How fair is construction business in Australia? Perception of Consultant Quantity Surveyors

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Abstract. Creating and managing a fair work environment is a crucial undertaking for management to increasing talent retention and improving organisational efficiency. Hitherto, little or no empirical study has done to investigate how construction employees perceive fairness at work and if their perceived fairness is positively associated with their emotion and pro-social behaviours. In addressing this gap, an online questionnaire survey was undertaken across 50 consultant quantity surveyors in the Australian construction industry to examine their perception of fairness at work and if their perceived fairness would associate with their emotion and behaviours. Overall, the findings suggest that there is a higher level of interpersonal fairness than distributive, procedural and information fairness in the Australian construction workplace. Furthermore, it is found that employees’ perceived interpersonal, informational and procedural fairness have strong positive correlations with their level of confidence, satisfaction, trust, harmony, enthusiasm and stress within the company, and that, in presence of a trusting, harmonious and active working relationship employees are very likely to adopt righteous, sportsmanship and courteous behaviours. In summary, the findings inform company management the types of perceived fairness that are associated with employees’ emotion and behaviours, and thus enable them to develop more targeted human resource management strategies to improve their organisational performance.

1. Introduction

Studies have shown that employees’ behaviours will vary according to how they have been treated or how they perceive justice occurring in the workplace in terms of procedures (procedural fairness), rewards (distributive fairness), information exchange (informational fairness) and interpersonal treatment (interpersonal fairness) [1]. In the presence of fairness, employees are more likely to feel positive and engage in organisational citizenship behaviours (OCBs), and thereafter contribute to organisational effectiveness [2]. OCBs are employees’ discretionary behaviours that help promoting the effective operation of an organisation [3].

Over the past few decades, there is an increasing number of reported cases about unfair practices in the global construction industry (see [4] for example). Some of examples unfair practices include: gender and racial discrimination, corruption, sham contracting, abuses of safety and human rights, discrimination and unfair business treatment and practices. Adding to the ongoing discourse of reducing unfairness in construction, Kadefors’ [5] analysis of inter-organizational fairness across construction stakeholders has shown that an intuitive cost-based standard of fair pricing shapes interaction in Swedish construction projects, and that it is important for clients to design appropriate
procurement strategies to developing mutual trust with contractors to gain their cooperative behaviour. More recently, Loosemore and Lim [6] explored the dimensions of fairness across project stakeholders in the Australia’s construction industry and found that inter-organizational fairness exists in three forms (i.e. distributive and procedural fairness, informational fairness and interpersonal fairness) and that project participants experienced different level of injustice across projects of different nature and value. Most recently, Lim and Loosemore [7] studied the effect of perceived fairness of project participants on their OCBs and found that interpersonal fairness is a key ingredient in bringing about positive OCBs in construction projects and that project performance can be enhanced if project managers treat project participants with politeness, respect and dignity.

Hitherto, it appears that a considerable amount of research has documented different types of inter-organisational fairness and how perceived fairness could shape OCBs in construction projects. However, little has been done to investigate employees’ perceived fairness of their compensation, relationships with peers and supervisors, and the decision-making processes within organisations, and how their perceived fairness, emotion and OCBs are interrelated. Although Loosemore and Lim’s [8] analysis of intra-organisational fairness had offered insights into how employees perceived fairness at work, they did not consider the relationship between employees’ perceived fairness, and their emotion and OCBs. This is an important gap in construction business management to explore since by better understanding the relationships between different dimensions of perceived intra-organisational justice and their association with employees’ emotion and intention to engage in OCBs, more targeted human resource management strategies can be developed to improve organisational efficiency. Furthermore, hitherto, little or no emphasis has been placed on the fairness perception of quantity surveyors (QS). Thus, the aim of this research is to explore the perceived fairness of consultant QS and how their perceived fairness relates with their emotion and intention to engage in OCBs.

2. Literature Review
A considerable amount of mainstream organisational research has documented how employees perceive fairness differently and could engage in different types of mood and behaviours, and further sought if there are associations between perceived fairness, emotion and OCBs. Numerous theoretical positions have been taken to explain this phenomenon. For example, Organ [3] conceptualized the relationship between people’s perceived fairness and OCBs by using the theories of social exchange and equity. From the social exchange perspective, the author highlighted that people define working relationships as forms of social and economic exchange and that if people judge the relationships as more social than economic in nature, then the quality of those relationships will influence their perception on other job-related matters, emotion and OCBs. From the economic aspect of social exchange theory, it is conceptualised that people judge fairness by assessing the association between the reward they received and their inputs. Upon perceiving inequitable rewards, people tend to feel sad and unmotivated and thus are more likely to display a lower level of OCBs.

