Implications of a changing workforce and workplace for justice perceptions and expectations

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ABSTRACT

We forecast how HRM practice and HR research on fairness in the workplace will need to change in light of several specific global workplace trends, namely, increases in workplace diversity and globalization, technology mediated relationships, individualized psychological contracts, and service-related jobs. After describing these trends, we illustrate how the meaning of fairness and worker expectations regarding fairness may be changing in response. We further discuss how those changes will impact HR management.

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Much has been made in research outlets and the popular press of the changing nature of the workforce (e.g., demographics, skill levels), the workplace (e.g., working remotely), and work itself (e.g., role of technology) (Cartwright, 2003). It is clear that these changes have had an impact on the roles of the human resource (HR) practitioner who now deals with a more diverse and dispersed workforce. What is not always as clear is the extent to which these changes call into question the foundational knowledge on which HR practice is based. The applicability of "what we know" to the changing workforce, workplace, and work cannot be taken for granted; an examination of how these trends impact that knowledge and the ways we use that knowledge to design effective HR systems is needed. The goal of this paper is to focus specifically on that examination in the area of organizational justice or fairness in the workplace. The question we seek to address is: Do key trends require us to revisit what is known about fairness in the workplace or to consider our approach to practice differently?

While a detailed review of organizational justice theory and research on workplace fairness is beyond the scope of this paper, there is general agreement that judgments of fairness involve four distinct types of perceptions (Colquitt, 2001). *Distributive justice* perceptions relate to whether the outcomes an individual receives (e.g., hiring, promotion and raise decisions) are viewed as fair. *Procedural justice* perceptions relate to whether the procedures used to determine those outcomes (e.g., assessments, managerial discretion) are fair, and involve considerations of the consistency of the process, opportunities for input or voice, and job relevance, among others. *Interpersonal justice* perceptions are evaluations of whether one feels treated with dignity and respect in the context of a decision. *Informational justice* perceptions involve whether one feels informed as to what is occurring and given an adequate explanation as to why it occurred. Interpersonal and informational justices are often described jointly as *interactional justice*. There is a sizeable body of research on how these perceptions relate to workplace outcomes, with meta analyses demonstrating links to job satisfaction, organizational commitment, evaluation of authority, organizational citizenship behavior, withdrawal, and performance (Cohen-Charash & Spector, 2001; Colquitt, Conlon, Wesson, Porter, & Ng, 2001).

On the practice side, while some argue that insufficient attention has been paid to interventions to enhance perceptions of justice in the workplace (Greenberg, 2009), many others note there is a large body of practical advice for improving justice (Gilliland, 2009). Attention has been paid to how to design and implement HR systems so as to increase fairness perceptions (e.g., increasing voice

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perceptions; Cawley, Keeping, & Levy, 1998; Linna et al., 2011) and to procedures and training for managers on how to mitigate perceptions of unfairness when they do arise (e.g., grievance procedures, Davy, Stewart, & Anderson, 1992).

Even though much is known about organizational justice and implementing fair practices, enduring changes in the workplace can affect the applicability of this research base and the usefulness of interventions. That is, as workers and the work environment change, so too must managers and HR systems to respond to those changes. Our goal in this paper is to illustrate the many ways in which workplace trends may be affecting what individuals perceive as fair, what they expect as fair treatment, how fairness perceptions affect workplace outcomes, and what managers and HR practitioners need to do to ensure positive perceptions of actions and decisions. We specifically focus on four trends: greater diversity and globalization, increased use of technology, greater individualization and flexibility in employer–employee relationships, and the expansion of the service industry. We focus on these particular trends because they are documented as relatively enduring changes to the work landscape rather than passing fads, and because each has particular implications for how we think about fairness in the workplace. In the next section, we describe these trends. This is followed by a discussion of how they may be affecting perceptions of the fairness of HR related decisions and practices. We end with some overarching conclusions regarding changes in workplace fairness perceptions.

