

Corporate changes force managers to juggle different views of fairness

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Middle-managers get caught between different stakeholders' perceptions of fair treatment in reaction to corporate changes, reveals new research from Aalto University School of Business.

According to Associate Professor Marjo-Riitta Diehl, from the Department of Management Studies, and her co-authors, these managers can often experience uncertainty, anxiety, and reluctance to take action as a result.

The research found having to navigate the conflicting perspectives of peers, senior management, and subordinates often causes managers to experience guilt over decisions they have made which they feel were unjust. The researchers also found that sometimes managers had to navigate a discrepancy between the organisation's strategic needs and their duty of care to their individual employees.

In response, they can be, among other things, motivated to discreetly recompense employees they feel they have treated unfairly before changing to a role without managerial responsibilities. This is known as "Robin Hoodism".

The internal conflict managers feel, as the company's expectations of their managerial role pressure them to make decisions contrary to what they deem fair, can have severe consequences. Those who cannot reconcile their values with the company's may choose to leave their employment.

"Organisations must be aware that if managers cannot reconcile their role with their values, they may end up trying to establish fairness according to their own rules 'under the radar' or even exit the company. Some managers, of course, also choose to prioritise the strategic needs of the organisation, aiming to contribute to the company's survival, or the 'greater good,'" says Professor Diehl.

Professor Diehl and her co-researchers also found managers varied in their likelihood to justify their decisions by dehumanising people that may have suffered from their decisions, for example calling laid off employees as "bad apples".

This research was based on two rounds of interviews with managers in the German branch of an international company shortly before and after restructuring changes. The paper was published in the Journal of Business Ethics.

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