Role of Justice Perceptions and Social Exchange in Enhancing Employee Happiness

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Abstract

This study looks at procedural, distributive, and interactional justice as antecedents of perceived organizational support (POS) and leader-member exchange (LMX). It also looks at the effect of all these on positive and negative affect. It was hypothesized that all the three justice variables would be positively related to POS, and interactional justice and POS would be positively related to LMX. It was also hypothesized that both POS and LMX would be positively related to positive affect and that POS, LMX, and positive affect would be negatively related to negative affect. Data were collected from 262 managers of a large multi-division Indian Company in the manufacturing space. All respondents had spent at least six months working with their current supervisors. Structural equations modeling was used to test the goodness of fit of the hypothesized model. All hypotheses except the relationship between LMX and negative affect were supported. Ability of workplace events to mold our private world and the obscuring of boundaries between work and personal lives are discussed.

Keywords: Happiness, Justice, POS, LMX.

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1. INTRODUCTION

The financial crisis that has engulfed the world since 2007 has sparked numerous debates. The debates and discussions span across broad areas like relevance of capitalism and viability of the financial sector to focused ones like ineffectiveness of employee reward practices and nonfeasance of established codes of corporate governance. Our focus here is employee rewards that create fairness perceptions and satisfy employees' social needs resulting in enhancement of positive affect and diminution of negative affect.

In decades preceding the onset of subprime crisis, focus shifted to 'performance-based compensation' wherein incentives were awarded to employees for expansion of the asset base of the firm without dwelling much on the quality of assets created. This trend caused unhealthy competition amongst employees to show increased revenues and profits, and thereby be amongst the top quartile of the forced distribution curve. Corporations had stopped treating their employees ethically and there was no sense of fairness. Too much emphasis on monetary compensation without realizing employees' need of supporting and mutually rewarding environment, resulted in an unhealthy competition within organizations. Performance rivalry generated more of negative emotions like nervousness, irritability, and hostility. The result was further breakdown of discerning capabilities of employees.

In this paper, our focus is on those processes, reward strategies, or social exchange relationships that give employees a sense of belonging, and intrinsically motivate and tie them to

organization's goals and objectives. Employees bound through social exchanges to organizations will have less of moral hazards to deal with, will be satisfied and happy, and will be in a better position to align their self-interest with that of the organization.

Happiness as the ultimate draw of life has been a subject of interest since ages. Scholars ranging from Aristotle onwards have recognized happiness as an indicator of a society's development and maturity. Presently, even economists from different regions of the world argue that the true measure of welfare should be happiness. In their zest to understand happiness, researchers have tried to study its antecedents and have categorized them into few personal and social variables. Personality variables like extraversion and neuroticism are found to be strongly related to affect (Costa and McCrae, 1980; Diener and Seligman, 2002; DeNeve and Cooper, 1998) along with genetics and even culture. Still other researchers (Wang, 1998) have worked on the stress-busting role of social support and the manner in which it enhances well-being. Social support, in this context, refers to spouses, friends, and family members who provide psychological and material resources (Cohen and Wills, 1985). However, considering that on an average, employees are known to spend anywhere between 35 and 50 hours per week at the workplace, it can be postulated that support from organizations and its representatives will have a profound impact on employees' happiness.

Two types of social exchanges are known to exist in organizations. First, is the relationship between an employee and her or his organization, which is called perceived organizational support (POS). Second, is the exchange between an employee and her or his supervisor, which is known as leader-member exchange (LMX). POS refers to employees' perception concerning the extent to which the organization values their contribution and cares about their well-being as viewed and judged by the actions of the organization's agents, policies,

norms, and culture. LMX refers to the quality of supervisor-employee relationship (Graen and Scandura, 1987). It is measured by the degree of emotional support and exchange of valued resources between an employee and his or her supervisor (Wayne et al., 2002). Ample organizational research has shown that both POS and LMX are outcomes of justice or fairness perceptions that employees form from their interface with organizational actors and processes.

The manner in which an organization and its actors especially employees' supervisors distribute rewards or treat employees generates perceptions of injustice or justice. All three forms of injustice (or absence of justice) perceptions—distributive, procedural and interaction—are known to create stress (Tepper, 2001). On the other hand, justice perceptions of all three types, in varying degree, are known to be positively related to outcomes like job satisfaction, organizational commitment, organizational citizenship behavior, and higher performance. The productive outcomes of justice perceptions can be attributed to the fact that just rewards, policies, and procedures signal to employees that the organization values and supports them. Similarly, respect and information from the supervisor may be a symbol of favorable supervisor-employee relationship, which in turn may lead to constructive outcomes. Previous research has also shown that justice perceptions are precursors to employees' POS and LMX (Masterson, Lewis, Goldman, and Taylor, 2000).

