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# Employees' Perceptions of Procedural Fairness of Employment Equity in a Multinational Pharmaceutical Company in South Africa

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# Employees' Perceptions of Procedural Fairness of Employment Equity in a Multinational Pharmaceutical Company in South Africa.

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A research proposal submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand, in partial fulfilment of the requirements for the degree of Master of Business Administration (MBA).

Johannesburg, May 2024

## CANDIDATE DECLARATION:

I, Norah Maitisa declare that this research report is my own work, compiled under the supervision of Dr Erasmus Appiah. The report is being submitted to the University of the Witwatersrand in partial fulfilment of a degree of Master of Business Administration (MBA). There are no prior submissions of this material to other institutions for academic purposes.

Signature:

Dr Norah Maitisa

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Date: 30 May 2024

## DEDICATION:

I dedicate this report to my family, my loving husband Kgabo, who has been my cheerleader and supporting me throughout my studies, and to my boys Mosa and Mogau, may this inspire you to achieve what you are destined for.

**ACKOWLEDGEMENTS:**

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**List of abbreviations**

| | |
|---|---|
| **AA** | Affirmative Action |
| **ANOVA** | Analysis of Variance |
| **BBBEE** | Broad-Based Black Economic Empowerment |
| **EE** | Employment Equity |
| **EEA** | Employment Equity Act |
| **HIV** | Human Immunodeficiency Virus |
| **AIDS** | Acquired Immunodeficiency Syndrome |
| **HR** | Human Resources |
| **SA** | South Africa |
| **SD** | Standard Deviation |

**ABSTRACT**

**Introduction:** All employment procedures need to be fair and free of discrimination for all employees. Perceptions of fairness of EE is associated with high staff morale, high performance, and overall satisfaction with the company. When employees have negative perceptions of fairness of EE procedures, this may be disruptive for the organisation and impact on employees' job satisfaction, morale, and create a racial division among employees. This can only be harmful to organisations trying to achieve an equitable environment for all. Understanding of such perceptions by organisations allow for implementation of programmes that will allow dialogue and corrective actions and implementing appropriate programmes. Perceptions on EE fairness needs to be heard from both designated groups and previously advantaged groups.

**Objectives:** The objectives of this study were to assess the state of employees' perceptions of EE procedural fairness, and to determine the impact of employees' perception of EE procedural fairness of management & leadership practices (HR practices, performance appraisal and conflict management) on employees' general satisfaction with the workplace.

**Methodology & Results:** A survey questionnaire was used to collect data from employees in one company. Of the 104 electronic surveys shared with employees, 63 respondents returned the questionnaire and only data for 62 employees analysed. The study showed overall positive employees' perceptions of EE procedural fairness. The study showed that positive perceptions of HR practices and conflict management increased overall satisfaction of employees with the workplace. Race, gender, and age had no influence on employees' fairness perceptions in this study.

**Conclusion:** When companies apply fair and consistent processes in HR, including conflict management, general employees' satisfaction with the workplace increases. Positive perceptions of procedural fairness will have a positive impact on companies, as employees are satisfied. Companies need ensure that all EE procedures are free from discrimination and are applied in a consistent manner across the organisation.

***Keywords***: Employment Equity, procedural fairness perceptions,

# CHAPTER ONE: INTRODUCTION

## 1.1 Background

South Africa (SA) comes from a history of apartheid and discrimination of black people and women. Prior to the democratic government election in 1994, it was acceptable by law to discriminate based on race and gender. This meant that black people and especially women would not have access to certain jobs as they would not be considered as candidates. This resulted in black people not being represented within corporate South Africa and in higher positions even in government offices. Post-apartheid government's aim was to abolish racism and discrimination by employing several reformative frameworks to advance previously disadvantaged people to gain access and increase economic participation. This was to help achieve equity within the labour market, however it is taking long to correct, even many years after apartheid laws have been abolished. The legislative frameworks introduced post-apartheid were meant to promote anti-racism, non-sexism, non-discrimination and a country that was prosperous (Francis et al., 2022) for all who lived in it.

