

Course Name: Organizational Behaviour: Individual Dynamics in Organization

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Week – 08

Lecture – 05

Lecture 40: Organizational justice and employee motivation

Hello students, welcome back to the course on organizational behavior individual dynamics in organization. So, we move to the last lecture of module 8 where we try to look into organizational justice and employee motivation. So, while designing the syllabus I wanted this topic to be specifically dealt with the motivation part with the application of motivation part. So that is lecture number 5 of module 8 organizational justice and employee motivation. Why I had done this will detail in today's lecture.

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So, today's theme would be organizational justice is concerned with all matters of workplace behavior from treatment by superiors to pay, access to training and even gender equality. So organizational justice has emerged as a beautiful term less being employed within the organization but more being taken up in speeches, in sermons, in talks etc. But our organizations actually giving or doing organizational justice. Let us look into that in detail.

Defining organizational justice, organizational justice specifically refers to the perception of fairness in workplace. So, the first important thing is perception. You have a perception about your organization. Sometimes you feel that my organization is not good in terms of work culture.

I am not getting the required justice in terms of work or I am not getting the required reward for what I am performing or what inputs I am giving. So, this gives a certain perception whereas you had a discussion the other day with your friend. You will see that he or she would say my organization is superb to work. So, the thing is that he or she might have a different perception. Tomorrow let us say on some recommendation you switch your company, you go to that particular organization, you recognize that the grass was greener on the other side, your organization, your previous organization was far better in terms of work culture, in terms of work ethic etc.

So it is a perception. Let us not make the mistake in glorifying organizational justice that it is still a perception of fairness that happens in workplace. So, when employees perceive that their organization is just is that they are more likely to be motivated and engaged. So, I am looking into an organizational structure where justice is not being prevailed. For the input I am giving, I am not getting the sufficient rewards.

For the effort I am putting in my job, I am not getting the required results. For the hard work I am doing, I am not getting the required pay or I am not getting the required benefits. All these situations just lead to one particular outcome or one particular notion or one particular understanding that my organization is not just. So, this is what defines organizational justice in its entirety. It encompasses a range of factors including distributive justice, procedural justice and interaction justice.

So we look into distributional procedure as well as interaction justice in detail. So why organizational justice matters? Very quickly let us look into that. There are certain situations if you look enhanced organizational reputation. The moment you say, let us say organization A is having a greater organizational justice. Again, please do remember, I will not be saying it again and again that organizational justice is again a perception.

But if that perception is very good in terms of a organization A, that there is a very good organizational justice that is there and organization B is heavily down in terms of the image or in terms of the perception about organizational justice. So, in effect it translates into the organizational reputation, a better reputation for organization A unlike in case of organization B. Employee satisfaction and motivation could be yet another key factor which translates to the fact that I am more satisfied, I am more motivated when my organization is just, when my organization is showing me justice in terms of distributive justice, in terms of interactional procedure etc. But more than that I am more motivated because for the input I am giving I am getting the required rewards; I am getting the required outputs and most importantly it reduces the turnover no doubt about it.

Let us look into types of organizational justice in detail.

So I have already mentioned about three, the first one is distributive justice. Distributive justice is to be understood in the background of equity theory. So please recall the discussions of equity theory in the previous few sessions where we looked into certain aspects of input and output. If I am giving certain inputs and the return in terms of outputs is lesser, I will feel that there is lack of distributive justice. I am working very hard, I am working day in day out 14 hours, more than 70 hours a week but still I am not getting any reward.

The basic salary is being reduced to half, something like this. There is lack of organizational justice, very specifically distributive justice.

Whereas another case within the same organization, had it been the case of let us say many organizations suffered this problem during the COVID time. They did not have the sufficient wealth or sufficient sales or sufficient revenue coming into their way. So, employees in general had a pay cut that could be understood.

On that background masking that or using that as an option rather as an excuse, many other organizations also performed this and they made windfall gains. I am not getting into that but when you are looking into an organization which is in a relatively stable financial position, I am not getting the reward which I was actually promised for. Whereas there is another individual who is putting less, maybe half my effort but he is getting more than that is being actually promised to him. Within the same organizational context, within the same economic context, within the same multinational cultural economic arrangement, if there is such a mismatch, there is such an incongruence that is there, then that is a distributive justice ladies and gentlemen. So, let us look into distributive justice as one element of organizational justice.

Another important aspect could be procedural justice. Procedural justice is a different aspect when we look into organization in particular. Let me take an example. Let us say you are into real estate. You are being asked, there are two people.

Let us take two names. Let us take John and Smith. So, John was asked to sell. Both were asked to sell a lot of available real estate by a real estate agency. So, these two are the employees of that particular ABC.

Let us name it as ABC. So, what John does is John is very enthusiastic. He is very much keen on his work. He makes a lot of progress in his work. He sells 10 units in terms of the sale and those 10 units are not in very very posh locality. They are not so much rewarding in terms of the money part.

