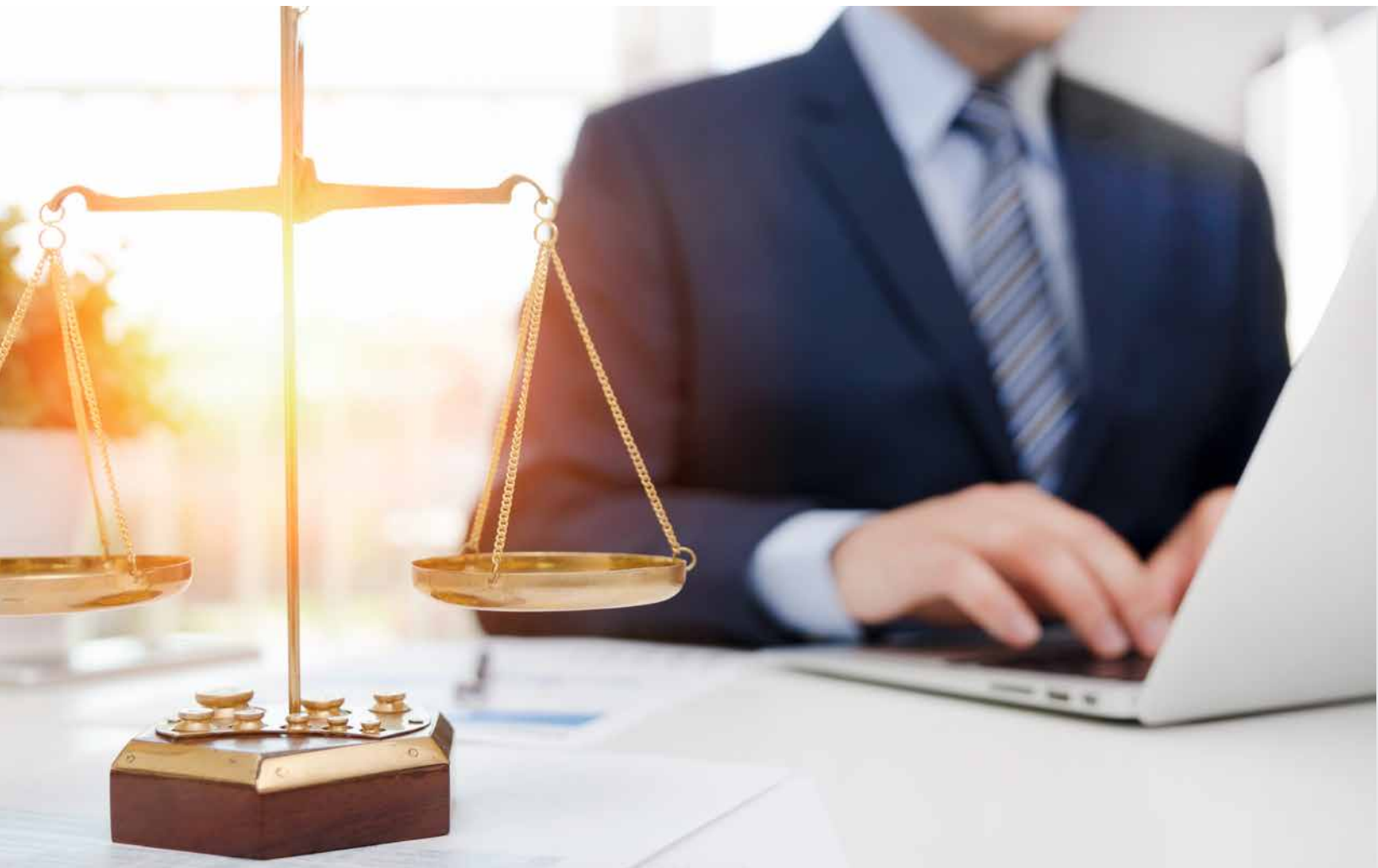


THE FAIRNESS EVOLUTION: HOW TO RECOGNIZE AND STOP UNFAIRNESS IN YOUR ORGANIZATION

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Why is it important to be fair?

What does fairness look like?

How do we stay fair in our actions and decisions?

