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# Organisational Justice: The Hidden Lever for Growth

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**UK UNIVERSITY OF THE YEAR  
2026**  
Daily Mail University Guide

**THE QUEEN'S ANNIVERSARY PRIZES  
1996, 2019, 2021 & 2023**  
For Higher and Further Education

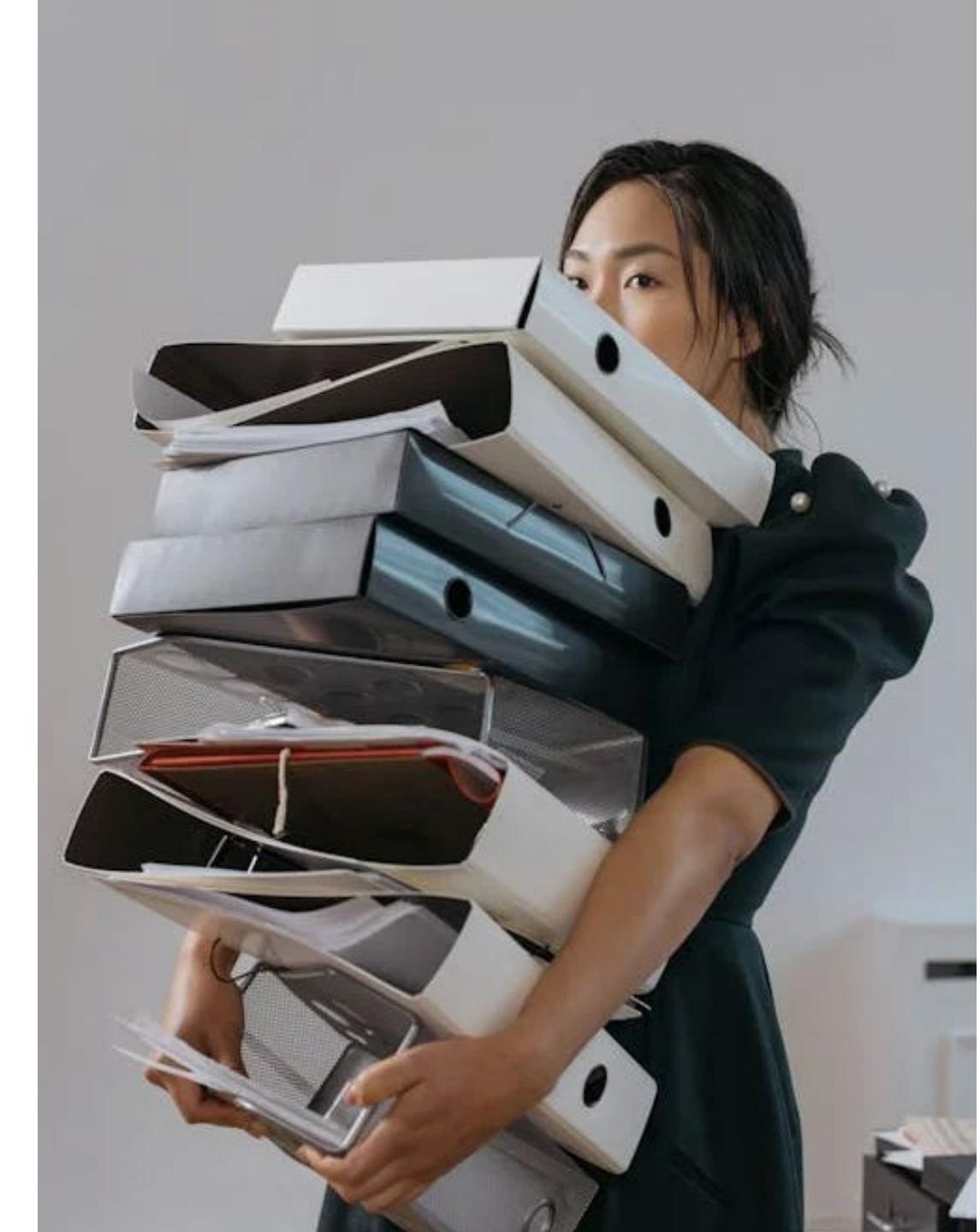
**UK UNIVERSITY OF THE YEAR  
2012 & 2019**  
Times Higher Education

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# Growth problems rarely look like “fairness problems”

- Quiet disengagement
- Loss of key people
- Slowing execution
- Resistance to change
- Informal practices break down
- Manager capability gaps
- Leadership capacity doesn’t scale