They are small units that he has sold but there were 10 units. Whereas Smith on the other hand has just made the progress with one deal but that is in a very good location bringing in exquisite amount of money. So almost what John brought into the organization with 10 deals or 10 successful complete deals is what Smith brought with respect to one deal. Now this is where procedural justice comes into picture. If you are not showing justice in terms of let us say Smith, he has also brought in the same amount of money.

It is not about the quantity. If you just take one note out of the previous class, you will see that I have categorically mentioned one thing that many a time when you are being

asked to work more than X hours per week, you actually you are pushed into a perpetual race where you have to beat others in terms of performance and what happens in those races are that you are giving primacy or giving importance to the quantity and not the quality. So similarly, John here had given primacy or importance to the quantity. He has sold 10 units, no doubt about it but those 10 units equal to one unit of what Smith had done in a very exquisite location with great returns that has come to the company, come to the organization. So, this is where procedural justice takes its shape.

Smith should have the same justice that is being rendered to John in the organization. So, I hope that example made it clear. The third is Inter-Actional Justice. When we look into organizational justice, the first two especially distributive justice and procedural justice happens within the organization but something which is more critical is interpersonal justice which is Inter-Actional Justice. Many a time you feel that there is lack of dignity within your organizational setup.

Just hypothetical example. There could be lack of social respect. There could be social undermining that is happening. There will be blatant lying that is happening across, knowledge hiding that is happening across. Those situations are actually reflecting poor Inter-Actional Justice.

I hope that makes it clear. So organizational justice has three specific components, the first and the foremost one distributive justice, the second procedural justice and the third is Inter-Actional Justice. So a clear understanding of these three are very essential. As I have already mentioned, equity theory is very critical in bringing in a certain level of understanding with respect to organizational justice. If you look into recent theory development specifies that equity theory has a certain level of involvement in what is known as organizational justice. It serves as the foundation for the common thread of perceived fairness among these dimensions of justice which I have already discussed.

Although you look into procedural justice has received the most attention, there is now significant research that gives us evidence that in addition there is conceptual and measurement independence for distributive, interpersonal and informational justice dimensions as well. So, these are some of the relevant research inputs. In the beginning of the session, I mentioned that I am not a person who just relies on outdated textbook materials. You have to be updated with the latest trend, with the latest research output and this is what organizational justice and equity theory talks about in terms of latest research.

So how is organizational justice linked with employee motivation? Let us have a quick understanding.

Distributive justice and employee motivation, motivational equity, incentive for high

performance, reduced frustration and demotivation. The moment you feel that for the effort I am putting in, I am getting the respective reward, the corresponding reward. There is a fairness in terms of treatment when it comes to pay packages in terms of remuneration. I feel that there is motivation. I feel that I am getting the incentive for high performance.

Sometimes what happens that whatever effort I put, I feel that I am not getting rewarded, then there is a natural disengagement from the work that will not happen if there is a perceived organizational specifically distributive justice. It reduces the frustration of the employee, no doubt about it. It reduces the motivation, no doubt about it. When you are looking into procedural justice and employee motivation, it brings in a sense of control that it is not that I am running a useless race where I have to do this work some other way. The organization gives relevance or importance to quality.

The moment I understand that, let us look into some examples in academic world. There are certain people who are after publications. Now, Hookah and Krug, they tend to make some cutters, they tend to do some unethical practices, some gate crashing and they tend to publish their journal articles. But the thing is that how effective they are in understanding or conceptualizing the research that they have done or how many of their papers actually had vital contribution from them, that is a questionable scenario. So, when you are looking into procedural justice where the organization in itself says that we are not looking into simply the quantity, but we want genuine hard work, genuine quality stuff, genuine quality output, then you have a sense of control. Then you have time with yourself, then you do not take things in a granted way. Then you tend to work within your own zone of control. This is the sense of control. There is trust and confidence that is brought up. There is acceptance of outcomes that I am happy that my outcome, though it was only one, that particular sales example if you relate to, that particular sales, that certain sales was recognized by the organization in terms of or equal to the 10 sales of the co-worker or the co-employee, then that would be a heartening thing for me.

Interactional justice and employee motivation, positive working relationship. I do not want to be in a company, in an organization where people are socially undermining me, where people are trying to ridicule me, where people are not trying to accept my point or not even trying to face or talk or discuss with me. So, positive working relationship is a must within all those organizational setups. Emotional well-being, it brings in a certain level of emotional reassurance that yes, I have some level of achievement that is backing me up and I can do the task however tough it is.

There is reduced negative reactions. I am becoming more proactive. I am not reactive anymore because I have understood that my organization, there is a fair amount of interaction justice and that is what constantly motivates me.

Now let us look into leadership and organizational justice specifically and this here also I will bring certain research element into picture. The relationship between leadership and organizational justice is very critical, very important because the main question here is that leader's capacity of mobilizing and motivating subordinates. So, many a time you feel that leadership has failed and the specific reason would not be that they were not decisive.