It is widely accepted that there exists four main types of fairness in any organisation. Procedural fairness (PF) refers to employees’ perceived fairness about the policies, processes and procedures through which decisions were made [9]. Distributive fairness (DF) refers to employees’ perceived fairness about the rewards they received given their contributions [10]. Interpersonal (IPF) and informational fairness (ITF) refer to the degree to which employees had been treated with politeness, respect and dignity [11], and had been given adequate information and consulted during the enactment of any decisions [1], respectively. Watson et al.’s [12] PANAS model, which has been widely used by organisational psychologists, shows that people’s emotion could be classified into positive affectivity (PA) and negative affectivity (NA). The former reflects the extent to which employees feel enthusiastic, active, alert and motivated, whereas the latter refers to subjective distress and unpleasurable engagement of employees that include ranges of aversive mood states such as anger, contempt, disgust, guilt, fear, and nervousness. Organ’s [3] framework of OCBs show that people can engage in five dimensions of pro-social behaviours: conscientiousness (i.e. behaviours that go beyond those expected by specific role requirements); altruism (i.e. behaviours that help other members); civic
virtue (i.e. behaviours that entail political participation); sportsmanship (i.e. behaviours that avoid complaining and/or aggravating unpleasant situations); and courtesy (i.e. behaviours that prevent problems from occurring).

3. Research Method and Data Analysis
An online survey questionnaire, containing four main sections, was developed in this study. In the first section, respondents were required to provide their background information such as age, job title, years of experience as a consultant quantity surveyor, average number of work hours per week, and salary bracket. In the second and third sections, they were asked to rate 38 and 15 statements relating to the perceived, PA, NA and OCBs, based on a seven-point Likert Scale, ranging from 1(Strongly disagree/very low) to 7 (Strongly disagree/very high). Lastly, an open-ended question was included, requesting respondents to highlight if they had encountered any other unfair treatments at work and if they had experienced different forms of moods when undertaking their work. The questionnaire was pretested, validated and amended before an industry-wide survey was undertaken. For the survey, probability sampling was employed whereby members of the Royal Institute of Chartered Surveyors in Australia and employees from a quantity surveying consulting company were invited to participate.

In this study, the relative prevalence indexing (RPI) method was adopted to facilitate the relative comparisons of items relating to employees’ perceived fairness. The RPI method was preferred over the arithmetic average method because the former can derive relative indices within the range of 0-1 for each item and therefore enable researchers to undertake relative comparisons of items (following the technique adopted by Loosemore and Lim [8]).

Furthermore, the One-sample Wilcoxon Signed Rank Test was performed to determine if the median values of the sample were significantly different to the test median value of 4 (i.e., the midpoint of the 7-point Likert scale). This helps ascertain if there was significant consensus among the respondents on their perceived fairness. Lastly, the Spearman’s rho correlation test was undertaken to examine the relationship between employees’ perceived fairness, PA, NA and OCBs. For ease of interpretation, Hinkle et al.’s [13] guideline on the magnitude of association was adopted: 0.00 to 0.30 as negligible correlation; 0.30 to 0.50 as low level of correlation; 0.50 to 0.70 as moderate; 0.70 to 0.90 as high; and 0.90 to 1.00 as very high.

4. Results and Discussion
In this study, a total of 50 valid responses were collected. Of these respondents, about 70% (34) of them were males, 50% were aged from 20 to 30 years old, and about 80% (40) of the respondents held at least a bachelor degree. In terms of their job and role, about 40% of the respondents were cadets and junior QS, 20% were senior QS, and the rest were associate and above. Also, most of the respondents had worked for 45-50 hours a week (32%) and had at least 10 years of relevant work experience (50%) and had a salary of at least $100,000 (57%).

Table 1 summarises our respondents’ perceived fairness. The overall results show a moderate level of optimism on how respondents perceived fairness at work. Interestingly, the respondents had shown higher positive reception of interpersonal fairness (IPF), than procedural (PF), distributive (DF) and information fairness (ITF), as characterised by the corresponding RPI values of 0.71, 0.68, 0.67 and 0.65.
Table 1. Perceived fairness at work

