

The Impact of Procedural Justice in Promotion on Job Engagement: From the Perspective of Chaxu Climate

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Abstract—As a universal phenomenon in Chinese society, *guanxi* is a powerful tool which influences daily management practices in China. The different interaction patterns caused by *guanxi* may damage employees' perception of fairness in promotion procedures and decrease their job engagement. The aim of this study was to explore the impact of perceived fairness on job engagement from the perspective of *guanxi*. By analyzing researches about perceived justice in *guanxi*, this study suggest that *chaxu* climate as well as employee-organization *guanxi* base are core antecedents of perceived fairness in promotion and organizational commitment serves as an important moderator between perceived fairness and job engagement.

Keywords—*procedural justice; promotion; chaxu climate; job engagement*

I. INTRODUCTION

Guanxi, a social network tie about connections in personal and business relations, is always taken as an indispensable part of Chinese culture. Worked as a powerful social networking tool, *guanxi* greatly influences Chinese daily interactions and business operations. It is essential for organizations to take advantage of *guanxi* in China because it creates social and economic value for them by increasing the efficiency and effectiveness of organizational managerial practices. However, there are also negative impacts, *guanxi* may have potential damage to organizations. First, large investments on *guanxi* have no direct repayments for the organizations, which fails to adapt to rapid challenges in business. Second, by differentiating between employees, managers may cause injustice in interpersonal treatment, which may impair employees' perceive fairness. Third, social exchange based on *guanxi* is voluntary not compulsory, so the potential outcomes of *guanxi* are out of organizations' control.

Chaxugeju describes the pattern of differential interactions according to the familiarity or intimacy caused by *guanxi*, which means that every individual is the center of his/her social network and keep circles-like relationships with others. The innermost circles represent the closest relationships like those with parents and children, then blood relatives, followed by friends and neighbors. Sometimes *guanxi* also causes various distances mentally among interactions, which might influence human resource management practices in organizations. There are some dark sides of *guanxi* criticized by employees, such as favoritism, nepotism in companies. For example, managers

might put their relatives at important positions because of the trust based on *guanxi*. Those employees who have closed *guanxi* with managers are likely free of regulations and punishments. Sometimes, even leaders of organizations would show preference on those employees who share closed *guanxi* with them. However, it is still reasonable for organizations to decide some management operations internally under *chaxu* climate. First, based on *guanxi*, employees develop self-discipline without close supervision, which definitely decreases cost spending on personnel management. Because *guanxi* is reciprocal, employees are required to be more hard-working as they keep *guanxi* with organizations and organizations offer supports to them. Second, managers who can deal with *guanxi* very well is likely to remain valuable employees and promote their organizational commitment and organizational input as well [1]. Because managers can keep close *guanxi* with those employees, the reciprocal principle in *guanxi* guarantees employees' loyalty to organization. However, *guanxi* has both affective and instrumental parts. On one hand, affective part gives employees a sense of identity and respect, which promotes their organizational commitment. On the other hand, employees build up *guanxi* for instrumental goals such as more organizational supports, promotion chances and so on. it is difficult for managers to be totally free of preferences to closed *guanxi*. Therefore, allocation of vital resources follows the pattern of difference sequence. Because of limited promotion chances, promotion is a kind of vital resources in company influenced by *chaxu* climate.

Employees have an ambivalent attitude towards *guanxi*. On the one hand, they prefer organizational justice and hate the *guanxi* in the work. On the other hand, they would like to be a member of in-groups, receiving favored treatment from managers. *Chaxu* climate influences their perceptions of organizational justice, particularly for out-groups. In addition, promotion is a kind of internal selection. Failure in promotion may cause employees' deviant workplace behaviors such as low job engagement and turnover. Therefore, perceptions of justice in promotion are essential to maintain valuable employees and *guanxi* can work as compensation besides formal regulations by emotional ties to keep failed candidates in promotion. This study aims to investigate the impact of justice on job engagement from the perspective of *chaxu* climate, to illustrate the formation of procedural justice in promotion in China context and how to foster employee

perceived justice and promote their job engagement when managers are doing some guanxi HRM practices.

II. PROCEDURAL JUSTICE IN PROMOTION

Promotion indicates that employees have changes in organizational hierarchy from lower to upper. In other words, it is an important way to select high-skilled employees internally, which encourages employees to work hard. By recognizing high value employees and promoting them to upper positions, organizations maintain competitive advantages in human resources. Because limited promotion chances are available, not all candidates can enhance rank and this adds uncertainty at workplace. Moreover, successful promotions mean changes in job contents and responsibilities. Those changes also add uncertainty at workplace. Because of prospective variations in company, employees will pay more attention on organizational justice. Gilliland studied perceived fairness of selection system and distinguished two dimensions of organizational justice in selection: distributive and procedural justice. According to Gilliland, procedural justice encompasses three components: formal characteristics of procedures, explanation of procedures and decision making, interpersonal treatment [2]. Employees' perceptions on procedural justice are based on their judgment about selection procedures according to these fairness rules.

