Group Dynamics
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MODULE 7
Part I
Lecture - 23
Organizational Justice, Ethics and Corporate Social Responsibility: Part-I

Hello friends, good morning. Today I will start a new module titled as organizational justice, ethics and corporate social responsibility. This is the module which will deal with some perceptions and beliefs of the group members or employees that in what manner they perceive the higher authorities or organizational policies and procedures, the strategies they follow in terms of hiring policy, salary, reward system, to be fair to the maximum.

So since fairness or justice is very much ubiquitous in our daily life as well and every now and then we talk about this is right, this is wrong, this is ethical, this is unethical, this is fair, this is unfair. So when we are talking about these concepts, within group itself or in organizations, then we will focus that how employees or the followers or the group members perceive any organization or group to be justified, fair and responsible.
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So if I talk about organizational justice, then it refers to the idea that an action or decision is morally right, which may be defined according to ethics, fairness, equity or law. That means any decision which is based on rightness, which is based on law to be

legal or illegal, fair or unfair, that is perception of justice. Some people will perceive any decision to be justified and some will perceive it to be unjustified, fair or unfair.

So individuals react to actions and decisions made by organizations every day. So any reward system which is justified, people perceive it members or followers or group members perceive it justified if any reward system is unfair, then it is perceived as injustice. So an individual's perceptions of this decision as fair or unfair can influence the individual's subsequent attitudes and behaviors.

Any injustice that happens to any employee at the workplace, how it will impact him or her in long run. That means, what will be the outcome or consequence of injustice. Definitely, it is going to be in terms of reduced job satisfaction. There will be more intention to leave that organization. A person can engage in counterproductive work behaviors by not aligning or conforming to the norms of the organization.

So justice will have some positive impact and injustice will have negative impact on employee behavior. So fairness is of central interest to organizations because the implications of perceptions of injustice can impact job attitudes and behaviors at work. This is but obvious. But how to understand or we can develop some vocabulary, when we perceive any kind of injustice in organizations that we are going to discuss further.

So Greenberg in the year 1987 introduced the concept of organizational justice with regard to how an employee judges the behavior of the organization and the employees' resulting attitude and behavior. That means, how employee will perceive the behavior of the organization that is what policies, procedures, allocation of resources, salary, reward system is justified to what extent and how it impacts an individual behavior at work. That constitutes study of organizational justice.

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So let us define that what is organizational justice. Organizational justice is the study of people's perception of fairness in organization. For example, employees' perception of their salary concerning the efforts they put in. Their perception of treatment at work, including dignity and respect they receive. Their perception regarding the fairness of performance evaluation so far etc.

Now here perception is not only about perception of fairness in salary, it can be perception of fairness in terms of the treatment employee received from higher authorities. It can be in terms of allocation of resources, it can be in terms of that how much input you have given to a particular task and how much output in terms of reward has come back to you or how much output in terms of reward has been earned by an individual.

If the ratio is proportionate, input in proportion to the output, then it is a justice perceived by any employee. But if it is not appropriate, maybe input is more and output is less in terms of reward or in terms of salary, then definitely there is injustice. This injustice or justice can also be perceived in form of that a person performs a high level task, but he does not get promotion or recognition.

This is also injustice. So it all depends on an individual's experiences that what is justice and injustice or fairness or unfairness. So according to organizational justice, it is a study of people's perception of fairness in organization. Fairness in terms of salary, in terms of input is equal to output, in terms of reward system, in terms of allocation of

resources, in terms of constituting policies and procedures, in terms of relationship management or treatment they receive from higher authorities.

That is they are being treated with respect and dignity. If they are not getting that treatment, then definitely it leads to the unproductive behaviors at workplace. So this is organizational justice. So justice in organizations include issues relate to perceptions of fair, pay, equal opportunities for promotion, allocation of resources and personal selection procedures.

For example in recent times, diversity and inclusion has been very much included in hiring and selection procedures, where every employee has or every candidate has equal right to apply for a particular position and all the positions are being designated as per the diversity and inclusion criteria irrespective of age, gender, class, community or any background he or she has. So this is organizational justice.

It can be that every organization must follow the policy of equal employment opportunity, EEO. It is about equal stake holding in the company. So all these aspects relate to organizational justice. Now how this justice concept has been rooted in organizational behavior. So it is rooted in equity theory given by Adam Smith in 1965 that how an individual's input to a particular task will equate with the outcomes that means output.

