

EQUITY, EQUALITY, POWER, AND CONFLICT

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Although equity theory has dominated the conception of justice in organizational relations, equality also shapes justice expectations and behaviors. Therefore, there are two basic and, in principle, inevitable pressures toward conflict: (a) one stems from equity violations and results in overt conflict involving attempts to restore justice and (b) the other stems from equality violations and results in nondirected conflict that is symptomatic of decreased social cohesiveness. Power shapes distributive orientations, and, therefore, it is an important determinant of conflict pressures. A framework linking distributive justice principles, power, and conflict is advanced and used to suggest a new perspective on issues of organizational strategy.

It is now more than 20 years since a theory regarding distributive justice, that is, equity theory (Adams, 1965; Homans, 1961), made a major contribution to the field of organizational behavior (OB). The goal of this article is to apply distributive justice concepts to the analysis of an important organizational phenomenon that has been mainly ignored—interpersonal conflict (Adams & Freedman, 1976). Initially, these ideas are developed in relation to interpersonal conflict, but they could apply to the more general understanding of conflict in organizations. Although justice researchers have ignored the conflict implications of distributive justice, conflict researchers in the OB tradition have, in turn, failed to consider distributive justice issues as an important source of antecedent conflict conditions in organizations.

In his classic review, Pondy (1967) noted that even though conflict could be separated into a number of different phases such as antecedent conditions, perceptions, and behavior, it ultimately had to be understood in terms of the interaction among these different phases (see also Kochan & Verma, 1983). Despite his case, conflict research in the field of OB has focused primarily on conflict attitudes and behaviors, mainly ignoring antecedent conditions and how these shape cognitions and behavior (cf. Thomas, 1976). This situation can be mainly attributed to an absence of integrative and theoretical frameworks; it is the goal of this article to describe a framework

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that relates antecedent conflict conditions to different forms of conflict behavior by drawing on concepts from the field of distributive justice.

JUSTICE PRINCIPLES IN ORGANIZATIONS: RELATION TO ANTECEDENT CONDITIONS

Centrality of Justice

In keeping with Deutsch's work (1985: 31), distributive justice is viewed in this article as being concerned not simply with the distribution of economic goods, but with the distribution of conditions and goods that affect well-being, which includes psychological, physiological, economic, and social aspects. Distributive justice, although not the only source of conflict in organizations, is a general theme that permeates many aspects of organizational behavior (cf. Organ, 1990). Certainly there is evidence that justice or fairness issues are relevant to people's judgments in a number of areas besides that of pay satisfaction, including work values (Ravlin & Meglino, 1987), status relations (Greenberg, 1987a), attitudes toward unions and management (Fryxell & Gordon, 1989), evaluation of mediators in interpersonal conflicts (Karambayya & Brett, 1989), organizational citizenship behavior (Organ, 1988), and general job satisfaction (Organ, 1990). Thus, distributive justice issues and principles are considered as deep structures or currents within organizations which, even though they may not be dominant issues within a specific conflict situation, play an important role in shaping an overall pattern of both conflict sources and people's cognitions about conflict. Therefore, the importance of distributive justice as a source of conflict in organizations not only stems in part from its status as a fundamental human issue (e.g., Lerner, 1977), but it also stems from the fact that organizations use different and even competing distributive rules.

Social Context and Distributive Principles

This article will emphasize two of the main distributive rules—equity and equality (cf. Meindl, 1989). Although empirical research suggests that equity is the only rule of distributive justice used by people in organizations, justice theorists and researchers (e.g., Deutsch, 1975, 1985; Leventhal, 1976; Reis, 1986a; Sampson, 1986) now agree that people use a variety of principles or values as the basis for distributing outcomes. Equity, equality, and a number of other distributive rules (e.g., need) are called on, depending on the nature of the social context or the form of social interdependence that is involved. Deutsch (1985: 38–45) analyzed how the use of equity and equality as distributive rules tends to be associated with different social contexts and psychological orientations, and a brief summary of this analysis follows.

In cooperative relations within which economic productivity is a primary goal, equity rather than equality tends to be the chief principle of distributive justice. People who have task-directed relationships tend to adopt rules that allocate scarce resources between different members in ways that maximize overall productivity and efficiency within the relation-

ship. These rules are oriented toward discovering differences between the members both in terms of their potential to contribute and their actual contribution. In order to encourage and reward the contributions of the most able, outcomes are distributed according to input (i.e., equitably). The members of an economic relationship are ultimately substitutable because the relationship is viewed impersonally and instrumentally rather than as a unique, social combination (Deutsch, 1985: 88–91). Although some people's skills or talents may make them relatively more difficult to replace, they are nevertheless in principle replaceable by somebody with the requisite skills and talents rather than in principle irreplaceable because they are part of a unique relationship. Integration is achieved through focusing on goals or ends, and it is based on task achievement rather than positive, interpersonal feelings. Therefore, the dominant distributive value within an economically directed relationship tends to be equity, and the *cognitive, motivational, and moral orientations* (Deutsch, 1985) of the parties in the relationship are congruent with this emphasis on differentiating between each other in terms of inputs and outcomes. At first glance this analysis may seem to justify the preoccupation of organizational researchers with equity; however, such a conclusion is inappropriate.

In relations in which the fostering or maintenance of enjoyable social relations is the common goal, equality tends to be the dominant distributive principle. Equality signifies that the different members of a relationship have equal value as individuals, which creates the optimum conditions for the maintenance of mutual self-esteem. Equality of outcomes emphasizes members' "common fate," thus promoting solidarity. The orientation of "relationship as its own goal" is noninstrumental because the source of actions is based on a person's sense of his or her relationship with the other person, rather than on a judgment of that person's contribution (Deutsch, 1985: 88–91). Although an egalitarian orientation is congruent with such relationships, equity tends to undermine the psychological frame that is consistent with the maintenance of good social relations.

Therefore, under different kinds of social relations (or forms of interdependence) people tend to adopt different kinds of distributive rules and interpersonal orientations that are congruent with these distributive rules. However, though justice-based researchers tend to differentiate between task-oriented and socially oriented relationships, the tradition within OB is to consider organizations as comprising both kinds of relations.

