Employment status matters: Testing fairness perceptions of social entities and their effect on attitudes towards the workplace

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Purpose

What do employees assess when they make fairness judgments? Following social entity theory, employees' reactions and behaviours are related to the overall fairness of the social entities they interact with, as well as to aspects that are more inherent to the individual employee. This study is designed to show how employees perceive the fairness of social entities, and which aspects might affect differences in these fairness perceptions. Using archival data, we explore whether the focus of the fairness judgement (i.e. the team, supervisor, senior managers, and the organization as a whole) results in differences in workplace related outcomes, in particular job and workplace satisfaction, as well as willingness to remain with the organization, and intention to leave.

Beyond the question of what individuals assess when they form fairness judgements, justice research has also focussed on the practically and theoretically important question of how injustice may be perpetuated. When employees are subjected to flawed or unjust practices they may justify the system they are embedded in, and, instead of responding negatively, they may react in surprisingly supportive ways towards their organization (Brockner & Wiesenfeld, 2019). Employees' behaviour and belief is motivated by a desire to be treated fairly: according to system justification theory (SJT; Jost & Banaji, 1994; Proudfoot & Kay, 2014), employees' perception of fairness of the system their part of is impacted by the motivation to see that system as fair. As such, individuals do not want to perceive the system in which they are embedded as illegitimate or unfair, and avoid acknowledging the system's flaws (Brockner & Wiesenfeld, 2019; Proudfoot & Lind, 2015). To resolve this dilemma, employees can engage in system justification. Employees' sense of the shadow of the future is likely to be reduced when they are engaged in the temporary work arrangement, as the time of the relationship with the organization is limited. Therefore, the need to pursue system justification is lower. In this study, we analyze the conditions which might elicit system

justification. Specifically, we test whether employment status affects employees' perceptions by comparing the fairness assessments of permanent employees to those of workers with more flexible contracts.

In addition to system justification, the type of employment contract is likely to affect several employees work-related attitudinal outcomes and behaviours. Permanent employees typically develop a predominantly relational psychological contract with their employer, while the psychological contract of temporary employees is typically predominantly transactional and more economic in nature (Guest et al., 2010), in the sense that job continuity with the same employer might not be what temporary employees typically expect (De Cuyper, Piccoli, Fontinha & De Witte, 2019). As such, lower levels of willingness to remain with the organization, and higher levels of intentions to leave, are to be expected from employees with more flexible contracts. Employees in more flexible working arrangements are expected to report lower levels of fairness, while they are also expected to report lower levels of attitudinal outcomes compared to their more permanently employed peers. Consequently, we posit that the link between fairness judgements and behavioural outcomes is affected by employment status in that the effect of fairness perceptions on behaviour outcomes is expected to decrease with more flexible work arrangements from permanent employees to student workers. Figure 1 illustrates the conceptual framework.

Figure 1
Conceptual model.