### 1.1.1 Employment Equity background

Employment Equity (EE) came into effect as a measure to eliminate labour force inequity, through legislation of the Employment Equity Act No. 55 of 1998 (Gazette, 1998). The Employment Equity Act (EEA) anchors around prohibition of unfair discrimination against employees on any grounds including age, race, gender, sex, pregnancy, sexual orientation, marital status, family responsibility, belief, ethnicity, social origin, colour, disability, HIV status, religion, political opinion, culture, language, birth, and conscience. This prohibition relates to both direct and indirect discrimination (Gazette, 1998). The purpose of the act was to achieve equity in the workplace by promoting equal opportunity and fair treatment when employing all people through eliminating unfair discrimination and implementing affirmative action measures that will bring redress to unfair employment practices for designated groups (Horwitz & Jain, 2011). This would then allow for representation of the workforce in all categories and for all job levels (Gazette, 1998).

The Employment Equity Act stipulates who the beneficiaries of EE opportunities are, namely black employees, women and those classified as disabled or physically challenged (Gazette, 1998). The Act "*promotes equity in the labour market through eliminating unfair discrimination and promotion of equitable representation in the workplace*", as outlined in the Employment Equity Act, 55 of 1998 (Gazette, 1998; Labour, 2022).

### 1.1.2 Employment Equity fairness perceptions and debates

There are however debates around EE implementation and associated negative perceptions towards its fairness (van der Heyden, 2013). Proponents of EE believe it is a great way for inclusion in the labour market. On the other side, perceptions of those who are not for EE think it is reverse discrimination especially against whites and males, and that it resulted in tokenism, hiring less skilled candidates and to tick a box and fill company quotas (Omar & Kiley, 2022; Thomas, 2002). The proponents of EE are the designated or previously disadvantaged groups, especially black people, and women. The opponents are mainly those who were not disadvantaged during the apartheid era. These opponents include mainly white people, white men, and men in general. There is a clear discrepancy in perceptions EE between the different racial groups and gender. The black younger people born post-apartheid refuse to be classified as previously disadvantaged, raising a question whether this concept is still valid. Some people even called for its termination to end discrimination in hiring (Hundenborn et al., 2018). With this said, many black South Africans still remain excluded from economic participation (Hundenborn et al., 2018; Musabayana & Mutambara, 2022) especially women. Moreso in top positions in companies, this lack of representation is still observed. There are arguments around whether EE is achieving its intended purpose, or whether it is used to discriminate previously advantaged groups like whites and men.

The negative perceptions towards EE fairness may be disruptive for the organisation and may cause a racial division among employees. This can only be harmful to organisations trying to achieve an equitable environment for all. Understanding of such perceptions by leadership allows for implementation of programmes that will allow dialogue and corrective actions and implementing appropriate programmes. Perceptions on EE fairness need to be heard from both designated groups and previously advantaged groups. These perceptions may be different

among these two groups of employees. This work in the pharmaceutical industry is limited. Some researchers argue that the historic EE definitions of apartheid need to be abolished to allow for transformational ideas that will create the workplaces of the future in line with our changing world (Oosthuizen & Mayer, 2019).

There is a link between job satisfaction and effective and fair EE implementation in different organisations and different industries (Coetzee, 2005; Esterhuizen, 2008; Omar & Kiley, 2022; Utete, 2022; van der Heyden, 2013). This means that when EE implementation is done appropriately, it leads to staff satisfaction, high morale, high performance, and their retention, in turn benefiting the organisation.

If employees perceive unfairness of EE procedures implemented, it may detriment the organisation. Employees may feel frustrated and develop distrust in the leadership of that organisation. The employees' understanding of the EE framework is needed especially among hiring managers, to achieve its intended purpose. The lack of understanding of EE and its intended purpose may not be clear to many, and perhaps the reason for negative perception towards its implementation. The way organisations manage EE implementation and educate staff, should be derived from how employees' attitudes are towards it, to properly manage any negative perception towards implementation and minimise these negative perceptions.

