A Policy of Potential Problems: the Buffering Effects of the Perceptions of Pay Secrecy and Cynicism on Workplace Ostracism

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Abstract
With the unstable work environment brought about by high levels of turnover and employee burnout, many firms have sought fresh human capital to fill critical roles. The strain of having to complete job duties in an understaffed environment made remaining employees feel as though they are not being paid enough to do more work for the same pay. However, incoming workers required higher wages to match market demands. Owing to the existence of pay secrecy policies having the potential of making existing workers feel ostracized because elements of seniority, loyalty, and distrust of their employers, a cycle of cynicism and deeper senses of ostracism likely are occurring. With the support of the literature surrounding workplace ostracism, pay secrecy policies, and cynicism, we sampled general workers in the United States (n = 372) to determine if cynicism had the potential to further impact the negative relationship of perceptions of pay secrecy policies and workplace ostracism. Our findings suggest cynicism moderates the proposed relationship at average and high levels indicating that cynicism will buffer feelings of ostracism in an environment where there are negative perceptions of pay secrecy. We discuss how our findings add to the literature through being the first study to explore our hypothesized relationship. Furthermore, we add to understanding of how the aging workforce likely is experiencing cynicism and ostracism associated with pay secrecy policies. Beyond discussing our findings, we give suggestions for future research.

Keywords Pay Secrecy · Workplace Ostracism · Cynicism

The data that support the findings of this study are available from the corresponding author upon reasonable request.

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Introduction

Since the onset of the Covid-19 pandemic, the global workforce experienced a dramatic increase of burnout symptoms such as feeling drained of energy, decreased productivity, and an over all negative affect surrounding all aspects of work (Krivkovich et al., 2021; Thomas et al., 2021). Additionally, the cynicism of these burned out employees was only amplified because the turnover of the workforce was not adequately replenished with qualified talent to accomplish organizational tasks and goals (Kapoor et al., 2021; Mejia et al., 2021; Slaughter et al., 2021). Moreover, the strain of having to complete job duties in an understaffed environment made remaining employees feel as though they are not being paid enough to do more work for the same pay (Thomas, 2021). As if to add insult to injury, even though a multitude of jobs were available, the potential workers available to address shortages of human capital demanded higher wages when compared to those who stayed in their jobs (De Smet et al., 2022; Thomas, 2021). When the conscription of new hires entered the environment of the workers who chose to not leave their positions, the wages paid for similar job task often varied between employees with situations where new hires received pay higher than those who had substantially more seniority (Webber & Abdel-baqi, 2021).

Even though many employers gave raises to existing employees to stabilize the equity of financial compensation throughout their mixed (both remaining and new workers) workforce (Caulfield, 2021), some employers chose to use policies regarding the secrecy of wages to hide the pay gap between employees to capture more profit for the organization (Colella et al., 2007). Owing to the literature presenting negatively regarding the attempts of pay secrecy policies (Smit & Montag-Smit, 2018), the tactic of using policy to obfuscate the imbalance of wage equality can backfire if workers become aware that they are being treated unfairly (Bamberger & Belogolovsky, 2010; Caulfield, 2021; Colella et al., 2007) because the policies of pay secrecy have the potential of causing employees to feel ostracized (situations in which an employee feels ignored, marginalized, or experience a feeling of misfit by or in regards to coworkers) because they have the potential to feel as though they are alone in their plight of being undervalued in the belief that others make more for the same work (Caulfield, 2021). Arguably, this potential situation where the employee has a sense of disconnect from the rest the workforce connects squarely with prior scholarship of workplace ostracism (Ferris et al., 2008; Wu et al., 2016) and the literature associated with ostracism in the workplace results in psychological distress and increased turnover intentions (Yaakobi & Williams, 2016). There is a need to understand how the potential feeling of ostracism that is likely present in the workforce with the presence of pay secrecy policies by exploring what other variables also have the potential for impacting feelings of ostracism to minimize the potential harm to individuals and the organizations they work for.

Considering that one of the initial problems of workers leaving their jobs was a feeling of cynicism, workers who perceive their wages are not fair compared to their peers likely also would experience high levels of cynicism. Considering that cynicism impacts nearly all aspects of one’s job (Maslach et al., 2001) and substantially limits trust perceptions of management and co-workers (Stavrova & Ehlebracht, 2016), the impact of cynicism dramatically effects the individual and organizational outcomes (Axelrod, 1984; Maslach et al., 2001). A deeper study of how cynicism impacts other variables likely will inform future scholarship and improve work outcomes for all stakeholders. With workers likely experiencing both ostracism and cynicism in an environment where there are policies of
pay secrecy, there is a need to explore how these perceptions impact the workers. Even though there have only been a few studies exploring the direct relationships of ostracism and perceptions surrounding pay secrecy policies (e.g., Karim, 2021; Karim et al., 2021), there is a gap in the literature explaining how any construct indirectly impacts the relationship. The current environment likely has workers feeling cynical about the use of pay secrecy policies. There is potential to understand how this cynical affect impacts the relationship of perceptions of pay secrecy and workplace ostracism. Therefore, we seek to answer the following research question: do feelings of cynicism indirectly impact perceptions of workplace ostracism and associated pay secrecy policies?

To answer our research question, we surveyed general workers from various industries via a two-time survey to determine how cynicism moderated feelings associated with pay secrecy policies and the resulting workplace ostracism. First, we establish a framework to support our hypotheses via a testable theoretical model using the literature on workplace ostracism, pay secrecy policies, and cynicism. Next, using Hayes’s (2018) process macro in SPSS, we test our model and present our findings. Finally, we discuss our findings and present managerial implications and future research directions with our results.

**Literature Review**

**Pay Secrecy Policies**

Pay secrecy is a hot topic among academics, with studies demonstrating that it has both benefits and drawbacks for individuals, businesses, and society as a whole (Colella et al., 2007; Gely & Bierman, 2003; Tremblay & Chênevert, 2008). Although there is no universal definition of pay secrecy, it can simply be defined as a limit on how much information employees are given or allowed to share about what others in their organization are paid (Colella et al., 2007; Cullen & Perez-Truglia, 2018; Hartmann & Slapničar, 2012; Marasi & Bennett, 2016).

