

Organisational Justice

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Organisational Justice

Introduction

The term 'organisational justice' refers to the extent to which employees perceive workplace procedures, interactions and outcomes to be fair in nature. These perceptions can influence attitudes and behaviour for good or ill, in turn having a positive or negative impact on employee performance and the organisation's success. The concept of organisational justice extends traditional models of work behaviour that tend to conceptualise job demands, job control and social support as the main factors determining individual well-being and productivity. 'Fairness' is a largely subjective construct, which captures more basic elements of the social structure in which these other characteristics operate. Often the notion of organisational justice will only become relevant and tangible when a violation of said justice occurs.

Examples of perceived injustices within an organisation might include:

- unequal pay for men and women doing the same job
- performance reviews being conducted by someone with whom the employee has had little previous contact
- the use of personality inventories to select new staff
- arbitrary dismissals.

Work psychologists have highlighted three distinct, though overlapping, types of organisational justice: distributive, procedural, and interactional. Each will be briefly described below, and their implications for HR practice examined.

Distributive justice

This type of justice refers to outcomes being distributed proportional to inputs – the so-called equity principle (Adams, 1965). Outcomes in a work context might take the form of wages, social approval, job security, promotion and career opportunities, while inputs would include education, training, experience and effort. As it can be difficult to determine what constitutes an appropriate level of reward for a particular degree of input, people tend to make this judgement in relative terms, looking for a contribution–outcome ratio that is similar to that of their peers.

The equity principle is already upheld in organisations to a large extent by standardised HR policies, such as predetermined job grades and salary bands, universal training and development opportunities, and avoidance of 'favouritism' in showing approval. However, there may come occasions where an employee feels there has been an unfair distribution of benefits; for example, a colleague with the

same number of years' service is promoted while the individual concerned is not. Clearly such decisions by management are likely to be based on considerations other than tenure alone, but these will not always be transparent to outside observers. The unpromoted employee may consider that his inputs were the same as his colleague's and yet they have been rewarded differently. Consequently, they may seek to redress this perceived inequity either by reducing their subsequent efforts, or by campaigning to be recompensed to the same degree as their colleague. Either course of action is likely to be damaging – or, at best, inconvenient – to their employers.

The notion of 'equity' may sometimes be overruled by that of 'equality' (everyone receives the same) or 'need' (people receive according to their personal circumstances), especially when the outcome is something that cannot strictly be earned, such as medical insurance benefits. Research has shown some cross-cultural variation in the preferred basis for outcome distribution, with Americans favouring the principle of equity, Indians of need, and Dutch of equality (Storey, 2000); but as will be seen below, the final allocation of rewards may not be so intrinsically important as the process by which the allocation was decided.

Procedural justice

Procedural justice is concerned with the fairness of the decision process leading to a particular outcome. As just noted, procedural justice can outweigh distributive justice, in that people may be willing to accept an unwanted outcome if they believe the decision process leading up to it was conducted according to organisational justice principles. For example, Greenberg (1994) found that smokers more strongly accepted a smoking ban at their workplace when they felt they had been given thorough information about the change of policy, in a socially sensitive manner (see *Internet Resources* for more information on implementing a workplace smoking ban). The same principles might apply to the hypothetical promotion scenario given above. An unpromoted worker may be placated if he is convinced that the system used to decide promotions is transparent and free from bias.

Voice principle

People's perceptions of procedural justice are likely to be enhanced if they are given the opportunity to present information and voice their concerns before decisions are taken. This can apply as much to general day-to-day working life and management practice as to formal, one-off procedures such as disciplinary hearings. Psychologists have argued that having a voice helps to fulfil particular needs such as the chance to be heard and to influence other people, as well as the confirmation of being valued as a participative group member (Storey, 2000).

Simple activities, such as managers lunching with lower-level colleagues, operating open-door policies, or engaging in 'walk-arounds', can enhance the feeling among employees that they are being listened to. Other more direct initiatives promoting the

voice principle might include suggestion schemes, empowerment programmes, appeal processes and participative management (Sheppard *et al.*, 1992; see *Internet Resources* for further information on employee empowerment and participative management). With all such procedures, accessibility, efficiency and impartiality are paramount, and should be underlined by a strong management commitment to maintaining and authorising the systems that are in place.