Happy employees are crucial to organizational sustainability and performance. In addition, organizational social exchange relationships play important central role in our lives. Hence, the aim of this study was to study how POS and LMX can be employed to enhance positive and reduce negative affect. We achieve this by studying organizational justice as an antecedent of POS and LMX, and happiness as their consequence. As formation and development of POS and LMX happens in organizational setting, we study justice perceptions

that are organizational level variables as antecedents. However, considering the centricity of work-life in one's life, we understand that looking only at organization level personal outcomes will result in ignoring or undermining impact of organizational relationships and perceptions on our larger lives. Hence, we study happiness as a personal level outcome that is not limited to workplace but transcends organizational boundaries and is a representative of overall quality of life.

2. THEORY AND HYPOTHESES

2.1 Happiness

Happiness is the preponderance of positive affect over negative affect with a focus on the affective evaluation of one's life situation (DeNeve and Cooper, 1998). The negative affect dimension signifies the extent to which a person is experiencing a negative or aversive mood such as feelings of irritation, guilt, distress, scare, hostility, shame, or nervousness. Positive affect, on the other hand, points to the extent of positive mood like feelings of pride, strength, enthusiasm, interest, or excitement (Watson and Clark, 1995). Diener & Diener (2011) defined happiness as an ongoing process that requires way of experiencing life and the world that includes positive attitudes, meaning and spirituality.

People experiencing positive emotions or affect will generally be living through advantageous circumstances and experiencing favorable conditions in life (Lyubomirsky et al., 2005). Awareness of agreeable circumstances creates positive outlook, which in turn stimulates them to expand their resources and build their resources and skills. Hence, happier people are expected to be better performers and achievers. Positive affect is also known to increase cognitive flexibility, work effort and productivity.

The interrelationship between positive and negative affect has been a subject of constant debate. Positive affect and negative affect have been treated either as unipolar or bipolar constructs (Russell and Carroll, 1999). The size of correlation between the two affect-states is known to vary. Under normal circumstances, people process positive and negative affective situations independent of each other as that allows them to gain insight into their emotions and the circumstances causing those emotions (Zautra et al., 2002). However, certain psychological contexts like stressful situations are known to magnify correlation between positive and negative affective states. Stressors increase uncertainty (Ursin and Olff, 1993; Linville, 1985) and narrow attention focus causing difficulty in making complex judgments and producing more unified responses. Studies in this area have also shown that normally unrelated cognitive processes are substantially correlated under stress. (Linville's 1985, 1987).

Stressful conditions in life, especially one's work life, arise when one feels or faces unfair treatment at work. Perceptions of organization politics for instance, especially situations that harm employees' interests are known to convey absence of support and lead to outcomes like job anxiety, reduced job involvement and job satisfaction (Gupta, 2011). Unfair treatment and its cognizance lead to perception of injustice, a recognized and potent stressor in business organizations.

2.2   Organizational Justice

Research on organizational justice can be traced to the 1960s, when Homans (1961) built on the relative deprivation model to explain the social exchange theory (Colquitt et al, 2005). According to Homans, people initiate lending help in exchange of another's social approval. Overtime, these exchange histories create normative expectations for future exchanges. These expectations may expand from social approval to thanks to a profitable return in exchange,

which ought to be proportional to their investment. Further, fairness is seen as existing whenever these expectations are met. The term distributive justice was introduced for the first time to explain the relativity of costs and rewards in these exchange relationships. Similar themes are located in Blau's (1964) discussion of exchange relationships. Blau (1964) found that satisfaction with exchange relationships depends upon the benefits received relative to the expectations held. Expectations are drawn by one's own experience and because of awareness of benefits received by others. As these expectations are framed with reference to a particular group, satisfaction with exchanges becomes relative than absolute. Adams (1965) further expanded on Homan's work on profits and investments. He referred to distributive justice as equity and defined it in terms of perceived ratio of outcomes to inputs.

While research progressed in the domain of distributive justice, scholars also started alluding to importance of fairness in procedures of allocation (Deutsch 1975; Levanthal, 1980). Thilbaut and Walker's (1978) research on procedures used to resolve legal disputes highlighted the existence of two types of procedural controls: decision control (the degree to which a disputant could unilaterally decide the outcome of a dispute) and process control (degree to which a disputant could control the development, selection and presentation of the evidence used to resolve the dispute). They discovered that the disputants were ready to give control of the decision stage till such time they had control over the process stage. Building upon existing work, Levanthal (1980) noted that procedural justice constituted the second category of justice and fairness of allocation procedures can be judged with respect to six procedural components: consistency, representativeness, bias suppression, accuracy, correctability, and ethicality.

Bies and Moag (1986) presented the 'third' form of organizational justice that they termed 'interactional justice' which was described as the sensitivity of people to the quality of

interpersonal treatment they received during enactment of organizational procedures. In the initial few years there was considerable debate around acceptance of interactional justice as a separate construct vis-à-vis it being considered a part of procedural justice. Subsequently, Cropanzano et al. (2002) differentiated between procedural and interactional justice and clarified that interactional justice refers to the exchange between employee and the supervisor whereas procedural justice refers to the exchange between employee and the organization.