In the United States, the practice of pay secrecy is the norm of the majority of private companies (Colella et al., 2007; Day, 2012; Gely & Bierman, 2003). These employers often use policies surrounding pay secrecy as a primary tool to enact aspects of general vocational privacy policies (Cullen & Perez-Truglia, 2018), minimize staff dissatisfaction with salary (Colella et al., 2007; Day, 2012; Putrell & Jenkins, 1978; Sweins & Kalmi, 2008), and to preemptively curtail information that could lead to the forming of a union (Bierman & Gely, 2004). Even though these appear to be problematic to the individuals in an organization, nearly 60% of private firms in the United States use some form of pay secrecy policies (Buchwald, 2021).

Pay secrecy in organizations is and has long been a sensitive subject. Consider the following memorandum, which was exchanged in October 1919:

**POLICY MEMORANDUM Forbidding Discussion among Employees of Salary Received.**

*It has been the policy of the organization to base salaries on the value of services rendered. We have, therefore, a long established rule that the salary question is a confidential matter between the organization and the individual. It is obviously important that employees live up to this rule in order to avoid invidious comparison and dissatisfaction. Recently several cases have come to the notice of management where employees have discussed the salary question among themselves. This memo-
random should serve as a warning that anyone who breaks this rule in the future will be instantly discharged (Steele, 1975).

The costs of pay secrecy generally fall into three categories: (1) the sacrifice of employees’ fairness judgments and their perceptions of trust, (2) the potential decrease in motivation, in part due to the lack of self-evaluation that obscures the link between performance and pay, and (3) the diminished efficacy of the labor market because employees will not move to their highest valued use. However, the significance of these costs varies across industries and situations. This appears to be primarily a function of individual needs and perceptions, but prior conflicts with the employer also play a significant role (Colella et al., 2007).

Managing employee perceptions of trust and perceptions of fairness is arguably the most volatile aspect of pay secrecy for organizations. In general, the concept of fairness for employees can be understood through the framework of organizational justice. In organizational justice, the framework breaks into three components, one of which is distributive justice. This construct of justice perceptions addresses the obvious potential disparity of the amount of money an employee is paid for their service. When an employee observes that there is a difference between what one employee is paid for their role/contribution compared to what another individual is paid for the same role/contribution, an employee will often feel that their distributive justice perceptions are violated causing decreased fairness perceptions (Colquitt, 2001). The other two components are procedural justice and interactional justice, with the subcategory informational fairness of interactional justice being particularly relevant to pay secrecy issues (Bies & Moag, 1986; Colquitt, 2001; Leventhal, 1980; Thibaut & Walker, 1975). Informational fairness refers to the adequacy of given clarifications in terms of their timeliness, specificity, and veracity in explaining why particular procedures were used or why outcomes are distributed as they are. Interpersonal justice, the second component of interactional justice, refers to the perceived respect one receives. Finally, procedural justice refers to the fairness of procedures for allocating resources and resolving disputes.

Some experimental evidence suggests a complex relationship between informational and distributive justice resulting in altered fairness perceptions in association with elements of payment for services rendered. Greenberg and Cropanzano (1993) conducted a laboratory experiment to determine how participants addressed a situation where they were confronted with varying pay rates and various explanations for these rates even though the task was the same for all participants. The following is the experimental setup: the study participants were required to complete a task for which they were told they would be paid $5.00 for their efforts. Half of the participants were then paid the promised five dollars, while the other half were told they would only receive three dollars despite being promised the full five dollars as part of recruitment efforts. The informational fairness of the participants was manipulated by varying the quality of the justifications for why they would receive the specified amount. The experimenter then placed a handful of coins carelessly on a nearby desk, giving the impression that he was unaware of the exact amount of money he provided. The participants were then instructed to take the amount of money to which they believed they were entitled to receive based on their contribution for the tasks they were assigned. Two intriguing findings emerged regarding the effect of fairness on undesirable behavior. First, regardless of the provided explanations, there was no difference in the amount of coins take by the employees who were paid equitably. Intuitively, however, the number amount of extra coins taken was significantly higher among those who were paid less. However, this number decreased as informational fairness increased via detailed
descriptions of why the non-equitably paid employees were not being paid the agreed upon wage. When distributive fairness judgments are negative, the importance of informational fairness increases, with high-quality explanations of observed pay disparities inhibiting undesirable behavior.

Pay secrecy may result in unfavorable assessments of informational fairness if information is concealed. According to the fairness heuristic, people tend to base specific fairness judgments on their general image of organizational fairness (Lind, 2001). Consequently, it is probable that the two other categories of fairness will also receive low ratings. In the event of pay secrecy, procedural and distributive fairness evaluations may be negative regardless of the fairness heuristic’s influence. According to Leventhal (1980), in order for procedural justice to be acknowledged, individuals must feel that they have a voice in the process and that it exhibits characteristics such as consistency, correctness, and ethics. The lack of knowledge prevents employees from assessing prejudice, restricts their ability to speak up, and indicates that decision making in general may be flawed, resulting in unfavorable procedural fairness ratings (Colella et al., 2007). Inaccurate estimates of relevant individuals’ incomes may result in unfavorable assessments of distributive justice (Dornstein, 1989). The argument is that communicating about compensation can reduce these perceptions of pay disparity. It is believed to specifically promote employee engagement and contribute to a greater sense of empowerment, significance, and more accurate performance feedback (Day, 2012; Lawler et al., 1981).

Fang and Moscarini (2005) demonstrate that employee behavior is affected by credible communication about compensation. In doing so, they disregard potential organizational fairness concerns and instead focus on the influence of knowledge on beliefs. In addition to a wage gap policy, they propose that transparent remuneration policies encourage individuals to reassess their own abilities. The accuracy of this update depends on the company’s ability to rank employees by ability, for example based on past performance. Even if they are unaware of their own actual capacity, employees can deduce the company’s perceptions of their abilities based on the contracts they receive. Therefore, the ‘morale’ of employees who the company believes to be more (less) capable than they perceive themselves to be is increased (hurt).

In conjunction with a policy on salary differences, pay transparency serves as an effective relative performance evaluation. According to Fang and Moscarini (2005), the selection of a (non-)differentiation policy is contingent upon, among other factors, the workforce composition and the disparity in beliefs, such as the extent to which employees are overconfident in their own abilities. Bénabou and Tirole (2003) assert that the consequences of overconfidence depend on whether ability and effort are complements or substitutes, with the latter implication indicating that an employee may exert less effort when he feels more confident in his talents. Although this may be true, in the context under consideration, the employee is motivated by a bonus established by the company, which will never encourage less effort as opposed to more. Contrary to Fang and Moscarini (2005), pay transparency is not assumed. This is due in part to the prevalence of pay secrecy in a variety of organizations. Thus, contracts are not viewed as automatically applicable to all employees. Then, societal preferences may cause companies to conceal their desired wage policy in addition to protecting employee morale.