| Item code | Statements                                                                 | RPI | Average RPI | Median | One sample Wilcoxon Rank Test |
|-----------|-----------------------------------------------------------------------------|-----|-------------|--------|------------------------------|
| DF1       | the amount of training and education I have had.                           | 0.69| 5.00        | 3.695**|
| DF2       | the amount of experience I have.                                           | 0.69| 5.00        | 3.398**|
| DF3       | my responsibilities.                                                       | 0.69| 5.00        | 3.514**|
| DF4       | the number of projects/ jobs/ tasks completed.                             | 0.65| 5.00        | 2.711**|
| DF5       | the effort I've applied to work.                                           | 0.66| 0.67        | 2.579* |
| DF6       | the level of stress in my job.                                             | 0.66| 5.00        | 2.654**|
| DF7       | what I have contributed to the organisation.                               | 0.69| 5.00        | 3.525**|
| DF8       | my overall performance.                                                    | 0.65| 5.00        | 2.633**|
| PF1       | the company upholds my ethical and moral standards when making decisions.  | 0.72| 5.00        | 4.125**|
| PF2       | my performance is measured objectively.                                    | 0.67| 5.00        | 3.039**|
| PF3       | there is no prejudice in the decision-making process.                     | 0.69| 5.00        | 3.481**|
| PF4       | the company has fair procedures and guidelines.                            | 0.72| 5.00        | 4.330**|
| PF5       | the company makes decisions that align with organisational ethics and values.| 0.71| 5.00        | 3.809**|
| PF6       | the company is consistent with disciplinary procedures.                    | 0.66| 4.00        | 2.913**|
| PF7       | the company conducts disciplinary procedures in a timely manner            | 0.64| 0.68        | 2.414* |
| PF8       | the company fairly implements disciplinary measures.                       | 0.64| 4.00        | 2.383* |
| PF9       | my supervisor has fair procedures and guidelines.                          | 0.71| 5.00        | 4.048**|
| PF10      | my supervisor is consistent with disciplinary procedures.                  | 0.67| 4.00        | 3.306**|
| PF11      | my supervisor conducts disciplinary procedures in a timely manner.         | 0.68| 4.00        | 3.606**|
| PF12      | my supervisor fairly implements disciplinary measures.                     | 0.67| 4.00        | 3.391**|
| IPF1      | I have been treated equally to others in the same position.               | 0.69| 5.00        | 3.463**|
| IPF2      | the company treats staff politely during decision making processes.        | 0.67| 5.00        | 2.926**|
| IPF3      | my supervisor treats me with dignity and respect.                          | 0.80| 6.00        | 5.397**|
| IPF4      | my supervisor treats me with kindness and consideration.                   | 0.77| 5.50        | 5.065**|
| IPF5      | my supervisor shows concern for my rights.                                 | 0.69| 5.00        | 3.379**|
The results show that most respondents were particularly appreciative of how their supervisors had treated them with dignity and respect (IPF3) and kindness and consideration (IPF4). This tends to support Loosemore and Lim’s [6] conclusion that interpersonal justice is high within the Australian construction industry. However, a handful of respondents had shown high level of grievance on their company, believing that: there were some forms of inequality of treatment among employees (IPF1), and employees were not treated politely during decision making process (IPF2). They further felt that their supervisors were not: completely candid and frank (IPF6) telling them of their values to the company (IPF8); and concerned of their rights (IPF5) and able to suppress personal biases (IPF7).

When referring to decision making processes, most respondents felt that the procedures and guidelines adopted by their company and supervisor were fair (PF4 and 9) and ethical (PF1 and 5). However, they felt that their supervisors (PF10 – 12) were much fairer and more consistent and effective than their companies (PF6 – 8) when undertaking disciplinary measures and procedures. This further points to Folger and Cropanzano’s [14] assertion that the fairness of interpersonal treatment is closely associated with supervisors’ sentiment and that employees are more tolerant towards the behaviors of their supervisors than their management. Furthermore, it is notable that respondents had shown higher positive reception of their overall entitlement when reflecting on their education, responsibilities, experience and contribution (DF1-3, and 7) than on the amount of work, stress and efforts that they had undertaken in their role (DF4-6, 8). Lastly, the results indicate that most respondents were positive in the way how their opinions were considered, and information was provided in the decision-making processes (ITF3, 5, and 7-10). However, a handful of the respondents were less impressed with how

