

## Chapter 49

# Employees' Perceptions on Organisational Justice, Job Control and Job Demands: Do Ownership and Human Resource Management Practices Matter?

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### ABSTRACT

*The issue to be addressed in this study is whether ownership and HRM practices are associated with employees' perceptions of organisational justice, job control and job demands. The study focuses on care personnel working in sheltered housing facilities for elderly people. Multi-level linear regression is applied to analyse the data. The results support the argument that an increased similarity between public, not-for-profit and for-profit organisations is emerging in HRM issues. HRM practices were found to associate with positive outcomes in organisational justice and job control. However, to be successful in the implementation of HRM, it is crucial that employees understand the justification for each procedure as well as find it a useful resource in terms of their own job.*

## **INTRODUCTION**

The increasing proportion of old people and especially those over 90 has been suggested to result in an increasing demand for the care services and also an increasing need for workforce. The new capacity for the services is often purchased from private sector. Consequently private services providers are increasingly involved in the delivery of the publicly funded health care and social services. Moreover, while employers compete on young skilful employees they also need to sustain the working ability of the ageing workforce. To be successful in both of these quests employers need to understand the importance of appropriate and fair Human Resource Management (HRM) practices.

Public, not-for-profit and for-profit organisations have often been assumed to pursue different societal goals (Haley-Lock & Kruzich, 2008; Schmid & Nirel, 2004). It is, however, not evident whether this has to do with the organisations management practices or the wellbeing of the employees. The question of ownership and for-profit ownership is a highly debated subject. The arguments for and against public or private delivery of public services are, however, rarely based on valid research evidence (Øvretveit, 2003). In this paper we try to put some light on this matter.

The issue to be addressed in this paper is whether ownership and HRM practices are associated with employees' perceptions of organisational justice (Colquitt, 2001), job control and job demand (Karasek & Theorell, 1990). These factors reflect general leadership and management practices as well as psychosocial working conditions in an organisation. These have suggested resulting in positive outcomes for both the employees, but also for the organization (e.g., Laschinger, 2004). The focus of the paper is on the personnel working in sheltered homes for elderly people, which is the most rapidly extending segment in the field of elderly care in Finland. The

term "sheltered housing facility" refers to care facilities offering accommodation and a certain set of services (e.g., care, meals, and cleaning) for elderly people. Eligible for sheltered housing are the elderly citizens who are not capable of living on their own and are in need of regular help. Residents pay rent as well as for the services they use. A cross-sectional survey data were used in the study and multi-level modelling was applied as a statistical method.

## **REVIEW OF LITERATURE AND STUDY HYPOTHESES**

### **Organisational Justice, Job Control and Job Demand**

Perceived organisational justice may be seen as a determinant of effective leadership (van Knippenberg & De Cremer, 2008). A perception of fairness of the procedures may be used as a means to evaluate leadership and its legitimacy in general (van Knippenberg et al., 2007; Konovsky, 2000). Furthermore, justice can be seen as one of the basic requirements for the organisation's effective functioning and employee satisfaction (e.g., Colquitt et al., 2001; Greenberg, 1990). It has been claimed that if employees perceive just treatment they will potentially be well disposed to their work, work outcomes, their superiors and the decisions made by the superiors (Barling & Phillips, 1992; Greenberg, 1990; Laschinger, 2004). Moreover, organisational justice has been shown to be associated with employee health and wellbeing (e.g., Elovainio et al., 2005; Elovainio et al., 2002; Kivimäki et al., 2003), productivity (Heponiemi et al., 2007) organisational behaviour (Moorman, 1991), job satisfaction and turnover intentions (Cohe-Charash & Spector, 2001). The perception of organisational justice has also been shown to have an effect also on the quality of care (Pekkarinen, 2007).

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