomes in Hong Kong," *Journal of Organizational Behavior*, Vol. 21, pp. 547-562.
- Folger, Robert and Russell Cropanzano (1998), *Organizational Justice and Human Resource Management*. Beverly Hills, CA: Sage.
- Folger Robert and Jerald Greenberg (1985), "Procedural Justice: An Integrative Analysis of Personnel Systems," in K. M. Rowland and G. R. Ferris (Eds.), *Research in Personnel and Human Resources Management* vol. 3, Greenwich, CT: JAI, pp. 141-183.
- Folger, Robert, and Mary A. Konovsky (1989), "Effects of Procedural and Distributive Justice on Reactions to Pay Decisions," *Academy of Management Journal*, Vol. 32, pp. 115-130.
- Ganesan Shankar and Barton A. Weitz (1996), "The Impact of Staffing Policies on Retail Buyer Job Attitudes and Behaviors," *Journal of Retailing*, Vol. 72, pp. 31-56.
- Gardner, Donald G., Linn Van Dyne and Jon L. Pierce (2004), "The Effects of Pay Level on Organization - Based Self-esteem and Performance: A Field Study," *Journal of Occupational & Organizational Psychology*, Vol. 77, pp. 307-322.
- Griffeth, Rodger W., Peter W. Hom and Stefan Gaertner (2000), "A Meta-Analysis of Antecedents and Correlates of Employee Turnover: Update, Moderator Tests, and Research Implications for the Next Millennium," *Journal of Management*, Vol. 26, pp. 463-488.

- Gupta Nina and Jason D. Shaw (1998), "Let the Evidence Speak: Financial Incentives are Effective!" *Compensation and Benefit Review*, Vol. 30, pp. 28-32.
- Heneman, Herb G. and Timothy A. Judge (2000), "Incentives and Motivation," in S. Rynes and B. Gerhart (Eds.), *Compensation in Organizations: Progress and Prospects*. San Francisco, CA: New Lexington Press, pp. 61-103.
- Heneman, Herb G. and Donald P. Schwab (1985), "Pay Satisfaction: Its Multidimensional Nature and Measurement," *International Journal of Psychology*, Vol. 20, pp. 129-141.
- Homans, George C. (1961), *Social Behaviour: Its Elementary Forms*. London: Routledge & Kagan Paul.
- Jöreskog Karl G. and Dag Sörbom (2005), *LISREL 8: Structural Equation Modeling With the SIMPLIS Command Language*. Chicago, IL: Scientific Software International.
- Judge, Timothy A. (1993), "Validity of the Dimensions of the Pay Satisfaction Questionnaire: Evidence of Differential Prediction," *Personnel Psychology*, Vol. 46, pp. 461-466.
- Keaveney, Susan M. (1992), "An Empirical Investigation of Dysfunctional Organizational Turnover among Chain and Non-chain Retail Buyers," *Journal of Retailing*, Vol. 68, pp. 145-173.
- Lind, E. A. and T. R. Tyler (1998), *The Social Psychology of Procedural Justice*. New York, NY: Plenum.
- Locke, E. A., D. B. Feren, V. M. McCaleb, K. N. Shaw and A. T. Denny (1980), "The Relative Effectiveness of Four Models of Motivating Employee Performance," in K. D. Duncan, M. M. Gruneberg, and D. Wallis (Eds.), *Changes in Working Life*, New York, NY: Wiley, pp. 363-388.
- Mathieu, John E. and Dennis M. Zajac (1990), "A Review and Meta-Analysis of the Antecedents, Correlates, and Consequences of Organizational Commitment," *Psychological Bulletin*, Vol. 108, pp. 171-194.
- McFarlin, Dean B. and Paul D. Sweeney (1992), "Distributive and Procedural Justice as Predictors of Satisfaction with Personal and Organizational Factors," *Academy of Management Journal*, Vol. 35, pp. 626-637.
- Meyer, John P., Natalie J. Allen and Catherine A. Smith (1993), "Commitment to Organizations and Occupations: Extension and Test of a Three-Component Conceptualization," *Journal of Applied Psychology*, Vol. 78, pp. 538-551.
- Meyer, John P., David J. Stanley, Lynne Hersovitch and Laryssa Topolnytsky (2002), "Affective, Continuance, and Normative Commitment to the Organization: A Meta-Analysis of Antecedents, Correlates, and Consequences," *Journal of Vocational Behavior*, 61, pp. 20-52.
- Miceli, Marcia P. and Paul W. Mulvey (2000), "Consequences of Satisfaction with Pay Systems: Two Field Studies," *Industrial Relations*, Vol. 39, pp. 62-86.
- Miceli, Marcia P., Iljae Jung, Janet P. Near and David B. Greenberger (1991) "Predictors and Outcomes of Reactions to Pay-for-Performance," *Journal of Applied Psychology*, Vol. 76, pp. 508-521.
- Motowidlo, Stephan J. (1983), "Predicting Sales Turnover from Pay Satisfaction and Expectation," *Journal of Applied Psychology*, Vol. 68, pp. 484-489.
- Price James L. and Charles W. Mueller (1986), *Absenteeism and Turnover Among Hospital Employees*, Greenwich, CT: JAI Press.
- Sweeney, Paul D. and Dean B. McFarlin (1993), "Workers' Evaluations of the Ends and the Means: An Examination of Four Models of Distributive and Procedural Justice," *Organizational Behavior and Human Decision Processes*, Vol. 55, pp. 23-40.
- Tekleab, Amanuel, Kathryn M. Bartol and Wei Liu (2005), "Is it Pay Levels or Pay Raises that Matter to Fairness and Turnover?" *Journal of Organizational Behavior*, Vol. 26, pp. 899-201.