Fairness in organizations is a powerful concept that can have a positive impact on key employee and organizational outcomes. When employees perceive the actions and decisions made by their organization as fair, it often leads to increased trust between the organization and its workers. However, even when an organization takes steps to maintain fair processes and procedures, employees' perceptions can still generate negative organizational consequences. A high level of organizational justice, or employees' perceptions of fairness, can positively impact employees' wellbeing and performance while decreasing burnout and turnover (InVista, 2019a, 2019b, 2020a, 2020b, 2020c).



ORGANIZATIONAL JUSTICE describes how employees perceive fairness within their organization. It comprises three different types of justice: distributive, interactional, and procedural.



Distributive justice is the fairness and perceived equality associated with the outcomes of decisions made within an organization and the distribution of resources ([Adams, 1965](#)).



Interactional justice refers to how employees are treated within an organization, which includes feelings of respect and the level of explanation of decisions provided by leaders (Bies & Moag, 1986).



Procedural justice is the perceived fairness of the processes that lead to valued organizational outcomes such as promotions and raises (Leventhal, 1980).



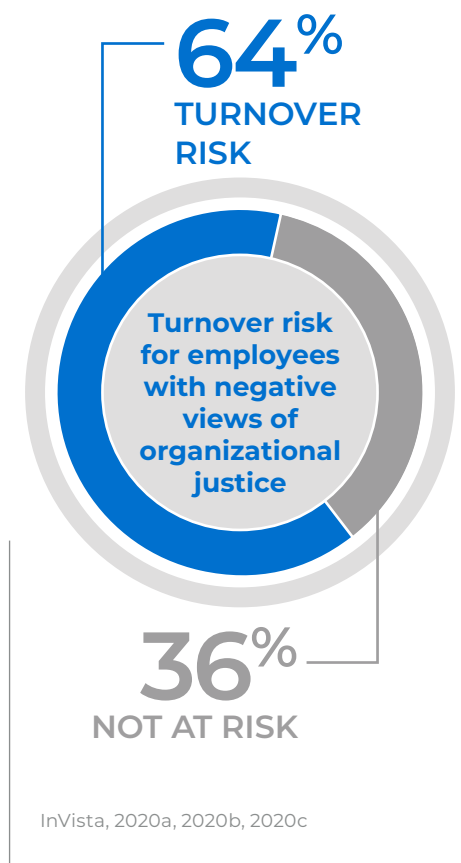
InVista, 2020a, 2020b, 2020c



HOW DOES ORGANIZATIONAL JUSTICE IMPACT ORGANIZATIONS AND INDIVIDUALS?

Employee perceptions of fairness within the workplace affect meaningful business outcomes. Research has shown that, over time, employees' perceptions of fairness strongly influence whether they feel more engaged or experience burnout ([Maslach & Leiter, 2008](#)). In a recent study by InVista, 72% of employees who had negative views of organizational justice were at risk for burnout and 64% were at risk for turnover (2020a, 2020b, 2020c). The relationship between turnover and justice perceptions has also been observed in specific industries. In a separate study of call center employees by InVista, organizational justice was found to be a driver of intention to quit (2019a). In the same study, individuals who had seriously considered quitting their jobs rated organizational justice perceptions 24% lower than those who had not considered quitting.

Yet organizational justice impacts more than burnout and turnover. All three forms of organizational justice have shown relationships with higher performance and reported initiative in employees ([Devonish & Greenidge, 2010](#)). In a study conducted by InVista in the health care industry, employees' perception of organizational justice was positively related to performance. This suggests that, as employee ratings of organizational justice increase, so does their average performance rating (InVista, 2019b). It also suggests that, when employees are not held back or preoccupied by perceived inequalities in their work environment, they can focus more of their energy on performing their job.



InVista, 2020a, 2020b, 2020c



Organizational justice not only influences organizational outcomes but also impacts employee health and wellbeing. The three forms of organizational justice have shown relationships with overall wellbeing. For example, low organizational justice perceptions lead to a decrease in employee wellbeing ([Elovainio et al., 2015](#); [Rai, 2015](#)). Organizational justice can also impact physical wellbeing, a component of overall wellbeing, because of its relationship with various sleep-related musculoskeletal disorders ([Manville et al., 2016](#)). In addition, a recent InVista study indicated that, of employees who had negative views of organizational justice, 70% were experiencing low levels of overall wellbeing (InVista, 2020a, 2020b, 2020c).

