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So hearing about it is as good as seeing it? Employees' justice perception and experience of organizational change rumours

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Abstract: Employee's perception of justice associated with organizational change can be an essential factor that affects their overall job performance, but little has been known on the impact of unrealized organizational change. Set in a private college, this study utilizes data from interviews with art school teachers to unpack the sense-making dynamics associated with perceived organizational change. Our findings show that negative sense-making as a result of perceived justice breach does not always translate to actions. For instance, while teachers fully understand that their contribution is undermined by the amount of salaries they receive, instead of taking action to engage in retaliation, most of them try to justify the lack of distributive justice. This study also reveals that even before the change process, individuals already begin to engage in sense-making as if the change is real and effective. This research extends the applicability of our existing knowledge on sense-making to unrealized change scenarios, and has implications for theory and practices related to organizational behavior in educational setting.

Introduction

Payment is arguably one of the most common yet fundamental organizational phenomena associated with academic debates, e.g. motivation (Mason & Watts, 2009), performance (Greenberg & Ornstein, 1983), justice (Greenberg, 1988), and so forth. In an organization, when payment scheme change occurs, individuals tend to be affected. However, still little known is, when the changes have not happened yet, how individuals would respond cognitively. To fill the gap in our existing knowledge, this study draws on sense-making and justice perspectives, and investigates into the cognitive consequences of a perceived imminent change in the context of employee compensation.

Employee's perception of justice continues to be an essential factor that affects their overall job performance, which can be defined as both negative and positive contribution made by individuals towards a united organizational goal (Borman & Motowidlo, 1993; Campbell, 1990). When inequity occurs, individuals have the tendency to lower their performance quality. As results shown by experiments carried out by Greenberg and Ornstein (1983), when participants receive compensation along with increased responsibilities, they comprise an "earned title condition" and had an enhanced performance level; for those who have received compensation without increased duties, their performance levels increased at first and then declined dramatically. Therefore, it is not always purely beneficial when business decides to increase salary level.

This paper extends the applicability of existing knowledge on sense-making to unrealized change scenarios, reveals that negative sense-making does not always translate to actions, and shows that sense-making exhibits different patterns, according to the different justices are to imagined to be affected.

Literature Review and Theoretical Development

Organization justice and its perception

In organizational settings, fair treatment provides security and safety and thus have large implications on a wide variety of organizational outcomes (Colquitt, Conlon, Wesson, Porter, & Ng, 2001). As Cropanzano, Bowen, and Gilliland (2007: 34) stated, ‘Organizational justice—members’ sense of the moral propriety of how they are treated—is the ‘glue’ that allows people to work together effectively. Justice defines the very essence of individuals’ relationship to employers. In contrast, injustice is like a corrosive solvent. . . hurtful to individuals and harmful to organizations.’ How people should treat each other has become an important concept in studying organization justice, and it has taken on multiple ways to understand how individuals come to view treatments as fair. Some research attempt to begin with the study of how people judge the outcomes they receive (i.e., distributive justice), while others focus on whether the processes to allocate resources is considered as consistent, unbiased, accurate and ethical (procedural justice; Thibaut & Walker, 1975; Leventhal, 1980).

Studies of organizational justice present three major ways to understand fair treatment: distributive justice, procedural justice and interactional justice.

Most research investigating organizational justice has focused on exploring how would members’ sense of how they are treated be affected if employee’s outcome–input ratio has changed (Homans, 1958). as theorized by Adams (1965), the term ‘fair’ is perceived by comparing their contribution-to-rewards ratio with referees they choose (e.g. other similar employees). When they feel they are relatively disadvantaged or advantaged in related referees they choose, inequity will be discovered, and actions will be taken to restore equity (Lerner, 1980). In most cases, to eliminate negative impact from the feeling of injustice, individuals tend to adjust the way they perceive input, or their actual output (Greenberg, 1982).

