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Organizational Justice: A Primer

Todd C. Harris

*I do not pretend to understand the moral universe;
the arc is a long one, my eye reaches but little ways;
I cannot calculate the curve and complete the figure
by the experience of sight; I can divine it by conscience.
And from what I see I am sure it bends towards justice.*

— Theodore Parker, Unitarian Minister and Boston Abolitionist,
“Sermon on Justice and the Conscience” (1853).

We often think about moral questions as abstract philosophical inquiries that fathom the depths of what it means to be human. Certainly, moral questions motivated antebellum antislavery advocates, for example, for whom morality offered the best argument against the evil of slavery. What is true, however, is that every engaged member of society, then and now, must struggle daily with deep moral questions. This is no less true for the university professor or the corporate manager than it was for abolitionists such as Theodore Parker.

Imagine that a college student receives a failing grade in a course. The student would likely be dissatisfied with the grade, but could he or she reasonably claim that the grade was unfair? To answer this question, we would need to take a number of issues into consideration. For example, did the grade accurately reflect how the student performed in the course? Were the scores on tests and other assignments computed in an objective, unbiased manner and summed correctly? Did the professor treat the student with dignity and respect throughout the semester? Lastly, was the grading procedure clearly and thoroughly communicated and explained to the student? The answers to these questions are likely to have a considerable impact on how the student feels about the grade, the professor, and even the school as a

whole. These perceptions, in turn, may have a profound effect on what the student actually does in response to the grade, ranging from quietly accepting the grade, complaining to a fellow student, challenging the professor, or even withdrawing from school altogether.

Although the above example is drawn from the field of education, the same kinds of issues arise in the workplace. For example, do you feel that your salary and other benefits equitably reflect your contributions to your organization? How is your annual

performance review conducted? Do your immediate manager and other leaders treat you with dignity and respect? Have you been given information about how important organizational decisions were made? Matters such as these are relevant to *organizational justice*: the study of people’s perceptions of, and their reactions to, fairness in organizations.

Organizational Justice: Fairness Matters

Why should organizations and the people that lead them care about justice? The most powerful arguments can be distilled into three broad categories. *The Moral Argument* holds that organizations should strive to do the right thing as a worthwhile end unto itself, exclusive of any tangible organizational benefits. *The Business Argument* holds that treating employees unfairly adversely impacts their work attitudes and behaviors, which in turn negatively impact criteria that organizations value, such as sales, customer satisfaction, safety, absenteeism, job satisfaction, employee turnover, and other factors directly relevant to business success. This argument may take on added importance as we continue to shift toward a service, creative and innovation-focused economy, one that places a premium on employees who are fully committed to their organizations and engaged with their work. *The Public Argument*, which may actually be a constituent of the business argument, holds that the public is growing increasingly aware and intolerant of unethical corporate behavior. Consumers and investors will support socially responsible companies and punish irresponsible

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ones. Each of the above arguments is complicated by the fact that what constitutes “the right thing” is rarely straightforward. Given that philosophers with the intellectual incandescence of Aristotle, Jeremy Bentham, Immanuel Kant, and John Rawls have struggled mightily with the topic of justice, it is understandable if a “typical” manager in an organization has trouble arriving at a satisfactory outcome in justice-related matters.

Three Forms of Organizational Justice

If we return for a moment to the example of the college student who received a failing grade, we see that organizational justice is a multi-faceted concept that takes on a number of forms. The key forms are distributive justice, procedural justice, and interactional justice. *Distributive justice* is the form of organizational justice that focuses on employees’ beliefs that they get their fair share of valuable organizational outcomes (e.g. pay, promotions, recognition). For example, as I write this, the final roster for the 2014 Men’s United States Olympic hockey team has just been announced. The twenty-five roster spots would be considered to have been distributed fairly if the best twenty-five players received them. It is important to note that individuals make assessments of distributive justice not in isolation but in comparison to others. For example, consider two employees, Employee A and Employee B. Both have identical educational backgrounds, job titles and responsibilities, are hard workers, and are equally competent performers. However, Employee A’s annual compensation is ten percent higher than Employee B’s. Upon making this discovery, Employee B is likely to be dissatisfied, and may seek to remedy this inequity by working less (i.e. reducing inputs) or asking for a raise (i.e. increasing outcomes) among other strategies. It is important to note that there are many different definitions