Different forms of organizational justice perceptions are known to lead to different work-outcomes. Distributive justice is a good predictor of personal level evaluations (person-referenced outcomes) like pay and job satisfaction. Procedural justice is more strongly related to organizational level outcomes (system-referenced outcomes) like organizational commitment, citizenship behavior and subordinate's evaluation of supervisor (Fassina et al., 2008; Lavelle et al., 2009). Bies and Moag (1986) independently asserted that interpersonal and informational justices would be powerful predictors of agent-referenced outcomes.

While different types of justice perceptions have distinctive outcomes, social exchange relationships like POS and LMX are known to moderate and mediate linkages between all justice perceptions types and their respective outcomes. Specifically, justice perceptions get translated to employees' views about how much, and in which way, organizations and their actors care for them. The perception of being cared for, in turn precipitates favorable results for the individual and the organization

2.3   Social Exchange

Researchers, have for long, used the principles of social exchange (Blau, 1964) and norms of reciprocity to identify and describe motivational forces that enable formation of positive employee attitudes. Favorable employee attitudes and perceptions create employee

obligation and pro-organizational behaviors such as work performance and citizenship. Two types of social exchange relationships have been studied extensively in organizational settings: Perceived Organizational Support (POS) and Leader-Member Exchange (LMX).

2.4   Perceived Organizational Support

Wayne et al. (1997: 82) define POS as "exchange between an employee and employing organization." According to Eisenberger et al. (1986), employees develop global beliefs concerning the extent to which the organization values their contribution and cares about their well-being. Explaining within the ambit of social exchange framework, Eisenberger et al. (1986) concluded that such beliefs are representative of employees' inferences regarding an organization's commitment to its employees and these in turn contribute to the employees' commitment to their organization. Employees feel obligated to return the employer's commitment by engaging in behaviors that support the organization's goals. Hence, POS is positively related to conscientiousness, innovation, and commitment. Perceptions of being valued and cared for also enhance an employee's belief that the organization will fulfill its obligation of rewarding and recognizing her or his desired attitudes and behavior. It also mitigates stress and uncertainty (Selvarajah, 2009). POS is known to be an independent concept when compared to job satisfaction, organizational politics, and commitment.

2.5   Leader-Member Exchange

Leader-member exchange (LMX) theory assumes that a supervisor has a unique relationship with each of her or his employees (Graen and Uhl-Bien, 1995). These relationships are formed by social exchange processes between supervisor and employee. According to this theory, leaders form high-quality social exchanges that are based on trust and liking with some organization members, whereas with others they form lower quality, economic exchanges that do

not extend beyond the employment contract (Sparrowe and Liden, 1997). The high quality social exchange creates a felt obligation on the part of organization members to reciprocate their leaders' trust and liking through citizenship behaviors and good performance (Walumbwa et al., 2009). Employees keenly observe the supervisor and consider judiciousness and responsiveness as important virtues (Rajagopal, Banks and Rajagopal, 2011). It is through evaluation of these traits that they make sense of their relationship with their supervisor. A supervisor may be a social embodiment of the organization, in which case her or his support will be interpreted as illustrative of POS (Eisenberger et al 2010).

Justice Perceptions as Antecedents of POS

Justice perceptions of all the three types have been identified as prime antecedents of POS (Rhoades and Eisenberger, 2002). Shore and Shore (1995) reasoned that repeated fair treatment has a strong effect on POS as it indicates a concern for employees' welfare. Both distributive justice and procedural justice contribute to POS. Organization support perceptions are the result of treatment by the organization. They are also reinforced through positive discretionary activities by the organization that benefit the employee and are interpreted by employees as evidence that the organization cares about the employee's well-being (Wayne, Shore, Bommer and Tetrick, 2002; Fasolo, 1995). Fasolo (1995) found that both distributive and procedural justice dimensions of performance appraisals explained unique variance in POS when the other type of justice (either procedural or distributive) was controlled. Procedural justice perceptions lead to POS as fair procedures comfort the employees and make them believe that they will get a fair chance from the company and its agents if they perform well in future, even if current rewards were unfair (Loi et al., 2006; Sweeney and McFarlin, 1993). Relating distributive justice to POS, Loi et al. (p. 105) argued that when distributive justice is operationalized more broadly to include