Since 1974, scholars have paid a great deal of attention to work on theories of procedure, which focuses on disputants’ ability to express their voice during the process and to have sufficient impact over the outcome (Thibaut and Walker, 1975). The more voice disputants could express during the decision-making process, the greater justice they could perceive, and therefore have greater control over the outcome. Apart from this theory, another major contribution made by Leventhal (1980) is that there would be a set of criteria that applied by members to evaluate whether they have been treated in a fair way. They categorized factors that might affect member’s sense of justice toward the decision-making process into six groups: representativeness, consistency, bias suppression, accuracy, correctability and ethicality (Leventhal, 1980).

The idea of justice perception was built by the reaction of individuals come to expect inputs that are proportional to the output they have invested into the work (Homans, 1961). As stated by Adams (1965), whether or not an individual’s attribute is an input or reward is an outcome is contingent upon his or her perception. Also, Thibaut and Walker (1975, 1978) stated that it is important for the disputants have control to the extent thy

will perceive the dispute process as justice. In other words, the individual's perception per se, to some extents, determines whether inequity or unfairness exists.

Sense-making

Sense-making is described as “a developing set of ideas with explanatory possibilities” (Weick, 1995, p. ix) since there is no single theory exists. Even when it is defined, there are usually a variety of meanings given, and the term Sense-making may occur within or between individuals. On one hand, according to Louis (1980), Sense-making is a recurring cycle of activities that taken by an individual in respect to anticipated future events. When the discrepancy between experience and expect is great enough, triggers a need for interpretations of discrepancies. After attribute meanings to surprises, the individual takes any necessary response to the situation, and revise predictions about future experiences and settings. On the other hand, as stated by Balogun and Johnson (2005), Sense-making is a process involves “a variety of communication genre...individuals engage in gossip and negotiations, exchange stories, rumors and past experiences...to infer and give meaning”. (p. 1576)

To start sense-making process, cues such as issues, events, or situations are required to give individuals violations of expectations. When discrepancy between experience and expectation is great enough, the expected event can be considered as a trigger (Corley & Gioia, 2004). It is a very subjective experience depend on a variety of different context, which includes organizational crises, threats to organizational identity and planned organizational change initiatives.

During the sense-making process, intersubjective meaning is expected to be constructed between individuals who view the situation from different perspectives by sharing information, jointly engage with the issue and respond together to the unexpected situation (Hatch, 1999; Meyer, Frost, & Weick, 1998). This process works in different organizational structures, where both leaders and other stakeholders take place to shape Sense-making process by using co-constructed languages and narratives as fundamental tools. Researchers have categorized organizational Sense-making into four types, which are “guided” (both leaders and stakeholders are actively engaged to shape the process), “fragmented” (when leaders pay less attention on controlling discussions), “restricted” (where stakeholders have limited opportunity to express their voices) and “minimal” (where both leaders and stakeholders are passively involved in the process) (Maitlis, 2005).

Research Design and Methods

This paper seeks to explore how teachers would react in respect of organizational justice to perceived salary change, especially when there is no additional input required in exchange. Since my interest was mainly focused on individual's psychological response, I adopted a qualitative research approach and gathered information gathered from different perspectives, including teachers, managers and the policy setters, to analyze how teachers perceive pay scheme change before the change actually happens.

Research context

To better contextualize this study, below I introduce the circumstances under which the justice-related sense-making take place among art teachers working in private Chinese university.

Founded in 2002, GK University is a higher education institution privately funded by KM Corporation, located in a metropolis of central China. In early 2018, managers in human

resources department observed a relatively high staff turnover rate compare to similar private universities. Since then, reducing turnover has been a priority for improving workforce effectiveness.