Organizations as Task and Social Systems: Opposing Justice Principles

As Polley (1987) observed, there is a remarkable convergence within the field of OB around the notion that organizations are comprised of two major goal-directed systems or functions. Theorists in fields as diverse as leadership (Fiedler, 1967; Yukl, 1981), the analysis of role structure in groups (Bales, 1955), and organizational theory (Emery & Trist, 1969; Katz & Kahn, 1978) have identified these two fundamental issues within organizations, which they have variously called task and person, technical and social, task

and socioemotional, production-orientation and employee-orientation, initiating structure and consideration, and so on.

In keeping with Katz and Kahn's (1978) theory, the two subsystems are described here as follows. The production or technical subsystem is concerned with task accomplishment or energy transformation within the organization. Its fundamental dynamic is directed by considerations of economic efficiency and effectiveness. In contrast, the main function of the maintenance subsystem is to maintain and preserve the arrangement of roles or relationships created by the production subsystem. Its fundamental dynamic here is the maintenance of cohesiveness, solidarity, or a sense of common fate among system members.

It is worth pointing out that the production-maintenance dichotomy is an abstraction; it is not strictly equated with tasks and people per se. The central issue is: What is the main goal being sought in a particular context? An economic one or a relational one? Some social relations may be designed or evolve according to a "task logic" or task demands, and these do not result in a sense of mutual solidarity or identification among members of the relationship, whereas other relations develop according to a "social logic" or needs; that is, they involve a sense of mutuality and of a common fate. Similarly, some tasks are carried out according to a social logic rather than a task logic. As Vroom and Yetton (1972) observed, when the maintenance of group cohesiveness is the main consideration in a task situation, then the most appropriate decision process to adopt is one that emphasizes group members' equality rather than one that, following task logic, differentiates between group members in terms of their task expertise or knowledge.

Thus, in distributive terms, organizations are not simply equity-oriented systems. Rather, they are distributively complex or mixed systems (cf. Organ, 1988) that involve the use of *opposing* equity and equality rules in pursuit of *joint* goals of task performance and social cohesiveness.

Evidence for Use of Equity and Equality Principles in Organizations

Reviews of equity research (e.g., Hatfield & Sprecher, 1984; Mowday, 1983) have generally confirmed the importance of equity as a distributive rule in organizations. This article does not dispute such evidence; however, the contention here is that equity does not constitute the sole or universal distributive principle in organizations. To support this contention, several studies are reviewed that indicate that the distribution of organizational rewards is reliably influenced by factors other than people's inputs or contributions, including the nature of organizations' social systems and that managers' distributions of rewards are not solely based upon equity.

Pfeffer and Langton (1988) examined the factors affecting wage dispersion (i.e., inequality) in 1,805 academic departments in 303 U.S. colleges and universities. They hypothesized that salary inequality is positively affected by equity-related variables (i.e., variation in task inputs) but negatively influenced by the social context, specifically the extent of social cohe-

siveness or solidarity within departments. Consistent with the predictions of equity theory, they found that greater variation in human capital (education and experience) was associated with greater wage dispersion. They also observed that decreasing departmental size and increasing social contact and interaction among departmental members decreased wage inequality, independently of the variation in inputs.

Pfeffer and Langton's (1988) results provide fairly impressive evidence for the influence of the social system on the nature of distributive rules and the distributively complex nature of organizations. Their data came from a large sample of actual organizations rather than the more typical laboratory setting; the size of the effects they found in the study were substantively important, but perhaps most important, their results fit quite closely with theoretically based predictions that were controversial in terms of the dominant theory in the field (i.e., equity). However, Pfeffer and Langton (1988) did not measure directly the nature of allocators' distributive rules; these were inferred from the actual patterns of allocations. This inference raises the question of whether allocators consciously used different distributive rules or whether the allocations reflected the influence of factors that were unrelated to distributive justice concerns (cf. Reis, 1986a). Nevertheless, several other studies have measured the extent to which organizational decision makers consciously used different distributive rules to make their allocations.

Martin and Harder (1988) reported several case studies (vignettes) in which they predicted that allocators (managers) would use the equity rule to allocate economic rewards (e.g., profit sharing) and the equality or need rule for socioemotional rewards (e.g., friendliness); they also predicted that allocators would counterbalance extreme wage inequality by relying more on equality/need rules in distributing noneconomic rewards. The results clearly supported their first prediction—allocators used and endorsed different decision rules for different rewards, but their decisions were not affected by the degree of wage inequality. Thus, Martin and Harder's (1988) results offer further support for the view that the equality principle influences reward allocation in organizational settings and that allocators consciously employ different distributive rules.

Perhaps the most comprehensive study to date regarding the way different distributive principles are used by managers was reported by Meindl (1989), who also used a case study (vignette) approach. Meindl's (1989) study produced three main findings. Consistent with previous research, allocators varied the distributive principles they employed according to the context or goals that they were seeking. Equity was the preferred principle when productivity was emphasized, and equality was chosen when solidarity was the goal. Next, justice tended to be equated with equity and therefore with the goal of productivity; that is, when allocators were asked to maximize justice by their allocations, their allocation patterns most closely resembled those found under the "maximize productivity" goal condition. Finally, when confronted by incongruent goals (e.g., solidarity and produc-

tivity) and/or incongruent goal and structural conditions (e.g., justice and high interdependence) managers relied on equality rather than equity. Notably, under no conditions in Meindl's (1989) study did allocators' distributions perfectly match either equity or equality, which suggests that there are few, if any, conditions under which organizational decision makers rely solely on one rule or are willing to neglect totally either equity or equality considerations.

Therefore, it is concluded that the preoccupation of distributive justice research with equity, although not wrong, has been too narrow. Organizations are both task and social systems that involve simultaneous pressures for economic performance and the maintenance of social cohesion. The distributive principles that people adopt when trying to achieve these two goals are different and, indeed, inimical to each other. Therefore, it is not a question of "Will there be conflict pressures related to distributive issues?" Rather, it is questions of "What form will these pressures take? Will they be more or less equity-driven, more or less equality-driven?"

DISTRIBUTIVE RULES: THEIR RELATION TO CONFLICT BEHAVIOR

The most straightforward implication of this dual-justice view of organizations is that there are inherent and unavoidable pressures toward distributive conflict within organizations. If the requirements of one principle are met to a great extent, the requirements of the other will be met to a lesser extent. This is not to say that there is continuous, overt conflict or even cognitions of conflict in relation to distributive issues within organizations, but rather to suggest that there must exist structural (e.g., formal reward systems) and psychological (e.g., norms, beliefs) mechanisms within organizations to "manage" the inherent conflict pressures. A second and no less important implication is that two quite different conflict pressures can arise from the violation of equity and equality rules.