1. Workplace trends

Our first trend of focus is the *increase in globalization and domestic diversity in the workplace*. The workforce is now thought of as global, with a rise in international trade of goods and services resulting in a global consumer base and the internationalization and outsourcing of both low- and high-skilled jobs resulting in a cross-cultural workforce (Karoly & Panis, 2004). Investment in foreign economies continues to grow (United Nations Commission on Trade and Development, 2008), suggesting that the workforce will continue to globalize. The workforce is also changing in terms of domestic diversity in the U.S. and elsewhere, with increased parity of employment in many different industries for women (Karoly & Panis, 2004) and ethnic minority individuals (Shore et al., 2009). The meaning of diversity is also expanding, as companies are beginning to recognize the needs of a workforce that is increasingly diverse in many different ways, including (but not limited to): age, sexual orientation, and disability status (Riche & Mor Barak, 2005). Overall, evidence points toward a workforce that is changing in its composition and increasingly includes a diverse set of needs that must be addressed by managers and HR systems, raising new questions about fair treatment.

A second trend is the *increase in technology-mediated relationships in the workplace*, from pre-organizational entry to post-organizational exit. More and more organizations first interact with potential applicants via technology (job boards, virtual career centers, corporate web sites; Jones & Dages, 2003) and many maintain a technology-mediated relationship with applicants through the early stages of the hiring process (see Tippins & Adler, 2011, for comprehensive treatment of research on this topic and Reynolds & Weiner, 2009, for treatment of the associated practical issues). Increasingly, onboarding and training are largely technologically mediated (e.g., Chu & Chu, 2011; Salas & Cannon-Bowers, 2001). Many work relationships are at least partially mediated by technology (email, texting, skyping as key communication methods; Mackenzie, 2010; Strohmeier, 2007), and in some cases, relationships are entirely technologically mediated, such as with virtual teams (Axtell, Fleck, & Turner, 2004; Lipnack & Stamps, 2000). Virtuality in work relationships is essentially a continuum (Hertel, Geister, & Konradt, 2005; Martins, Gilson, & Maynard, 2004) with relationships varying in the extent of their face-to-face communication. Further, virtual teams themselves vary in the extent to which they use different forms of technology-mediated communication and the effectiveness of those tools (Ou, Davison, Zhong, & Liang, 2010). Technology has also become part and parcel of organizational control systems due to the widespread use of electronic monitoring (e.g., internet, phone, video, location sensing technologies) across a wide range of job types (Chen & Ross, 2005). In sum, technology-mediated relationships are now ubiquitous in the workplace, and hence it is important to consider how that change may affect fairness perceptions of work-related decisions and policies.

A third trend is the *changing nature of the employee–organization relationship* (*EOR*) (Coyle-Shapiro & Shore, 2007). Employers and employees make decisions regarding their investment in the relationship, what they are willing to provide, and what they expect in return (Tsui, Pearce, Porter, & Tripoli, 1997). Much of the recent work on the EOR has focused on the psychological contract, or the specific reciprocal obligations and commitments that individuals believe to arise from an exchange relationship (Rousseau, 1998), including transactional (salary, benefits and other monetary exchanges) and relational (opportunities for development and job security) aspects (Coyle-Shapiro & Kessler, 2000).

There is evidence that EOR investments and expectations are changing (e.g., Atkinson, 2002; Cullinane & Dundon, 2006). A US Department of Labor report (Karoly & Panis, 2004) note that shifting demographic patterns, the pace of technological change and economic globalization all contribute to less standardized and more individualized employee–employer relationships. There is an increase in individualized psychological contracts or idiosyncratic deals (i-deals) which are employment terms individuals negotiate for themselves (Rousseau, 2001), such as personal flexibility in work schedules, special development opportunities (Hornung, Rousseau, & Glaser, 2008) and customized job content (Hornung, Rousseau, Glaser, Angerer, & Weigl, 2010). Beyond the individualized contract, changes in what is offered and expected with regard to pensions (Gough & Arkani, 2011) and work hours (Van Emmerik & Sanders, 2005) indicate overall changes in EOR expectations.

A final trend we focus on is *increases in the service sector*. Service positions primarily involve "the provision of human value added in the form of labour, advice, managerial skill, entertainment, training, intermediation and the like" (OECD, 2000, p. 7). The service industry includes an eclectic array of jobs, including (but not limited to) retail associates, real estate agents, doctors, and financial advisors. Beginning around the 1960s and continuing to the present day, developed countries have seen a shift away from a manufacturing economy toward a service economy (Iverson & Wren, 1998). Many of the world's largest corporations come from the service industry (Wölfl, 2005) and service jobs continue to increase in their monetary contribution to the global economy