Procedural justice is the most prominent dimension of organizational justice in promotion. Promotion system and transparency are two main components in promotion procedure [3]. Some researches studied those rejected workers in promotion and found that promotion failure brought employees with lower organizational commitment and higher turnover intentions. Especially when they had perceived unfairness in promotion procedures, negative behaviors of rejected workers would even worse. In contrast, if employees held a positive perception of fairness in promotion procedures, negative effects of promotion failure were alleviated. Those employees who perceive fairness in promotion procedures kept a higher organizational commitment [4].

Therefore, employees' perceived fairness in promotion procedures is prerequisite for incentive, higher organization commitment and better performance. That is to say, managers should create fair promotion procedures and help employees establish up perceptions of justice. Moreover, those managerial practices attach importance to job satisfaction, work performance and stability of staff.

III. PROCEDURAL JUSTICE AND JOB ENGAGEMENT

In academic literature, job engagement has been defined in many different ways. Kahn defined job engagement as an experiential state when people play work role in organizations. That is to say, employees express themselves physically, cognitively, and emotionally during the role performances [5]. Maslach assumed engagement might be antipodes of burnout. Job engagement is characterized by energy, involvement, and efficacy, which is regarded as the direct opposites of three burnout dimensions of exhaustion, cynicism and inefficacy [6]. Schaufeli suggested that job engagement, a positive, fulfilling, work-related state of mind, was characterized by vigor, dedication, and absorption. What's more, engagement is not a

momentary and specific state, but a persistent and pervasive affective-cognitive state not concentrating on particular incidents [7]. As a kind of work experience, job engagement is a positive and work-related mental state, not behaviors related to work role. With high job engagement, employees will take initiative in work.

According to Kahn, three psychological conditions are associated with job engagement: meaningfulness, safety and availability [5]. Safety dimension requires predictable and consistent regulations and procedures in organizations, so employees perceived justice is important resource of psychological safety. Relevant empirical researches also discussed antecedents of job engagement. For example, Saks investigated engagement of 102 employees working in a variety of jobs and organizations, and the results indicated both perceived organizational support and procedural justice were related to engagement, such as organization engagement and job engagement [8]. When researchers consider cultural background, organizational commitment seems play a mediator role in the relationship between justice and job engagement. According to Li jinbo's research on job engagement of domestic enterprises and institutions in 2006, statistics revealed that organizational justice had an indirect impact on job engagement while organizational commitment mainly showed a direct impact [9]. High organizational commitments mean employees' identification with and involvement in an organization [10]. That is to say, employees perceive mental connection between them and organizations. So those employees are willing to maintain membership in company and have a strong belief in organization's goals. In China, individual's developments are closely related to developments of organizations and most of resources in society are controlled by organizations. For employees, organization commitment is essential in deciding job engagement and perceived justice is relevant to their organization commitment. When employees perceive fairness in company, they have a high organizational commitment and treat colleagues like families with high incentive to increase job engagement. In promotion, with high organizational commitment employees have more affective than instrumental components in the relationship between them and organizations, so negative impacts of guanxi phenomenon on employees' perceived fairness are weakened. The emotional ties between employees and organizations might motivate them to increase their job engagement.

Many empirical researches indicated significant relationship between justice and organizational outcomes such as organizational commitment, job satisfaction, job performance and organizational citizen behavior. It has been demonstrated that three dimensions of organizational justice are corresponded to different outcomes. And procedural justice could predict organization-referenced outcomes like organizational commitment [11]. However, organization-level outcomes have impact on individual-level outcomes, because of reciprocity rules of guanxi. When employees receive economic or emotional resources from their organizations, they feel obliged to repay organizations by increasing job engagement. In promotion, candidates would perceive more uncertainty about result because of chaxu climate in company, so they will pay more attention to procedures of promotion.

Employees' perceptions of procedural fairness enhance their trust on organizations with prospective supports like necessary and sufficient materials. Those useful resources will encourage them to promote commitment and job engagement according reciprocal rule of exchange based on guanxi. To summarize, following propositions are advanced:

A. Proposition1

Employees' perceptions of procedural justice in promotion will be positively associated with job engagement.

B. Proposition2

Organizational commitment mediates the relationship between employees' perceived procedural justice in promotion and job engagement. Specifically, employees' perceptions of procedural justice in promotion affect job engagement through their organizational commitment.

IV. CHAXU CLIMATE AND PROCEDURAL JUSTICE

Individuals have different equity sensitivities in different cultural background. As equity is constructed in specific cultural environment, it is important to examine employees' perceptions of organizational justice in indigenous culture. With regard to differences in China cultures, researches largely paid attention on guanxi. As a general phenomenon, guanxi follows reciprocal exchange rules but doesn't require direct repayment. Therefore, China's view of justice in guanxi might consider more possible time period of repayment, which make people insensitive to direct justice. However, guanxi forms an unstable and hierarchical social network among each other. Chaxugeju describes the pattern of association because of different familiarities or intimacies caused by guanxi [12]. This pattern is circle shapes and people interact more fluently with friends in the inner circle while less often with outer circle. Those interaction patterns are also obvious in organizations. Managers often interact with employees who share a good guanxi with him. Those employees are likely to accompany managers in business trips. Therefore, there are many potential opportunities around guanxi.