It has been argued that equity emphasizes productivity, whereas equality emphasizes cohesion. Therefore, it is suggested that violations of these two principles also have different conflict implications. Other factors being equal, inequity results in attempts by inequitably treated parties to change their inputs or outcomes, either in reality or cognitively. In contrast, inequality produces changes in the social relationship but may not result in direct attempts to change task inputs or outcomes. Unfortunately, despite the extensive research that has been conducted, mostly within an equity theory framework, there appear to be no direct tests of these propositions. Empirical evidence regarding this issue is suggested in a later section of this article, but at this point the importance of how power shapes people's distributive orientations and, consequently, how it shapes the pressures toward conflict that these people will experience is considered.

How Power Shapes Distributive Orientations

Homans (1976: 23) suggested that power is the "more primitive phenomenon" underlying distributive justice. Despite Homans's (1976) view,

the topic of power has been mainly ignored in distributive justice research (Cook & Hegtvedt, 1986). In keeping with most current concepts (e.g., Astley & Sachdeva, 1984; Emerson, 1962; French & Raven, 1959; Pfeffer, 1981) power is viewed in this article as being based on dependence: A has power over B to the extent that B depends on A to supply B with outcomes (or resources) that B values and for which B has no alternative source of supply. However, even though power develops because of the critical resources that a person or group controls, over time it can become institutionalized (Boeker, 1989; Lachman, 1989; Pfeffer, 1981; Salancik & Pfeffer, 1977); therefore, power is not directly equivalent with the extent of a person's or groups' resources or inputs (in equity terms). Nevertheless, power exerts an important influence on how both strong and weak parties view their respective contributions and the nature of their distributive orientations.

Distributive Orientations and Conflict Behavior in Unequal Relations

In relationships in which power is unequal, roles tend to become differentiated. At the very least, a party who has more power makes more attempts to influence a party who has less power, and vice versa, and the influence attempts of more powerful parties also tend to be more successful. In general, powerful persons communicate more and receive more communications than persons who are less powerful (Shaw, 1981). Besides being the target of more communications, powerful persons are the recipients of more deferential and more positive communications (Mulder, 1977; Shaw, 1981). Powerful parties also attribute more of the contributions made by a weaker party to their own influence, and, therefore, tend to discount the contributions of the weaker party (Kipnis, 1976). Thus, powerful persons are more active in pursuing their goals and feel justified in gaining a larger share of outcomes than weaker parties. They have higher self-esteem because they receive positive, flattering communications, while they, in turn, send fewer positive messages. In summary, strong and weak parties differ in terms of their sense of dependence, entitlements, contributions, and self-worth.

Such fundamentally differentiated relationships orient their members toward a distributive rule that also emphasizes differentiation, that is, equity. Application of the equity rule, in turn, reinforces weak and strong members' beliefs about their respective worths and entitlements and their perceived capacity to satisfy their desires. In such a power-induced, psychological frame, weak members are less likely to perceive "objective" violations of equity by a strong party as equity violations because distributions "favoring" the strong party are generally viewed as fair. Instead, any distributive frustrations on the part of the weak party are likely to be interpreted as a result of the inequality between the parties. Bies (1987) suggested that even when weak parties do develop a sense of distributive injustice (i.e., inequity) strong parties are in a favorable position to provide *social accounts* that justify outcomes that could otherwise be seen as unjust, thus reducing the sense of injustice. Therefore, in power-differentiated relations, weaker

parties are less likely to develop or sustain cognitions of injustice, and their motivation for action may be difficult to develop or sustain because of contrary social accounts, perceived inequality, and low self-esteem. For weak members, the result is frustration and decreased involvement in the relationship, but not overt conflict to change outcomes.

This form of behavior is called *nondirected conflict* (Edwards & Scullion, 1982). It represents behavior that reflects frustration and resentment; it is detrimental to another party's interests, but is not deliberately aimed at harming another party's interests or at a specific conflict issue or remedy. Nondirected conflict is similar to what has been termed *neglect* (Withey & Cooper, 1989). Neglect has been characterized as "putting in less effort, not working at a relationship, and letting it fall apart" (Withey & Cooper, 1989: 522). Therefore, both nondirected conflict and neglect identify a form of unfocused conflict behavior that involves partial psychological withdrawal from or a low level of commitment to a social relationship, rather than attempts to modify distributive outcomes within the relationship.

Distributive Orientations and Conflict Behavior in Equal Relations

Although relationships of equal power can be described simply as the opposite of relationships of unequal power, it is more useful to conceptualize them as being based on reciprocity (Eckhoff, 1974). In reciprocal relations, each party's contributions are tied to those of the other party's. Quantity and quality of communications tend to be balanced and similar; for example, a party who gives positive evaluations to a peer tends to receive positive evaluations in return, so that the self-esteem of each party becomes positively correlated (Deutsch, 1985). Even though they are egalitarian in their orientation, equal relationships also are conducive to conflicts about equity. Equal parties in a secure relationship feel free to disagree about many issues, including the most efficient way to allocate their joint resources, who contributed most to a particular outcome, whether some inputs are more, or less, important for achieving certain outcomes, and so on (cf. Pruitt & Rubin, 1986). Because neither party is dependent on the other, both parties are more prone to question the nature of one another's contributions. In a sense, *negotiation*, rather than *allocation*, becomes the process for achieving distributive justice. People who have equal relationships may question and disagree about their respective contributions and outcomes, but they do this within a cohesive social relationship that involves a large degree of reciprocity in long-term inputs and outcomes. Thus, perceived inequity in equal relationships results in overt conflict that differs from nondirected conflict in three main ways: (a) people consciously choose actions that block or frustrate one another; (b) there is a definite, perceived conflict source; and (c) conflict behavior is directed at remedying or correcting the source of conflict (Edwards & Scullion, 1982; cf. Pondy, 1967), rather than at withdrawing from the relationship.

Therefore, power can be viewed as helping to shape people's distributive and interpersonal orientations and the conflict forms that tend to de-

velop in a relationship. Equality of power orients people toward cohesiveness, reciprocity, and assertive pursuit by both members of a fair share, whereas inequality results in a lack of cohesiveness, active pursuit of an equitable share by the more powerful member, and a mixture of social withdrawal and compliance by the weaker member. These relationships are summarized in Table 1.