### 1.1.3 Employment Equity and employee satisfaction

There is some evidence showing that when employees perceive EE fairness, their morale, performance is heightened. This leads to employee retention which is attributed to their satisfaction with the workplace. This relationship however is affected by the race of employees, as there is differences in perceptions towards procedural fairness of EE (Buthelezi, 2011; van der Heyden, Omar & Kiley, 2022; Oosthuizen & Naidoo, 2010; Esterhuizen, 2008; Oosthuizen et al, 2019). Although conflicting evidence exists that shows that employees EE did not correlate with employee retention and job hopping as seen in Buthelezi (2011). These studies failed to examine how procedural fairness in relation to procedural justice perception of fairness relates to the outcomes of workplace satisfaction, which this study will evaluate.

## 1.2 Context of the study:

This study assessed employee's perception of fairness of EE implementation in an organisation, in the pharmaceutical industry. The South African company has a staff compliment of 123 employees. Being a multinational company operating in SA, and relatively newly formed company, matters of EE and Affirmative Action (AA) become central point for human resource management, leadership and hiring managers agenda. As positions are advertised, EE candidates are prioritized to comply with the EEA measures, with the overall goal to make the organisation an equitable one. During this phase, it is imperative for companies to make sure that employees understand EE processes and practices, to minimise negative perceptions towards EE implementation. How employees view fairness of these procedures affect the success of organisations as satisfaction of employees impacts on the workplace directly.

Achieving EE ensures that previously disadvantaged members of society are fairly represented in the company. EEA compliance and achieving the Broad-Based Black Economic Empowerment (B-BBEE) scorecard also determine whether the organisation will be able to compete with other existing companies for government tenders. Employees' perceptions and attitudes towards EE procedural fairness will negatively impact on the organisation if it is negative. Therefore, to minimise negative perceptions towards EE implementation everyone in the organisation needs to understand EE procedures and their implementation and intended purpose. Understanding of employees' perceptions and open communication by leadership on the matter becomes critical in managing and minimising negative perceptions.

## 1.3 Problem statement

The impact of employee satisfaction on organisations has shown to benefit both the employer and employees alike. Satisfied employees are highly motivated and more likely to have high performance (Ishaque et al, 2012; Rodrigo, 2022). High performing employees lead to high performing organisations, as employees tend to be more innovative. If employees are not satisfied with the fairness of processes in the company, the results negatively impact the organisation. Employers need to understand employee's satisfaction with processes and procedures to be able to employ corrective measures to lessen the impact.

Research on employees' perceptions of EE fairness has been explored in several sectors, in private and government (Coetzee, 2005; Esterhuizen, 2008; Omar & Kiley, 2022; Oosthuizen & Naidoo, 2010; Oosthuizen et al., 2019; Pienaar, 2009; Utete, 2022; van der Heyden, 2013). No research has been done in the pharmaceutical industry, to evaluate perceptions of EE procedural fairness. Mputa (2016) study evaluated EE implementation in a pharmaceutical company, without evaluating employee perceptions. Oosthuizen and Naidoo (2010) argued that more research is needed in other sectors of business. Perceptions of EE and impact on employee morale and performance (Omar & Kiley, 2022; Utete, 2022; Buthelezi, 2011) has been well studied.

Therefore, it is inherent to investigate the impact of EE procedural fairness on satisfaction. Employees in this pharmaceutical company will be surveyed using questionnaires to get their perceptions of some EE procedural fairness. Knowledge of employee perceptions will assist management to implement relevant EE programmes and forums to lessen any negative perceptions (Buthelezi, 2011). Doing so, improving employees' understanding of EE procedures and overall company's working climate. The study results will add to the body of knowledge, the impact of EE procedural fairness perception on satisfaction, in relation to the concept of procedural fairness. In practice, the results offer organisations recommendations on how to improve employee satisfaction of EE procedures.

### 1.3.1 Conceptual proposition

A relationship between the perception of different EE domains that relate to procedures and processes (as independent variables) and satisfaction (dependent variables) as seen in the Figure 1 below was evaluated. Independent variables measured were related to perceptions towards management & leadership processes fairness (HR practices, performance appraisal process and conflict management process). The dependent variable was satisfaction.