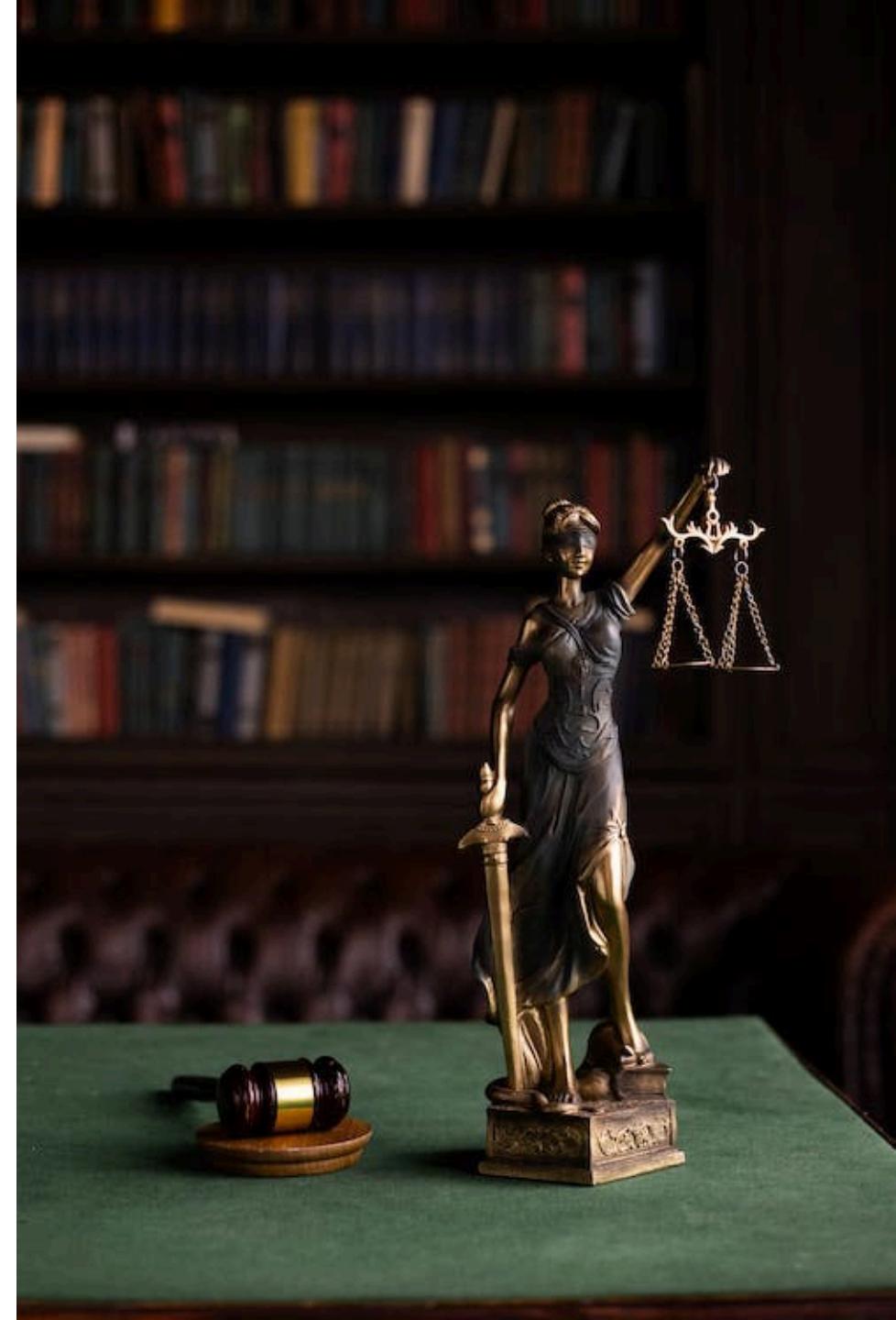
Significant effects on employee reactions – cognitions and emotions (*Colquitt et al., 2023*)



# Justice theories suggest above all else people want fairness

**Fairness:** Impartial and just treatment or behaviour without bias, favouritism or discrimination towards some people or individuals.

**Justice:** Do, treat, or represent someone or something with impartial and just treatment. Defined according to ethics, religion, fairness, equity, or law.