Although the research on pay transparency (or alternatively, secrecy) is inconclusive, organizations that incorporate performance-pay into their pay structure appear to rely on secrecy for its successful implementation (Perry et al., 2009). Bartling and Von Siemens (2010) assert that, at first glance, this can largely be attributed to envy increasing the costs of providing incentives: salary secrecy is argued to prevent social comparisons and,
consequently, the higher agency costs that result from them. Without authentic (correct) information about their referents, individuals are prone to speculate about the contracts of other agents. A strategy of pay secrecy increases agency costs associated with providing incentives if agents suffer from their beliefs as much as they do from observed salary disparities. Notably, belief-based unfairness is distinct from observed unfairness and is therefore likely to be experienced differently. According to the findings of Kuziemko et al. (2015) and Card et al. (2012) observed inequity is the more dissatisfying of the two.

With policies surrounding wage, traditional genders experience the effects of these policies differently. For example, Mello (2019) argued that the disparity of pay between men and women is not being adequately addressed by existing legislative actions. Women still earn less than their male counterparts. The existence of pay secrecy policies may be contributing to this gap. Mello describes that even though 84% of all workers use historical salary information in their negotiating for wage, the inquiry into historical salaries may be limiting because women do not readily share their prior salary information as readily as men. The result of women not sharing salary information has resulted in an average of 1.9% less pay for women. Even though this may be a privacy preference, the norms of not sharing salary information is deeply rooted in pay secrecy policies. Therefore, we may be observing a downstream effect that contributes to the non-equality of pay for women. It is also worth of note that no studies have been conducted associated with non-binary or other genders associated with pay policies.

One advantage of pay secrecy appears to be that it improves organizational control efforts. Maintaining a courteous, peaceful, and conflict-free workplace is one of the most common ways that companies seek to govern their staff. In reality, one of the main reasons managers express for imposing pay secrecy is to avoid conflicts (Gomez-Mejia & Balkin, 1992; Steele, 1975). Pay secrecy helps businesses to address pay disparities that exist (despite their best attempts to avoid them) without having to deal with their employees’ unpleasant reactions (Gomez-Mejia & Balkin, 1992). A second advantage of pay secrecy would be the increased privacy that comes with keeping one’s own wages hidden from others. In a review of the organizational privacy literature, Stone and Stone (1990) discovered that employees’ perceptions of privacy were linked to a variety of positive organizational outcomes, including performance, satisfaction and commitment, and retention (Klopf & Rubenstein, 1977; Sundstrom et al., 1980). Finally, when it comes to labor market stagnation, pay concealment can actually assist businesses. Although the inefficiency in the labor market caused by pay secrecy may be a cost to society in general and to some companies in particular, as previously stated, other employers might profit from this inefficiency by limiting the movement of their productive workers. Furthermore, the sources cited above have fatal flaws: none of the scholarship is recent and considers the emotionally taxed workforce in pandemic and post-pandemic settings.

Pay secrecy rules range from entirely open to completely closed, with varied degrees of transparency in between (Colella et al., 2007). Furthermore, according to Marasi and Bennett (2016), there are two ways that companies employ policies to keep pay information private. Organizations can enact secretive policies that (a) limit the amount of information given about employee pay distribution (i.e., distributive pay nondisclosure) and (b) prevent employees from discussing pay with one another (i.e., pay communication restriction). The lowest level of distributive pay nondisclosure indicates perfect transparency, with employers publishing employee names and pay information on a regular basis. Employees only have access to their own salary under entirely secret nondisclosure policies, however organizations may publish aggregate employee pay information at moderate levels (e.g., salary ranges). Employees can still obtain pay information from one another, even if employers
prefer to keep pay information hidden through nondisclosure (Marasi & Bennett, 2016). As a result, organizations may impose a pay communication ban as a secondary policy. Coworker pay communication is restricted here, thanks to official policies that risk consequences, as well as organizational norms promoted by management and coworkers that discourage pay discussions (Colella et al., 2007).

With Executive Order 13,665, the legal environment surrounding pay disclosure shifted in 2016 (Exec. Order No. 13665, 2014). Employers with US federal contracts are prohibited from retaliating against employees who share pay information under this legislation, which has resulted in enhanced pay transparency for an estimated 20% of the US workforce (Trotter et al., 2017).

People compare themselves to others on important dimensions (such as pay) in order to get prescriptive advice on how to think, feel, and behave in an adaptive manner (Smit & Montag-Smit, 2018). On the other side, research shows that the practical benefits of pay transparency might be counterbalanced by social hazards, which may deter employees from sharing pay information. According to social comparison studies, revealing undesirable personal information puts one’s self-concept in jeopardy (Exline & Lobel, 1999). Obtaining salary information and discovering that one is paid less than coworkers, for example, might cause personal discomfort and have a negative impact (e.g., relative deprivation or perceptions of workplace ostracism; Walker & Pettigrew, 1984).

**Workplace Ostracism**

Workplace ostracism is the condition of being rejected or excluded from a work group (Ferris et al., 2008). This includes situations in which an employee feels ignored, marginalized, or experiencing misfit by or in regards to coworkers (Ferris, et al., 2008; Robinson et al., 2013). When a worker has ostracism perceptions, significant repercussions often result for companies and individuals (Howard et al., 2020; Mao et al., 2018; Williams, 2007; Wu et al., 2011). When a worker is ostracized by another party (e.g., coworkers or superiors), they may suffer harm, loss, or misfortune (Aquino & Lamertz, 2004). Whether deliberate or unintentional, people perceive ostracism as a sort of punishment that causes the outcast to experience pain and feel threatened (Williams, 2007). From the victims’ perspective, workplace ostracism is associated with decreased organizational identification and organizational commitment (Ferris et al., 2008; Wu et al., 2016); increased psychological distress and increased turnover intentions (Yaakobi & Williams, 2016).

Through a meta-analysis of the literature on workplace ostracism, Howard et al. (2020) outlined the spectrum of workplace ostracism perceptions. The authors discovered that from incivility and rudeness to the direct exclusion of individuals through their behaviors and actions, some employees will cause one or more individuals to feel that they do not "fit" in the organization. Through the lens of social identity theory (Tajfel et al., 1979), the feeling of perceived ostracism generates in-group and out-group dynamics in which the victim perceives themselves to be outside the in-group (Scott & Duffy, 2015; Williams, 1997; Xu et al., 2017; Yang, 2012). This mismatch frequently results in the victim exhibiting potential employee deviance as well as poor performance and detrimental wellbeing outcomes (Howard et al., 2020).