The different conflict implications of violations of equity and equality rules in organizations can be viewed from a normative perspective. Deutsch (1985) suggested that people have two broadly different sorts of reactions to unfair treatment. The first involves an experienced injustice that affects an individual not only personally but also as a member of a moral community whose moral norms are being violated. It evokes a sense of both *frustration* and *injustice* that involves a desire, even an obligation, to restore justice or "to do something about it" (Deutsch, 1985: 185). In contrast, an experienced frustration (that is not viewed as unjust) makes salient the limitation of a person's power to satisfy wants or needs, and, as a consequence, it makes the person feel weaker and less able to act directly on the source of conflict. It is inferred here, therefore, that a violation of equity that is the espoused or dominant distributive norm within organizations (Meindl, 1989) produces a sense of frustration and injustice, resulting in overt actions, whereas a violation of equality results in a sense of frustration but not injustice, producing a different, less direct form of conflict. There are problems with this normative explanation: It is rather tautological, and it does not explain when and why a particular norm is dominant (cf. Pfeffer & Langton, 1988). It is suggested here that power is one important influence on people's distributive orientation, that is, on their tendency to view either equality or equity as the most appropriate distributive rule to use within a situation.

However, it should be noted that the implied causal relationships in Table 1 among power, forms of social interdependence, and the psychological orientations of parties are in principle bidirectional. That is, power relations or a particular form of interdependence evoke characteristic psychological orientations, or certain psychological orientations evoke characteristic forms of interdependence and power relations. Such bidirection reflects Deutsch's (1985: 69) "crude social law," which states that *the characteristic processes and effects elicited by a given type of social relationship also tend to elicit that type of social relationship*. Thus, social systems may be seen as *congruence-seeking systems*, and even though the causal relationships among different elements of the system are in principle bidirectional, in any particular situation a particular element may be causally or temporally predominant (Reis, 1986b). In the next section these arguments are formalized, and the relations shown in Table 1 are described as a set of theoretical and in principle empirically testable propositions.

THEORETICAL FRAMEWORK: MAJOR PROPOSITIONS

Based on the argument that extent of power differentiation influences distributive orientations it is proposed that:

TABLE 1
A Summary of the Proposed Relations Among Power, Distributive Principles, and Conflict

Power Differentiation	Nature of Social Interdependence	Dominant Distributive Orientation	Main Kind of Distributive Violations	Psychological Response to Violations	Main Form of Conflict
High	Differentiated, unequal (Allocator → Recipient)	Equity	Equality	Frustration	Nondirected
Low	Undifferentiated, equal (Reciprocal; Peer ↔ Peer)	Equality	Equity	Frustration & injustice	Overt

Proposition 1: As the power difference in an organizational relationship increases, the psychological orientations of both parties tend to reflect a greater, though not necessarily equal, acceptance of equity as the distributive rule.

In highly power-differentiated relationships, groups, or organizations, it is predicted that there is, on average, greater endorsement given to equity as the most appropriate or fair distributive principle. This is not to say that all people in this relationship show an equal level of endorsement, but when compared with relatively less power-differentiated relationships, both weak and strong members of highly power-differentiated relationships tend to view equity as being fairer.

Given that acceptance of the equity rule increases with power differentiation, it is further proposed that:

Proposition 2: As the power difference in an organizational relationship increases, there is a decreased likelihood that a weaker party perceives inequitable distributions that favor a more powerful party as inequitable.

This proposition is saying more than that it is generally equitable for powerful parties to receive large outcomes because they control more resources. Instead, it specifically predicts that if a more powerful party contributes X units and claims $X + 1$ units of outcome, this is seen as more equitable than if a party with equal power makes X inputs and claims $X + 1$ outcomes. Thus, more power-differentiated relationships are less sensitive to equity violations that favor the stronger party. Pfeffer and Langton's (1988) study provided results consistent with this hypothesis. They found that degree of power differentiation had a positive effect on wage dispersion even after differences in individual inputs (experience, education, and productivity) were controlled for. Here, it is assumed that the existence of this inequity in power-differentiated departments reflected a fairly stable pattern that was viewed as equitable.

Proposition 2 has a corollary. Given that the equality rule becomes more important as power differentiation decreases, then:

Proposition 3: As power differentiation in an organizational relationship decreases, the potential for overt conflict based on issues of equity increases.

As noted previously, direct evidence for this proposition is lacking; however, there are some suggestive findings. Sampson (1969) studied simulated work groups in which group members were rewarded either equitably but unequally, inequitably but equally, or somewhat equitably and somewhat equally. He found that inequitably but equally treated group members reported more disagreements, attempted to gain more rewards for themselves, but also felt there was a positive social tone and an atmosphere of mutual concern and caring. They also described themselves as "assertive" rather than "submissive," "bossy" rather than "friendly," "critical" rather than "easy going," and "ambitious" rather than "unambitious" (253-254).

Sampson (1969) described the orientation in these equal/inequitable groups as *involved-competitive*.

This proposition is also consistent with Mulder's (1977) power-distance-reduction theory, which argues that the smaller the power difference between two parties, the more likely it is that the weaker party will attempt to reduce this distance further (i.e., try to equalize power). Mulder's (1977) theory describes two somewhat contradictory tendencies as being involved in the power-distance-reduction process. A person who is close (in power terms) to a power figure tends to identify with the power figure; at the same time this person is competitively oriented toward the power figure in seeking to exercise more influence over both the powerful person and others. Therefore, it seems reasonable to suggest that the potential for overt conflict about the equity of rewards received by the strong party and the "almost peer" is higher than in situations in which the weak party neither identifies with the strong party nor aspires to achieve parity with the strong party.

The increased dominance of the equity principle in line with increased power differentiation increases the potential for violations of equality; therefore:

Proposition 4: As power differentiation in a relationship increases, there is increased potential for nondirected conflict based on decreased social integration and loss of cohesiveness.

Although direct evidence is again lacking, the results from Sampson's (1969) equitably/unequally treated groups are relevant here. Members of groups that were treated equitably but unequally reported that they felt hostile, were uninterested in the group task, and were less concerned with being liked by the other group members. At the same time, they reported less perceived freedom either to express their hostility and frustration or to alter their outcomes. Overall, this pattern seems quite consistent with Proposition 4.