other work outcomes such as promotions and job security, employees feel more strongly that outcome fairness is related to the organization's discretion. Cropanzano and Ambrose (2001) also supported distributive justice-POS linkage and argued that pay is not the only outcome in the employee-organization relationship and benefits with less monetary and more symbolic value, such as titles should also be considered as important organizational allocations. If both these economic and socio-emotional benefits are evaluated for outcome fairness, then it is fair to assume that distributive justice is under the organization's discretion and has a positive impact on POS. Positive perceptions of interactional justice are also known to enhance POS. Rhoades and Eisenberger (2002) in a meta-analysis of POS literature found that interactional justice was positively related to POS. A possible explanation of this relationship could emanate from the fact that supervisors are recognized as agents of the organization in developing subordinates and directing their performance. Hence, the favorableness of treatment received by employees from supervisors may be seen as reflection of organization's support. Managerial communication by facilitating information, along with POS enhances performance (Neves and Eisenberger, 2012). In a study on organizational justice, trust and work outcomes, Aryee et al. (2002) found that higher levels of interactional justice enhanced trust in organizations, corroborating the view that supervisors are important actors in an organization and their relationship with the employee will generate or influence organization level outcomes. Hence, we expect perceptions of all three-justice types to be positively related to POS.

Hypothesis 1. Procedural justice is positively related to POS.

Hypothesis 2. Distributive justice is positively related to POS.

Hypothesis 3. Interactional justice is positively related to POS.

Justice Perceptions as Antecedents of LMX

Interactional justice perceptions are known to affect LMX. It is only in case of interactional justice that individuals attribute fairness directly to their supervisors or leaders. While studying 232 employee-supervisor dyads in various organizations in the Western U.S. representing the human services, health and athletics, and general service industries, Rupp and Cropanzano (2002) discovered that interactional justice was positively related to the exchange between supervisor and employee. LMX also mediates relationship between interactional justice and outcomes like organizational citizenship behavior, work performance, job satisfaction, and supervisory satisfaction (Cropanzano et al., 2002). Masterson et al. (2000) found that interactional justice perceptions influenced LMX and that LMX mediated relationships between interactional justice perceptions and supervisor-directed citizenship behaviors, and job satisfaction. Therefore, we anticipate a positive relationship between interactional justice and LMX.

Hypothesis 4. Interactional justice is positively related to LMX.

As both LMX and POS are based on social exchange theory, questions were earlier raised as to whether they are distinct constructs. Subsequently, various studies have shown that POS and LMX are distinct and that they are differentially related to employee attitudes and behaviors (Masterson et al., 2000; Settoon et al., 1996; Wayne et al., 1997). However, considering that exchanges with supervisors take place within the broader organizational context and because they are considered as organizational representatives, over time POS is likely to influence LMX (Masterson et al., 2000). The influences of POS over LMX stems from the fact that employees who have higher perceptions of organization support are more likely to desire and accept a high

quality exchange with their supervisor. Hence, we expect a positive and significant influence of POS on LMX.

Hypothesis 5. POS will be positively related to LMX.

Happiness as a Consequence of POS

Diener et al. (1991) defined happiness in terms of more frequent positive and less frequent negative affect**.** POS influences employees' general affective reactions to their job, including job satisfaction and positive mood (Rhoades and Eisenberger, 2002). Job satisfaction, which is a recognized consequence of POS, refers to employees' overall affect-laden attitude towards their job. POS enhances positive mood as it contributes to employees' feelings of competence and worth (Eisenberger et al., 2001; George and Brief, 1992). Considering POS's influence on job-related affect and mood in general, we expect a positive relationship between POS and positive affect and a negative relationship between POS and negative affect.

Hypothesis 6. POS is positively related to positive affect.

Hypothesis 7. POS is negatively related to negative affect.

Happiness as a Consequence of LMX

The quality of the relationship that develops between a leader and a follower is predictive of outcomes at the individual, group, and organizational levels of analysis (Gerstner and Day, 1987: 827). LMX is known to positively affect job performance (Akkoç, Altay and Turunç, 2013), performance ratings, overall satisfaction, satisfaction with supervisor, organizational commitment, role perceptions, member competence, and leader-member agreement. High quality LMX also generates positive emotions which are related to high energy necessary to do quality creative work (Atwater and Carmeli, 2009).Employees with higher quality LMX relationships

(ingroup members) are also more motivated and they experience less role-related stress (Lagace et al., 1993). Positive relationships of LMX are also known to exist with both employee well-being and job satisfaction (Dimotakis et al., 2011; Schyns and Wolfram, 2008; Sparr and Sonnentag, 2008). We, therefore conjectured a positive relationship between LMX and positive affect and a negative relationship between LMX and negative affect.

Hypothesis 8. LMX is positively related to positive affect.

Hypothesis 9. LMX is negatively related to negative affect.

As happiness is considered greatest when there is high frequency of positive affect and minimum of negative affect (Diener et al., 1991), it is assumed that high negative affect will lower happiness and will have diminishing effect on positive affect. Further, there is evidence that positive and negative affect constructs are bipolar and correlated, especially in certain psychological contexts like justice perceptions (Russell and Carroll, 1999). In such instances, increase in negative affect is likely to cause a decrease in both positive affect and overall happiness. We therefore conjectured:

Hypothesis 10. Negative affect is negatively related to positive affect.