There are various forms of workplace ostracism. Uncivil behavior on the job frequently involves gender and race, making women and those of diverse racial backgrounds more susceptible to potential mistreatment (Cortina et al., 2013). Due to the fact that gender and race are protected categories under the vast majority of employment
laws, the severity of any mistreatment of employees belonging to these demographics has a substantial negative impact on companies where such mistreatment occurs. However, the perception of exclusion can arise from something as simple as the language employed by team members (Fiset & Bhave, 2021). In the end, any action that causes the perceived victim to feel that they do not belong within the organization can result in workplace ostracism (Howard et al., 2020).

Scholars have explored the areas of gender, race, age, level of employee deviance, and perceptions of justice as potential antecedents for workplace ostracism through multiple empirical studies without fully explaining why it occurs (e.g., Arthur et al., 2006; Chatman, 1989; Howard et al., 2020). Overall, these studies suggest that nearly everyone can experience social exclusion on the job, leading to poor job performance and psychological trauma.

When evaluating workplace ostracism in connection to negative perceptions of pay secrecy policies, only a few studies directly link the two constructs (e.g., Karim, 2021; Karim et al., 2021). However, there are logical overlaps when viewing the two through the lens of social comparison theory (Adams, 1963, 1965) because social comparison theory is often used to explain the antecedents of workplace ostracism (e.g., Breidenthal et al., 2020; Jones et al., 2009; Quade et al., 2019; Williams, 1997) and is used to explain perceptions of pay transparency/secrecy (e.g., Brown et al., 2007; Smith, 2000).

Social comparison is the activity of comparing specific elements of ourselves (e.g., our conduct, opinions, status, and achievement) to those of others in order to form a more accurate evaluation of ourselves (Buunk & Gibbons, 2007; Wood, 1996). In social comparison theory, people use both upward and downward comparisons to determine where one ‘fits’ socially (Brown et al., 2007; Gerber et al., 2018). The comparison target is seen to be better off than the comparer in upward comparisons, but the target is deemed to be worse off in downward comparisons (Gerber et al., 2018).

From the standpoint of social comparison, equity theory is useful for establishing whether pay difference leads to low or high conceptions of justice. Employees will perceive their pay as fair if they believe their recompense for effort is equivalent to that of others, according to the distributive justice hypothesis. When it comes to pay transparency, employees with strong senses of fairness are more prone to use assimilative comparisons when making upward comparisons. They will believe that they, too, are capable of achieving what their referent has. Inspiration and optimism are evoked by positive assimilative analogies (Brown et al., 2007; Smith, 2000). Because they will feel powerless about their wage if they have a low sense of justice, they are more inclined to use contrastive comparisons. Emotions of envy and fury may be evoked by upward contrastive comparisons, whereas feelings of superiority may be evoked by downward contrastive comparisons (Brown et al., 2007; Smith, 2000).

Employees who participate in downward comparisons are more prone to make assimilative comparisons because they have low justice perceptions and believe that the tragedy of others could happen to them in similar circumstances. Downward assimilative comparisons can cause depression and sorrow (Brown et al., 2007; Smith, 2000). Employees with a strong sense of justice will engage in downward contrastive comparisons, believing that individuals with lesser salary deserve less for equitable reasons. Superiority feelings can be induced via downward contrastive comparisons (Brown et al., 2007; Smith, 2000).

Using the above perspectives regarding how one compares to another individual in regards to pay, a worker could logically feel as though they do not fit in an organization if they learn or perceive that wages are not fairly communicated or distributed. Considering that misfit is a quintessential component of workplace ostracism (Follmer et al., 2018;
Howard et al., 2020) and people who have negative perceptions of pay secrecy policies also experience a sense of misfit, we propose the following hypothesis:

**H1: Perceptions surrounding pay secrecy policies will positively impact perceptions of workplace ostracism**

**Cynicism**

Cynicism is a component of the greater construct of the variable job burnout where chronic physical/emotional exhaustion results in decreased professional effectiveness and a shift in negative perspectives/attitudes regarding the perception of one’s work (Maslach et al., 2001). This diminished professional efficacy is characterized by a significant decline in feelings of competence and a perception that, despite the effort expended on job tasks, professional accomplishments and successes do not matter (Maslach & Leiter, 2008). A cynical change in work-related attitudes refers to an emotional and cognitive distancing in the form of a negative affect surrounding nearly all aspects of one’s job (Maslach et al., 2001).

Specifically, cynical people have negative generalized ideas (or a worldview) that others are intrinsically self-centered and ethically flawed. Extremely cynical persons are often distrustful and skeptical, and regard others as having malicious and self-serving intents even when none exist, since they believe that others will pursue their own self-interest by any means necessary (Singelis et al., 2003; Stavrova & Ehlebracht, 2016; Stavrova et al., 2020). As a result of their impression of a dog-eat-dog world, extremely cynical persons are typically less sympathetic (e.g., Dincă & Flieescu, 2009). Moreover, these perceptions of others as self-interested and untrustworthy and of oneself as subject to exploitation (Stavrova & Ehlebracht, 2016) are likely to result in the notion that attempts to (re)establish reciprocal partnerships are damaging to their own wellbeing (Axelrod, 1984). Consequently, cynicism appears to foster a sense of mistrust that hinders one’s trust in and desire to comprehend the perspectives and intentions of others.

When comparing negative perceptions of pay secrecy policies, one can logically connect that if one were to have mistrust of the organization because of the existence of policies that obfuscate pay equity there would also be increased cynicism in an environment of these policies. Furthermore, if individuals feel like they do not fit in an organization (misfit/ostracism; Bedi, 2021; Howard et al., 2020; Sahoo et al., 2022; Tariq & Amir, 2019), they are likely also to adapt a feeling of cynicism. Therefore, we propose the following hypothesis:

**H2: Perceptions of cynicism will moderate the relationship between perceptions surrounding pay secrecy policies and workplace ostracism**

**Hypothesized Model**

To aid in answering the research question “do feelings of cynicism indirectly impact perceptions of workplace ostracism and associated pay secrecy policies?”, we will explore the relationships through the model found in Fig. 1.

