

EFFECTS OF DISCREPANCIES BETWEEN PEER AND SELF RATINGS, RELATIVE RELATIONSHIP, AND DECISION CONTROL ON PERCEPTION OF FAIRNESS IN GROUP MEMBERS

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Peer performance appraisals are increasingly adopted in modern organizations and peers are highly concerned about the fairness in such appraisal. Employing a $2 \times 2 \times 2$ experimental design, this study examined the effects of “discrepancies between peer rating and self rating”, “relative relationship” and “decision control (the influence of self rating on reward)” on group members' perception of fairness. The role of locus of control was also explored.

In this experiment 96 female undergraduate students were randomly assigned to three-person groups, each of which consisted of an assigned participant and two confederates. In the unequal relationship condition, participants were led to believe that the other two members in the group were familiar with each other. In the equal relationship condition, participants were told that all participants in this experiment were strangers.

After completing an assigned task, each participant was asked to complete a questionnaire of locus of control and to rate her own and the other two members' performance. Then, in the low decision control condition, participants were informed that how much reward they would get totally depended on the scores of peer rating. Other participants in the high decision control

condition were told that the sum of self rating and peer rating would be the basis for allocation of reward. Finally, participants were given fake results of rating. One kind of the fake results showed that peer rating was higher than self rating, and the other showed the contrary.

Results indicated that when using the peer rating, participants who received relative lower peer rating showed weaker perception of fairness, less satisfaction with outcome, less attraction to other two coworkers and less willingness to re-cooperate. Participants perceived peer rating fairer when the relative relationship is equal (the familiarity within group members is the same). With high decision control, perception of fairness and re-cooperative willingness were higher. No interaction effect among independent variables was found. Locus of control had a moderating effect on the relation between relative relationship and perception of fairness. Implications for management and future research are discussed.

Keywords: Peer rating, Self rating, Relative relationship, Decision control, Perception of fairness, Locus of control