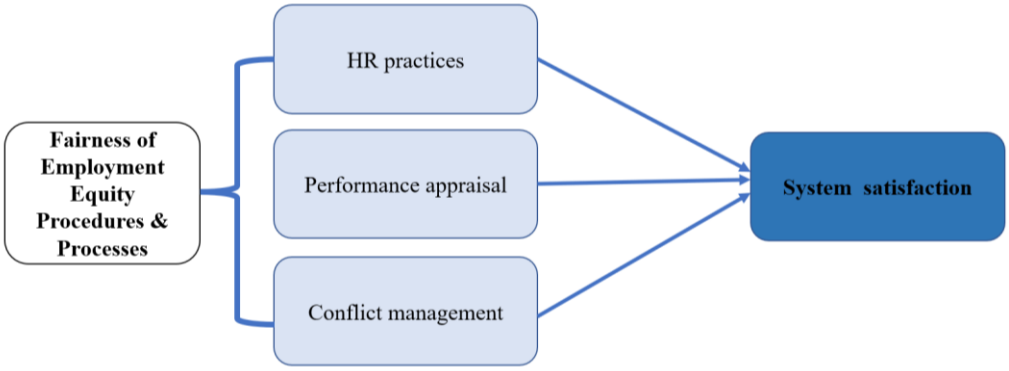



**Figure 1:** Conceptual Framework – Employment Equity procedural fairness

### 1.4 Research question

The research questions guiding the study were:

- What is the state of employees' perception of EE procedural fairness in the company?
- What is the impact of employees' perception of EE procedural fairness of management & leadership processes (HR practices, performance appraisal and conflict management) on satisfaction?

### 1.5 Research objectives

The main objective of the study was to assess employees' perception of fairness of EE procedures and its implementation in a pharmaceutical company in South Africa. The study objectives were as follows:

- To assess employee's perception of EE procedural fairness in the company.
- To determine the impact of employees' perception of EE procedural fairness of management & leadership practices (HR practices, performance appraisal and conflict management) on employee satisfaction.

The research study tested the following hypothesis:

**Hypothesis 1:** There is a positive relationship between employees' perception of HR practices (procedural fairness) and satisfaction.

**Hypothesis 2:** There is a positive relationship between employees' perception of performance appraisal (procedural fairness) and satisfaction.

**Hypothesis 3:** There is a positive relationship between employees' perceptions of conflict management (procedural fairness) and satisfaction.

### 1.6 Justification of the study

This study sought to investigate employee perceptions of EE procedural fairness in a multinational pharmaceutical company. This company is newly formed. Firstly, this study has given insights into perceptions of EE in a multinational company. Secondly, insights into the relationship of perceptions towards EE procedural fairness and satisfaction with their workplace. Lastly, it provided a state of EE procedural fairness perception in a newly formed company. EE perceptions in newly formed companies has not been studied before. These will guide the company and other newer companies in effectively managing EE implementation, and guiding employers to minimise negative perceptions. This piece of research will add to already existing literature and influence practice especially for newly established companies on appropriately implementing EE and minimising negative perceptions of fairness in such procedures.

The employee views provided the company with added insights on employment equity fairness experiences (Hunt et al., 2020). EE within big pharmaceutical companies has not been assessed extensively, as seen by paucity of data in this industry (Mputa, 2016). This study investigated EE procedural fairness perceptions in a newly formed company, as recruitment focus on EE to make sure diversity and inclusion is achieved. Finding out what employee perceptions are, may give an indication of how good the company is implementing EE and how well its corrective measures are. An understanding of such attitudes will give a basis for putting in place appropriate information, educational programmes and forums for engagements that are relevant to all employees. Communicating the purpose of the EE policy and involving all employees may positively influence business success. If perceptions of employees are negative, the company may need to follow best practices for implementation of EE (van der Heyden, 2013), to minimize detrimental effects of such negative perceptions. Understanding attitudes and how employees experience EE will inform appropriate steps to be implemented by Human Resource

management. The practical implications of this study informed human resources on areas of focus to address negative perception, and to reinforce any positive attitude towards EE. This study has given a better view of EE procedural fairness in this multinational company.