More recently, Organ (Organ, 1988; Organ & Konovsky, 1989) developed the concept of organizational citizenship behavior (OCB), which he defined as "constructive or cooperative gestures that are neither mandatory in-role behaviors nor directly or conceptually compensated by formal reward systems" (Organ & Konovsky, 1989: 157). Organ argued that people's level of OCB is influenced mainly by their sense of social (as opposed to economic) exchange with the organization in that it does not inhere in contractual obligations. It is an individual's "attitude of trust in the long-term fairness of the organization" or the "fairness of overall treatment" that is held to be the major factor in their level of OCB, rather than the nature of their "explicit, precise obligations [that] can be enforced by the terms of a contract" (Organ & Konovsky, 1989: 162, emphasis added). Thus, OCB seems to represent behavior that is relationship-based rather than economically based. When a person's sense of fair treatment (defined as relatively equal treatment) is seriously violated, that person's major response is to reduce the sense of psychological belonging or commitment to the group

(or their level of OCB) rather than to try to decrease the direct inputs or increase the share of outcomes.

Although the suggestions of this article are broadly compatible with Organ's (1988), they differ to some extent in attributing low OCB primarily to perceived inequality rather than some mixture of inequity and inequality. The distinction is important for understanding the different causes of various forms of conflict behavior (cf. Withey & Cooper, 1989), and it also allows the possibility of some seemingly paradoxical combinations of conflict behavior, as in the next proposition.

Proposition 5: In low power-differential relationships there is a tendency toward higher levels of both overt, distributive conflict and social cohesiveness or solidarity.

Even though this proposition is seemingly paradoxical, similar suggestions have been made by a surprisingly large number of other researchers. The contradictory implications of Mulder's (1977) theory have already been noted. Sampson (1969: 252) observed that people in his equally treated groups "felt less hostility in general . . . [but] felt relatively freer to express any they may have had." Pruitt and Rubin (1986: 69) stated that "the stabilizing impact of bonding is often masked by the fact that people who are more securely bonded . . . feel less constrained by the canons of politeness. They are likely to raise more issues . . . and argue more vigorously . . . they are more likely to engage in problem solving and less likely to employ harsh contentious tactics." Strauss (1982: 246) cited evidence from the field of industrial relations that conflicts are actually more frequent in organizations that have some form of representative employee body. However, he concluded that in comparison to nonparticipative organizations, members of participative organizations were also more likely to use problem-solving techniques to resolve their conflicts rather than force or ignoring each other.

These arguments suggest a qualitative difference in conflicts within relationships of equal power. These conflicts tend to be problem-focused rather than relationship- or preference-focused. This type of conflict has been labeled in a variety of ways: *task* or *substantive* conflict as opposed to *social* or *interpersonal* (e.g., Falk, 1982; Pinkley, 1990), *cognitive* conflict (Cosier & Rose, 1977), conflict over *technology* as opposed to conflict over *goals* and *preferences* (Thompson & Tuden, 1959), and *controversy* (Tjosvold, 1985). Although the paradoxical conflict implications of power equality have been commented on in a variety of contexts, they have not previously been integrated within a broader theoretical framework. There is also a final proposition:

Proposition 6: Organizations inevitably trade off between creating the potential for either overt or nondirected conflict.

According to the model presented here, the nature of this trade-off is related to the relative emphasis organizations place on cohesiveness and productivity goals, and this emphasis is related to their power structure and the distributive principles they emphasize. An interesting study that illus-

trates such relations was reported by Hardy (1988), who examined how a number of Canadian universities implemented budget cuts. She argued that the processes adopted by different institutions were a function of their different power configuration, largely their degree of power centralization.

Hardy (1988; see also Hardy, 1990) described the adaptation process within what she termed a decentralized democracy as follows:

The budget was decentralized to the level of department heads . . . [though this] reduced the power of the deans . . . [they] displayed an *institutional perspective* . . . relations with the faculty association were *extremely cordial* . . . [the] response to budget cuts was designed to *protect and nurture institutional loyalty*. Cuts have been '*fair*' rather than *differential* . . . worked on the basis of changes in student numbers. (1988: 365, emphasis added)

On the other hand, in a university she described as a centralized technocracy, Hardy (1988) found:

The faculty, although unionized, *rarely confronted* the central administration. The cuts were essentially *administered by the central administration* on the basis of *quantitative studies*. *Differential cuts* were made . . . on the basis of a "*productivity*" formula [based on] general teaching, graduate teaching and research. . . . There were two studies of priorities in teaching and research . . . a study of the *costs and benefits of closing all the units* in the university [was conducted]. (1988: 365, emphasis added)

Thus, in the decentralized democracy Hardy (1988) found evidence of this article's hypothesized links among decentralized power, solidarity between different parties, a cohesiveness emphasis, and reliance on egalitarian distributive principles. Although there was no evidence of high levels of overt, equity-related conflict, this may be because such conflict was handled cooperatively through normal channels. In the centralized technocracy, Hardy's (1988) results, if anything, match the expectations of this article even more closely: centralized power, dominance of equity-based decision processes, low levels of overt conflict, and application of an economic rather than a relationship-maintenance ethic, as highlighted by the use of a productivity formula and the study of the costs and benefits of closing the university. Hardy's (1988) analysis appears to be consistent with the theoretical predictions presented here. The parallel between my analysis and that of Hardy's (1988) raises the interesting possibility that organizational structures and processes may also be viewed from a distributive justice perspective. This suggestion is explored in the next section.

