

Chapter 21

Fairness in Virtual Teams: A Construct of E-Organizational Justice

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ABSTRACT

Using organizational justice as a conceptual framework, this chapter discusses the importance of fairness in managing virtual teams. It introduces a new construct, e-organizational justice, defined as employee perceptions of fairness in virtual work environments. The chapter also posits that fairness is essential to building and maintaining the cohesiveness and effectiveness of virtual teams. The chapter ends with a discussion on e-organizational justice's implications for further research and management practice.

INTRODUCTION

The phenomenon of managing work that is distributed over geographical distance is not new but is increasing in both frequency and intentionality as a function of globalization and knowledge-centric strategies (MacDuffie, 2007, p. 549). Distributed work entails the loss of physical proximity (Alexander, 1997; MacDuffie, 2007). This lack of physical proximity often leads to reduced social interactions that may result in feelings of isolation and change the interactions and relationships between the parties involved (Alexander, 1997). One of the challenges that such work environments

pose to managers is how to effectively manage employees when they are not 'at home' or when they do not physically interact with them.

More than a decade ago, Charles Handy (1995) posed an intriguing question related to managers' ability to supervise employees in a virtual work environment. He asked specifically: "How do you manage people whom you don't see?" This question is still relevant today to the extent that virtual work is an important and growing phenomenon in modern organizations (Wiesenfeld, Raguram, & Garud, 2001). To illustrate the ubiquity of virtual work in today's organizations, Goldsborough (2000) notes that more than 51% of North American companies have virtual programs and almost two-thirds of Fortune 1000 companies

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offer employees an opportunity to work virtually. For example, PricewaterhouseCoopers, which has 45,000 employees in 120 countries, uses virtual teams to bring employees from around the globe ‘together’ for a week or two to prepare for a particular client (Bell & Kozlowski, 2002, p. 15).

The management of virtual teams faces two main challenges: (a) developing trust and (b) establishing and maintaining effective communication patterns. Trust is an antecedent of justice defined as employee perceptions of fairness (Greenberg, 1987, 1990). When employees are fairly treated by their supervisors, they are likely to trust them. However, when employees are unfairly treated by their supervisors, they are less likely to trust them. Likewise, effective patterns of communication create a sense of fair treatment. Thus, managing virtual work represents one of the key challenges facing managers in the information age (Wiesenfeld et al., 2001). A particularly important aspect that organizational researchers and managers have yet to address is how to ensure that employees are treated fairly when they do not interact face-to-face with their managers and/or peers? Moreover, what does it mean to be fair in a virtual work environment? And, if fairness is important in virtual work environments, how can virtual teams develop a collective sense of fairness?

The purpose of this chapter is to address these questions. In so doing, the chapter proposes a new construct, *e-organizational justice*—defined as *employee perceptions of fairness in virtual work environments*. Assessing fairness in virtual teams has both theoretical and practical implications. From the theoretical standpoint, such a perspective could expand the study of organizational justice to virtual work environments. Although much attention has been devoted to the study of trust, less research has focused on fairness in virtual work environments (Kirkland & Egan, 1999, Hakonen & Lipponen, 2008, being an exception). While Hakonen and Lipponen (2008) analyzed the relationship between procedural justice and identification within virtual teams, Kirkland and

Egan (1999) focused on fairness in telecommuting, a particular form of distributed work but quite different from work in a virtual team environment. The vast majority of the research on organizational justice has occurred at the individual level, leading Colquitt, Noe, and Jackson (2002) to note that the failure to consider team contexts represents an important gap in the justice literature. It is only recently that it has moved to the team level (see Mossholder, Bennett, & Martin, 1998; Naumann & Bennett, 2000). Expanding the concept of justice to virtual teams is particularly important because team justice is likely to lead to positive outcomes, such as team member satisfaction (Philips et al., 2001) and team performance (Dayan & Colak, 2008).

From the practical standpoint, an e-organizational justice perspective could provide guidelines for managers on how to effectively ensure fairness in a work environment where they can’t observe and/or physically interact with employees. Very often, managers believe that working in virtual environments does not require interpersonal skills. This is particularly important because information and communication technologies often open the possibility of less cohesion in the work environment (Chudoba, Wynn, Lu, & Watson-Manheim, 2005). The chapter is organized as follows. First, I review the extant literature on virtual teams with a particular emphasis on elements that could prove useful for the present analysis. Next, I discuss fairness in co-located teams. I then introduce the construct of e-organizational justice. I close the chapter with a discussion on the implications of the construct of e-organizational justice for further research and management practice.

UNDERSTANDING VIRTUAL TEAMS

Expressions, such as distributed teams, global virtual teams, and technology-supported distributed teams are used to characterize virtual teams. The most widely used definition of virtual teams

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