Chaxu climate refers to the extent of differences in relationship between managers and employees [13]. That is to say, if managers, who are responsible to allocate organizational resources, hold different guanxi with employees, allocations of resources follow pattern of guanxi. So employees who hold greater guanxi with managers can gain more substantial and essential resources in company under chaxu climate. In other words, chaxu climate describes the extent of how important organizational resources allocate based on principles concerning about guanxi. Those principles may cause differences in resources which employees gained based on pattern of guanxi. For employees who hold worse guanxi with managers, underlying principles in chaxu climate are negative to them, which damage their perceptions of justice. But for others who share great guanxi with managers, chaxu climate offers them with more organizational supports and opportunities as reciprocal repayments for their investments on guanxi. For managers, sharing closed guanxi with candidates means better understanding on personality, working style and

ability because of long time interaction. That is to say, it is reasonable for managers to allocate vital organizational resources to candidates with closed guanxi based on person-job matching consideration. However, employees who hold closed guanxi with managers are a small minority, most of workers are influenced by negative impacts of chaxu climate.

Career development of employee is closely related to social network inside company. Chaxu climate implies that allocation of organizational resources follows pattern of guanxi, which seems negatively associated with employees' perceived justice. However, employees are eager to be a member of in-groups, so they can build up greater guanxi with managers and get enough supports and privileges from companies. Therefore, employees are ambivalent about chaxu climate in organization. Because guanxi are dynamic and unstable, guanxi increases uncertainty of workplace. For the sake of safety in psychological condition, employees will pay more attention on procedural justice in promotion under uncertainty situation. For those companies with greater chaxu climate, managers will distribute possible promotion resources according to familiarities with candidates. Under this condition, employees may perceive lower fairness of procedures in promotion and even suspect it.

With frequent interactions in the work, employees may build up guanxi, which is characterized by private exchanges, with organizations. Guanxi is actually instrumental in essence but affective in interaction, which means expressing emotions for utilitarian purposes. Employee-organization guanxi base demonstrates this complicated situation [1]. Those relationships between employees and organizations have both affective and instrumental parts, which influence management operations. In general, new employees build up more instrumental guanxi with organizations focusing on equivalence of reward and performance. For those employees with long working age, they establish more affective guanxi and trust with organizations. This kind of emotional bonds influences their perceptions of organizational justices, because they believe in reciprocal exchange rules of guanxi and convince in prospective repayments in future. Affective employee-organization guanxi base drives them to trust potential enough supports offered by organizations for their career development. Therefore, that belief deepens their identification with organizations and increases their initiative to strengthen job engagement. For those employees without emotional bonds with organizations, their perceptions of fairness in promotion procedures are closed to actual. To contrast, employees who have affective guanxi with organizations may hold a deep sense of identity, which assume justice in companies. So they will perceive more fairness in promotion procedures than actual condition. To summarize, following propositions are listed:

A. Proposition3

Employee-organization guanxi base predicts employees' perceptions of procedural justice in promotion. Employees with affective guanxi base view promotion procedures more fairly than instrumental guanxi base employees.

B. Proposition4

Employee-organization guanxi base moderates the relationship between chaxu climate and employees' perceived procedural justice in promotion. Specifically, for employees with instrumental guanxi base, the relationship between chaxu climate and employees' perceptions of procedural justice in promotion is more negative than for employees with affective guanxi base.

V. CONCLUSION

By the above analysis, this study explores perceptions of promotional justice and the mechanism of promotional justice from the perspective of chaxu climate. There are several findings. First, employee-organization guanxi base is an antecedent of employee perceived justice. Employees with affective guanxi base hold higher perceptions of justice than those with instrumental guanxi base. Second, chaxu climate is negatively associated with perceptions of justice and moderated by employee-organization guanxi base. Third, employees' perceived procedural justice in promotion affects job engagement by changing their organizational commitment.

This study has several implications in the following ways. First, our study contributes to understanding of procedural justice in promotion by identifying guanxi base and chaxu climate in guanxi HRM practices. More specifically, managers should establish emotional bonds with employees, which serve as a compensation beside the formal system. That is a great way to enhance mutual trust to each other and affect their perceptions of organizational justice. Second, by analyzing guanxi in companies, this study provides an important insight about chaxu climate. It is essential to reduce chaxu climate in company because it helps to enhance employee perceived fairness. Finally, this study contributes to understanding in effects of procedural justice in promotion on job engagement. Managers should pay attention on employees's organizational commitment and try to keep employees' fairness in companies to evoke a sense of organizational identity and encourage employees to strengthen job engagement. This study is a theoretical analysis about effect of procedural justice in promotion on job engagement under chaxu climate in companies and it has limitations. More empirical researches are required to validate the findings and conclusions of this study.

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