Fairness Foci

Outcomes
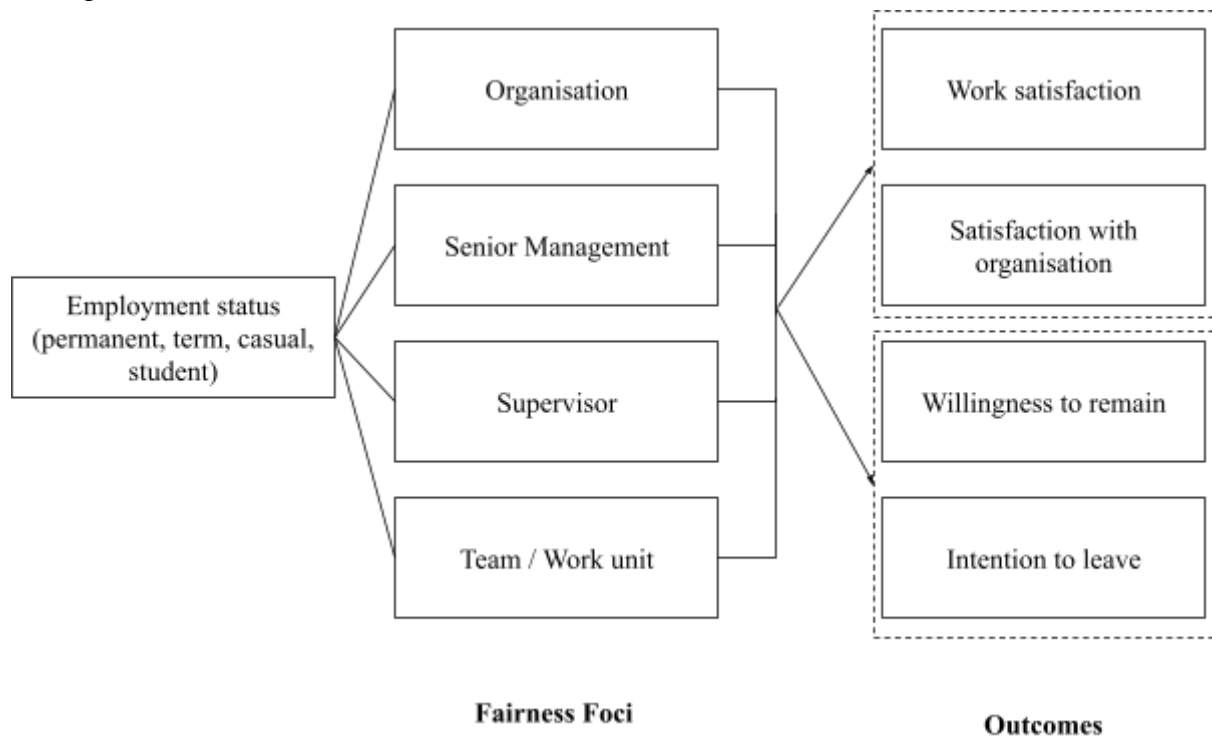
Method

The 2019 Canadian Public Service Employee Survey (Government of Canada, 2020) collected data of 182,306 employees from 86 federal departments and agencies in Canada. To test for differences in fairness perceptions based on work arrangements, we grouped the respondents by type of contract: indeterminate/permanent, fixed-term, casual, and student workers. After removing missing values, data from 64 organizations were included in the analysis. For employee justice perceptions at team level, of the supervisor, of senior managers, and at organizational level, three questions per level were used to form justice indices at the four different levels. We used overall fairness measures following social entity theory, rather than event justice perceptions, as entity justice perceptions have been found to be better predictors of employee attitudes and behaviour (Choi, 2008).

To test whether the focus of fairness perceptions (organization vs. senior management vs. supervisor vs. peers) results in differences in the workplace related outcomes, we conducted a multivariate multiple regression with the fairness foci as independent variables, and work satisfaction, organizational satisfaction, willingness to remain, and intention to leave as dependent variables. We conducted a multivariate analysis of variance, followed by a regression analysis with group comparison, to test whether we can find differences in fairness perceptions between the different employment status groups.

Results & Discussion

We theorized and found support for employees differentiating in their fairness assessments between different social entities as their foci of fairness. The fact we could not in all cases find significant differences between team fairness and organizational fairness suggests that employees might in fact use information immediately available through interactions with peers for their assessment of the organization as a whole.

Our findings lend support to system justification theory's account for appraisals of fairness. Permanent employees reported significantly higher levels of all four fairness foci compared to fixed-term employees, and fixed-term employees in turn reported significantly higher fairness perceptions than casual or student workers. It seems to help to look at the system from the outsider's perspective, rather than from within where one depends upon it, and where one is tempted to tolerate (or even justify) the status quo and to downplay its shortcomings (Jost, 2019).

With regards to attitudinal outcomes, we found evidence that only partially supported the main hypotheses. As such, our findings concur with Colquitt and colleagues' conclusion that for justice-outcome matching, there is little support for a focus-matching approach when supervisor and organizational justice are considered as justice foci (Colquitt et al, 2013).

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