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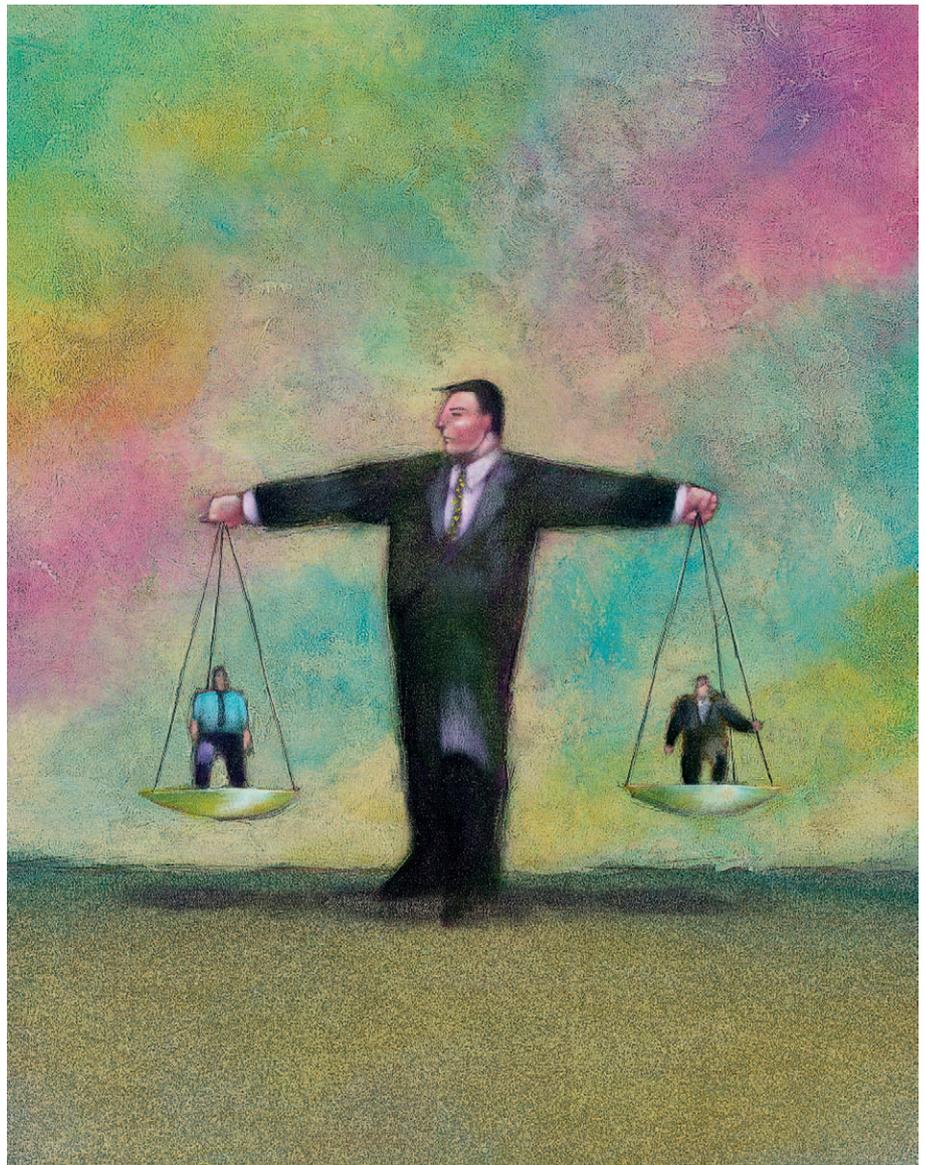
Organizational Justice Model

of what is “fair” with respect to the allocation of rewards. One definition is based on the *merit norm*, which indicates a situation in which the people who work the hardest or add the most value to the organization get the greatest rewards. Another definition is based on the notion of an *equality norm*, in which every member of the organization gets the same share of rewards, regardless of effort or levels of contribution. Finally, the *need norm* distributes rewards in proportion to individual needs. In the United States, the merit norm is the most common foundation for defining fairness, whereas in other parts of the world where a collectivist culture prevails (e.g. Asia and Scandinavia), the equality norm is stronger.

The second form of organizational justice is *procedural justice*. Whereas distributive justice concerns itself with the fairness of the “ends” (i.e. did I get my fair share of the pie?), procedural justice considers the fairness of the “means” to those ends (i.e. was the process by which valued outcomes were allocated done fairly?). Procedural justice occurs in situations in which individuals feel that they have a “voice” in the making of decisions, where rules are applied consistently, safeguards against bias are in place, and the information used in the decision is accurate. Although it is important to use fair procedures always, it is especially important to do so when

the outcomes involved are unfavorable. Let us return for a moment to the classroom. A student who receives an “A” as a final course grade would be inclined to simply accept the grade without asking too many questions. If, on the other hand, the grade was an “F,” then the student would likely have much more interest in the procedures by which this final grade was calculated. This is known as the “fair process effect.” Research has shown that people are more willing to accept negative outcomes when the outcomes were determined using fair procedures.