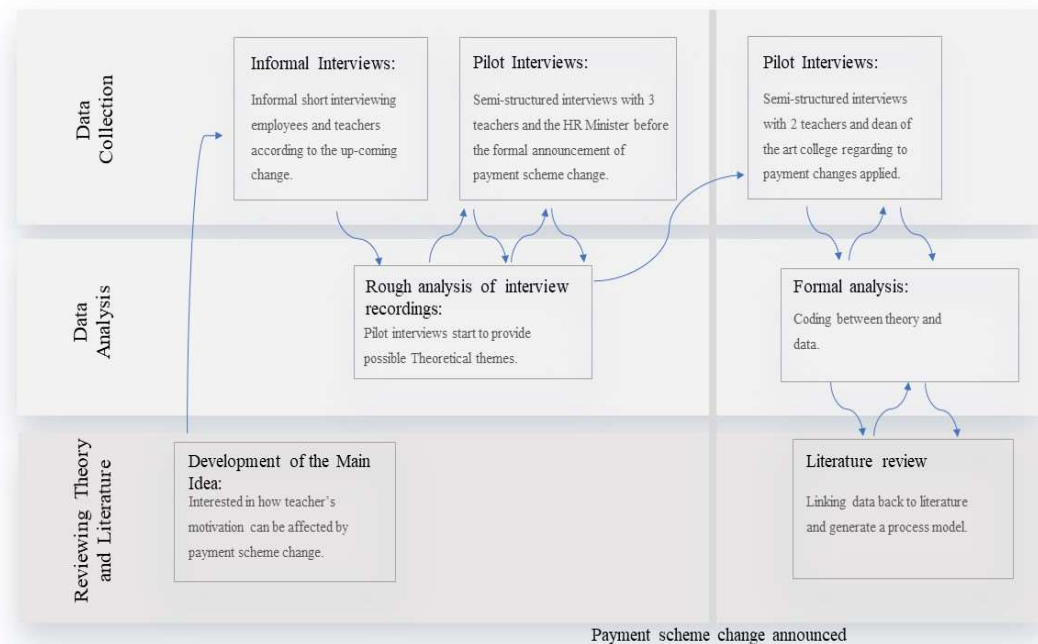
Human resources department spent over 4 months to discuss the policy and it is ought to be announced at the end of October. However, conflicts between the board of directors and chairman of the university raised during the process, thus the policy could not be decided until 21st of September.

It is highly possible that the policy will not be announced according to the schedule. However, during the process of policy making, most teachers realized that there is a huge change coming.

Analytical procedure

Both primary and secondary data were collected – semi structured interviews and consulting firm's recommendations. The interviews (last from 30 minutes to 2 hours) were my major data source, through topics relating to expectations and attributed truth of the upcoming change, I gained a rich understanding of teachers' efforts and experiences in accepting a new salary system. My unit of analysis was the individual teachers and managers, data collection and analysis efforts occurred over a period of four months, rendering altogether 18 hours' interview inputs.

Figure 1: Data Collection and Analysis



Findings

Our analysis of interview recordings of art teachers revealed that, before and after the payment scheme change, injustice occur in a set of different forms, including distributive injustice and procedural injustice. My analysis also reveals that since payment scheme doesn't match expectations, before the change has been implemented; sense-making progress had been triggered by just informing the teachers that the change is going to happen.

As employees understand the certainty for the change to occur, in other words, when organizational change is not implemented but is perceived to be, individuals may already

make cognitive adjustment vis-a-vis what is going to be affected by the upcoming uncertainty. In this study, I set out to better understand dynamics of justice sense-making pertinent to perceived organizational change. Specifically, I ask, do the resentment and disappointment associated with perceptions of unfair treatments energize individuals to take actions to seek for explanations that justify the unsatisfying situation – and the answer is yes.

When the discrepancy between experience and expect is great enough, I observed teachers who feels insecure towards future events and select responses to the situation, consciously and unconsciously, based on attributed meanings, understandings of settings and individual experiences. To ease the displeasure caused by uncertainty, teachers expressed attitudes that are dynamic, associated with transience instead of constancy, towards the upcoming change that they expect to be unfair. Most importantly, I found that, before the actual implementation of the new policy – which violates expectations and thus considered as the trigger of the sense making process – the teachers already try to enact a sensible environment by finding excuses for unfair treatments they anticipated.

Experiencing breach of distributive justice

When I began to interview art teachers, I was surprised by how much discrepancy between expectations and experiences they are facing. As stated by almost all teachers, the effort they put in is not taken into account in a fair way, and their level of salary is not proportional to the investment they have put forth.