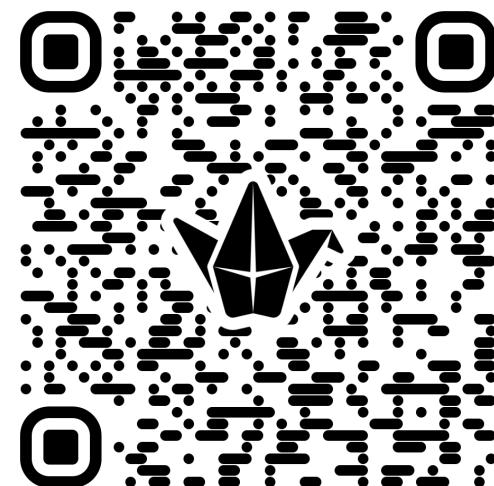
# What does fairness mean to you?



When have you felt that something was unfair at work?



What changed in how you felt or behaved afterwards?



# Organisational Justice

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“...what is fair depends on what is **perceived** to be fair...” (*Colquitt et al., 2023, p.22*)

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Assessments of workplace fairness, impact **attitudes** and **behaviours**, **motivation**, **individual performance**, and **organisational success**. (*Moorman, 1991; Baldwin, 2006*)

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A practical framework, not an abstract ideal

# 1. Procedural Justice

## Are reasons for decisions taken by the management justified?

- Whether processes are consistent, accurate, unbiased, correctable, and receptive to voice.
- Focuses on *how* decisions are made: processes, policies, systems.
- Are all stakeholders represented? decisions based on accurate information? mistakes corrected promptly?
- Often the most powerful lever for leaders.

**Example:** An SME is growing quickly and creates a new “Team Lead” role. The owner–manager appoints someone they trust into the role without advertising or consulting the wider team.

## SME growth risk:

- ✓ Founder-led decisions
- ✓ “We’ve always done it this way”
- ✓ Decisions made behind closed doors
- ✓ Speed over process
- ✓ Consultation that feels tokenistic

*“It feels like the rules change depending on who you are.”*

*“Favouritism matters more than performance.”*

*“I don’t understand how my bonuses are decided - it doesn’t make sense.”*

## Growth impact:

- ✓ Change resistance
- ✓ Loss of trust
- ✓ Slower execution
- ✓ Increased risk of turnover among ambitious employees

*“I’m afraid to raise issues with my performance appraisal because nothing ever changes.”*

*“They’ve already decided - why bother?”*

## 2. Distributive Justice

**Have I received fair rewards in relation to others?**

- Perceived fairness of *outcome distribution* (e.g. pay rise, promotion, development opportunities, hiring outcomes).
- People don't expect equality - they expect justification
- Each person has an equal claim to basic rights.
- Inequalities are just if they "raise the floor" as much as is possible.

**Example:** Two employees doing similar roles discover a pay gap with no clear rationale. The lower-paid employee doesn't complain - they simply stop caring.

## SME growth risk:

- ✓ Favouritism (including nepotism and cronyism)
- ✓ Inconsistent rewards across teams
- ✓ Informal or legacy arrangements
- ✓ Over-focusing on “what” people get, ignoring “why”

## Growth Impact:

- ✓ Reduced engagement and discretionary effort (within team)
- ✓ Increased turnover of key talent
- ✓ Lower productivity and goal achievement
- ✓ Risk of counterproductive behaviours (e.g., theft, absenteeism, cutting corners)

*“Why should I bother?”*

*“Some people always get preferential treatment.”*

*“Promotions and training go to certain people, not those who deserve them.”*

*“Support is inconsistent - some people get help, others don’t.”*

*“It doesn’t feel like pay reflects what people actually contribute.”*

### 3. Interactional Justice

**Am I treated with respect and dignity? Are decisions clearly explained?**

- Treating employees with respect, dignity
- Providing honest, timely explanations for decisions.
- Builds trust and strengthens the relationship between employees and leadership.
- This is the most visible and the most frequently violated.

**Example:** A line manager needs to address declining performance with an employee. Under time pressure, the manager raises the issue briefly in a corridor conversation, using blunt language and offering little explanation or opportunity for dialogue.