Our model consists of the antecedent variable of perceptions surrounding pay secrecy policies, the single consequence variable of workplace ostracism, and cynicism as a potential moderator for the antecedent and consequence relationship. In other words, our model
theoretically depicts how cynicism will moderate the relationship between employee perceptions surrounding pay secrecy policies and workplace ostracism. Considering that our hypothesized model can generally be applied to nearly all work environments and no prior studies have been conducted with our proposed model, we argued that a general population of workers would be best to evaluate the broad aspects and relationships of each variable. If there were existing qualitative studies indicating that some aspect of nuance of specific organizational populations, we believe that a more focused approach may be warranted. However, since our hypothesized model is exploratory and the first of its kind, a sampling of the general workforce is most appropriate.

**Method**

**Participants and Procedures**

Our sample comprised of individuals who met the following criteria: (a) at least 18 years old, (b) currently employed in the United States, (c) had at least one year of work experience, and (d) had signed up to participate in a Qualtrics Panel. After receiving approval from an institutional review board (IRB), we started collecting data. We chose to collect data via the third-party company Qualtrics because sampling using internet vendor-based sources typically yields more consistent composition, respondent integrity, data quality, data structure, and substantive results than sampling using non-internet vendor-based sources (Smith et al., 2016). From October 24 to November 24, 2021, we surveyed our participants twice (with a minimum one-week interval between each sampling), with each participant responding to each scale/questionnaire only once. In addition to the variables required by our model, additional variables were collected. The first sampling took an average of 22.57 min, while the second took an average of 31.65 min. The total and average response time of survey participants was 54.08 min. Upon completion of the measures, participants were debriefed and thanked for their participation. Our raw sample consisted of 396 responses from individuals ages 30–87 ($M = 59.01$, $SD = 10.722$) with varying levels of education and between one year and seven decades of work experience ($M = 35.60$, $SD = 11.1$) who are currently employed in the United States. After data screening detailed later in this manuscript, our sample for analysis consisted of $n = 372$ (219 male and 153 female) aged 30–81 ($M = 58.640$, $SD = 10.747$) with varying levels of education and between one and 52 years of work experience ($M = 17.655$, $SD = 11.632$) who were.
currently employed in the United States. With 91.4 percent self-identifying as white/Caucasian, the racial/ethnic composition was overwhelmingly homogenous.

Variables

Workplace Ostracism Using the scale for Workplace Ostracism by Ferris et al., (2008), we evaluated our participants’ self-perceptions of workplace ostracism (10 items on a 5-point Likert-type scale unified as a single variable.) The literature supports the reliability and construct validity of this measure’s representation of participant’s self-reported perception of workplace ostracism associated with their work (e.g., Ferris et al., 2015; Wu et al., 2012). Sample items include: “Others refuse to talk to me at work” and “Others avoid me at work”.

Cynicism Using components from the scale for Exit, Voice, Loyalty, Neglect and Cynicism by Naus et al. (2007), we evaluated our participants’ self-perceptions of cynicism (four items on a 5-point Likert-type scale unified as a single variable.) The literature supports the reliability and construct validity of this measure’s representation of participant’s self-reported perception of workplace ostracism associated with their work (e.g., Jaramillo et al., 2012; Ng & Feldman, 2009). Sample items include: “Withhold suggestions for improvements, because you think nothing is going to change anyway” and “Use cynical humor to let off steam”.

Pay Secrecy Policies Using components from the scale for pay secrecy by Day (2012), we evaluated our participants’ self-perceptions of the psychological impact of pay secrecy policies (10 items on a 5-point Likert-type scale unified as a single variable.) The literature supports the reliability and construct validity of this measure’s representation (e.g., Grodzicki, 2020). Sample items include: “My company has a written policy that instructs employees not to discuss our pay range minimums and maximums with other employees” and “Although it may not be a written policy, management does not want us to discuss our performance appraisal ratings.”

Control Variables To eliminate alternative explanations for the hypothesized relationships in this study, we followed Bernerth and Aguinis (2016) and included control variables. Initially, we controlled for our participants’ job satisfaction to account for the impact of varying levels of job satisfaction on workplace ostracism (Spector, 1997). Using Brayfield and Rothe’s (1951) measure for job satisfaction, we evaluated our participants’ self-reported job satisfaction (six items on a 5-point Likert-type scale unified as a single variable.) We next controlled for the change uncertainty our participants were likely experiencing as an effect of living and working through the Covid-19 Pandemic. Using the questions associated with the factor for change uncertainty in Rafferty and Griffin’s (2006) multi-item measure for job-based change perceptions, we evaluated our participants’ self-reported perceptions of uncertainty surrounding aspects of their job (four items on a 5-point Likert-type scale unified as a single variable.) For this measure, we also determined that removing one of the items would improve construct validity and improve Cronbach’s α. To account for turnover intentions we used the questions associated with O’Driscoll and Beehr’s (1994) turnover intention measure (three items on a 5-point Likert-type scale unified as a single variable.) We also chose to control for other aspects of pay perceptions including pay communication using Day’s (2012) measure (four items on a 5-point Likert-type scale unified as a single
variable), pay equity using Day’s (2012) measure (11 items on a 5-point Likert-type scale unified as a single variable), and pay satisfaction using Day’s (2012) measure (four items on a 5-point Likert-type scale unified as a single variable). Additionally, we controlled for age, gender, and organizational tenure because these demographic elements are the most commonly used demographic control variables in the motivation and performance literature (Bernerth & Aguinis, 2016).

Data Screening

Data Screening To ensure that we had a focused response for our sampled items, we assessed cases that answered a screener question. In our sample of 396, 24 participants did not answer the screener question appropriately. As such we removed all of their responses from future imputation and analysis. These cases accounted for roughly 6.060% of the total sample. The resulting sample size was n = 372.

Missing Data In our sampling of the 372 participants (after screening out failed focus questions), we captured data associated with the items in variables during two waves of sampling. During the first time of sampling, we captured data associated with demographics (age, gender, race, organization tenure, and education level). Additionally, we gathered scale items associated with our focal variables for pay secrecy perceptions and workplace ostracism. Also in the first sampling, we sampled responses associated with our intended controls (change uncertainty and pay equity). The missing values with the first sampling were minimal. Demographic missing values included zero cases for gender, race, education level, and organization tenure. Only one case contained missing values for age (0.300%). Our focal variable items each had one case missing (0.300%). The control scale items for change uncertainty had zero missing cases and the pay equity items had one missing case for each of the scale items (0.300%). In the first sampling, the missing case was the same participant among the items.