Other determinants of procedural justice

In addition to being given a voice in organisational procedures, a number of further criteria may contribute to employees' perceptions of a fair decision process (Leventhal *et al.*, 1980).

- **Consistency:** The same allocations are made across persons, situations and time. This would mean, for example, that standard criteria are in place for contract terminations and employees are never dismissed 'on a whim'.
- **Neutrality:** Decisions are based on facts, not on vested interests or personal feelings of the decision maker. Multiple information sources will help to create a comprehensive and objective view of a situation.
- **Accuracy:** The information used to formulate and justify the decision is up to date and correct. Hearsay must be validated and HR policies read up on before either is quoted in a formal situation.
- **Correctability:** Provisions exist for challenging and/or reversing ill-advised decisions, such as grievance or appeal procedures.
- **Representativeness:** All those whom the outcome will affect have their concerns taken into account. This would mean, for example, consulting both smokers and non-smokers about the implementation of a smoking ban, and considering viable compromises for those whom it will inconvenience.
- **Morality and ethicality:** Age, gender, nationality and other extraneous factors have no bearing on the decision that is made.

Interactional justice

In some respects, interactional justice falls under the umbrella term of procedural justice, but is significant enough to be considered in its own right. It refers to the quality of the interpersonal treatment received by those working in an organisation, particularly as part of formal decision making procedures. Bies and Moag (1986) identify some key aspects of interactional justice, which can enhance people's perceptions of fair treatment.

- **Truthfulness:** Information that is given must be realistic and accurate, and presented in an open and forthright manner.

- **Respect:** Employees should be treated with dignity, with no recourse to insults or discourteous behaviour.
- **Propriety:** Questions and statements should never be 'improper' or involve prejudicial elements such as racism or sexism.
- **Justification:** When a perceived injustice has occurred, giving a 'social account' such as an explanation or apology can reduce or eliminate the sense of anger generated.

Authority

Perceptions about a manager's authority can affect procedural justice judgements. Three aspects of authority having a bearing on this judgement are trust, neutrality and standing (Tyler and Lind, 1992). Managers will be considered trustworthy if their intentions are clear and fair and their behaviour congruent with these intentions. Neutrality refers to the use of facts to make an unbiased decision, while standing implies a recognition accorded to managers who treat others with dignity, politeness and respect for their rights.

Positive effects of organisational justice

Well-designed systems that promote distributive, procedural and interactional justice profit both the individual, who will be satisfied that they have been fairly treated, and the organisation, which will maintain control over potential challenges and threats from its staff while reaping the benefits of being an employer of choice. The specific gains may be seen in a number of areas. For example, Sheppard *et al.* (1992) state that 'equitable pay improves individual performance, equal treatment raises group spirit, voice creates commitment to a decision, and access creates a loyal ally' (p. 102). Justice promotes positive attitudes of job satisfaction, commitment and trust, in turn breeding healthy and constructive professional and interpersonal behaviour. In particular, perceptions of procedural justice have been associated with what is termed 'organisational citizenship behaviour' (OCB) – informal, prosocial acts that go beyond the immediate remit of the job description and encompass such outputs as courtesy, conscientiousness, altruism and sportsmanship (Organ, 1988; Skarlicki and Latham, 1996).

Organisational justice has also been associated with employee health and well-being. Kivimäki *et al.* (2004) carried out a longitudinal study of London civil servants in which the fairness of interpersonal treatment, as rated by employees, was found to be a reliable predictor of self-assessed health across three- and six-year follow-up periods. It was found that these effects could not be explained by other factors such as the demands of the job, the employee's level of control over their work, social support, rewards, or effort. In fact the single survey question best predicting poor health over both follow-up periods was 'Do you ever get criticised unfairly?'

