Is Organizational Justice the New Industrial Relations?

A Debate on Individual vs. Collective Underpinnings of Justice

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Discussion of Collective Versus Individual Workplace Justice Systems

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Mother Jones and the Grievance Committee, 1913-14

Labor conflict and claims of class warfare
Final and Binding Conflict Resolution
The Birth of Industrial Relations

1915
Rockefeller, Jr., Mackenzie King, and a mine superintendent implementing the employee representation plan
The Argument for Collective Employment Relations

- The nature of employee representation plans
- Cooperative adjustment of mutual interests without the need of unions
- Expansion during World War I (steel, manufacturing)
Economic Collapse and the Rise of Unionism

- National Industrial Recovery Act, Section 7a
- Wagner Act (National Labor Relations Act), 1935
- Ban on company unions
- Dominance of collective bargaining, 1945-1975
Why Unions Counted

- Justice is economic, not individual
- What unions did
- Declining incomes, rising inequality (Western and Rosenfeld, 2011)
- Class warfare is over: Romney lost the election and won the future
The New Millennium

- Contested Intellectual Terrain
- HRM versus Unions
- OB versus IR
- Method versus Matter
Capitalism in Question? Hardly.

- Scientific management and the individual as the unit of measure (Braverman, 1974)
- Research as incremental redundancy (Alvesson and Gabriel, 2013)
- The search for legitimacy (Khurana, 2007)
- Inequality and policy paralysis
Back to Mother Jones (their chart)

Change since 1979

- Productivity
- Average income of top 1%
- Average overall wages


The Individual Interests and Strategic Advantages of Organizational Justice

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Problems with Union Approach

- **Broad Brush** (vs. Individualized)
- **Adversarial** (vs. Strategically Aligned)
- **Grounded in Unfairness**

Organizations and employee relations have evolved beyond unions!
Justice-Based Employee Relations

- Based on Justice Principles
  - Emphasizes Fair Treatment

- Recognizes Individual Needs
  - SAN Model (Folger)

- Applies to most areas of HR and Employee Relations
  - Hiring, Evaluation, Compensation
  - Conflict Management, Discipline
  - Layoffs, Reorganization
Justice Satisfies Individual Interests

1. Instrumentality: *Self-interests*
2. Group Affiliation: *Relational interests*
3. Deontic Principles: *Moral interests*

But why should the individual matter to organizations?
Justice Impacts Employee Behavior

Ripple Effects of Fair Management
Ripple Effects of Fair Management

- Trust in Leaders
- Commitment
- Citizenship Behavior

- Distrust
- Retaliation
- Turnover

- Customer Retention
- Word of Mouth

- Complaints
- Customer Turnover
Justice is Strategic

- Effective HRM practices drive strategic results
  - Examples: Huselid; Fulmer et al.; Delery

- Justice principles provide a cornerstone for effective HRM practices
  - Examples: Employee participation, information sharing, etc.

- Organizational justice can be aligned with organizational structure and strategic goals
Evidence of Strategic Impact


- 306 retail stores, 1615 employees, 57,656 customers
Organizational justice principles can be used to align individual and organizational interests for greater business and individual outcomes...
in a way that unions have not.