The second sampling contained no demographics measures, the focal cynicism items, and items for five additional control measures (turnover intentions, job satisfaction, pay satisfaction, and pay communication). Our focal measure had 146 cases with missing values accounting for 36.900% of missingness. For our control measures, we found that all items for turnover intentions and five of the six items for the job satisfaction measures contained 146 missing values (36.900%). The sixth item for job satisfaction had 147 missing cases (37.100%). Additionally, the items for pay communication and pay satisfaction had 147 missing cases. In a similar vein as the first sampling, all cases containing missing values overlapped in the second sampling.

To determine if the items were Missing Completely at Random (MCAR), we analyzed the data with SPSS via Little’s MCAR test $X^2(368) = 468.752, p = 0.071$. Considering that we found a non-significant p-value, we determined that the values were missing at random. Accordingly, we used the expectation maximization (EM) method to impute the missing values for the 147 cases of missing values (Shortreed & Forbes, 2010). For the variables that contained 36.900% and 37.100% of missing values, there was less than 0.04 value shift of difference between the means of items when compared to cases with non-imputed values. Therefore, we determined that our imputation method appropriately imputed values for further analysis efforts.
**Power Analysis**

Using the G*Power statistical tool (Faul et al., 2007, 2009), we evaluated our sample and potential effect size for this study. With a proposed 0.80 as a convention for ‘general use’ when performing this power analysis (Cohen, 1988, 1992), we determined that a modest sample size of \( n = 127 \) or more with 80% power will be of statistical significance given the number of proposed variables in our study. Considering that our sample size was \( n = 372 \), we determined that our sample size was adequate for our intended analysis method.

**Reliability and Correlation Analysis**

To test the reliability of the constructs, we used the minimum value of 0.6 for Cronbach’s alpha scores for inclusion of the measures in analysis (Pallant, 2001). All measures met these criteria. The descriptive statistics and correlations among variables are presented in Tables 1, 2.

Additionally, we tested correlations of all constructs with the heterotrait–monotrait ratio of correlations (Henseler et al., 2015). Considering that all values in question were less than Henseler et al.’s threshold (0.9), we determined that discriminant validity was established (see Table 3 for more details).

**Analysis and Results**

This study examined whether cynicism moderated the relationship between perceptions of pay secrecy policies and workplace ostracism. We used Hayes’s (2018) PROCESS Macro to examine these relationships. As focal variables, the model included perceptions of pay secrecy policies and cynicism. Additionally, the model included the interaction between the focal variables and multiple control variables in attempts to explain a significant portion of variance in workplace ostracism (\( R^2 = 0.426; F(11, 360) = 24.272; p < 0.001 \)). When evaluating pay secrecy policies as the antecedent to workplace ostracism to determine if a positive relationship exists (H1), the results were significant (\( b = 0.209, t = 2.444, p = 0.015 \)), providing support for H1. When the interaction between cynicism and pay secrecy policies was included in the model, it was significant (H2: \( b = 0.126, t = 3.885, p = 0.000 \)), and this model explained a significantly greater proportion of variance than the model with only the main effects (\( \Delta R^2 = 0.024; F(1, 360) = 15.097, p = 0.000 \)). Thus, cynicism significantly moderated the association between perceptions of pay secrecy policies and workplace ostracism. To comprehend the interaction’s form, simple slopes were examined. The relationship between perceptions of pay secrecy policies and workplace ostracism was not significant at low levels of cynicism (1 SD below the mean) (\( b = -0.024 t = -0.508, p = 0.612 \)). At high levels of cynicism, however, the relationship was positive and statistically significant (\( b = 0.124, t = 3.169, p 0.002 \)). In addition, the mean cynicism level was significant for the interaction (\( b = 0.273, t = 4.483, p = 0.000 \)). The form of the interaction is depicted in Fig. 2’s plot.

Refer to Table 4 for a comprehensive listing of all significant and non-significant relationships in the model, including controls, constants, and other associated model components. Please see Fig. 3 for significant relationships from our analysis.

Considering our findings that gender was significant in our model and Mello’s (2019) argument that gender likely plays an important role in polices of pay, we determined that
deeper analysis was warranted with our sample. First, we assessed if evaluating gender as an additional moderator would be impactful in our model. Even though the other relationships remained primarily the same (other paths in the model), there was a non-significant finding with gender as a moderator ($b = -0.0109$, $t = -1.424$, $p = 0.155$). Additionally, the Δ$R^2$ was only 0.003. Owing to this finding, we determined that the relationship of perceptions of pay secrecy polices and workplace ostracism was not moderated by gender.
Table 2  Descriptive Statistics and Correlations for All Variables

|                        | M     | SD    | 1     | 2     | 3     | 4     | 5     | 6     | 7     | 8     | 9     |
|------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Pay Secrecy            | 2.864 | 1.049 | .948  |       |       |       |       |       |       |       |       |
| Cynicism               | 2.647 | 1.180 | .144* | .764  |       |       |       |       |       |       |       |
| Workplace Ostracism    | 1.450 | 0.966 | .222* | .483**|       |       |       |       |       |       |       |
| Controls               |       |       |       |       |       |       |       |       |       |       |       |
| Change Uncertainty     | 3.001 | 1.447 | .135**| .594**| .429**|       |       |       |       |       |       |
| Job Satisfaction       | 3.604 | 0.878 | -.760 | -.506**| -.193**| -.442**|       |       |       |       |       |
| Pay Communication      | 2.339 | 1.083 | .088  | -.144**| .091  | -.062 | .418**|       |       |       |       |
| Pay Equity             | 3.891 | 0.869 | -.031 | -.113* | .168**| -.029 | .315**| .391**|       |       |       |
| Pay Satisfaction       | 3.516 | 1.040 | .015  | -.354**| -.046 | -.337**| .604**| .626**| .409**|       |       |
| Turnover Intention     | 2.288 | 1.426 | .205**| .719**| .505**| .533**| -.642**| -.246**| -.098 | -.383**|       |

Scale Reliability (Cronbach’s α) in parentheses on the diagonal

* p < .05; ** p < .01; *** p < .001
To understand why gender was significant in our model beyond the relationship evaluated above, we tested the hypotheses that the gender was associated with statistically significantly different mean scores for cynicism, perceptions of pay secrecy policies, and workplace ostracism. An independent samples t-test was performed. The variables for cynicism, pay secrecy policies, and workplace ostracism were sufficiently normal for the purposes of conducting a t-test based on skewness and kurtosis cutoffs of $-/+2.00$ for skewness and $-/+7.00$ for kurtosis (Hair et al., 2010). Additionally, the assumption of homogeneity of variances was tested and not satisfied for workplace ostracism via Levene’s F test, $F(370)=21.903$, $p=0.000$. Considering the significant $p$ value of the Levene’s test, equal variances could not be assumed for analysis. Accordingly, the independent samples t-test was associated with a statistically significant effect for workplace ostracism, $t (349.835)=42.867$, $p=0.004$. Thus, gender associated with a statistically significantly larger mean workplace ostracism score in men compared to women for our sample.