The model of various hypothesized relationships tested in this study is shown in Figure 1.

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3. METHOD

3.1 Participants and Procedure

The data for this study were collected using an online questionnaire from a large multi-division Indian Company in the manufacturing space. The organization has been in existence for more than a century now. It is well known for high quality products that are sold across the globe. The survey link with a note from us was sent through an email to approximately 800 employees spanning junior, middle, and senior management by the HR department of the group. Considering that it takes some time for justice perceptions to form and LMX relationship to develop, data were collected only from employees who had spent at least six months working with their current supervisors. Two hundred and eighty six questionnaires were filled, among which 24 were incomplete. Thus, data from 262questionnaires were analyzed for this study. The median age of the participants was 30 years (with a mean of 32.04), minimum being 20 years and maximum being 56 years. Out of 262 respondents, 94.2 percent were men, and 97.3 percent had a male supervisor. The median organizational tenure of respondents was 4.55 years, with minimum being 6 months and maximum being 33 years. The respondents' median tenure duration in current role with current supervisor was 2 years, with minimum being 6 months, and maximum being 23 years. Based on their hierarchical levels (as specified by the organization), the respondents were categorized into junior, middle, senior-middle and senior level. Approximately 20.6 percent of the respondents belong to junior management level, 68.3 percent to middle management level, and 11.1 percent to the senior-middle management level.

3.2 Measures

Positive and negative affect. Measurement of positive affect (PA) and negative affect (NA) was done using 20 items, developed by Watson et al. (1988). Responses were recorded on a

five-point scale that ranged from very slightly (1) to extremely (5). Sample items measuring PA are "interested" and 'proud', and those measuring NA are "ashamed" and "irritable".

Organizational justice. Justice perceptions were assessed using scales developed by Colquitt (2001). Distributive justice was assessed using four items. Procedural justice was assessed using seven items. Interactional justice was assessed using nine items. For all items, individuals responded on a 5-point Likert-type scale ranging from 1 (*to a small extent*) to 5 (*to a great extent*). For the present research, "rewards" (defined as compensation, praise, recognition, resources, opportunities, etc.) was specified in the place of outcomes. Sample items include "Do your rewards reflect the effort you have put into your work?" and "Are your rewards appropriate for the work you have completed?"

Perceived organizational support. Measurement of POS was done using the eight-item scale recommended by Eisenberger et al. (1986). Sample items are "The organization values my contribution to its well-being" and "The organization fails to appreciate any extra effort from me" (reverse-scored).

Leader-member exchange. Measurement of LMX was done using the six-item scale used by Naidoo et al. (2011). Sample items are "Do you know where you stand with your supervisor...do you usually know how satisfied your leader is with what you do?" and "How well does your supervisor understand your job problems and needs?" Responses for items under each scale were recorded on a five-point rating scale.

Common Method Variance

In the present study, all data were collected from a single source, which can lead to common method bias. To check for the presence of common method bias, Harman's one factor

(or single-factor) test, which is one of the most widely used techniques, was used. This method involves loading all the variables in the study into an exploratory factor analysis and examining the unrotated factor solution to determine the number of factors that account for the variance in the variables (Podsakoff et al., 2003). The basic assumption of this technique is that if a substantial amount of common method variance is present, either (a) a single factor will emerge from the factor analysis, or (b) one general factor will account for the majority of the covariance among the measures. For the present study, principal components analysis was done on the eight variables, and it was found that two factors emerged (eigen value > 1). This gives confidence that common method bias may not have significantly affected the results.

4. RESULTS

We ran structural modeling that depicted the hypothesized relationships between variables .The global fit indexes (χ^2= 14.297; df=8; GFI = .98; AGFI = .94; TFI=.97; CFI =.99; NFI=.97; RMSEA= .05) indicate that the hypothesized model fits the data well. Standardized parameter estimates for this model are shown in Figure 2. Procedural justice, distributive justice and interactional justice were significantly related to POS, supporting Hypotheses 1-3 respectively. Interactional justice was positively related to LMX, supporting Hypothesis 4. The remaining two justice forms were also positively related to LMX. As for relationship between LMX and POS, the path from POS to LMX was significant. This provides support for our Hypothesis 5. In predicting affect, POS was significantly related to both positive and negative affect: it showed a positive relationship with positive affect, thereby supporting Hypothesis 6, and it showed a negative relationship with negative affect, thereby supporting Hypothesis 7. LMX was significantly related to positive affect, supporting Hypothesis 8. However, LMX was not related to negative affect. Thus, our Hypothesis 9 did not obtain support. Finally, negative

affect was significantly negatively related to positive affect, thereby supporting our Hypothesis 10.