- Trevor, Charlie O., Barry Gerhart and John W. Boudreau (1997), "Voluntary Turnover and Job Performance: Curvilinearity and the Moderating Influences of Salary Growth," *Journal of Applied Psychology*, Vol. 82, pp. 44-61.
- Vandenberghe, Christian and Michel Tremblay (2008), "The Role of Pay Satisfaction and Organizational Commitment in Turnover Intentions: A Two – Sample Study," *Journal of Business and Psychology*, Vol. 22, pp. 275-286.
- Williams, Margaret L., Michael A. McDaniel and Nhung T. Nguyen (2006), "A Meta – Analysis of the Antecedents and Consequences of Pay Level Satisfaction," *Journal of Applied Psychology*, Vol. 91, pp. 392-413.

APPENDIX A

Withdrawal Cognitions¹

1. Within the next six months, I would rate the probability of leaving my job as high.
2. Within the next 6 months, I intend to search for another job.
3. Within the next year, I intend to quit my job for a similar job.

Organizational Commitment¹

1. I would be very happy to spend the rest of my career in this organization.
2. I really feel as if this organization's problems are my own.
3. I do not feel like "part of the family" at my organization. (R)
4. I do not feel "emotionally attached" to this organization. (R)
5. This organization has a great deal of personal meaning for me.
6. I do not feel strong sense of belonging to my organization. (R)

Procedural Justice¹

1. During my last performance appraisal, my supervisor was honest and ethical in dealing with me.
2. During my last performance appraisal, my supervisor used consistent standards when evaluating my performance.
3. During my last performance appraisal, my supervisor did not show a real interest in trying to be fair.
4. During my last performance appraisal, my

supervisor was completely candid and frank with me.

5. During my last performance appraisal, my supervisor gave me feedback that helped me learn how well I was doing.
6. During my last performance appraisal, my supervisor discussed plans or objectives to improve my performance.⁴
7. During my last performance appraisal, my supervisor and I discussed ways to resolve difficulties about my duties and responsibilities.

Distributive Justice²

1. How fair has your company been in rewarding you when you consider the responsibilities you have?
2. How fair has your company been in rewarding you when you consider the amount of effort that you have put forth?
3. How fair has your company been in rewarding you when you take into account the amount of education and training that you have?
4. How fair has your company been in rewarding you when you consider the stresses and strains of our job?
5. How fair has your company been in rewarding you when you consider the work that you have done well?

Pay Level Satisfaction³

1. My current salary
2. My overall level of pay
3. Size of current salary
4. My take-home pay

Pay Raise Satisfaction³

1. My most recent pay raise
2. How my raises are determined
3. The raises I have typically received in the past
4. The company's pay structure

¹Items measured on a scale ranging from (1) strongly disagree to (5) strongly agree.

²Items measured on a scale ranging from (1) very unfair to (5) very fair.

³Items measured on a scale ranging from (1) very dissatisfied to (5) very satisfied.

⁴Item deleted after CFA analysis.