



# ***Fairness at Work in Britain:***

## **First Findings from the Skills and Employment Survey 2017**

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### **HEADLINES**

Employees' views about fairness at work are of central policy concern for their implications for personal well-being and for the desire to raise worker motivation to achieve higher productivity. This report examines beliefs about fairness among British workers and some of the factors that were important in affecting these beliefs.

- A majority of employees thought that their organisations treated people fairly, although only a quarter were strongly of this view. Moreover, two out of ten employees did not consider their organisations fair.
- Managers, professionals and administrative employees and those working in construction, finance and education were the most likely to consider their organisations fair. Women reported higher levels of fairness than men, while older workers had particularly low evaluations of organisational fairness.
- High levels of perceived fairness were associated with stronger work motivation, higher commitment to the organisation and a greater willingness to put in discretionary effort.
- While pay relativities were only weakly related, the quality of jobs and social relations in the enterprise were strongly associated with perceived fairness – in particular the control people could exercise over their work tasks, the helpfulness of supervisors in providing assistance, the opportunities to participate in organisational decisions and job security.

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## 1. The Importance of Fairness at Work

Fairness of treatment at work is a central determinant of employee well-being, affecting both psychological and physical health risks. Researchers have emphasized two aspects of fairness that are particularly important in accounting for this. The first is procedural fairness or fairness in the way decisions are taken. This is important because it affects the extent to which employees feel protected from arbitrary decision-making and hence insecurity in their jobs. The second is the balance between 'effort and reward'. This reflects the widespread importance of norms of reciprocity: an imbalance between effort and reward at work violates the sense of reciprocity in treatment, leading to sharply negative consequences for workers' physical and psychological health.

Fairness at work is also important as a factor likely to affect organisational performance. Employees who feel they are fairly treated are more likely to be committed to their organisations and to trust new management initiatives. Research has shown that such factors are an important condition both for individual motivation and for organisational citizenship behaviour, which involves the willingness to go beyond narrow role performance and help others with their work. Both higher individual work performance and a stronger disposition to cooperation are likely to have positive effects on overall organisational performance.

## 2. Previous Evidence

There has been extensive empirical research demonstrating the importance of fairness for employees' psychological and physical health. The evidence is not only cross-sectional but longitudinal. Procedural fairness and an adequate balance between effort and reward have independent effects on workers' health and the combination of the two factors has a particularly strong effect on health outcomes.

Although there has been less research on the relationship between perceptions of fairness and performance, a number of studies show positive effects for procedural justice and there is longitudinal evidence that procedural fairness predicts workers' future organisational commitment, which in turn affects performance.

Despite the evidence for the importance of fairness at work for well-being and motivation, we still lack a good picture of either the prevalence of feelings of fairness or of the extent to which they vary between different types of employee. Earlier national surveys that have examined fairness have looked at people's reports of personal experiences of breaches of

employment rights, unfair treatment, discrimination or harassment. But there can be other important sources of perceived unfairness and people may be concerned with unfairness that affects others as well as themselves. Further, while there has been considerable research on particular factors that affect perceptions of fairness, we lack a good understanding of their relative importance.

## 3. The Skills and Employment Survey 2017: A New Source of Evidence

The Skills and Employment Survey 2017 (SES2017) allows us to assess perceived fairness more broadly using a measure that captures both personal experiences and perceptions of the more general treatment of workers in their organisation. The survey also provides information on a broad range of potential determinants of perceptions of fairness. It collected data from working adults aged 20-65 years old in England, Wales and Scotland who were interviewed in their own homes in 2017. The sample was drawn using random probability principles subject to stratification based on a number of socio-economic indicators. Only one eligible respondent per address was randomly selected for interview, and 50% of those selected completed the survey. Data collection was directed by ourselves and conducted by GfK.