During the interview, one of the teachers described her work very precisely and made a detailed calculation to state how much effort she had to put into the job. By using the word “worth” in the conversation (“it’s kind of not worth it”), she acknowledges that she is comparing the efforts she made and returns she receives in respect of her work. Clearly, she sets expectations of exchange - that is, a reasonable reward on all of her investments, including time, energy and all other value adding factors relating to her working ability.

When I start to talk about the upcoming payment raise, she made a similar comparison again, but this time she starts to adjust her perception of input with new information taken into account. At this point, she is trying to restore her equity, shows that absolute levels of her pay rate cannot decide relative favorability she perceived psychologically. Dialogue below shows the turning point of her attitude towards her wage:

Teacher A: Originally, I get 1800 yuan per month. I get 200 yuan when I’m officially employed, and now it’s about 2300-2400 yuan...but now (since I have heard about the payment rise) it doesn’t seem to be good anymore.

During the interview, she tried to justify her perceived fairness of outcomes by using words like “now” and “anymore”: when she knows there is a payment raise, even before the new policy’s implementation, she already recognizes a higher output (even though no real change has been made yet). Other teachers did similar adjustments too.

In other words, whereas less favorable output exists, lower satisfaction with their work experience shows and teachers tend to adjust their input, resulting a slack state in the working area, especially when they see themselves not better off against those who they compare themselves with. Most interviewees choose teachers from other private universities as their referees.

Cognitively restoring Distributive Justice

In one particular interview, teacher E template aggression as a response to restore injustice. She feels “angry” towards misjudgments and mistreatments she receives, but she decided to express it on catching those students who are cheating, as stated in the interview:

Teacher E: I supervise exams for only 30 yuan...my only entertainment is to catch cheating student... I am very angry.

However, in an interview carried out later, after she calculated the details of energy and time she put into her work and compare them with her salary level, she starts to explain away the negative feeling of been mistreated by claiming that she does not care about money but cares more about respect:

Teacher E: ...Most teachers do not pursue money, we just want to protect our pride.

Similarly, another teacher emphasized this statement by saying “don’t care” when we are having a conversation about the university’s evaluating system.

Teacher A: Teachers in art department generally don’t care much about money. We have other ways to earn more.

Indeed, she opened up her own private workshop and constantly mentions how much spiritual satisfaction the workshop can provide her. Other teacher uses artists’ identity to comprehend perceived injustice explicitly, as stated below, teacher C tried to convince himself that he takes this job because it provides him sufficient time to practice art skills, instead of pursuing money:

Teacher C: In fact, teachers have more free time and more holidays, so they can have sufficient time to focus on their creations.

Experiencing breach of procedural justice

Except distributive justice perceptions, I have also noticed during the interview, sometimes teachers focus more on the desire to understand the process than the negative feelings caused by less favorable outcomes. Two types of fairness demand not satisfied, which are no right to express voice, and no power to influence outcome.

In most cases, the more voice disputants can express, the greater justice they perceive during the procedure. almost all teachers mentioned the year 2016, where the university have passed an evaluation, and been graded upward in the national ranking system. All teachers and administrative staff worked very hard during that year, and after the success has been achieved, they expect the university to come out with an overall payment raise policy. They expressed their voice in 2016, but did not taken into account by managers. When talk about the expected payment raise in October, teacher A did not express much positive attitude towards it. She was rather annoyed by the decision to raise salary in 2018, as stated below:

Teacher A: I wonder why do they raise our salary now? What took them so long?

By saying “why now”, she shows that her focus is on the idea that her voice to the dispute has been ignored for two years long, and this year’s payment raise does not moderate the negative effects caused by procedural injustice. Another teacher mentioned a similar fact that, when making the payment evaluation system, the university does not take teacher’s voice into account:

Teacher D: our salary depends on the number of papers we have published... but there are not much art journals for us to publish. In China, we have no more than six core art journals.