Overall, organizational justice is a powerful driver in individual and organizational life, and its three components are no different.



InVista, 2020a, 2020b, 2020c



DISTRIBUTIVE JUSTICE

Distributive justice, or the level of satisfaction with distribution of work resources and rewards within an organization, is one of the more tangible forms of organizational justice. In a recent InVista study, distributive justice was related to job satisfaction: the more employees perceived the resources provided by their employer as fair (e.g., raises, time off, promotional opportunities), the more satisfied they were in their job (InVista, 2019a). Distributive justice also positively relates to supervisor ratings of performance: when resources are provided in a fair manner, employees feel as though they need to reciprocate in the relationship by fulfilling their job duties ([Nasurdin & Khuan, 2007](#)). Equal dispersion of organizational rewards is not only linked to job satisfaction and increased performance. Distributive justice has been shown to directly relate to turnover intentions in employees ([Haar & Spell, 2009](#); [Karim, 2009](#); [Parker et al., 2011](#)). This relationship makes distributive justice an actionable concept that can help mitigate turnover and the resulting financial loss.

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Nasurdin & Khuan, 2007

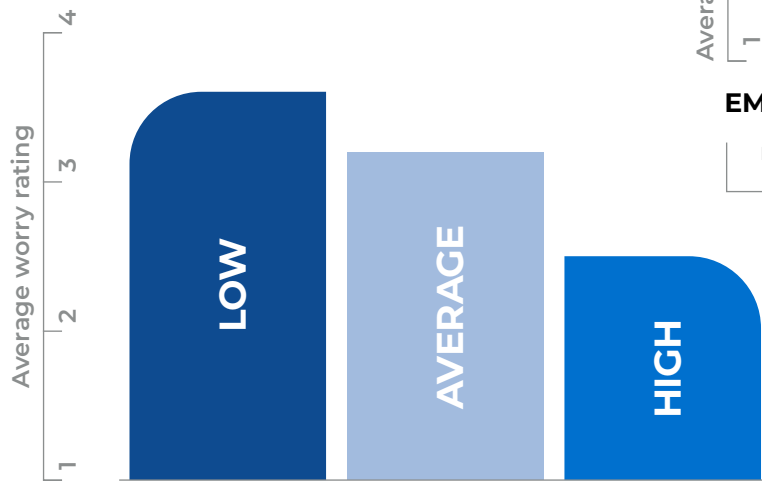


INTERACTIONAL JUSTICE

Perceptions of how fairly employees are treated within an organization, or interactional justice, show relationships with workplace wellbeing and employee stress. In a recent study, employees who had unfavorable perceptions of interactional justice also had lower levels of workplace wellbeing, on average (InVista, 2020a, 2020b, 2020c). When employees are struggling with aspects of workplace wellbeing, such as workplace stress, it often leads to negative organizational consequences such as burnout (Fisher, 2020). Interestingly, interactional justice has also been shown to negatively impact burnout (Liljegren & Ekberg, 2009).

Interactional justice not only affects workplace stress but also can influence employee emotional health outcomes. A recent study showed that, as individuals reported higher levels of perceived interactional justice, they showed decreased levels of stress indicators such as worry and tension (InVista, 2020a, 2020b, 2020c).

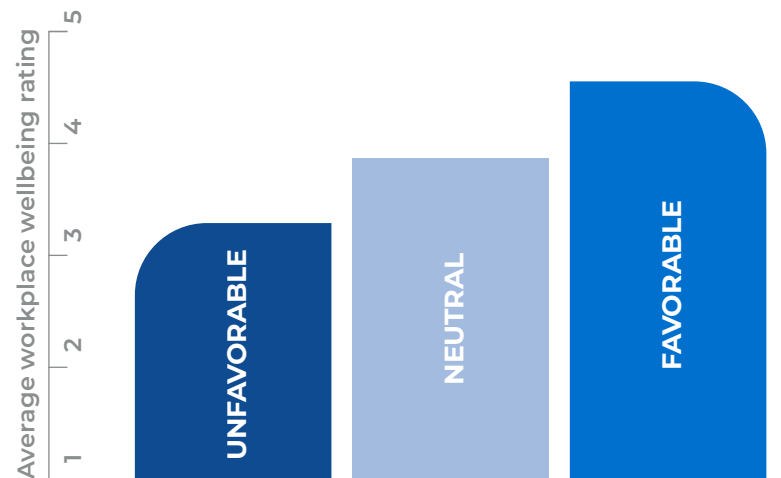
Relationship between interactional justice and employee worry