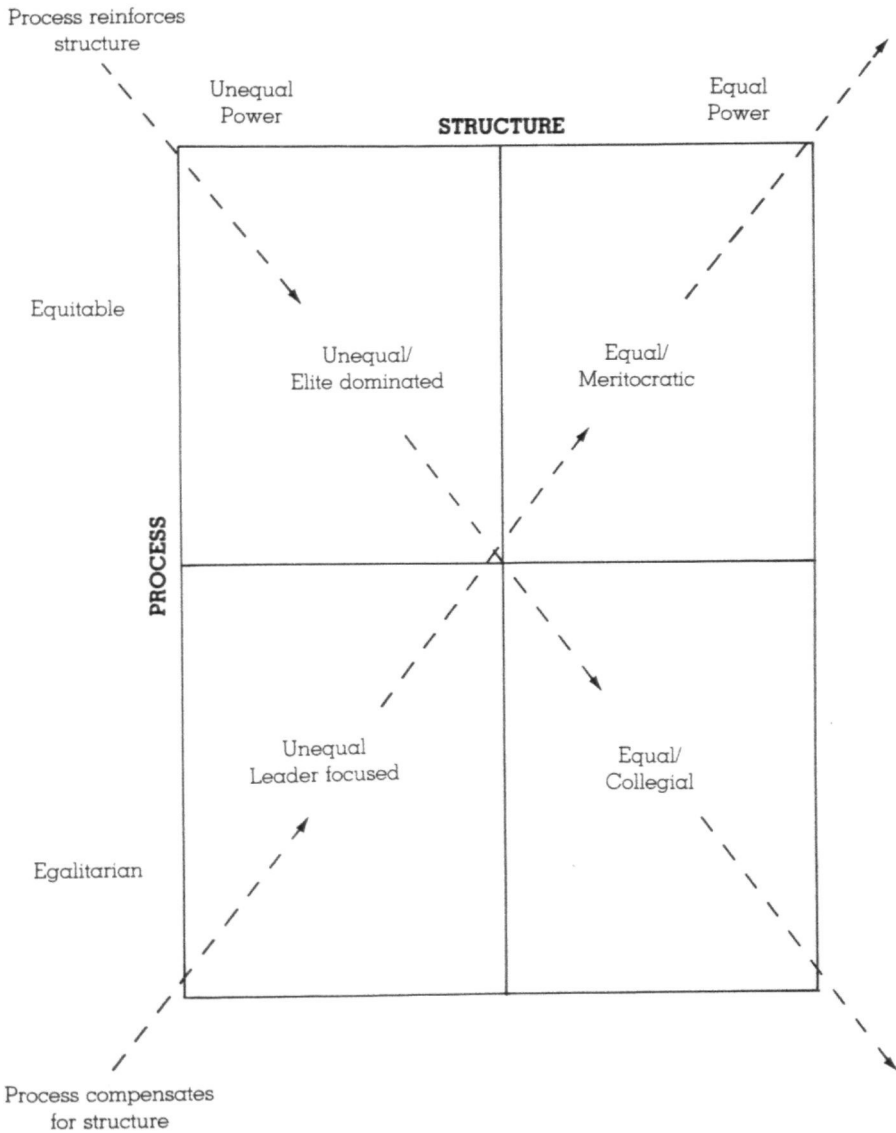
A DISTRIBUTIVE PERSPECTIVE ON ORGANIZATIONAL-STRATEGY TYPES

Though the analysis here has focused mainly on individuals' or groups' interpretations of and reactions to justice issues, the distributive perspective

may also be applied to the issue of how *organizations* allocate or distribute their resources, that is, to problems of *strategic decision making*. Strategic decision making has been defined as problem solving of a highly unstructured nature in which the goal is the optimal allocation of resources for achieving organizational objectives given certain threats and opportunities facing the organization (Mitroff & Emshoff, 1979; Schendel & Hofer, 1979). Economic performance, solidarity, and distributive justice are different and potentially competing goals of this process. Because different goals are associated with the use of different distributive principles by decision makers (e.g., Meindl, 1989), strategic decision making is bound up with issues of distributive justice. A study that considers the organization in terms of the wider and strategic implications of adopting different distributive rules was reported by Kerr and Slocum (1987). These authors examined how different reward structures can create and reinforce different types of organizational cultures. Their study contrasted clan and market cultures (Ouchi, 1981), the differing emphasis placed on equity within these two cultures, and how reward structures reinforced the culture appropriate to an organization's overall business strategy. The typology that follows is quite consistent with Kerr and Slocum's (1987) ideas. It helps to analyze the different distributive principles and assumptions underlying the culture-reward system combinations that these authors found, and it also helps to identify a number of other possible culture-strategy types.

Figure 1 describes an organization-strategy typology based upon the distributive imperatives or orientations reflected in organizations' structure and process. The model comprises two dimensions—a *basic structure* dimension and a *process* or *operating mechanisms* (Lorsch, 1970) dimension. The basic structure dimension refers to the nature of organizations' power distribution (or degree of power centralization), which is perhaps the single most frequently used characteristic for describing organizational structure (Fredrickson, 1986). Power, as argued previously, creates a fundamental justice dynamic—toward equity when power differences are large (i.e., power is centralized) and toward equality when power differences are small (i.e., power is decentralized). Organizations also have operating mechanisms that include all of the policies, procedures, and processes that are usually viewed as *reinforcing* (Lorsch, 1970) the basic structure and the main distributive tendency, whether it is equity or equality. Thus, in a highly power-differentiated/equity-driven organization, widespread use of procedures such as performance appraisal, productivity-related bonuses, titles, status symbols, and so on, reinforces differentiation and equity, whereas in a power-undifferentiated/equality-oriented organization procedures such as participative decision making, consultation, rewards based on tenure, and so on, carry out a similar reinforcing function. However, operating mechanisms can also fulfill a *compensatory* function, in which they balance or counteract the distributive tendency evoked by the basic structure. Thus, in a power-differentiated/equity-based organization, procedures that promote equality serve a compensatory function, whereas in a

FIGURE 1
A Typology of Organization-Strategy Forms Based Upon
Structure-Process Dimensions



power-undifferentiated/equality-oriented organization, procedures involving differentiating between members or groups in terms of resources or rewards also serve a compensatory role. We can also distinguish these two functions as follows: a reinforcing function ignores or tries to suppress the conflict pressures inherent in the basic structure, whereas a compensatory function acknowledges and to some degree tries to resolve these pressures.

Figure 1 identifies four "organization-strategy" types, and similar to all ideal types, these are not meant to have any exact, real-world counterparts. However, there are some interesting similarities between these types and another influential typology, that of Mintzberg (1979). Although the typology described here is quite different from Mintzberg's (1979), the comparison is worth making on several grounds. Because Mintzberg's (1979) typology is well known, it provides a reference point for describing the characteristics of the main types proposed here, and, in discussing his types, Mintzberg (1979) also considered some of the organizational processes that are helpful in understanding the present typology. In the following sections, these four types are described, and some of their similarities to Mintzberg (1979) are considered.