Responses to injustice

Individuals may respond in a number of different ways to a perceived injustice, with varying degrees of impact on the organisation. There is often a desire to name and/or blame the person, procedure or system considered to be at fault (Sheppard *et al.*, 1992). It is most commonly a person or group of people that comes under attack, as employees may not feel inclined or qualified to question underlying organisational systems.

A number of factors can influence the decision to act on a perceived injustice, including the extent of its impact, perceptions of past and likely future injustices, and personal dispositions such as a desire for retribution and the tendency to confront or avoid problem situations (Coetzee, 2005). Turnley and Feldman (1999) summarise four possible responses to dissatisfaction that might apply to employees who feel they have been unjustly treated:

- exit behaviours (negative/active) *eg* leave the organisation
- withdrawal behaviours (negative/passive) *eg* reduce one's efforts
- voice behaviours (positive/active) *eg* file a grievance
- loyalty behaviours (positive/passive) *eg* ignore or try to rationalise the injustice.

When a perceived injustice arises, managers would do well to try and channel the responses into an area where they can be effectively dealt with. Organisations will benefit most from employees who react to injustice actively and positively (voice behaviours). These employees will ensure the injustice is brought to management's attention, thus enabling the organisation to review its practices and prevent future problems. By promoting the 'voice principle' (see above) and responding with explanations and feedback, managers can demonstrate that they value their employees, thereby enhancing commitment and loyalty.

Disaffected employees who respond passively and negatively (withdrawal behaviours) are most harmful to the organisation, because they leave the situation unresolved and lower their contribution to the organisation's success. Loyalty behaviours too are only 'positive' insofar as they do not pose an immediate challenge or threat to organisational systems – this type of response will not, however, address the underlying cause of the problem and may only stockpile resentment against future events of a similar nature.

Employee theft

Theft is one example of a particularly destructive response to perceived injustice. It can be represented in terms of Adams' (1965) equity theory as a way in which employees try to recompense themselves for their disproportionately low gains by stealing from their company.

Theft can take many forms beyond straightforward misappropriation of organisational property. Other instances of redressing perceived losses at the organisation's expense

would include wasting company materials, taking erroneous sick days, disobeying instructions, and spending time on personal matters at work (Skarlicki and Folger, 1997).

Interactional justice can be key in preventing injustice-driven theft, as Greenberg (1990) demonstrated in his case study of two factories implementing pay cuts. In one factory, employees were given thorough information about the reasons for the cut by a senior official, who demonstrated sensitivity and concern in imparting the information. In the other, employees received only a limited explanation for the pay cut, presented in an indifferent manner. Subsequently, over twice as much theft took place in the second location as in the first. These findings suggest that where pay cuts have to be made, damage can be minimised if managers are able to provide information of sufficient quantity and quality to convince those affected that the move was unavoidable. Ideally they would also convey genuine regret and concern for the problems caused to employees by a reduction in wages.

Further information and a more recent study concerned with interactional justice in implementing pay cuts can be accessed via the *Internet Resources* section.

Handling responses to injustice

Organisations should be prepared to take both an anticipatory and retrospective approach to injustice, as follows:

- Revise systems and procedures to eliminate the potential for gross injustices altogether. Many organisations will already have a basic set of HR policies in place that are intended to promote fairness: for example, the standardised salary scales and development programmes mentioned previously.
- Provide a controlled, accessible, responsive, nonretributive means for employees to access help and support to tackle unforeseen or one-off instances of injustice.

The voice principle is crucial here. Having a voice can serve both a preventive and a remedial role in promoting organisational justice: incorporating employee views into ongoing organisational governance and management, and enabling individuals to gain information about, challenge or change decisions that have already been made.

Applications of organisational justice

Performance appraisal

There is a certain conventional stigma attached to the performance appraisal, but employees' inherent suspicion or dislike of being appraised is likely to stem from their perceptions of the way performance reviews are conducted, as opposed to their intrinsic value (Brumback, 2005). People want to see their work performance assessed

in a way that is accurate and unbiased. The following represent key action points for HR professionals seeking to create a fair performance appraisal system.