Whatever input you have given to the task, how much output you are receiving in terms of outcome or rewards. So the idea of organizational justice stems from equity theory, which posits that judgments of equity and equity are derived from comparisons between oneself and others. That means, how we perceive that what should be the outcome and what the others perceive that what should be outcome of one particular completion of the task that is rooted in equity theory.

So here it is based on input and output. As per my input, this should be the assessment of fairness in terms of reward. And what should be the definition of fairness regarding a particular task as per others. So there should be a balance in that perception. So according to equity theory, input refers to a person perceives to contribute to the task in terms of knowledge and effort.

How much energy, knowledge, skill, ability you have invested to perform a task, while outcomes are what an individual perceives to get out of an exchange relationship that I am performing a job in exchange, what will be the output or outcome in terms of pay and recognition. If the pay is not as per the performance, then definitely the employee will develop an intention to leave the organization.

So comparison points against which these input and outcomes are judged may be internal that is oneself and at an earlier time or external that is other individual. That means when a task has been assigned to an employee by the higher authority then while performing that task or during the input time it will be an assessment of that employee that what should be the outcome, the assessment of an individual of his or her inputs.

Later on, it is assessment of the others. So in both the cases it is assessment of an individual performance which has to be fair, which is expected by an individual to be fair. So there are two forms of organizational justice if we talk about roots in equity theory. The first is outcome favorability. That means what an individual thinks that what should be the outcome.

That obviously, when I am performing a task, then my outcome will be favorable for myself. That will be my assessment, that it should be fair to this extent.

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✓ There are two forms of organizational justice:

(a) outcome favorability- the extent to which we perceive that the distributions of outcomes are fair. These outcomes may be pay, benefits, promotions, scholarships, subsidies and other tangible outcomes, but they may also refer to less tangible outcomes such as praise and other forms of social recognition, and

(2) outcome justice- outcome justice is based on moral propriety(the rules of correct moral or social behavior

✓ Individuals react to actions and decisions made by organizations every day

✓ An individual's perceptions of these decisions as fair or unfair can influence the individual's subsequent attitudes and behaviors

✓ Perceptions of justice influence many key group and organizational outcomes such as motivation and job satisfaction

✓ Although managers often believe that employees think of justice as justice the desired outcome

✓ Justice is a multifaceted concept. OB scientists have recognized three forms of organizational justice, each of which has been found to have other effects on organizations. Following are the three forms of OJ:

So the extent to which we perceive that the distribution of outcomes are fair. These outcomes may be pay, benefits, promotions, scholarship, subsidies and other tangible outcomes. But they may also refer to less tangible outcomes such as praise and other forms of social recognition, recognition and reward.

That means, that whenever we are giving some input to the task, then we are giving this input to the task with this some favorable outcome based on our assessment, whether it should be tangible in terms of salary, promotions, scholarships, or hike in salary and at the same time, it can be some intangible assessment, that out of this performance of the task, I will I want and I will be highly recognized by the organization.

So this is the favorable outcome favorability. The other is outcome justice. Now if that outcome favorability is not justified, then the individual will perceive the outcome as unjust or unfair. So this is based on moral propriety. That means, the rules of correct moral or social behavior. So based on this any individual can think that if that outcome is not favorable, as per an individual's expectations, then any employee can say that the model propriety was not very much executed.

That means rules of right and wrong were not implied appropriately when assessment was being made. So outcome justice is based on moral propriety that is the rules of correct moral or social behavior. That means with what transparency the assessment has been made by the higher authority. So individuals react to actions and decisions made by organizations every day.

An individual's perceptions of these decisions as fair or unfair can influence the individual's subsequent attitudes and behaviors. If the outcome is very much justified, then the morale and motivation is very high, the commitment also goes very high and the employee is more interested to perform the task and may not expect more rewards, but more satisfaction is there.

But if it is vice versa the situation is opposite, then immediately the level of motivation and morale will go down and the person will also engage in some unproductive work behaviors. At the other hand, perceptions of justice influence many key group and

organizational outcomes such as motivation, job satisfaction, efficiency, effectiveness and high production.