## SME growth risk:

- ✓ Pressure on managers
- ✓ Poorly handled difficult conversations
- ✓ Efficiency over empathy
- ✓ Tone under pressure

*“I don’t feel treated with respect - people talk down to me or ignore me.”*

*“Decisions are never clearly explained; I’m left guessing why things happen.”*

## Growth Impact:

- ✓ Disengagement and attrition
- ✓ Complaints (grievances) framed as ‘attitude problems’
- ✓ Damage to leadership credibility
- ✓ Poor psychological safety

*“Even when I try to raise concerns, it feels like no one is listening.”*

*“My manager doesn’t care how this affects me.”*

*“I was spoken to, not spoken with.”*

# Positive Outcomes (High Perceived Justice)

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Greater job satisfaction, trust and less misconduct

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Organisational Citizenship Behaviour: “extra-role” behaviours, such as helping colleagues, volunteering, and protecting company assets

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Organisational commitment and loyalty

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Task performance, motivation to achieve organisational goals, productivity

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Share ideas, innovate, and contribute creatively to the organisation’s long-term success

# Negative Outcomes (Low Perceived Justice)

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Knowledge hiding (*Jahangeb et al., 2021*)

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Presentism, absenteeism and cynicism with negative consequences e.g., financial and material loss.

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Theft, vandalism, sabotage, and “cutting corners”

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Reducing their work input, absenteeism or have higher turnover intentions.

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Burnout and professional fatigue (*Sygit-Kowalkowska et al., 2024*)

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Unfairly treated former employees are significantly more likely to file lawsuits against their former employers.

## Overall...

**Fair process** can mitigate unfavourable outcomes.

**Procedural justice** can be *more important* than distributive justice in explaining judgements of fairness.

Employees are more likely to accept **unfavourable outcomes** if they believe the process was fair.

(Arnold et al., 2025; Bies & Shapiro, 1988; Colquitt et al., 2023; Cropanzano et al., 2007; Folger & Greenberg, 1985; Folger & Konovsky, 1989; Folger & Martin, 1986; Greenberg, 1985, 1987, 1994; Lind & Tyler, 1988; Martin & Nagao, 1989; McFarlin & Sweeney, 1992; Taylor et al., 1995; Thibaut & Walker, 1975; Tremblay et al., 2000).

# Moral behavior in animals - Frans de Waal



<https://www.youtube.com/watch?v=GcJxRqTs5nK>

<https://www.youtube.com/watch?v=1wmUyOyM0m0>

# Why justice matters more in SMEs

## Small decisions, big signals

- Leaders are highly visible
- Justice strengthens leadership credibility
- Inconsistencies are noticed quickly
- Informality amplifies perceived unfairness



In SMEs, organisational justice is not a 'nice to have' - it's a growth enabler.

# Actionable Steps for SMEs

Justice Type	Organisations	Managers
<b>Procedural Justice (fair processes)</b>	<ul style="list-style-type: none"> <li>Defined, consistent decision-making processes</li> <li>Opportunities for employee voice</li> <li>Use of accurate, relevant data in decisions</li> <li>Mechanisms to challenge or review decisions</li> </ul>	<ul style="list-style-type: none"> <li>Follow agreed processes rather than shortcuts</li> <li>Involve employees where appropriate</li> <li>Communicate how decisions were made</li> <li>Correct mistakes promptly and visibly</li> </ul>
<b>Distributive Justice (fair outcomes)</b>	<ul style="list-style-type: none"> <li>Clear reward, promotion frameworks</li> <li>Transparent criteria for bonuses, progression and opportunities</li> <li>Consistent workload allocation</li> <li>Regular review of legacy or informal arrangements</li> </ul>	<ul style="list-style-type: none"> <li>Apply reward and workload decisions consistently</li> <li>Explain the rationale for outcomes clearly</li> <li>Avoid favouritism or “special cases” without justification</li> <li>Monitor equity within their team</li> </ul>
<b>Interactional Justice (fair treatment &amp; relationships)</b>	<ul style="list-style-type: none"> <li>Leadership expectations around respect and dignity</li> <li>Training and support for people management skills</li> <li>Clear standards for communication and conduct</li> <li>Psychological safety in culture</li> </ul>	<ul style="list-style-type: none"> <li>Treat employees with respect, especially under pressure</li> <li>Handle difficult conversations sensitively</li> <li>Provide honest, timely explanations</li> <li>Listen actively and acknowledge impact, not just intent</li> </ul>

# Group Exercise

**Task:** Work in small groups or at your table to identify **one current people or growth issue** in your organisation (e.g., pay, hybrid working, promotions, performance management, workload).

Pillar	Risk in our organisation	One action we will take
Distributive		
Procedural		
Interactional		



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