SES2017 is the seventh in a series of nationally representative sample surveys of individuals in employment aged 20-60 years old (although the 2006, 2012 and 2017 surveys additionally sampled those aged 61-65). The numbers of respondents were: 4,047 in the 1986 survey; 3,855 in 1992; 2,467 in 1997; 4,470 in 2001; 7,787 in 2006; 3,200 in 2012; and 3,306 in 2017. For each survey, weights were computed to take into account the differential probabilities of sample selection, the over-sampling of certain areas and some small response rate variations between groups (defined by sex, age and occupation). All of the analyses that follow use these weights. For more information on the series see Felstead, A, Gallie, D and Green, F (2015) (eds) *Unequal Britain at Work*, Oxford: Oxford University Press.

## 4. Indicators of Fairness at Work

Many studies of fairness of work have focused on specific aspects of organisational arrangements. However, an approach that has become increasingly influential in the last few years has focused on an overall measure of organisational fairness in the light of which the relative importance of more specific issues can be assessed. The present study has adopted this approach, drawing upon a subset of three items from Ambrose and Shminke's Perceived Overall Justice (POJ) scale, each with a five-point response set ranging from strongly agree to strongly disagree:

To what extent do you agree or disagree with the following statements:

‘Overall I am treated fairly by my organisation’

‘For the most part, this organisation treats its employees fairly’

‘Most of the people who work in your organisation would say that they are often treated unfairly’

The items tap perceptions of fairness in different ways. The first focuses on the individual’s experience of their personal treatment by the organisation, the second on their own perception of the treatment of employees in general and the third on their perception of others’ views about fairness. People were most likely to consider the organisation fair in its treatment of themselves and least likely in their reports on how others viewed it. The items, however, correlated highly (alpha of .79), allowing the construction of a more robust ‘fairness’ index from the average of the three items (reversing the scores for the first and second items so that higher scores indicate greater fairness).

To facilitate comparability with the scale values for the individual items, scores were rounded to the nearest integer. As a substantial majority of scores (78%) indicated some degree of perceived fairness, the three lowest responses have been grouped into a single category to provide reliable sample numbers. This gives three categories of perceived organisational fairness: ‘low’ (equivalent to those either ‘neutral’ or ‘not agreeing’ that their organisation is fair), medium (equivalent to those who ‘agree’ that it is fair) and high (equivalent to those who ‘strongly agree’ that it is fair).

## 5. Findings

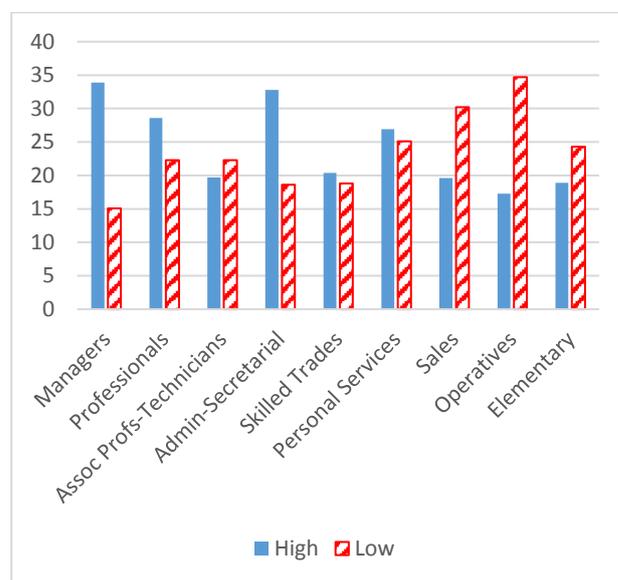
### *Variations in Perceptions of Fairness*

Overall, 25% of employees considered that their organisations had a high level of fairness, 52% a medium level and 22% a low level. However, the extent to which people reported a high or a low level of fairness in their organisation varied substantially between different types of employee. To begin with, there is a difference in perceptions of fairness between employees in distinct occupational classes. As occupational class has been considered a proxy of skill, it might be expected that the greater market power associated with higher skill would tend to encourage fairer treatment.