Although managers often believe that employees think of justice as justice is the desired outcome. But yes, this is an ubiquitous thought, inevitable thought of every individual that every employee thinks that justice as justice the desired outcome. That whatever outcome, they have considered to come out after the input, it should be that way, but it is never, most of the time it is never like that.

So justice is multifaceted concept. OCB scientists have recognized three forms of organizational justice. Till now I have discussed about the conceptual understanding of the term justice at organizational level. Now this kind of perception of fairness in organizations has been identified in three forms by OB professionals.

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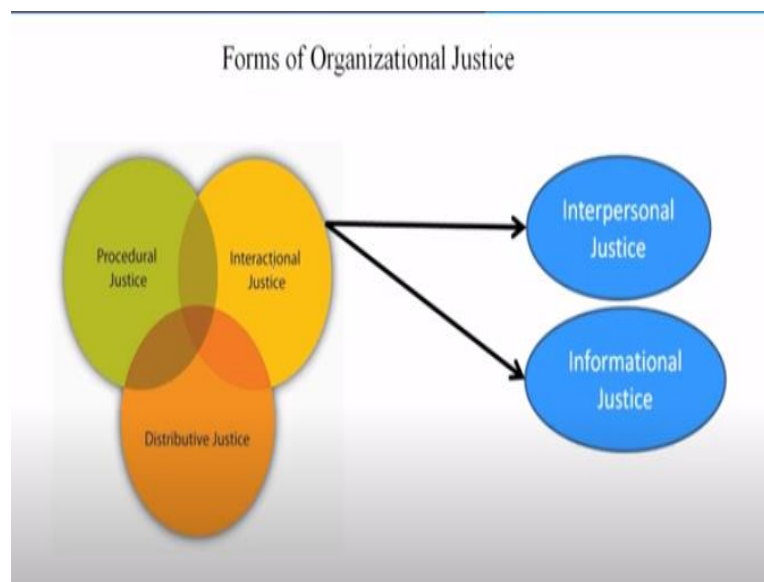
And they are distributive justice, procedural justice and interactional justice, where interactional justice has been identified again in two ways interpersonal and informational justice.

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So if we go into the details, distributive justice is conceptualized as the fairness associated with decision outcomes and the distribution of resources. Now here distribution of resources means all the privileges, all the opportunities that an organization possesses and how it is equally distributed as per the performance of the employees.

That is distributive justice, that all policies and procedures are suited well, at every rank of the individual rank or position of the individual. All the perks, all the policies, all the promotions, all the benefits are allocated as per the competency of the individual. So when we are talking about distributive justice, this form of justice focus on people's belief that they have received a fair amount of value for work related outcome in terms of pay or recognition.

Any employee who has worked hard for a particular project, then he or she is supposed to receive that pay or amount or recognition equal to his hard work. But when it is split way then definitely it leads to perception of injustice at work. So this is, distributive justice is concerned with fair share of resources on the job. It is about input and output. So this is distributive justice.

The other is procedural justice. It is defined as the fairness of the process that lead to the outcomes that what are the policies and procedures that are being implemented on the employees by the higher authorities that how the task has to be performed and how it will be fairly evaluated. So it is the appropriateness of the allocation of process.

It involves considering how much of various outcomes an individual receives and the process by which those outcomes are determined. That means, how to and to what extent transparency has been adopted to perform a particular task. Every task is streamlined in the form of that every employee has got equal amount of share of work to be performed and it is equally distributed.

For example, assembly line workers. Maybe all these assembly line workers are given procedurally equal amount of work to be distributed among all the assembly line workers and no assembly line worker is heavily loaded to perform a particular task. So this is a procedural justice that how a task has been defined to be performed and it is equal for every employee in the organization.

This also includes formal appraisals of individual's job performance, that what criterias have been followed to assess an individual's competency and performance. Maybe it should not be that one criteria is different from one person and the other criteria is different from the other person. Or one criteria has been maintained very simple for one employee and the other criteria is very tough for the other person.

So that uniformity has to be maintained. So when we talk about procedural justice at workplaces, it works based on six points; consistency, lack of bias, there is no partiality, accuracy, representation of all concerned, correction and ethics. That means, consistency that every time similar procedure is being followed, for every employee. Lack of bias that there is no discrimination.

There is no partiality in any decision making process. Accuracy, that appropriate steps and precaution has been taken in the assessment of the competency and ability of employees. Representation of all concerned that any policy and procedure that has been formulated by the higher authorities, it is related to every concerned person and not only for one particular group.