**Table 3**  Heterotrait–monotrait ratio of correlations

|                        | 1        | 2        | 3        | 4        | 5        | 6        | 7        | 8        | 9        |
|------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| 1. Pay Secrecy         | 0.185    |          |          |          |          |          |          |          |          |
| 2. Cynicism            | 0.230    | 0.558    |          |          |          |          |          |          |          |
| 3. Workplace Ostracism |          |          |          |          |          |          |          |          |          |
| Controls               |          |          |          |          |          |          |          |          |          |
| 4. Change Uncertainty  | 0.147    | 0.716    | 0.457    |          |          |          |          |          |          |
| 5. Job Satisfaction    | 0.097    | 0.585    | 0.198    | 0.477    |          |          |          |          |          |
| 6. Pay Communication   | 0.187    | 0.166    | 0.179    | 0.092    | 0.338    |          |          |          |          |
| 7. Pay Equity          | 0.118    | 0.215    | 0.122    | 0.106    | 0.455    | 0.436    |          |          |          |
| 8. Pay Satisfaction    | 0.082    | 0.404    | 0.054    | 0.357    | 0.627    | 0.427    | 0.674    |          |          |
| 9. Turnover Intention  | 0.214    | 0.848    | 0.525    | 0.581    | 0.679    | 0.130    | 0.258    | 0.400    |          |

**Fig. 2**  The interaction of pay secrecy and cynicism in relation to workplace ostracism

To understand why gender was significant in our model beyond the relationship evaluated above, we tested the hypotheses that the gender was associated with statistically significantly different mean scores for cynicism, perceptions of pay secrecy policies, and workplace ostracism. An independent samples t-test was performed. The variables for cynicism, pay secrecy policies, and workplace ostracism were sufficiently normal for the purposes of conducting a t-test based on skewness and kurtosis cutoffs of $-/+2.00$ for skewness and $-/+7.00$ for kurtosis (Hair et al., 2010). Additionally, the assumption of homogeneity of variances was tested and not satisfied for workplace ostracism via Levene’s F test, $F(370)=21.903$, $p=0.000$. Considering the significant $p$ value of the Levene’s test, equal variances could not be assumed for analysis. Accordingly, the independent samples t-test was associated with a statistically significant effect for workplace ostracism, $t (349.835)=42.867$, $p=0.004$. Thus, gender associated with a statistically significantly larger mean workplace ostracism score in men compared to women for our sample.
Cohen’s $d$ was estimated at 0.273, which is a small effect based on Cohen’s (1992) guidelines. When evaluating pay secrecy policies, the assumption of homogeneity of variances was tested and not satisfied via Levene’s F test, $F(370) = 5.409, p = 0.021$. Accordingly, the independent samples $t$-test was associated with a non-statistically significant effect for pay secrecy policies, $t(301.472) = 1.575, p = 0.116$. Thus, gender did not associate with a statistically significantly larger mean score in men compared to women for our sample. When comparing means with cynicism, the assumption of homogeneity of variances was tested and satisfied via Levene’s F test, $F(370) = 1.351, p = 0.246$. Considering the non-significant
p value of the Levene's test, equal variances could be assumed for analysis. Accordingly, the independent samples t-test was associated with a non-statistically significant effect for cynicism, \( t(370) = 0.121, p = 0.903 \). Thus, gender did not associate with a statistically significantly larger mean cynicism score between genders for our sample. Overall, our findings here indicate that the variance in the model associated primarily with workplace ostracism and not cynicism or pay secrecy policies.

**Discussion**

The impact of both average and high levels of cynicism moderating the relationship of perceptions of pay secrecy policies and workplace ostracism indicates that cynicism buffers negative perceptions of pay secrecy policies and therefore warrants deeper discussion. Our findings indicate that in the environment of pay secrecy policies the people who feel ostracized by the policies are likely to feel even more ostracized when they feel cynical about their job or the policies surrounding pay. Considering that perceptions regarding one's pay for vocational efforts fundamentally effects one's perception of value, effects their emotional state, and increases stress level, there is a need for a theoretical framework to understand how our findings influence perceptions and handling of stress. We argue Conservation of Resource (COR) theory (Hobfoll, 1989) addresses this need.

COR theory explains how humans deal with stress by attempting to gather, preserve, increase, and guard resources that are valuable to them as a result of evolutionary biases (Hobfoll, 1989). According to the theory, resources include tangible items (such as food and money), status and learned personality traits, conditions of the status quo (such as employment and social interactions), and physical and emotional energies (Hobfoll, 1989, 2001). Self-esteem (Rosenberg, 1965), socioeconomic status (Worden & Sobel, 1978), skill mastery (Pearlin & Schooler, 1978), and learnt resourcefulness (Rosenbaum & Ben-Ari Smira, 1986), and occupational status were some examples of these resources given by Hobfoll (1989) in his initial work. However, more recent researchers have added emotional stability, hostile attribution bias, locus of control, situational factors like workload and workplace constraints (Zhou et al., 2015), and trust or mistrust of coworkers and managers (Lanaj et al., 2018) as resources related to COR.

It can seem that everything might be a resource given the variety of resource forms. But a fundamental tenet of COR is that some resources have a core, shared value (Hobfoll, 1989). Physical health, mental well-being, family (both biological and adopted), self-esteem, and a sense of purpose and meaning in life are all cited in the literature, despite the fact that these values frequently vary by culture (e.g., Hobfoll, 1989, 2001; Hobfoll et al., 2018; Xia et al., 2019; Zhou et al., 2015). According to COR, people automatically assume evolutionary cognitive biases that make them think that obtaining resources is more important than protecting resources in order to survive (Hobfoll, 1989, 2001; Hobfoll et al., 2018). In other words, under pressure, people will go to considerable lengths to preserve resources for their own survival. Despite the fact that acquiring additional resources might help to reduce stress, people tend to rely on and guard their existing resources more readily. We argue through COR theory that the perception or potential of the loss of money strongly effects workers causing them to have increased stress because the perception of potential loss of the resource of earn money is a core resource people rely on when stressed. Therefore, it is no surprise that people who feel ostracized by pay secrecy policies
are more likely to feel even more ostracized when they also feel cynical about aspects of their job.