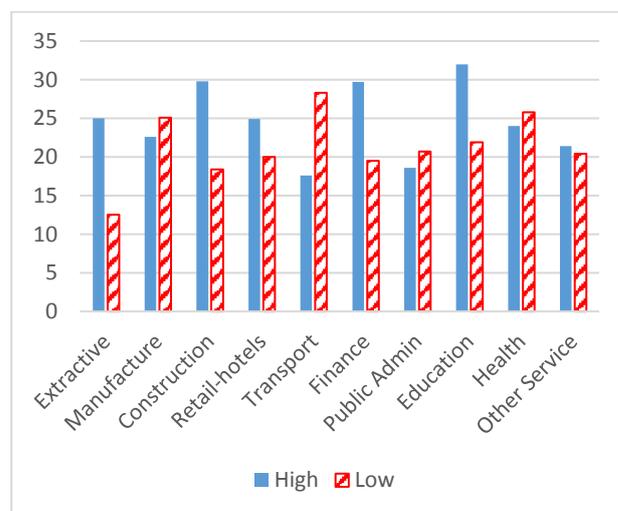
As is shown in Figure 1, there is some evidence in support of this: whereas managers, professionals and administrative-secretarial workers were considerably more likely to report a high rather than a low level of fairness, the reverse was the case for

sales, operative and elementary workers. The strongest contrast was between managers and operatives. While 34% of managers regarded fairness as high, only 15% thought it was low. Among operatives, however, only 17% considered fairness in their organisation to be high, while 35% regarded it as low. Associate professional and technicians, skilled trades and personal service workers came in an intermediate position – with a rough balance between perceptions of high and low fairness. The relatively small proportion (19%) of associate professional and technical workers reporting a high level of fairness conflicts, however, with the view that greater fairness of treatment is necessarily associated with higher skill level.

**Figure 1: Perceptions of High and Low Organisational Fairness by Occupational Class**



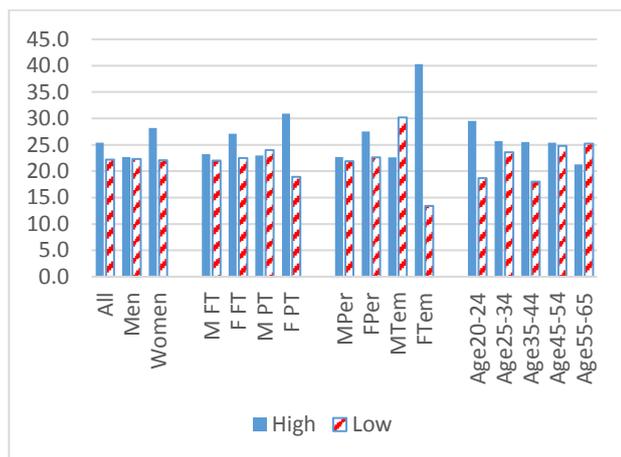
**Figure 2: Perceptions of High and Low Organisational Fairness by Industry**



Second, as can be seen in Figure 2, there were considerable disparities in evaluations of organisational fairness between employees in

different industries. Reports of high levels of fairness were most common in construction, finance and education, whereas they were much less frequent in manufacture, transport, public administration and other services. Reports of low fairness were most frequent in transport, manufacture and health. It is notable that in manufacture, transport, public administration and health, employees were more likely to report a low than a high level of fairness.

**Figure 3: Perceptions of High and Low Organisational Fairness by Sex, Contract and Age**



Third, as can be seen in Figure 3, female employees were more likely to report high levels of fairness than male employees, although similar proportions indicated a low level of fairness. Men were equally likely to report low and high organisational fairness, while women were more likely to report a high level of fairness. Sex differences were also evident across different types of contract. Temporary and part-time contracts are often associated with relatively disadvantageous work conditions. Men and women in such contracts, however, held different views about organisational fairness. While there was little difference between male part-timers and male full-timers, female part-time workers were more likely than female full-timers to consider that their organisations treated people with a high level of fairness. The contrast by sex is even stronger with respect to temporary work. Male temporary workers were more likely to regard fairness in their organisations as low than as high, while the reverse was the case for female temporary workers. These differences are quite substantial: while 30% of male temporary workers thought fairness was low, this was the case for only 13% of female temporary workers. Conversely, while only 23% of male temporary workers thought organisational fairness was high, this was true for 40% of female temporary workers. With respect to perceived fairness of treatment, then, the view that non-standard contracts represent particularly disadvantaged types of work is evident only for men.