LEVEL OF PERCEIVED INTERACTIONAL JUSTICE

Data from InVista, 2020a, 2020b, 2020c

Relationship between interactional justice and workplace wellbeing



EMPLOYEE PERCEPTIONS OF INTERACTIONAL JUSTICE

Data from InVista, 2020a, 2020b, 2020c



InVista, 2020a, 2020b, 2020c

PROCEDURAL JUSTICE

Procedural justice refers to perceptions of fairness about organizational processes and procedures that are linked to valued organizational outcomes. Procedural justice is related to employee wellbeing, turnover, and performance. According to an InVista study that explored employee wellbeing, almost half (45%) of employees who reported unfavorable views of procedural justice within their organization had low levels of emotional wellbeing (2020a, 2020b, 2020c). Research has also shown that, in combination with high levels of distributive justice, high levels of procedural justice can minimize psychological distress and decrease employees' feelings of anxiety and depression ([Spell & Arnold, 2007](#)). Procedural justice has also been linked to turnover and employee performance, two critical organizational outcomes. Although procedural justice and distributive justice can interact to improve employee wellbeing, procedural justice is more likely to predict organizational commitment, which directly influences turnover intentions ([Karim, 2009](#)). This relationship was highlighted in a recent study that indicated 56% of individuals who had unfavorable views of procedural justice were a turnover risk (InVista, 2020a, 2020b, 2020c). Furthermore, procedural justice has been shown to significantly relate to contextual performance—that is, behaviors of employees that are not explicitly mentioned in their job description but help them to successfully accomplish their job (i.e., being courteous and cooperative with coworkers; [Nasurdin & Khuan, 2007](#)).

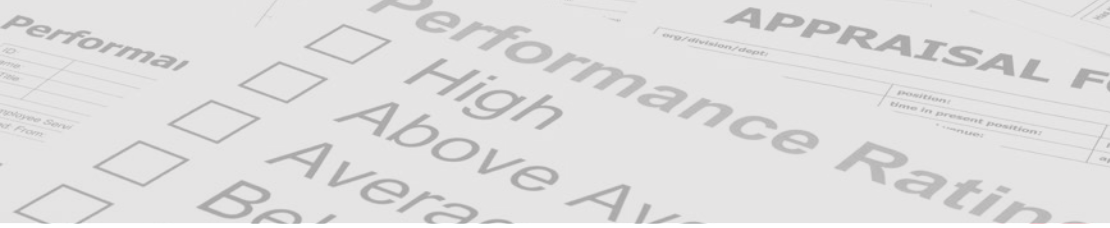


InVista, 2020a, 2020b, 2020c

PERCEPTIONS OF FAIRNESS CAN AFFECT BOTH ON-SITE AND REMOTE EMPLOYEES.

When employees work remotely, it's extra challenging for organizations to create positive perceptions of fairness. For example, employees may feel detached from day-to-day interactions and miss important policy changes that sometimes get lost in inboxes. To help shape justice perceptions for remote workers, organizations must incorporate additional methods to address their unique concerns. Managers can incorporate face-to-face interaction (e.g., video calls, occasional on-site events) and pay attention to the frequency and quality of communication through messaging platforms and email ([Kurland & Egan, 1999](#)). It's important to provide a platform for workers to voice their opinion to avoid becoming overwhelmed when organizational policies and procedures impact their work.





HOW CAN YOU INFLUENCE JUSTICE PERCEPTIONS?

Organizational justice perceptions are critical for both organizations and individuals. But how can organizations improve perceptions of all three forms of justice within the workplace?

Improving distributive justice.

To change distributive justice perceptions, you must show that the process to receive the rewards and the reward are consistent and fair across different groups of employees.