Limitations and Future Research

The first limitation of our study is the highly skewed sample in regards to race and age. Even though we controlled for age and the variable was non-significant in the model, the sample limits the generalization of our findings. Our findings may only be salient in people over the age of 30 and those who are white. Therefore, future researchers should consider sampling both younger workers and focus on races other than white to determine if our findings can appropriately translate to these important demographics. With the heavily skewed demographic of age being between the age of 56 to 70 years old (245 participants representing 61.869% of the sample), our findings can keenly provide a theoretical understanding of the “greying workforce” in contemporary settings. According to United States Department of Labor. (n.d.), people over the age of 55 make up over 25% of the total workforce and this percentage is raising because people in the United States are working beyond retirement to meet the cost of living. Our findings provide evidence that older workers are impacted by pay secrecy policies negatively and their relative cynicism buffers perceptions of workplace ostracism. The literature already supports that older people often experience feelings of ostracism associated with economic and life circumstances (Shao et al., 2022). Our findings indicate that there exists relationships between the above variables for this demographic group. Considering that our study is at heart an exploratory study, we were not able to ascertain or evaluate the “why” behind findings. Future studies need to explore how the “greying workforce” experiences our hypothesized relationship with qualitative richness to truly understand the nuances required for honoring this demographic.

Our second limitation comes from our sampling measure for cynicism as an overall construct. Since cynicism is a factor of burnout but not something that comprises the greater construct, future researchers should explore the indirect effects of a full measure of burnout that includes other components of burnout such as reduced personal efficacy and emotional exhaustion. Through the use of a more inclusive measure, future researchers will be able to understand how each separate component of burnout impacts the perceptions of workplace ostracism when in an environment of pay secrecy policies.

Managerial Implications

Considering the literature supports universally that the pain felt in perceived ostracism is real and significant (e.g., Arthur et al., 2006; Follmer et al., 2018; Howard et al., 2020) and the cynicism derived from using pay secrecy policies also results in decreased fairness perceptions, anger, and other negative emotions (Brown et al., 2007; Smith, 2000), managers should keenly be aware of the potential for harm to their workers by using pay secrecy policies. Prior to implementing or continuing pay secrecy measures, managers should gain a better grasp of how burned out or cynical their workers actually are through directly assessing these variables in their workforce. Additionally, they should ascertain if or assume that the existence of pay secrecy policies likely has at least part of their workforce feeling ostracized by the use of the policies. This will help them avoid mistakes caused by misalignment. Managers should directly assess if employees are feeling ostracized through survey either qualitative or quantitative means.
However, in a caring ethical context, the costs of an explicit, written pay secrecy policy may outweigh the advantages, while in an instrumental ethical climate, tacit, norms-based regulations may be helpful. Managers should be aware that rules may not produce the expected results, and that pay secrecy expectations should be realistic. Individual and collective performance improves when people are happy with their compensation, which promotes organizational competitiveness (Currall et al., 2005). Considering that the majority of American firms historically support the use of pay secrecy policies (Buchwald, 2021), there is the potential to use these policies to garner a less burned out, cynical, and ostracized workforce. However, the importance of communication of why and the rationale for using pay secrecy policies should be explicitly voiced to all stakeholders if managers wish to minimize the damage of the policies.

Arguably, the purest ideology behind pay secrecy policies is to execute a rules-based regulation of organizational policies. In a rules-based regulation, the organization aims to establish a rule and demands that the stakeholders follow the rule as though it is fixed and unchanging. For example, Burgemeestre et al. (2009) described rules-based regulation in terms of a fixed speed limit on a highway that must be followed. If the speed limit is exceeded, the rule would be violated resulting in a stark consequence. When one compares the example policy from 1919 we presented in the literature review (Steele, 1975), one can observe how rule-based regulation is present through a strict delineation of the rule of pay secrecy followed by the consequence of breaking the rule (termination of employment). Considering the majority of literature and our findings indicate the there are direct negative outcomes from pay secrecy policies, the rule-based regulation ideology of firms who employ pay secrecy policies are also perceived negatively. However, the organizations who employ these policies likely are using the policies not to suppress their employees but rather to retain profit for the organization and secure the privacy of some employees who wish to not have their wages made public (Gomez-Mejia & Balkin, 1992; Steele, 1975).

The aim of organizations who employ these policies likely fits more in a principal-based regulation ideology because no harm is likely meant by using the strategy of employing pay secrecy policies. In principle-based regulation, a policy or a procedure has general guidelines rather than strict boundary conditions that will result in disciplinary action if the guidelines are violated. For example, Burgemeestre et al. (2009) described principle-based regulation in terms of instructions to a driver to drive carefully when snow is present in the highway. Truly, there are implied consequences if one were to drive un-safely during inclement weather conditions but the principal behind the regulation is that an individual will be able to self-regulate through a conflict using the information that they should be aware of their environment. In the realm of pay secrecy, firms likely should consider how to implement their pay secrecy strategy and if it is important to have strict rules or rough guidelines. We argue that any use of pay secrecy policies should ultimately aim to employ a principle-based ideology because the information behind why a policy is being used likely will result in higher informational justice perceptions and minimize feelings of ostracism and cynicism in their workforce.

If an organization is not able to easily employ a principal-based framework, another option for managers to consider is using an outcome-based regulation ideology when employing a pay secrecy strategy (if it is deemed necessary). In an outcome-based framework, the aim is to achieve the outcome of the regulatory focus and not on strict adherence to rules or guidelines. This framework is a middle ground between rule-based and principle-based because it allows for input from stakeholders while considering the environment of the workforce and the shared aim of the organization and the human capital it employs. If the outcome desired is to shield the privacy of some employees, the organization needs
to educate the general workforce on why some individuals have a need to have their privacy protected. However, this tactic must be presented genuinely without a hint of ulterior motives such as garnering more profit for the organization. Additionally, in a low trust environment, this framework may not be possible because there may be a cynical perception of all acts of management. However, a manager can start the process of minimizing/eliminating cynicism and potential feelings of ostracism by formally adopting an outcome-based regulatory framework in their policies. By even discussing the topic of policies of pay, there likely will be an increase of informational justice perceptions and improvements in perceptions of where one fits in the organization because the employee will likely feel as though they are part of the in-group as a direct stakeholder in organizational outcomes.

Declarations

Conflict of Interest  We have no conflict of interest to disclose.

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