The evaluation system is not reasonable in a very obvious way, art teachers' voice is not listened. More importantly, it weakens their ability to influence the disputant's decision towards how much to reward, thus limits their ability to influence outcome. Also, in the case of 2018's payment scheme changes, art teachers do not have much chance to apply normative rules over the payment criteria to determine whether they are treated in a sufficiently justice way, since the evaluation system is kept as a secret to teachers.

Seeking explanation for breach of procedural justice

In most cases, teachers take necessary behavioral response to ease the feeling of unfair treatment, including telling the interviewer (or, telling themselves) that they think it is good enough. For example, teacher C expressed her feeling towards the in transparency of the to-be-implemented payment scheme:

Teacher C: ... the HR department is actually quite experienced. Really, I think they did think about it, because this is not their first time (to keep payment scheme as a secret).

They come out with other ways to interpret the discrepant situation too, for example, teacher B thinks it is impossible to involve everyone, since there are too many teachers, and teacher F claims that art teachers may not be able to understand the process anyway.

Discussion and Contribution

This study makes a few important contributions to organizational justice and sense making research.

First, my findings extend the applicability of our existing knowledge on sense-making to unrealized change scenarios. This study reveals that, before the change actually happens; sense-making process has already started when individuals believe that the change is going to happen.

Second, my research reveals how teachers, though feeling unfair, convince themselves that the injustice situation is reasonable at the same time.

Third, this study shows that sense-making exhibits different patterns, according to the different justices are to imagined to be affected. Specifically, my findings both affirm and extend research on sense-making process justified by distributive justice. Recent research on distributive justice analysis it from divergent perspectives, including input output, equity theory and comparison. In my findings, it is clear that some teachers expressed revengeful anger, which can be well justified by justice rationality, while others tend to seek for explanation to construct an interpretation of reality, where in most cases they defend the righteous of payment methods that have been initially considered as unfair treatments. In particular, most interviewees mentioned "others" while they make sense on their own, which complies with theory developed by Maitlis (2005), who defines Sense-making as a process of social reconstruction.

Figures 2 and 3 indicate how teachers experience injustice and restore the sense of fair treatment.