Equal Power—Reinforcing Process (Equal/Collegial Type)

Equal power organizations (e.g., professional bureaucracies, as described by Mintzberg, 1979) can adopt a reinforcing process that emphasizes democratic, collegial, and participative processes and policies, resulting in an *equal/collegial* type of organization. For example, a university's resource allocation pattern may reflect egalitarian concerns and assumptions, in that funds are distributed to departments according to size rather than productivity because each organizational member is seen as having an entitlement (cf. Hardy's, 1988, findings). Organizations with this strategy tolerate a large variability in individual members' levels and types of output. The typical sources of conflict are equity-related with concerns about greater efficiency, more rational allocation of scarce resources, inadequate rewards for high performers, too much dead wood, and so on, being characteristic conflict issues. Such conflicts are likely to be addressed within a climate of general agreement about underlying values and objectives and, therefore, in problem-solving style rather than in a climate of value confrontation. Loyalty and voice are the characteristic conflict patterns (Hirschman, 1970; Withey & Cooper, 1989).

Equal Power—Compensatory Process (Equal/Meritocratic Type)

An alternative process involves balancing or compensating for the tendency toward equality with policies that emphasize equity (*equal/meritocratic* type). In a university, a proportion of research funds may be set aside and allocated not on the basis of departmental size but on the quality of research projects submitted by different individuals and groups. Coalitions (within and between departments) are a good example of an informal, compensatory process within this type of setting because they create informal inequalities in power between parties that are formally more or less equal in power (Stevenson, Pearce, & Porter, 1985). Even though the primary motivation for coalitions is usually considered to be self-seeking, they also generally rely on equity-based arguments in that they seek to demonstrate their possession of critical resources, such as the capacity to produce good research (Hickson, Hinings, Lee, Schneck, & Pennings, 1971).

The conflict implications of this compensatory process are quite different. Concerns about perceived inefficiency become secondary to perceptions of a threat to core values such as academic freedom. Some departments and individuals do not subscribe to the same values it was once assumed everyone ascribed to. A sense of anger or betrayal (e.g., seekers of truth vs. seekers of fame, academics vs. administrators) tends to develop. This strategy can be described as one that, although still cohesiveness- and diversity-oriented, exchanges some loss of cohesiveness and diversity for an expected gain in average productivity and less variability in individuals' outputs. Decreased loyalty but a greater degree of voice are characteristic in this case.

Unequal Power—Reinforcing Process (Unequal/Elite-Dominated Type)

Unequal power organizations (e.g., machine bureaucracies, Mintzberg, 1979) that reinforce equity are *unequal/elite dominated*. Both power and rewards are concentrated at the apex, with managers who belong to the elite being responsible for strategy formulation and general oversight of the organization, whereas managers lower down are responsible for implementation. The reward system reinforces the distinction between the strategic, general management responsibilities of the elite and the specialist, implementation responsibilities of those lower down (cf. Mintzberg, 1979). The necessary and sufficient psychological contract for most members (Rousseau, 1989) is compliance based, and rewards are distributed accordingly—a few receive large rewards for their contributions (planning, direction, and control), and most receive small rewards for small contributions (i.e., for complying with plans, orders, and rules). Conflict is expressed primarily in the form of passive resistance and defensive inflexibility (cf. Mintzberg, 1979: 319–323), with cohesiveness *within* equal-power subgroups, but lack of cohesiveness *between* power-differentiated groups. Overt conflict over the distribution of rewards and resources tends to be institutionalized because there is little intrinsic potential for such conflict to occur directly between power-differentiated individuals or groups. The problems and benefits of such systems are well known (Burns & Stalker, 1961; Mintzberg, 1979). This strategy is described as compliance- and efficiency-oriented; it has minimal tolerance for diversity and variability in inputs and outcomes. Neglect or exit are the most frequent patterns in this case.

Unequal Power—Compensatory Process (Unequal/Leader-Focused Type)

A compensatory process in unequal power organizations softens the impact of inequality by addressing problems of low cohesiveness (*unequal/leader-focused*). A prime example of such a process is leadership. Leadership has a paradoxical or dualistic quality—it both glorifies inequality and the differences between the leader and the led, while at the same time it

creates identification and cohesiveness between the leader and his or her followers (Burns, 1978).

One kind of organization has traditionally relied upon this leadership solution—the armed forces (Keegan, 1976). In a military context, where compliance is required (even in the face of death) in addition to a degree of mutual support and esprit de corps, there are obvious benefits to having clear power differentials plus a leader who acts as a focus for social cohesiveness. The success of some famous German generals of World War II such as Rommel (Irving, 1977) and Guderian (Guderian, 1974) has been attributed to their dual capacity to conceive daring military plans and to obtain high levels of commitment and loyalty from their troops by sharing many of the hardships of the ordinary soldier. The way in which leadership compensates for a power-differentiated, noncohesive basic structure is illustrated by what happens when the process breaks down and reverts to its purely compliance-oriented character, as happened with U.S. forces in Vietnam (Boyle, 1972). Thus, loyalty with an underlying potential for neglect or exit is characteristic of this situation. The recent surge of interest in charismatic and transformational leadership (e.g., Conger & Kanungo, 1987; House, Spangler, & Woycke, 1990; Kuhnert & Lewis, 1987) can be interpreted in terms of leadership's perceived capacity to enhance commitment and cohesiveness in large machine bureaucracies without altering their basic power structure.

How These Types Change

Figure 1 suggests several hypotheses about the most probable patterns of change between these four pure types. Assuming that, in general, processes change more readily than structures, an equal/collegial organization that is adopting a more productivity-oriented strategy is more likely to change in the direction of becoming an equal/meritocratic organization than an unequal/leader-focused organization. However, having acquired a set of meritocratic processes, it is likely to be easier for such an organization to change its equal power structure to an unequal power structure if it also retains cohesiveness by having a leader who maintains the organization's sense of common purpose and identity. Starting at the other end, machine bureaucracies that seek to develop more commitment or solidarity may follow a path from domination by an elite to transformation by a leader, but it is unlikely that they will change directly into equal/meritocratic organizations. Therefore, more and less likely patterns or *paths* of organizational change in response to altered strategic goals and objectives are suggested by Figure 1, as are some of the processes that organizations will tend to adopt as they modify their goals and objectives.