### 1.7 Operational definitions

**BBBEE** is a "*government policy to advance economic transformation and enhance the economic participation of black people in the South African economy*" (DTI, 2003), under the BBBEE Act 53 of 2003.

**Employment Equity** is defined as the "*employment of individuals in a fair and non-biased manner, this to promote equal opportunity by eliminating discrimination in all employment policies and practices"* (Bendix, 2010, p.145); (Oosthuizen & Naidoo, 2010). EE Act 55 of 1998 defines the "*beneficiaries of EE to be black employees, women, and disabled people*" (Gazette, 1998). EE aims to create equal opportunities in the workplace and to remove unfair discrimination (Uys, 2003). EE assumes that all people should have equal access to job opportunities and progression that is based on merit and individual's potential. EE aims to create fairness in outcomes for employees by giving them equal opportunities (Esterhuizen, 2008).

**Equity** is defined as a fair outcome based on the ratio of input and outcome (Nowakowski & Conlon, 2005).

**Equality** is defined as having the same opportunity for all to experience an outcome (Nowakowski & Conlon, 2005).

**Affirmative action (AA)** refers to "*programmes that are designed to ensure the proportional representation of employees to undo the results of the past discrimination*" (Mason et al., 2009; Oosthuizen & Naidoo, 2010). This concept originates from the United States of America and mentioned that all employees should be treated equally regardless of race, gender, religion, sex and nationality (Cropanzano et al., 2005). Although the author saw a contradiction in the concepts of AA and the concept of equality in that AA seems to have preferential treatment. AA refers to a process while EE refers to the desired outcome (Portnoi, 2003). The definition

of AA poses challenges because it does not explicitly state that individuals aimed for representation are equally qualified for those positions (Mason et al., 2009; Oosthuizen & Naidoo, 2010; Portnoi, 2003). EE and AA are often used interchangeably although they mean two different yet related concepts (Mason et al., 2009). Evaluating employee perceptions towards EE, does not determine the objective of equity achievement but an evaluation of AA practices used by the company in trying to achieve EE.

**Diversity** refers to a workforce that is inclusive of different employees' backgrounds and national origins, including sex, gender, socioeconomic, ethnic, religious, and cultural backgrounds. This means that the workforce will compose of different characteristics. companies that effectively employ AA and EE will achieve diversity in their workforce.

**Discrimination:** This is not legislated against per se unless it is unfair. Unfair discrimination of employees refers to any manner, practice or policies that are unfair towards a person because of race, gender, age, marital status, or disability according to the EEA of 1998. This refers to when two people have equal probabilities of succeeding on the job but have unequal probabilities of being hired for it (Esterhuizen, 2008). This can be direct or indirect discrimination. Direct discrimination has intention to unfairly discriminate against a person or group.

**Justice** refers to an individual's perceptions, their evaluation of appropriateness of a given outcome or process, therefore making justice subjective (Randeree & Malik, 2008).

**Fairness** is difficult to define as it depends on individual's norms and values and their perceptions towards something as judged by their own beliefs and understanding or expectations. It is hard to determine as it does not have a measure. If they perceive something is not measuring up to their expectations or values, they may experience unfairness (Beugre, 2005; Greenberg, 2001).

**Designated individuals or groups** refers to black people, including African, Coloured and Indian, women and people with disability (Gazette, 1998). This group of people would be synonymously classified as previously disadvantaged group, who were excluded from economic participation during the apartheid era. Designated employer however refers to an

employer who employ 50 or more employees in the company or has a set annual turnover per annum for a small business (Gazette, 1998).

**Suitably qualified** refers to person who has one or more characteristics, for example formal qualifications, prior learning, relevant work experience and have the capacity to acquire new knowledge and skills within a reasonable amount of time (Coetzee, 2005; Gazette, 1998; van der Heyden, 2013) .