Figure 2: Data structure for Distributive justice

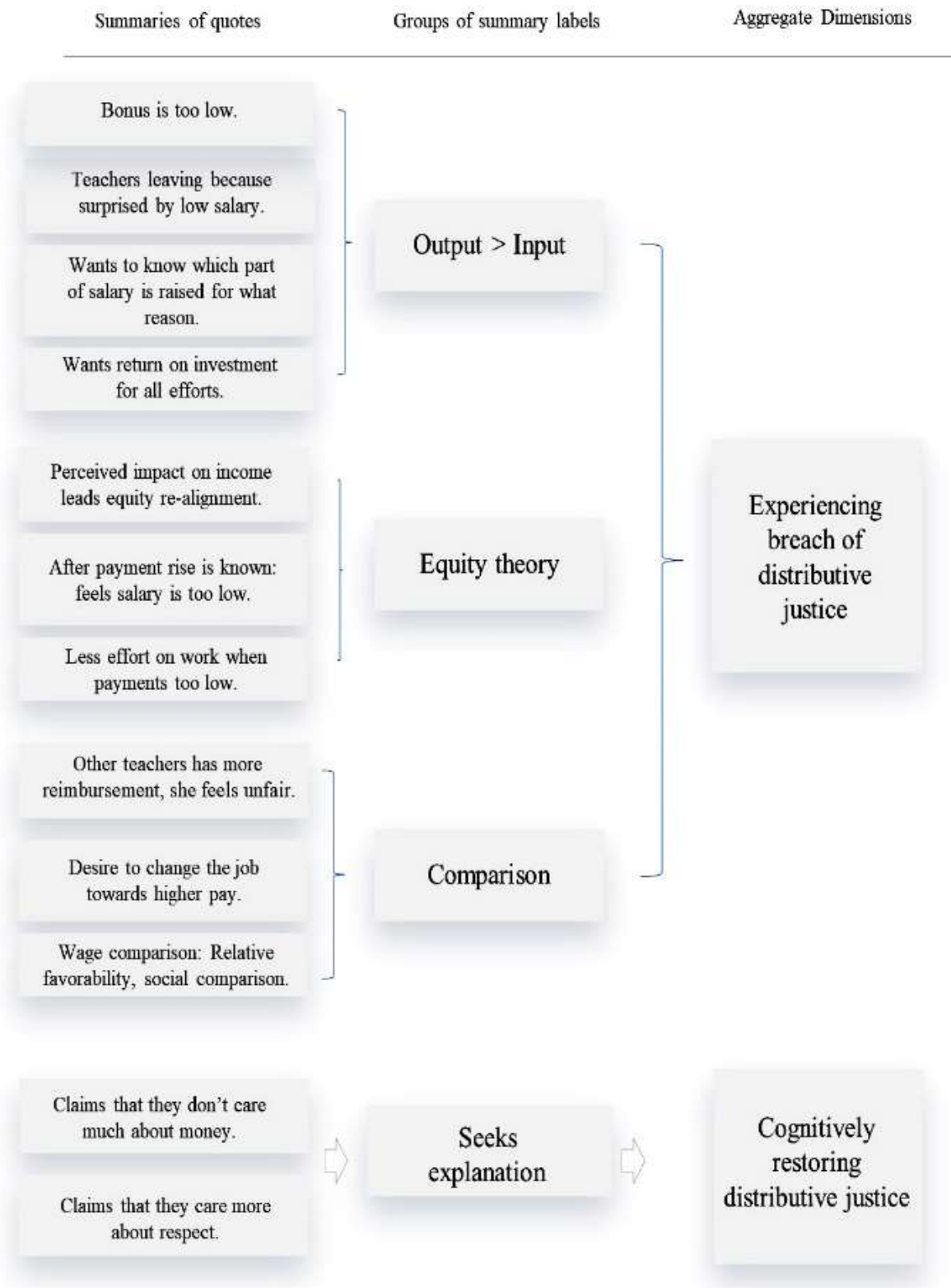
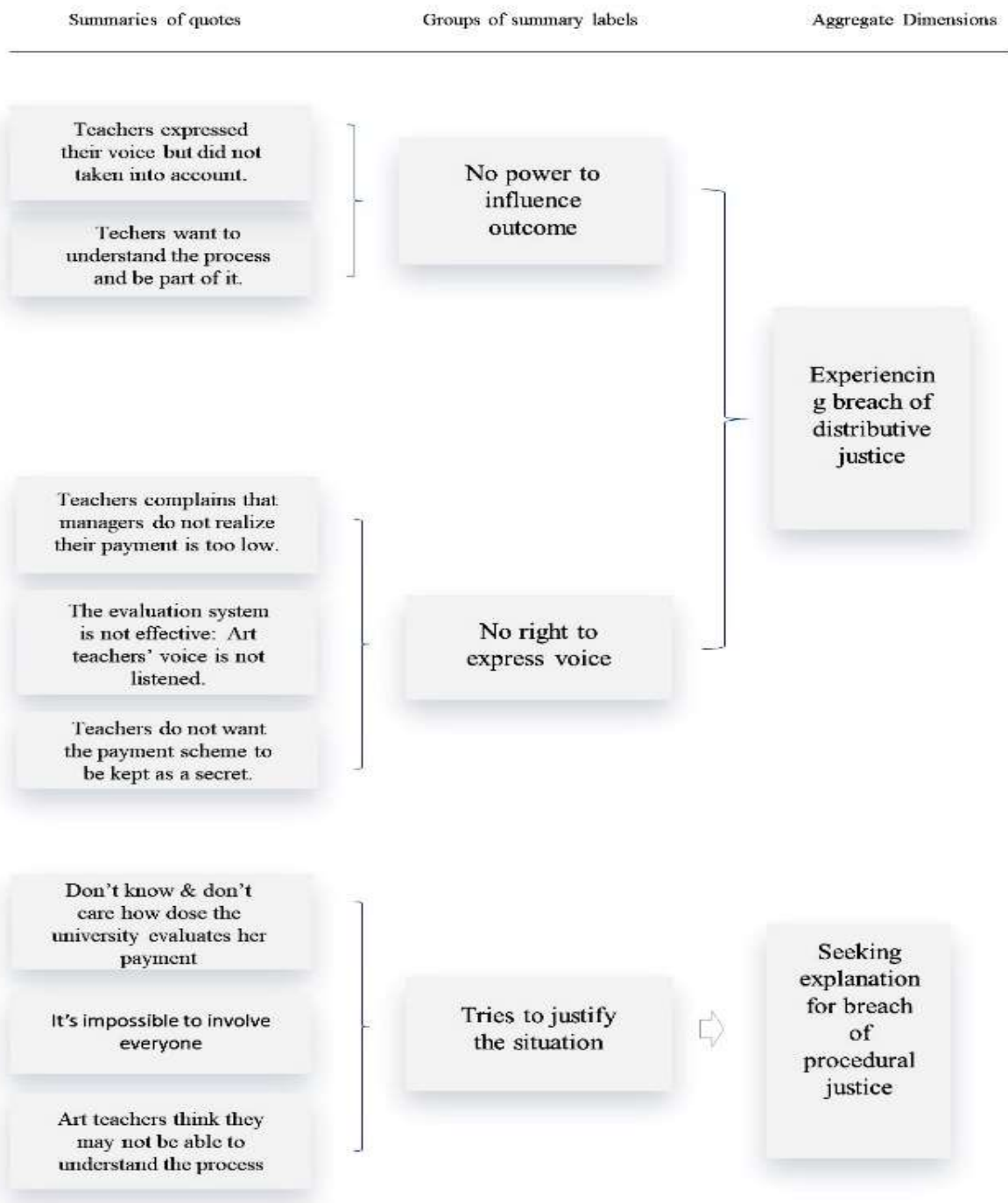