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Alternative Models

Alternative Model 1 consisted of the addition of a path from LMX to POS. The chi-square value fell to 7.57 and degrees of freedom to 7 indicating relatively better fit of the hypothesized model. In alternative model 2, we added a path between distributive justice to LMX. The chi-square value was 9.14 and degrees of freedom 7. In the third alternative model, we added a path between procedural justice and LMX. A chi-square value of 9.77 and degrees of freedom of 7 were obtained. In the fourth model, we added direct paths between all three justice perceptions, and positive affect and negative affect. All the direct relationships added in the fourth model were not significant. None of the alternative models had fit indices superior to the hypothesized model, providing support to the latter's superiority.

5. DISCUSSION

The results of this study provide evidence for the expanding sphere of work life and melting of boundaries between professional and personal. It is interesting to note that all three organizational justice forms, namely distributive, procedural and interpersonal, increased employees' perception of organizational support, while interpersonal justice alone influenced LMX. POS and LMX both positively enhanced positive affect. The relationship between LMX and negative affect was not found to be significant, although POS was significantly and

negatively related to negative affect. POS had positive and significant influence on LMX. Negative affect as hypothesized was negatively related to positive affect; higher instances of negative affect have a diminishing effect on positive affect.

In our effort to understand one's work life's influence on enhancing or reducing overall happiness, we explored two organization-originating social exchange relationships -- POS and LMX. We analyzed both antecedents and consequences of POS and LMX. While focusing on the antecedents, we studied how justice perceptions create a feeling of belonging to and a sense of being valued by an organization. By examining happiness as an outcome, we analyzed how impact of POS and LMX reaches beyond organizational boundaries into employees' personal lives and influences their positive and negative affect or in other words, happiness. Our research also supports the relationship between POS and LMX in line with findings of Masterson et al. (2000) and Wayne et al. (2002). POS influences LMX significantly. A possible reason for this could be closer working relationships between employees and organizational representatives other than supervisors. With the growing popularity of project-based organization structure and encouragement to cross-team fertilization of ideas and efforts, a manager's influence spreads beyond her or his span of control. Association with multiple representatives of the organization may have a bearing on how employee makes sense of her or his relationship with the supervisor, which gets reflected here in the shape of positive and significant impact of POS on LMX in this study.

Amongst the antecedents, all three – distributive, procedural and interactional justice perceptions – were significantly related to POS. Procedural justice was the most related, followed by distributive and then interpersonal justice. Procedural justice is better related as fair processes employed by the organization are viewed by employees as discretionary (Eisenberger

et al., 1997). These willingly applied procedures communicate to employees that the organization cares for them and may constructively influence POS. A significant relationship of distributive justice with POS may stem from employees' belief that other stakeholders and not only their supervisor have control over dispensing rewards. It is especially true for present day organizations that take 360^0 appraisal system and reviewing by upper management seriously. Interactional justice was also significantly related to POS indicating that organizations ought to fulfill not only material needs of employees but also provide an open environment of trust and support that makes employees feel valued and equips them for higher performance. Interpersonal justice as expected was highly related to LMX (Masterson et al., 2000) in our study and this finding confirms that respect, trust and ability to provide performance-related support forms the foundation of employee-supervisor relationship.

Coming to the consequences, POS was significantly related to both types of affect and in expected direction. POS was positively related to positive affect and negatively to negative affect. This is consistent with research of Rhoades and Eisenberger (2002) that found POS to be strongly related to job related affect i.e. job satisfaction and positive mood. However, our study considered the transmissibility of affect from organizational or job-related to personal sphere, and as expected, found relationship between POS and overall positive and negative affect. This finding highlights the importance of organization support practices in ensuring employees' happiness and underlines how organizational actions, policies and processes are not limited in their influence to job-related outcomes but go far beyond and touch personal lives of employees. LMX was significantly related to positive affect but not related to negative affect. This is surprising as we expected a negative relationship between LMX and negative affect. Low quality LMX, as experienced by out-group members, is known to cause stress (Lagace et al.,1993), and

in our study, we expected it to increase negative affect. However, we found that POS had a stronger relationship with affect than LMX. This finding could be particular to the organization we conducted our research in, as it is known for its open culture and loosely defined hierarchy. It is possible that happiness or absence of it is influenced in an open culture by multiple stakeholders, and negative affect resulting from low quality LMX is softened by high POS.

Negative affect was negatively related to positive affect. This is consistent with previous research (Russell and Carroll, 1999) which has highlighted the importance of not only frequent positive affect but also stressed upon the conditionality of infrequent negative affect to define happiness.

As has emerged from the study, happiness of employees can be enhanced by promoting healthy social exchange relationships within the organizational boundaries. These social exchange relationships in turn are a function of justice perceptions that are formed based on employees' evaluation of the practices and policies of organizations and behavior of multiple organizational representatives. Therefore, it becomes imperative to see how organizations can augment employee happiness by facilitating social exchanges and fostering favorable justice perceptions.