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| IPF6 | my supervisor is completely candid and frank with me. | 0.69 | 5.00 | 3.269** |
| IPF7 | my supervisor can supress personal biases | 0.68 | 4.50 | 3.080** |
| IPF8 | my supervisor has made it clear that I am a valuable employee. | 0.67 | 4.50 | 2.917** |
| ITF1 | all employee concerns are considered in the decision-making processes. | 0.60 | 4.00 | 0.71 |
| ITF2 | I have input in the decision-making process. | 0.63 | 5.00 | 2.012* |
| ITF3 | the company provides additional information about job decisions when requested. | 0.67 | 5.00 | 3.112** |
| ITF4 | my performance review is based on complete and accurate information. | 0.63 | 4.50 | 2.044* |
| ITF5 | the company clearly provides information about disciplinary procedures. | 0.68 | 5.00 | 3.242** |
| ITF6 | the company has provided opportunities to challenge and/or reverse decisions. | 0.62 | 4.00 | 1.61 |
| ITF7 | my supervisor makes decisions openly so that everyone always knows what is going on. | 0.65 | 5.00 | 2.476* |
| ITF8 | my supervisor keeps me informed regardless if the outcome of decisions is good or bad. | 0.67 | 4.00 | 2.624** |
| ITF9 | my supervisor considers my viewpoints in important decision-making processes. | 0.69 | 5.00 | 3.359** |
| ITF10 | my supervisor customises communications to individuals' specific needs. | 0.67 | 4.50 | 3.064** |
their performance review was undertaken (ITF4) and their company dealt with employees’ feedback and challenges to decisions made (ITF2 and 6).

Adding to the above, the Spearman correlation results indicate that there exists a considerable degree of correlations between respondents’ perceived fairness, PA, NA and OCBs. Particularly, it is found that respondents’ perceived interpersonal fairness (i.e. IPF2 –8), informational (i.e. ITF1, 3 and 7-10) and procedural fairness (i.e. PF1-5, and 9) have moderate to strong level of correlations with their positive affectivity of ‘Confidence’ (PA1), ‘Satisfaction’ (PA2), Trust’ (PA3), ‘Harmony’ (PA4), and ‘Enthusiasm’(PA5). Further to this, it is notable that respondents’ positive feeling of trust, harmony and enthusiasm strongly correlate with their righteous (OCB2), sportsmanship (OCB4) and courteous behaviors (OCB5). This means that when there exists a strong feeling of trusting, harmonious and active working relationship, employees are very likely to adopt righteous behaviors, striving to reduce aggravation of unpleasant situations and occurrence of problems.

On the other hand, some interesting trends were noted on the low level of correlations between respondents’ perceived fairness and negative affectivity, characterised by ‘Anger’ (NA1), ‘Conflict’ (NA2), ‘Frustration’ (NA3), ‘Hostility’ (NA4), and ‘Stress’ (NA5). Generally, there was no significant correlation between perceived fairness, NA2 and NA3. The results however show that NA1 negatively correlate with DF5, PF4, PF5, IPF5, IPF8, ITF7 and ITF8. This means that employees are less likely to get annoyed when: they have been rewarded appropriately for their efforts given; their company has put in place fair and ethical decision-making procedures and guidelines; and their supervisor has shown greater concern and appreciation of their rights and contribution to the company. Furthermore, to reduce employees’ hostility, our results point to the importance of management to place greater emphasis on the distribution of employees’ entitlement (DF2, 5, 6 and 8), and the quality of interpersonal relationship (IPF5 – 8) and informational exchange (ITF6, 7, 9 and 10) between supervisors and employees. This tends to support Skarlics and Folger’s [15] conclusion that supervisors play an important role driving employees’ tolerance of unjust treatment. Interestingly, the findings also point to the positive correlations between respondents’ stress and perceived interpersonal (IPF2 – 6 and 8) and informational fairness (ITF1, 2, 4, 5 and 7-9). An overall picture that emerges from here is that, for effective employee management of employees, a transparent and controlled communication mechanism needs to be put in place as information overload and candid communication could bring about spill-over effect and unnecessary stress on employees.

5. Conclusion

This exploratory study surveyed 50 consultant quantity surveyors in Australia to examine their perception of fairness at work and determine if their perceived fairness would associate with their emotion and organisational citizenship behaviours (OCB). The overall findings show that respondents were more optimistic of interpersonal fairness than procedural, distributive and information fairness at work, and furthermore, they were generally more content with the behaviours of their supervisors than those of their company. Our results thus tend to support the social exchange theory that people’s emotions and behaviours are more likely to be associated with the quality of interpersonal relationships and informational exchange between employees rather than the way how rewards are distributed and decision-making processes are undertaken. This further points to the importance of good communication and relationship management to building employees’ loyalty for organisational effectiveness.

It is acknowledged that the findings are indicative and not conclusive mainly due to the exploratory nature of this study and the small sample size of 50 consultant quantity surveyors. However, the findings could add to the existing knowledge of intra-organisational fairness for future studies, whereby a larger sample size, covering different groups of construction workforces, should be collected for generalisation purpose. Further predictive modelling should be conducted to examine the effect of different roles and ethnic backgrounds on perceived fairness, hence their emotion and OCBs. A comparative investigation of perceived intra-organisational fairness across different countries should also be considered in future studies towards identifying exemplar of fair work practices.
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