In my pre-academic career as a management consultant, I often observed that companies, especially those based in the United States, paid less than full attention to the issue of procedural justice. My research finds that some managers and other organizational leaders believe that they are “better” at procedural justice than they truly are, resulting in a disconnect between their perceptions and those of their employees. For example, I suspect that most of us would rate ourselves highly on a survey item that measures how well we treat others with dignity and respect. However, if our employees were asked the same question, would they rate us as highly on this dimension as we rate ourselves? The research says no. Managers may have the intent to treat others respectfully, but are not well attuned to how those intentions are being viewed by others. Within



Exec Comparing Two Employees (Credit: Tim Teebken)

the realm of organizational justice, perceptions matter more than any objective reality.

Alternatively, some managers wrongly believe that tangible benefits (i.e. distributive justice) are more important to employees than being treated with decency and respect. This phenomenon often happens when a company conducts a downsizing or other large-scale layoff, during which company executives concern themselves more with the size of severance packages and the continuation of health insurance benefits (distributive justice) than with being transparent about how the lay-off decisions (e.g. who stays? who goes? why?) were made (i.e. procedural justice).

Employees who believe that they have been treated with a high level of interactional justice tend to be good organizational citizens, going “above and beyond” to assist others even when they do not have to.

The final form of organization justice is *interactional justice*. Individuals make determinations about fairness not only on the basis of outcomes received and the procedures used to determine those outcomes, but also in terms of how these outcomes and procedures are explained. This is interactional justice, which manifests itself in two forms. The first is *informational justice*, which can be defined as the amount and quality of information provided to explain outcomes and procedures. Sharing lots of accurate information

good organizational citizens, going “above and beyond” to assist others even when they do not have to.

As with procedural justice, I have often observed companies struggle with the concept of interactional justice. Unwittingly, sometimes corporate policies and guidelines hinder interactional justice. A company’s legal department or human resources department may discourage managers from fully explaining their decisions on the grounds that the disclosure of infor-

important for organizational leaders to be more visible, not less, during times of organizational challenge.

Suggestions to Improve Organizational Justice

How can a company build a culture that honors organizational justice? Compensating employees fairly and in accordance with prevailing market conditions improves the distributive justice of a workplace. In this vein, compensation could include non-wage-based benefits such as health insurance or flexible work schedules. Compensating employees in proportion to their contributions to the organization also enhances distributive justice. Giving employees a genuine voice in organizational decisions and being transparent about how organizational decisions are made both facilitate procedural justice. Finally, explaining decisions thoroughly with accurate and timely information and ensuring that managers treat everyone with dignity, respect and professionalism extend interactional justice. It is important for senior executives and other organizational leaders to make all forms of organizational justice a top priority and to personally model it in all of their communications and interactions. When the people at the top of the organizational pyramid involve employees in critical decisions, make themselves available for authentic two-way dialogue, explain why decisions are made and what alternatives were considered, and treat employee concerns with dignity and respect, the organization will be morally healthier.

Although emotionally taxing, it is vitally important for organizational leaders to be more visible, not less, during times of organizational challenge.

helps employees to perceive that decisions were made in a careful, thoughtful and unbiased manner. The second is *interpersonal justice*, which can be defined as the level of respect and professionalism accorded to all employees. Imagine a long-time and loyal employee who found out she had been fired only when she went to her doctor and was told that she no longer had health insurance, or a team of senior executives from the U.S. relieved of their duties via email while on a business trip in China, stranded with no way to get home. Imagine a college football coach pulled off of the team bus and fired in front of the whole team. These would be all examples of an egregious lack of interpersonal justice, which we understand to be the degree of dignity and respect shown someone while explaining outcomes and procedures. Employees who believe that they have been treated with a high level of interactional justice tend to be

mation may make the company more vulnerable to lawsuits. They reason that the less said the better. While legal considerations regarding what to communicate, when, and how certainly need to be taken into account, in my experience organizations often err on the side of withholding information when being more open and transparent would actually be more beneficial.

Another reason why managers often struggle with interactional justice is the all-too-human desire to avoid or minimize uncomfortable situations. When a manager has to communicate bad news, such as laying off an employee, he or she has to wrestle with a litany of negative emotions such as anxiety, guilt, and fear. In lieu of addressing these emotions, some managers find it preferable to avoid the issue and the people impacted by it altogether. Although emotionally taxing, it is vitally



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