- Ensure appraisals are done and on time, especially if they are written into contracts.
- Use appropriate performance criteria, if possible involving employees to decide what these should be.
- Employ knowledgeable appraisers who are familiar with the appraisee's work and experienced in conducting performance reviews.
- Use a rating format that is goal-oriented, behaviour based, and makes use of detailed information.
- Consider using peer- and self-ratings in addition to the standard supervisor's assessment.
- Allow employees to participate and express their feelings and opinions in the appraisal interview.
- Be pleasant, offering praise where appropriate.
- Deliver negative feedback (if appropriate) in a constructive manner.
- Produce a written account or summary of the appraisal interview and allow the interviewee to view and comment on it; discuss and attempt to resolve any points of disagreement. If no agreement can be reached, ensure channels are open for the employee to take his or her objections to a higher level manager.

Disciplinary procedures

Like performance appraisal, discipline is an area in which employees will strongly desire to make their voices heard and have their point of view considered. In keeping with theories of procedural justice, employees may be willing to accept an ostensibly unfavourable outcome if the process by which the decision was made is seen to be fair. Conversely, if they believe they have been treated too harshly or have had too small an input in the process of deciding sanctions, they may take steps to redress the perceived inequity in ways that could be damaging to the organisation.

Training managers in key aspects of procedural and interpersonal justice will help them to deliver fair systems for disciplinary hearings and actions. Cole and Latham (1997) ran a successful training programme in which supervisors enacted role-plays focusing on six key factors: (1) explanation of the performance problem; (2) demeanour of the supervisor; (3) subordinates' control over the process; (4) arbitrariness; (5) employee counselling; (6) privacy.

Conflict resolution

This is a growing area of concern for organisations. The rise in team-based work creates frequent opportunities for disputes between colleagues, and tightened government regulation places companies at a higher risk of litigation for unlawful dismissals and other perceived injustices. It is particularly important that all involved parties are given a voice during conflict resolution procedures.

Traditionally, mediation and negotiation have been the preferred means of resolving a dispute, as they allow those on either side to state their cases and fashion a solution together. However, research has shown that adjudication procedures, where a third party decides on and imposes the solution, can be just as effective if the disputants are given a voice throughout (Huo *et al.*, 1996). In 'applied arbitration', each disputant gives their case to a manager, who passes judgement while taking all views into consideration. This practice has the advantage of allowing managers to retain control of the outcome and ensure it is in line with organisational goals and policies.

Layoffs and terminations

Research has shown that the way in which termination procedures are handled can impact substantially on the subsequent behaviour of those affected. In a study by Lind *et al* (1998), nearly 15 per cent of dismissed employees who felt they had been treated unfairly proceeded to file claims against their former company, even if they did not expect to win. Less than one per cent of those who believed they had been fairly treated did so, a pattern that applied to both redundancies and sackings. The study identified several factors constituting 'fair treatment' in the eyes of employees, who were less likely to sue for unfair dismissal if they had experienced one or more of these aspects of the termination process:

- dignity and respect
- a full and honest explanation
- an adequate period of notice
- help in finding new employment
- concern for the social psychological implications of dismissal.

The last point applies particularly to highly committed workers, who, if treated poorly by the organisation to which they devoted such effort, may seek to redefine themselves by taking an oppositional stance against their former employer (Brockner *et al.*, 1992).

Survivors of a spate of redundancies can also become less committed following perceived unfair dismissals (Brockner *et al.*, 1994). This may be because they worry that their own position is at risk, or infer that this is a reflection of other procedures within the organisation also being unfair. Fair systems, on the other hand, make the

workplace more predictable and rational. Furthermore, Skarlicki *et al.* (1998) found that even uninvolved observers may take a stance on an 'unjust' situation, suggesting that external corporate image and reputation – as manifested in the views of customers or the media, for example – may suffer as a result of such incidents.

Further information and advice on discipline, dismissal and grievance procedures can be accessed via the *Internet Resources*.