That means not favoring a particular group of employees. Correction and ethics that if anything wrong has been done or gone wrong in the organization, then immediate corrective action should be taken by the organization to make it more justified and

transparent. And the last is ethics. That considering employee as human being and how procedure will be followed to assign tasks in terms of what ought to be done and what not ought to be done is based on procedural justice.

The other is interactional justice. It is a degree to which people are affected by the treatment employee receive in terms of dignity and respect. That means it is not that only autocratic leader is just dictating in a very rude or raw manner. That dignity and respect of every employee has to be maintained irrespect of the status, irrespect of the rank, in respect of the position.

So interactional justice comprises of two components. The interpersonal justice and informational justice. Interpersonal justice refers to perceptions of respect and propriety in one's treatment. That means, how the higher authorities are respecting the subordinates as per the rules and regulations, ethics or morally correct behavior is being performed for the subordinates.

And the other is informational justice, which relates to the adequacy of the explanations and information transferred in terms of timeliness, specificity and truthfulness. That means, every time organization is sharing enough information and relevant information, well on time and to the point to every employee, at every level, and in every section or department of the organization.

That means no information is withheld by the higher authorities and it is very much shared in a very transparent manner. Now the outcome of this kind of justice is that people considered themselves to be valued, highly valued by the higher authorities and they consider themselves to be a main part of the organization. So there is group value explanation of organizational justice.

That means, members considered themselves to be valued in any group and believe that they are an essential part of the organization, when the organization officially takes the time to explain thoroughly to them the rationale behind the decision. That means even any news decision is not imposed. It has been appropriately implemented while sharing with the employees and giving them appropriate explanation that why a particular decision has been taken.
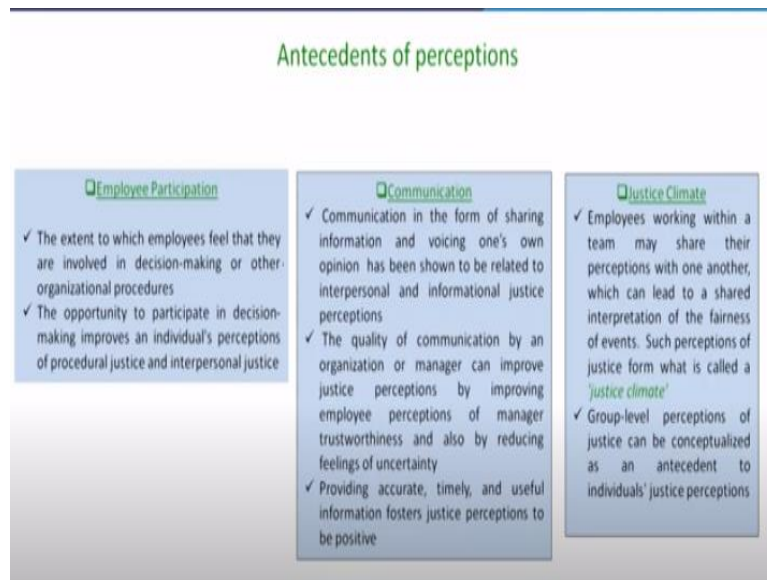
Next comes antecedents of perceptions. That means, what leads to perception of justice? There are three major concepts. The first is employee participation, communication and justice climate. That means, the extent to which employees feel that they are involved in decision making process or other organizational procedures.

That means, the more employees are expected by the higher authorities to participate in decision making process, then it leads to justice perceptions. That means, authority is equally distributed among the employees or the group members and everybody has right to voice their opinion. That leads to perception of justice at workplace.

And the opportunity to participate in decision making improves an individual's perception of procedural and interpersonal justice. When more decision making is there, based on other employees, then employees are more close to the organizational policies and procedures and they have fair amount of knowledge that how and in what manner the organization is working.

The other is communication. That means communication in the form of sharing information and voicing one's own opinion has been shown to be related to interpersonal and informational justice. When they have more right to voice their opinion or share their information in a very free manner, then the informational and interpersonal justice is very high, the perceptions are very high.

The quality of communication by an organization can improve justice perceptions by improving employee perceptions of manager trustworthiness and also by reducing feelings of uncertainty. When the information is clear to the employees, then there is more trust and belief on the organization and there are less feeling of insecurity or uncertainty.