- ✓ Clearly define and communicate the projected career path of each role within your organization as early as possible. This will help you minimize employees' frustration when they are passed over for a promotion and help clarify what their future looks like at the company. Providing this clarity up front also gives employees the opportunity to preview what their career within the organization will look like and gives them an opportunity to switch roles if their current path doesn't align with their own career goals.
- ✓ Anchor rewards, projects, and promotions to concrete behaviors, and document those behaviors. Acknowledge desired behaviors with your employees and make it clear to them why they received (or did not receive) rewards. In this way, feedback is tied to behaviors instead of to individuals, increasing the chance that reward criteria will be perceived as fair.
- ✓ Provide transparency in performance review, development, training, and promotion processes. In particular, when processes are linked to valued employee outcomes, ensure the path to these outcomes is clear and consistent. Informing your employees how rewards such as bonuses are determined and how they can meet the criteria helps them understand what steps they need to take if they desire those outcomes. In addition, focus is shifted off decision makers.
- ✓ Track it. In order to ensure your organization is fairly distributing resources, put a system in place to track the frequency of raises, time off, and promotions for your employees. Analyze the data you collect by demographic, including tenure, gender, race, and age. If there are discrepancies, work to understand why they exist and whether you need to make a change.

EMPLOYEE HANDBOOK



Improving interactional justice.

This form of organizational justice is centered around the relationships and conversations that are present in the workplace. In order to have strong interactional justice perceptions, respect and effective communication must exist between parties.

✓ Learn how to have effective “tough talks” with your employees. One way to create trust in work relationships is being honest in communication. This can be easy when giving praise, but it’s challenging when an employee is passed over for rewards. Although it may feel like you’re harming your relationship by telling them where they fell short, it’s a critical step in creating and maintaining trust. When you don’t have these tough conversations, it leaves the employee wondering why they were passed over and causes them to make their own assumptions, creating a mistrust in the relationship. But how can you make tough talks easier?

- » Prepare for the conversation by drafting your goals for the discussion.
- » Plan in advance when and where you will have the meeting. When possible, meet face to face, and allow sufficient time for the meeting. Send the employee a meeting invite that clarifies the meeting objectives so they have time to prepare.
- » During the conversation, restate your intent for the meeting, focus on shared objectives, reference observable behaviors, and ask for input from your employee.
- » Help the employee create a plan to accomplish their goals. Provide resources when necessary and schedule a follow-up conversation to see how they are progressing.

✓ Explain decisions and changes that impact your employees. When policy or procedure changes happen, it’s important employees know the reasoning for the change, how it will impact their work, and who to contact if they have questions. It also needs to be made clear how the change will benefit them to help solidify the change and ensure they will follow it. Employees are more accepting of changes when leaders educate them on the problem they’re trying to solve.



Improving procedural justice.

Similar to distributive justice, procedural justice is focused on rewards. However, it's concerned with the way in which rewards are decided, not the reward itself. In order to create and maintain fairness of these processes and positively impact employees' perceptions of decisions, organizations can do the following.

✓ Re-evaluate and continuously reinforce procedures that relate to employee rewards such as those for flexible hours, paid time off (PTO), and bonuses.

- » If you find a policy to be outdated or disproportionately catering to a specific group of employees without providing benefits for others, edit the policy to make it more equitable.
- » Frequently educate your leadership team and remind your employees of organizational policies. When there is a change, make sure all areas of the business are aware as soon as possible.
- » When evaluating managers' performance, consider how well they follow and apply the reward process and distribute rewards. This will help to ensure your leadership is held accountable to make equitable decisions based on policy. It can also help identify whether any managers need further education.

✓ Allow employees to help make procedures ([Linna, 2011](#)). When organizations are able to include employees in decisions that affect their work, employees will feel like they are provided a voice and, in turn, some control over decisions that affect them. They're also more likely to accept and perceive the process as fair because they were involved in its creation.

PERCEPTION IS REALITY

Employees' perceptions of fairness, regardless of organizational intention, constitutes their reality. These perceptions can have a real impact on their workplace and personal wellbeing. Because there are so many implications of fairness perceptions in organizations, it's important to create and maintain a culture that values equitable treatment of all employees. This is a matter of ethical business practices as much as key organizational outcomes. Consider this a starting point and be aware that creating and maintaining fairness takes commitment from the entire organization. When organizations focus on the perceptions, they can change the reality.



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