



## ORGANISATIONAL CHANGE AND ORGANISATIONAL JUSTICE

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As Kimberley and Härtel (2007) pointed out, although there are various factors which contribute to failed change, one of the key reasons for change failure is the inability of leaders to gain the trust of employees, convince them to support change and to commit the energy and effort necessary to implement it.

Organisational justice theory provides a framework which helps to explore and integrate the outcomes of organisational change with the methods used to achieve it, and perceptions about the treatment of those people who were affected by this change.

Perceptions of organisational justice can be described as the degree to which employees believe in the fairness of the outcomes of organisational decisions (*distributive justice*), the fairness of procedures used to make them (*procedural justice*) and the fairness of treatment of those affected (*interactional justice* which includes interpersonal and informational aspects) (see, for example, Ribbers, 2009; Cropanzano et al., 2007 and Greenberg, 1990).

There is enough evidence in current research to argue that perceived organisational (in)justice has a significant impact on individuals' actions and reactions within organisations and shapes individuals' attitudes and behaviours. Numerous studies established that perceived injustice affects not only individuals' ability to cope with work demands, but also reduces their organisational commitment and fuels emotional distress, resentment, withdrawal attitudes and turnover intentions (see, for example, Maslach and Leiter, 2008; Vermunt and Steensma, 2001; Judge and Colquitt, 2004; Tepper, 2001; Masterson et al., 2000; Cole et al. 2010; Cohen-Charash and Spector, 2001; Coyle-Shapiro et al., 2004; Barsky. and Kaplan, 2007; Johnson and O'Leary-Kelly, 2003; Karriker and Williams, 2009; Kickul, Lester and Finkl, 2002).

Understanding employees' perceptions of organisational justice by senior management is particularly important during the organisational change because change cannot succeed without the acceptance and support from employees (Ribbers, 2009; Reichers et al., 1997; Novelli et al., 1995).

Reichers et al. (1997) argued that employees should perceive that new responsibilities, authority and levels of pay are fair outcomes of organisational change (distributive justice). If they do not perceive these outcomes as fair, this may result in a lack of support for the organisational change. However, fair outcomes will not, by themselves, guarantee the success of change. Novelli et al. (1995) pointed out that in order to support organisational change, employees should perceive that procedures used to determine who-gets-what outcomes, not just the outcomes themselves, are fair (*procedural justice*). This can be achieved by employees having a voice in the decision making process and an influence over the outcome (Thibaut and Walker, 1975; Poole, 2007), and by the presence of fair (consistent, accurate and ethical) process criteria (Leventhal, 1976; Karuza and Leventhal, 1976; Rahim et al, 2000). In difficult times when some members of staff are retained, while others are made redundant, employees should agree that the criteria informing these decisions are fair in order to accept and support change. Therefore, procedural justice can be also defined as fairness in the process of decision making (Blancero, 1995; Rahim et al, 2000; Dietz and Fortin, 2007)

Many authors (see, for example, Ribbers, 2009; Luo, 2007; Kernan and Hanges, 2002; Thornhill and Saunders, 2003; Mayer et al., 1995; Novelli et al., 1995; Shapiro, Buttner and Barry, 1994; Bies and Tyler, 1993; and Bies and Moag, 1986) highlighted the importance of *interactional justice* (the perceived fairness of the interpersonal and informational treatment received in a decision process) during organisational change. They argued that management should provide clear and accurate information on those decisions that have consequences for employees; show respect and dignity for employees when making decisions about change; and demonstrate neutrality, honesty and a lack of bias if they wish to secure employees' trust in order to ensure the success of organisational change. Failure of management to provide sufficient information about change will create a perception of injustice and unnecessary barriers to organisational change (Wu and Neubert, 2007). Thornhill and Saunders (2003) established that the interaction between line managers and their reports appeared to be important in relation to the generation of perceptions of fair-

ness about treatment. They also found clear inter-dependencies between justification and sensitivity.

When Wooldridge (2001) and Willems et al. (2004) studied psychological contracts in the public sector, they found that there is a strong common pattern of higher expectations regarding the fair and personal treatment and quality of information about any changes affecting jobs and terms and conditions of employment. They also found that those high expectations of public sector employees are more likely to be unmet, resulting in perceived injustice, a breach of psychological contract with the organisation, withdrawal and a reduction in performance.

Over the past four decades there has been an ongoing discussion among academics about the nature of relationships between the different aspects of organisational justice and hierarchy of importance of perceptions of justice. Numerous studies (see, for example Walker et al., 1979; Fryxell and Gordon, 1989; Kim and Mauborgne, 1991; McFarlin and Sweeney, 1992; Blacero, 1995; Brockner and Wiesenfeld, 1996; Luo, 2007) established that both distributive and procedural fairness (which includes interactional justice) are not only important predictors of the acceptance of outcomes, but they also predict that employees will accept adverse outcomes if they are given procedural justice.

Many authors (see, for example, Covin and Killman, 1990; Kim and Mauborgne, 1997; Van der Heyden et al, 2005) acknowledged the important contribution of organisational justice to effective change management and to mitigating possible resistance to change in particular. Cobb et al (1995:135) pointed out that because organisational change involves changes in policies, processes and resource allocations, issues of fairness and justice are inherent in change programmes. If the top management of an organisation succeeds in creating a perception of fairness during the period of change, they will secure the trust, loyalty and commitment of their staff to the organisation as a whole - even despite difficult decisions and personal sacrifices people may have to make. The commitment and cooperation of middle managers, who are expected to implement the required changes and keep the business going - no matter what, is crucial.

However, it can be argued that, due to their unique place within the organisational structure, middle managers are both on the giving and the receiving ends of organisational

justice. Their own experiences, perceptions and emotions will influence how they are able to fulfil their roles as change intermediaries and whether they will create trust and enthusiasm or cynicism and resistance among employees during an organisational change. As Balogun and Johnson (2004) pointed out, when middle managers have to make sense of and implement a change they did not plan; negotiate the details of change implementation with others who are equally removed from the strategic decision making; and often deal with the sense of compromise or injustice within their department, this can leave them with little choice but to resist that change.

In fact, many academics and practitioners cited middle managers as recurrent sources of resistance and negative attitudes, and significant barriers to the success of organisational change (see, for example, Verespej, 1990; Buchanan and Preston, 1991; Ashton, 1992). However, when Fenton-O’Creevy (2001) surveyed over one thousand executives in the UK, he established that the attitudes of middle managers were as positive as those of senior managers despite all the constraints and pressures of their role. Balogun (2003:81) argued, that the heavy burden carried by middle managers ' may make them appear to be resistant foot-draggers, when in reality they are struggling to cope and are confused about priorities'.

It is true that organisations are unable to control such key reasons for restructuring and downsizing as economic downturn. However, a brief review of literature on organisational justice and change shows that they can use their internal policies, processes and systems (over which they do have full control) to harness the positive attitudes of their staff, and middle managers in particular, and to support them in order to secure the success of organisational change.

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