6.   MANAGERIAL AND ORGANIZATIONAL IMPLICATIONS

The ongoing debate in the corporate world about how to motivate workers with rewards other than monetary and how to retain them will find some concrete answers through this paper. Leaders in organizations need to appreciate that increasingly lines dividing work and non-work life because of technological advancements, are blurring. As work responsibilities seem to be overflowing from the workplace into family and leisure time, the events at workplace have the potential to cause mammoth impact on employees and their families. Policies, procedures, and

behavior need to be reconciled to this fact. The attempt should be to focus on needs in addition to monetary benefits (or those that inspire shortsighted behavior) and to satisfy them to create a sense of equity. To enhance social exchange opportunities, perception of organizational support can be created by following just procedures that are consistent, ethical, without bias and by giving employees voice in framing and repealing them. Employees expect to be involved, and appreciate if they are asked to participate in decision-making processes that concern them. These initiatives are likely to give employees a sense of ownership and make them natural stakeholders in the organization. As the most important point of contact for any employee is her or his supervisor, an organization must create a culture where employees are treated fairly by their supervisors. Perception of fair treatment can be achieved through encouraging open two-way communication and sharing of information between employee and her or his manager. Considering the new organizational structures that are emerging, collaboration amongst employees and with seniors other than supervisors should be facilitated through encouraging the formation of social networks and mentoring practices. Few progressive initiatives taken by employers will reinstate and reinforce the psychological contract of aligning mutual objectives between the employee and her or his work organization and create employees who are enthusiastic, attentive, inspired, determined and proud.

The very fact that POS and LMX are shaped by procedural and interactional justice also along with distributive justice is testimony to the fact that only outcomes in terms of monetary rewards do not necessarily motivate employees. It is actually fairly treated, supported, happy, and satisfied internal customers who shall be less vulnerable to short-term, self-destructive gains and in all likelihood fairly treat customers and other stakeholders, thereby creating and aiding a growth-oriented and sustainable organization.

7.   LIMITATIONS AND SUGGESTIONS FOR FUTURE RESEARCH

This study has a few limitations which we feel can be overcome through more research. First, we studied justice perception as antecedent and happiness as an outcome of social exchange relationships without looking at mediating roles LMX and POS could have played. As a next step, a subsequent study could see if LMX and POS mediate the relationship between justice perceptions and personal level outcomes like happiness. Second, it might be fruitful to study both cognitive and affective personal outcomes together. The second objective can be achieved by including life satisfaction as a dependent or exogenous variable. Happiness and satisfaction with life form the affective and cognitive components of subjective well-being and it will be worthwhile to study them together.   Third, our sample consisted of 94.2 percent males, which might not be a true representative of an average workplace in today's world. Gender is also an important variable in happiness studies; hence, future work can take a more diversified sample that represents the gender ratio of the concerned industry, organization, or nation. Cross-national or cross-cultural studies can also be conducted to study the cultural influences on the relationship between fairness perceptions, social exchange relationships, and employees' happiness. It might also be meaningful to study reverse relationship between happiness and employees' perception of organizational support, leader member exchange and fairness perception as there is a possibility that happier and more satisfied employees have more positive outlook and views about their workplace and work-life.

8.   CONCLUSION

As a substantiation of reach of workplace events and perceptions, and their ability to mold our private world, this study found a significant relationship between justice perceptions and social exchange relationships. Social exchange relationships like POS and LMX in turn

significantly influence positive affect. The knowledge of primacy of social exchange relationships in our larger lives and their potential to enhance happiness or accentuate negative affect validates the obscuring of boundaries between work and personal lives. The blending of two halves of our lives hereto considered separate has increased the onus on organizations to create cultures that motivate employees, give them a sense of belonging, and as a result ensure their happiness. Such supportive cultures can be formed and developed through enhancing employees' awareness of support emanating from all quarters – supervisors, other seniors, and organizational policies and practices. For this support system to gain credence in employees' eyes, it is necessary that employees recognize the organization as an ethical entity, which will treat them fairly in all aspects and under all circumstances. It is only through creating just and fair perceptions that organizations can provide substantive and lasting support to their members thereby ensuring and enhancing happiness, and creating an ethical and stakeholders-centric workforce.