The typology has several interesting properties. Despite its simplicity, it suggests how variables from a number of different levels, including structure, process, strategy, and behavior are connected because of their link to a common, underlying dimension, that is, distributive justice. Distributive justice is not likely to be the only core dimension upon which such connec-

tions occur; nevertheless, the use of distributive justice concepts for this purpose is novel and also seems meaningful. Other features include the identification of both the reinforcing and compensatory functions of organizational processes and suggestions for how different organizational-strategy types may follow different change paths. Future research should help determine whether the typology is a valid and useful addition for analyzing the links among organizations' distributive processes, cultures, and strategies. Finally, there is one important assumption underlying the present analysis that should be considered.

EQUITY AND EQUALITY: NORMS OR IDEOLOGY?

The present analysis adopted a fairly traditional, normative view of distributive justice. Equity and equality rules were viewed as functional in terms of meeting group and organizational goals of task achievement, cohesiveness, predictability, and so on (e.g., Feldman, 1984). Distributive norms were treated as a natural outcome, in psychological terms, of the interaction between people and work organizations (see Sampson, 1986, for his critique of this view).

A different interpretation of the nature and role of distributive rules may be made in terms of ideology (e.g., Sampson, 1986). Weiss and Miller (1987) described ideology as those norms, values, ideals, and beliefs that are intimately linked to political contention, that is, to contention among groups and individuals with different social positions and material interests, and in particular to those norms, ideals, and beliefs that are used by groups or individuals to advance and protect their material interests (cf. Mintzberg, 1983: 152; see also Beyer, Dunbar, & Meyer, 1988; Weiss & Miller, 1988). Although the ideological explanation is also normative in character, it differs in an important way from the traditional functionalist and psychologically deterministic view of norms. According to the ideological view, distributive rules are primarily the means that groups and individuals use for legitimating, protecting, or promoting their self-interest, and they are not necessarily functional or psychologically derived rules that benefit groups or organizations in an overall sense. Thus, equity may be viewed as the means by which more powerful parties justify receiving a greater share of outcomes than weaker parties, but application of the rule may not increase group outcomes overall; it simply distributes them in a way favoring the powerful group. In contrast, equality may be interpreted as the means by which weaker parties advance *their* self-interests.

At present, I am not in a position to decide through an empirical basis which explanation, the normative or the ideological, is correct. As Cook (1986: 679) pointed out, Deutsch (1985) may have "overstated the case for egalitarianism and cooperation," but at the same time "the preponderance of evidence to support existing assumptions concerning the superiority of merit and productivity-based reward systems is simply not available in the social science literature." Nevertheless, empirical evidence is beginning to

appear that questions the assumed superiority of strict equity or proportionality for increasing people's productivity. Pfeffer and Langton (1990), using the data base described earlier, examined how the degree of salary dispersion and equity in the salary regime (the latter being operationalized as the degree of correlation between productivity and salary and experience) affected individual productivity and collaborativeness. They found that salary dispersion per se was negatively related to both productivity and amount of collaboration, while equity in salary allocation was positively related to productivity but negatively to collaboration. Pfeffer and Langton (1990: 20) concluded these results have two major implications. First, it is beneficial to allocate rewards based on productivity or experience, but to do so in a way that leaves the resulting distribution of salaries more compressed, certainly, than a strict proportionality rule would imply. Second, meritocratic pay systems that are just in equity terms may nevertheless result in decreased social cohesiveness and collaboration. Pfeffer and Langton's findings are clearly supportive of the argument made here that both equity and equality are important in organizations, and they also reinforce the need for researchers to be aware of the strong, ideological associations of different distributive rules.

CONCLUSION

This analysis in this article used the concepts of distributive justice and power to explain how fundamental and inherent conflict pressures of a distributive nature arise within organizations. The framework expanded the traditional equity-based notion of distributive justice in organizations to include an egalitarian distributive rule which provided insight into the development of antecedent conditions for conflict and how these pressures result in different forms of conflict behavior. A typology describing the link between conflict and the differences in organizations' power structures and distributive orientations suggested how strategic decision making could be viewed from a distributive perspective. Therefore, I suggest that distributive justice is an ever-present, deep, and slowly moving current that shapes people's relations with other organizational members and the nature and strength of people's attachments to organizations in general. Supporting this view, Mitchell and Scott (1990) have recently argued that issues of trust, distributive fairness, and loss of a sense of community constitute critical and growing problems for contemporary organizations. Specifically, one promising direction for future research suggested by my framework is to integrate some of its features with the emerging, empirical literature on Hirschman's (1970) famous trilogy of exit, loyalty, and voice. The present framework helps explain why subsequent researchers (e.g., Withey & Cooper, 1989) have found it necessary to identify a fourth conflict option, neglect, and it suggests that some apparently paradoxical combinations of loyalty and voice are likely to occur in organizations because of the different consequences of violating equity and equality. A second important research stream with

which the present framework has a clear affinity is Organ's (1988, 1990) work on organizational citizenship behavior (OCB). Viewing low levels of OCB as a form of conscious but unfocused conflict behavior based in a sense of inequality may help us understand why cognitions seem to be the major determinants of OCB, but affective factors are a more important cause of other forms of prosocial behavior (Organ, 1990: 68-69).

I have also argued that the distributive justice based framework I have described is useful at a more macro level of organizational analysis. Kerr and Slocum's (1987) study, described previously, demonstrated that organizational reward systems are a key to understanding organizations' cultures and how cultures are adapted to organizations' business strategies. I suggest that a distributive justice framework can be applied more broadly to understanding how an array of organizational policies, processes, and structures achieves different levels of cohesiveness, efficient allocation of resources, and control through the different distributive values and interpersonal orientations they convey. The extent to which organizations place different emphases on qualities of cohesiveness and efficiency will shape their cultures and strategies, and this should be reflected in their corporate mission statements (David, 1989; Pearce & David, 1987) and in their human resource management policies and practices. Investigating the distributive themes present in mission statements and other documented statements of organizational values and relating these to organizations' human resource, change, and business strategies is an important goal for my ongoing research (Kabanoff, 1990).

A general and simple rather than an accurate model (Thorngate, 1976; Weick, 1979) has been provided to stimulate a greater awareness of both distributive issues and their relation to a broad set of structural, process, and behavioral variables. However, a number of empirically researchable propositions have been suggested, and their validity will also be a test of the framework's value.

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