Selection and staffing

Both current and prospective employees have been found to react badly to unfair selection procedures. Similar to layoffs and terminations, current workers may develop negative attitudes and lower commitment levels if they see that their organisation is operating unfairly in selecting new staff. Likewise applicants may turn down offers of employment, or perform more poorly if they do accept the job.

HR professionals have an important role to play in implementing selection procedures that will rightly be perceived as fair. Characteristics of a fair procedure would include the following:

- the establishment and use of specific selection criteria that clearly map onto the job description. Ideally HR will already have written up a detailed description of each post within the organisation covering the nature of the role, its requirements and responsibilities. Job Analysis techniques (see *Internet Resources*) will be of help in creating or expanding these descriptions.
- assessment techniques that can reasonably be seen to measure these criteria. Assessment centres (see *Internet Resources*) are a good example of a comprehensive and relevant selection tool, as they incorporate a variety of activities designed to tap different competencies required for the post. Often they will include a written or practical task similar to that which might be undertaken on the job. This provides solid evidence of a candidate's abilities, enabling them to validate claims they have made at interview or on an application form. Assessment centres may also give selectors the opportunity to observe candidates interacting socially, providing clues as to their personal characteristics and suitability for work within a particular environment or group of people.
- the chance for applicants to demonstrate their job-relevant competencies, and to be given reconsideration if they do not perform well first time. Again, assessment centres cater well for to this need, enabling the candidate both to speak about and provide evidence for their abilities, while the wide range of assessment modes provides opportunities to compensate for a below-par performance on one aspect.
- consistent procedures for all candidates applying for the same role.
- opportunities for candidates to express and explain themselves. Unstructured interviews, in which the interviewee is permitted to expand or digress on particular

questions if appropriate, will create a stronger sense of having had a 'voice' in the proceedings.

- interpersonal skills of the interviewers: in particular the ability to refer to candidates' feelings, summarise what they say, listen well, and promote open and honest exchange.
- an explanation of the requirements of the job, together with clear and accurate information about the strengths and weaknesses of the organisation.
- advance notice, explanations, justifications, feedback, and a system for filing grievances in the event of dissatisfaction with the process or outcome.

Organisational change

Research by Sharpe (2006) showed that perceptions of fairness affected the extent to which employees accepted and adjusted to organisational changes. Factors influencing perceptions of fairness largely centred around communication and involvement, for example the receipt of regular, honest information about the objectives of change and its progress, together with the opportunity to express views and concerns. Employees also wished to be involved in the decision-making process, with their suggestions taken seriously and acted upon. Communication and involvement helped individuals to understand the rationale for change and to make sense of the new environment. In turn, this prompted them to sustain their commitment and loyalty to the organisation.

See *Internet Resources* for more detailed information about the role of communication and employee involvement in taking organisational change forward.

Conclusion

The principles of organisational justice are not, on the whole, complex to apply and may be considered more in the vein of 'sound managerial practice' than 'social technology'. While some interventions may be less successful on some occasions or in particular contexts, none is likely to be harmful, and at the very least they will promote a sense that the organisation is concerned about fairness. When implemented well, they can make a significant contribution to improving performance, enhancing commitment, and preserving dignity and humaneness.

Internet Resources

- Implementing a smoking ban
<http://www.forestonline.org/output/Page43.asp>
- Employee empowerment
http://www.andrewgibbons.co.uk/documents/empower_006.doc
- Participative management
<http://www.hrmreport.com/eu/pastissue/article.asp?art=26615&issue=162>
- Implementing pay cuts
<http://www.sciencedaily.com/releases/2006/01/060123161415.htm>
- Disciplinary procedures and conflict resolution
<http://www.personneltoday.com/Articles/2006/01/01/33114/Time+to+proceed.html>
- Job analysis
<http://www.job-analysis.net/G000.htm>
- Assessment centres
<http://www.cipd.co.uk/subjects/recruitmen/assmntcent/asscentre.htm>
- Organisational change
<http://www.businessballs.com/changemanagement.htm>

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