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TABLE 1

Means, Standard Deviations, Correlations and Cronbach Alphas of All Variables

	Variables	Mean	S.D.	1	2	3	4	5	6	7	8
1	Procedural Justice	2.68	.78	(.87)							
2	Distributive Justice	2.71	.99	.63	(.95)						
3	Interactional Justice	3.32	.88	.44	.39	(.93)					
4	Leader-Member Exchange	3.30	.78	.45	.42	.74	(.85)				
5	Perceived Organizational Support	3.31	.67	.52	.52	.36	.394	(.86)			
6	Positive Affect	3.36	.82	.33	.21	.29	.33	.45	(.92)		
7	Negative Affect	2.20	.77	-.24	-.24	-.21	-.21	-.38	-.33	(.87)	

Cronbach Alphas appear along the diagonal in parenthesis .$p< 0.01$ for all correlations. N = 262.
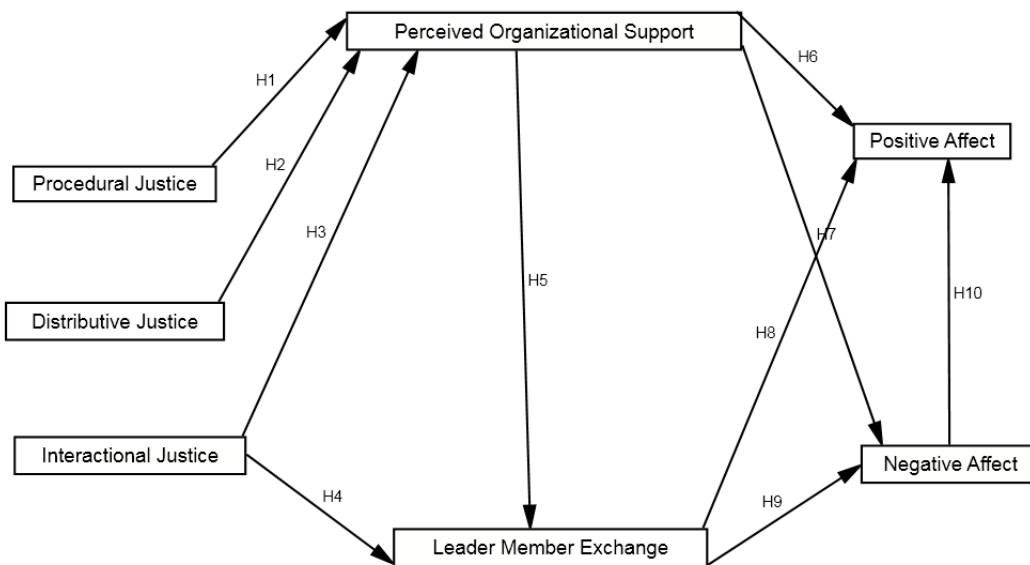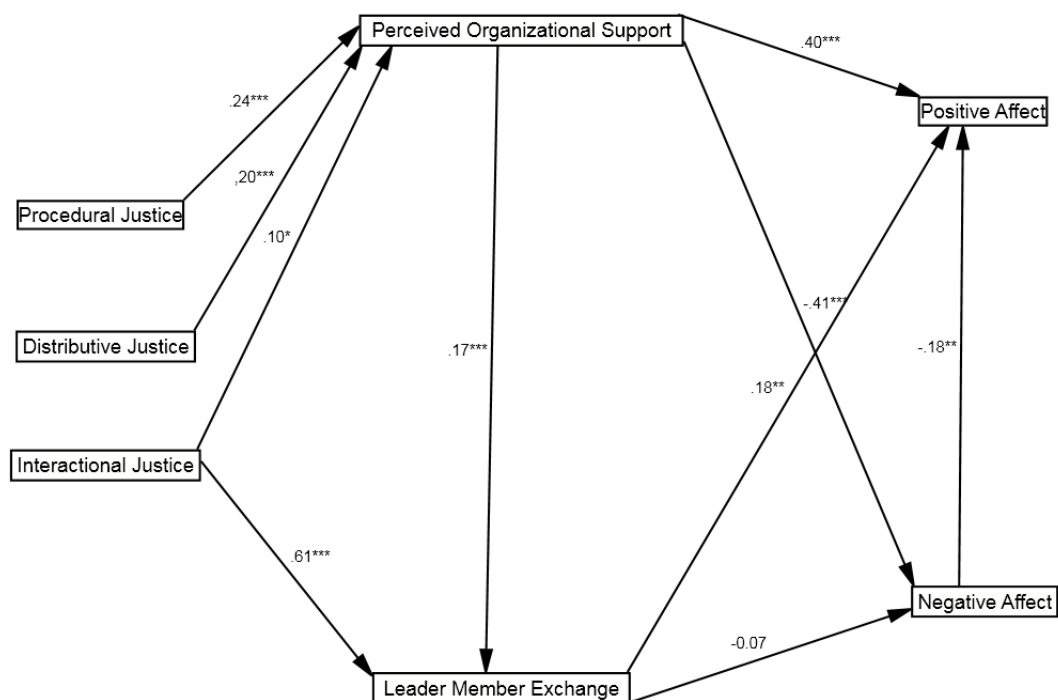
FIGURE 1

The Hypothesized Model

FIGURE2

The Structural Model

Maximum likelihood estimates for the hypothesized model.*p <.05. **p <.01.*p<.001**