The specific reason would be the lack of capacity in mobilizing and motivating the subordinate. So, every single, your whole group is as good as the weakest link. So, if you are not in a position to take everyone together, even the weakest link together then you are not a good leader. Leaders are sources of justice in organization. Like if you look into the particular research by Knippenberg 2007, it mentions that some studies have identified the effect of leaders' procedural and interaction justice in several areas.

Interaction justice of the leader has a negative relationship with the organizational deviance. All the organizational deviance behaviors, it could be in terms of your absenteeism, in terms of knowledge hiding, in terms of knowledge hoarding, in terms of all the workplace deviance behavior, all the counterproductive workplace behaviors, there is a negative association with interaction justice. Now how to ensure that organizational justice is there in the workplace? First, the distributive justice. There should be an objective reward system.

You have a complaint with respect to the equity part. Please invoke the equity theory. Your input is not equaling your output or somebody's input is not equaling their output. So, the moment your organization is having an objective reward pattern or objective reward system, you are happy. You are contented that yes, the level of justice my organization is showing to me is similar to the organizational justice he or she is getting, my co-worker is getting. Performance evaluations are there. Pay equity should be there. There should be level of pay equity. In a certain level, I am being paid X amount. In the same level, a person with let us say less talent, it is again a perception, less skills, less abilities and even contributing less to the organization is also getting the same amount. So, this should not be the bone of contention that is running in your mind. There should be distributive justice in terms of pay equity.

Procedural justice could be ensured with transparency. You have to have detailed transparency that there is no particular competition that you are being pitted one against

another. There should be employee involvement. There should be proper appeal mechanisms, transparency in everything.

You should have the level of psychological safety. I will go to that extent to state that you should have the level of psychological safety, an environment where you can raise your opinion and say that, see look into this, I have done a similar effective trading and I would like to treat, I would want the organization to treat me similar to person A, B, C, D etc. So, that would bring in procedural justice.

If you look into interaction justice specifically, you will see that the people should be treated and there should be a culture of respect and dignity. There should be effective communication, both top down and bottom to top. There should be effective communication that is happening because many a time we feel that some organization for the sake of performing higher, for the sake of only giving their importance or relevance to justice, relevance to performance, they stay away from even or they demotivate employees to talk between each other for multifarious reasons. Please as an organizational design practitioner also I will say that effective communication is vital in any successful organization. Listening to employee concerns and training and development could be yet another important aspect in developing interactional justice.

So, what could be the general outcome of organizational justice? Very quickly we have seen increased employee motivation, no doubt about it. The whole concept of motivation, the entire module spoke about the application part of motivation and this is where we tend to conclude that employee motivation is key and organizational justice plays a very vital role, a very critical role in eliciting employee motivation. There should be a higher job satisfaction, higher job satisfaction that comes in as part of organizational justice. I am part of a job where there is organizational structure. I am happy with what I am getting.

Third, enhanced organizational commitment. With the organizational justice, the organization is showing me transparency. The organization is showing that if you are performing better or if you are performing well, you will be treated well. You will be treated in a fair manner. The moment the organization is explicitly stating that to you there is no excuse for you to perform back, there is no excuse for you to perform in a much-desired way, the way the organization decides. There could be positive organizational reputation that could come out as an outcome. There could be obviously lower turnover rates. So, if you look into outcomes of organizational justice, there could also be improved performance, no doubt about it. There could be situations of better conflict resolution that can happen because you have taken care of the interactional justice part. There is hardly any social undermining or there is hardly any level of ridiculing that is happening.

Moreover, people are more proactive, people are more giving importance to dignity, self-respect, etc. So, conflict resolution becomes easy. Stronger team dynamics happen. There is always stronger grouping that there is always stronger forming and norming stages in terms of group process that will happen. Always increase trust in leadership because you are working under a leadership, you are working in the leader who is able to give you the right climate of fairness.

There is nothing bigger than that. You can just take a moment and ponder. You can just take a moment and think that in my organization, I am working under a leader who is effectively giving me the right fair treatment. It is not about salary. It is not about the time. So, all these aspects are critical. Enhanced employee well-being is the final outcome of organizational justice.

So, over the entire module, we have looked into motivation from a very practical angle. So, this is one of the modules which differentiates this organizational behavior course from the other existing courses in industry. So, what I would try to establish here is that when you are looking into motivation, motivation should not end at the understanding of theories. I have tried to bring in a certain level of understanding in terms of the application part.

Especially when I conclude this module, I will say that there is an important relevance or there is a critical relevance associated with organizational justice. If I am working, as I will borrow the previous statement, if I am working under a leader who is giving me the right fair treatment, I am getting the fair treatment within the organization. Every single employee is treating or is being treated with dignity, is being treated with respect, is being treated with admiration and appreciation. We are in the right environment. We are getting the right organizational justice. There is no scope for any problems with respect to distributive justice, interactional justice or even to the extent procedural justice. So, I should be given the right environment in terms of psychological safety, in terms of psychological empowerment. So, these were some of the relevant practical aspects or where employee motivation is used in, is underscored in the world of practice.

On that note, we will end the class and the module.

See you with another topic in the next class. Till then, please take care. Goodbye. Thank you.