There are also differences in perceptions of organisational fairness between employees in different age groups. Taken overall, a greater proportion of young workers (aged 20-24) reported high organisational fairness than low. Moreover, young workers were more likely to regard their organisations as having a high level of fairness than other age groups. The most problematic group with respect to perceived organisational fairness is that of older employees: overall, and for both sexes, employees aged 55 to 65 were particularly likely to report organisational fairness as low than as high.

### *Organisational Fairness and Attitudes to Work*

Is organisational fairness related to higher work motivation? As can be seen in Figure 4, there is a strong association between perceived fairness and a range of indicators relating to job performance, commitment to the organisation and sense of well-being at work. Those with a high sense of organisational fairness are more likely than those with a low sense of fairness to help colleagues at work and to feel that the organisation inspires the very best in them in the way of job performance. They are more likely to be willing to work harder than they have to in order to help the organisation succeed and they are more likely to disagree that they feel little loyalty to the organisation. Finally they are notably more likely to have a high level of satisfaction with their jobs and to feel enthusiastic while at work. To the extent that employees can affect productivity, a belief in the fairness of the organisation is likely then to be conducive to a greater willingness to put in the discretionary effort required to enhance organisational performance.

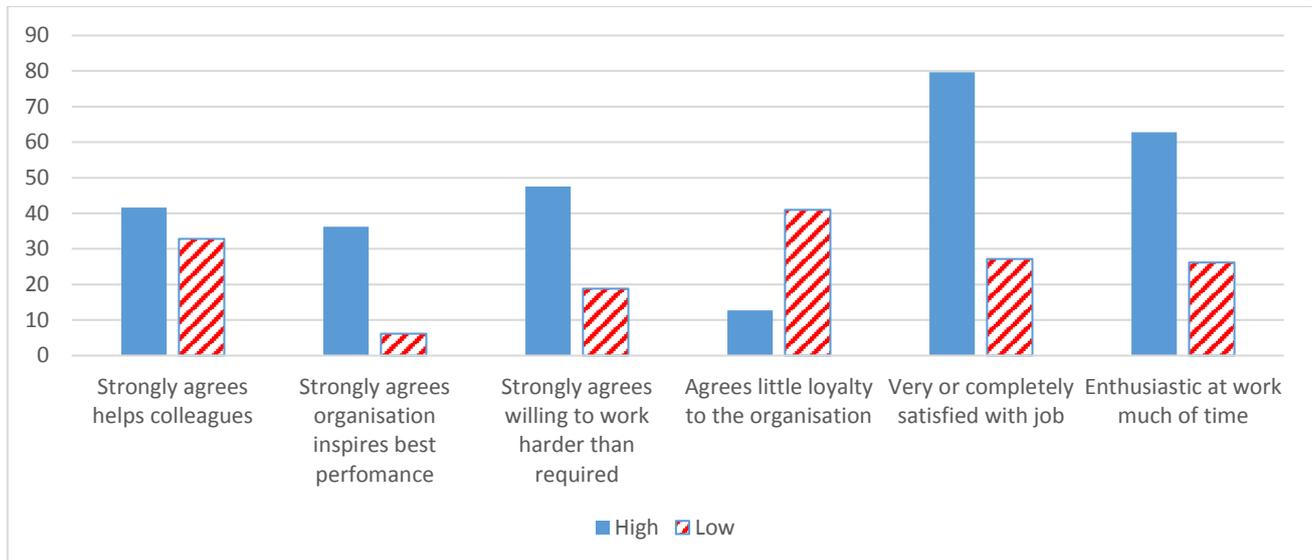
### *Work Conditions and Organisational Fairness*