Because when more information is coming to them in a very transparent manner, then employees feel part of the organization. So there is less insecurity and less uncertainty. And the last is that providing accurate, timely and useful information fosters justice perceptions to be positive. That means, open communication is the key for perception of justice at workplace.

And the last is justice climate. That means, when any employee who is perceiving justice within organization and same experience is being shared with the other members of the group and organization then it tends to create a climate of justice in organizations because we are also creating and fostering more positive impressions about the organizations before other employees.

So that creates a chain of positive reactions, that how people share their justice perceptions or belief in justice perceptions with the other coworkers. So that perception of justice is called justice climate. So group level perceptions of justice can be conceptualized as an antecedent to individual's justice perceptions.

It is not only at individual level, it is also at group level, that when one employee is perceiving justice, he or she will share those perceptions or belief about that organization with the other coworkers and that is how justice climate is being created, which fosters again, justice perceptions at workplace. So employee participation, communication and justice, climate are antecedents to justice perceptions.

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Outcomes of Justice Perceptions

✓ Trust
✓ Job satisfaction and organizational commitment
✓ Organizational Citizenship Behavior(OCBs)
✓ Counterproductive Work Behaviors (CWBs)
✓ Absenteeism and withdrawal
✓ Reduced Emotional exhaustion
✓ Improved Health
✓ Reduced Turnover intention
✓ Conflict management

Next comes outcomes of justice perceptions. It is trust, that people develop more trust on their coworkers and higher authorities because when information is being shared in an open manner, open communication is encouraged and policies and procedures are being decided based on the participation of the coworkers, then members tend to develop trust in terms of cognition and effect.

Cognition here means what they perceive in the environment in terms of justice climate, they tend to believe that the whole organization is justified and in terms of emotional justice, that the more they are open to each other, the more psychological support they receive from the other authorities. So this is how trust is being maintained based on justice perceptions. The other is job satisfaction and organizational commitment.

The more justice perceptions are there in the organization, more people experience satisfaction in their job and they are highly committed. Now here commitment can have different forms in terms of continual commitment. For example, the more justice climate is perceived by the employees, the more employee becomes committed to the organization to continue their commitment or stay in the organization.

Or it can be effective commitment that whatever respect they have received from the higher authority, then they also reciprocate in the same way. So they tend to stay attached to that organization in terms of reciprocation or commitment, that that is what I am committed to reciprocate to that organization in the similar manner. The other is organizational citizenship behavior.

They engage in more discretionary behaviors, which are not rewarded or recognized by the any reward system in the organization. But since they perceive justice in the environment, they engage and contribute more to the organizational and individual growth. The other is reduced counterproductive work behaviors.

The more justice perceptions are there, there are less chances that the person will engage in counterproductive work behaviors or withdrawal behaviors. The more the person will align to the group norms so that he or she can contribute more in achieving or accomplishing the group objectives or the goal objectives and perform to the fullest. The other is reduce absenteeism and withdrawal.

That means, the more perception of justice is there or high is there, more belief is there and the person tries to be more associated with the organization and not withdrawing from the organizational norms, they are more aligned with the organizational norms and there is reduced absenteeism. The more injustice is there, the more person avoids to perform. The person avoids to come to the work or for the work.

So this is reduce absenteeism and withdrawal. The other is reduced emotional exhaustion. That means, this refers that more the person is perceiving organization and the coworkers to be highly justified and trustworthy, more the emotional health is improved. There is less burnout, there is less stress and people are able to coordinate and perform at the job in a very effective manner.

Improved health here means improved mental health. There is less stress, there is less strain on the employees and there are more happy workers. That means, when perceiving justice at workplace employees become happy and happy workers are the productive workers. Reduce turnover intentions and conflict management.

When there is perception of justice in terms of distribution and allocation of resources in terms of salary, in terms of respect and dignity, then person enjoys his work a lot and at the same time the person have less tendency to leave their organization and have more commitments towards that organization. This leads to reduce conflict also and there is more association with the organization.

So this is how we perceive justice in organizations which have some behavioral impact in long run, which helps to enhance mental health and reduce stress. So this is about organizational justice in terms of outcomes, in terms of antecedents and form of organizational justice. I will continue in the next discussion about this module more. Thank you so much.