Figure 3: Data structure for Procedural justice



Another finding conducted by this research is that, the existing perceived low distributive injustice exacerbates the negative anticipation of the future impact of change-to-come. The feeling of been underpaid resulted in a generally negative view on future possible payment scheme change, none of the teachers expressed confidence towards the determined future change. This can be tested in future.

From the interviews I have noticed that individuals have the tendency to value distributive justice more than procedural justice. This finding is consistent with the survey carried out in 1989 by Folger and Konovsky, that involves over 200 employees to compare the satisfaction between payment raise per se and procedural justice, which suggest that, distributive justice contributes outcome satisfaction twice that of procedural justice. They have also stated that perceptions of distributive justice can only affect individuals' pay satisfaction, but perceptions of procedural justice have impacts on organizational commitment and attitudes towards their supervisor.

Future Directions

Skarlicki & Folger (1997) carried out a questionnaire involves 240 disgruntled manufacturing employees to investigate the roles of distributive, procedural and interactional justice in the workplace, stated that employees seem to be able to tolerate more unfair payment and procedures. My research did not receive enough information relating to interactional justice. During my investigation, none of the teachers mentioned how they were treated or how they would like to be treated. It is remained unclear that they do not value interactional justice or they feel well satisfied towards their supervisors' attitudes. A further limitation of this study is that due to time restrain, I did not have the opportunity to look into long-term influence on teachers, including their satisfaction contributed by justice perception, or how they are going to make sense of any breach of expectation that might occur, after fully implementation of the pay scheme change.

However, much of previous research did not observe individuals in a dynamic model for a relatively long period. As the phenomenon observed in my research is still ongoing, in the future, there is a potential to build a dynamic model that extends theorizing on how individuals view the payment raise decision in two distinct periods: before and after knowing the to-be-implemented pay scheme change. By considering the sense-making process of art teachers before and after the implementation of the payment scheme change, future research could illustrate how teachers are able to develop explanation when they experience discrepancy from expectations in relation to organizational justice.

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