What factors were associated with different views about fairness? Initial analyses indicate that perceptions of organisational fairness were affected not primarily by pay, but by the quality of work tasks, social relations in the organisation and employment security. As can be seen in Table 1, the factors most strongly associated with a high sense of fairness were having a supervisor willing to provide strong support when people are under pressure, task discretion and the opportunities to influence organisational decisions. Being paid at or above the minimum wage and benefiting from an incentive pay system that rewarded individual performance were also significant, but the effect was very small compared to other factors. Although those with higher pay than other workers with the same characteristics in terms of occupation, sex, industry and region were a little more likely to consider the organisation fair, the association was only significant at a marginal level. The two factors that most

strongly undermined a sense of fairness were high levels of work intensity and job insecurity. Finally, a multivariate analysis showed that each of these factors remained significantly associated with

people's sense of organisational fairness even taking account of the effects of all the others, with the exception of relative pay compared to the average in similar jobs.

**Figure 4: Attitudes to Work among Employees Reporting High and Low Organisational Fairness**



**Table 1: Percentage Reporting High and Low Organisational Fairness for Employees with Different Job Characteristics (Row Percentages)**

		% High Fairness	% Low Fairness	Corr
Relative Pay	High	27.2	20.7	0.04 (*)
	Average	22.0	20.1	
	Low	25.5	25.0	
Pay Level	Minimum Wage +	26.5	22.1	0.05 *
	Below Minimum Wage	23.2	28.5	
Individual Incentive Pay	Yes	29.6	18.9	0.07 ***
	No	23.6	23.5	
Task Discretion	High	32.8	16.1	0.18 ***
	Medium	24.7	20.5	
	Low	16.9	31.4	
Time works at High Speed	All/Almost all time	19.5	30.5	-0.14 ***
	Three quarters-half	26.4	20.4	
	Quarter or less	29.7	16.5	
Supervisory Support	High	43.6	11.5	0.33 ***
	Medium	26.5	17.4	
	Low	10.7	11.5	
Influence over Work Organisation	A great deal	48.2	8.2	0.25 ***
	Quite a lot	34.5	12.8	
	None-Little	19.2	27.1	
Risk of Job Loss	None	27.5	20.1	-0.13 ***
	< Evens	17.0	23.4	
	Evens +	14.9	38.5	

Note: SIG: \*\*\*=0.001; \*=0.05; (\*)=0.10. Relative Pay: Average = workers within +/- 5 percentage points of those with the average wage for the same occupation, sex, region and industry; high = higher than average wage, low= lower than average wage. Task Discretion: grouped average scores of 4 items about influence over work effort, choice of task, work methods and work quality (low=<2.00; medium=2.00 to 2.25; high=>2.25)

## 6. Policy Implications

There is considerable evidence for the importance of a sense of fairness at work both for employees' well-being and for their work motivation. The survey results reveal considerable differences between occupations and industries in the extent to which employees regard their organisations as fair. Judgements about organisational fairness also vary substantially by sex and age. Such judgements are strongly rooted in the work conditions in which people find themselves and in the pattern of social relations that prevails within the organisation. Employers and policy makers can actively work to create a work environment that is conducive to a sense of fairness.

It is notable that the evidence for the benefits of individual pay performance incentives was very modest. The quality of work and social relations in the organisation was much more important. Employees were more likely to consider their organisations fair where they were given significant say over the way they worked, where supervisors provided adequate support in periods of high work pressure and where they felt secure in the jobs. A sense of fairness was also stronger where there were organisational channels for employees to participate in decisions, allowing them greater control over their work conditions and a sense of citizenship within the organisation.

### Further Reading

Ambrose, M L and Schminke, M (2009) '[The role of overall justice judgments in organizational justice research](#)', *Journal of Applied Psychology*, 94, 2, 491-500.

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Also you may like to take the Job Quality Quiz which is an additional output emanating from the project, [www.howgoodismyjob.com](http://www.howgoodismyjob.com)

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