**Job satisfaction** is defined as a positive state of emotion achieved from appraising ones' job. This simply refers to the degree to which an individual like their job and their workplace. This is the most studied variable in organisational behavioural research. It has a negative correlation with performance, absenteeism, and turnover (Pienaar, 2009). This makes the variable a crucial one to study. Job satisfaction can be viewed as a composite construct that is dependent on how individuals feel about different aspects of their job (Pienaar, 2009).

### 1.8 Structure of the Paper

The research report contains five sections:

**Chapter 1** – Introduction. This section introduced the research topic, what the problem statement is and the context of the study and outline the research question, the research objective, and rationale of the study.

**Chapter 2 -** Literature review. This section was conducted to give the background and describe EE and AA. The code of practice, practices of EE and requirements for it are presented. Procedural fairness perceptions of HR practices and their impact on overall employee satisfaction in the workplace is outlined. Barriers to EE implementation and best practices are also presented in the section. Gaps in literature on perceptions of EE fairness. The theoretic framework and conceptual framework that underpins the research study was also presented.

**Chapter 3** - Research Methodology. This section is presented based on the conceptual framework and gaps identified in literature. The approach, sampling, measurement instrument, data collection and analysis are presented. Ethical considerations are explained in this section.

**Chapter 4** – Research Findings. This section outlines the research findings of the study. It gives overview of the state of employees' perceptions on procedural fairness of EE, describes the overview of demographics of the organisation and answers the research questions on which this research was founded upon.

**Chapter 5** – Discussion of Research Findings, Study limitations, and Recommendations. This section discusses the findings of the study. Limitations of the study are outlined in this chapter and recommendations made to the company and practitioners at large.

## 1.9 Conclusion

This chapter has given the background to EE, the debates surrounding its fairness and its impact on employee's workplace satisfaction. Data exists in relation to relationship between perception of EE procedural fairness and satisfaction, although lacking within the pharmaceutical industry hence the justification of this study. The problem statement indicated the importance of the study. The research question, objectives and hypothesis were outlined.

# CHAPTER TWO: LITERATURE REVIEW

## 2.1 Introduction

The literature review was based on the objective and topic of this study, what research has been done around EE implementation and employees' perceptions towards its implementation fairness. Research gaps were identified from relevant literature. The conceptual framework and theory related to the topic was also outlined in this section.

Discussions on inclusion of previously disadvantaged populations in South Africa has been a central topic since the democratic government took reign, post 1994 democratic government formation. This section reviewed literature and background of EE and AA, employees' perceptions towards EE procedural fairness, impact of injustice perception on employees. Procedural fairness perceptions of HR practices (recruitment, advertisement, selection, renumeration, career development and counselling), performance appraisals and conflict management and their impact on the employee's overall job satisfaction were explored. Factors that contribute to the perception of injustice or fairness towards EE implementation were also outlined in the literature review. Best practices to reduce injustice perceptions were also explored.

## 2.2 Background on Employment Equity and its implementation

When the Employment Equity Act was put in place, the purpose was to achieve equity in the workplace, by creating equal opportunity and fair treatment within organisations through prohibiting unfair discrimination (Gazette, 1998) and by redressing the past injustices in employment experienced by previously disadvantaged groups in South Africa . Some groups in the South African context had no access to jobs and education based on their race, as part of the apartheid regime then. Hence, the classification of such groups as previously disadvantaged. Parliament ruled during the apartheid era that certain senior roles in government be reserved for white, Afrikaans speaking people (Twala, 2004). It was only after the democratic government post 1994 when these apartheid laws were abolished to create inclusion of the previously disadvantaged groups in economic participation and allow free movement. This allowed them to be able to apply for jobs that previously they would not have been able

to. Even though laws were reformed, participation in the job market was still difficult for black people especially women and disabled people (Twala, 2004).

EEA came into effect in 1998. The EEA anchors around prohibition of unfair discrimination against employees on any grounds, including age, race, gender, sex, pregnancy, sexual orientation, marital status, family responsibility, belief, ethnicity, social origin, colour, disability, HIV status, religion, political opinion, culture, language, birth, and conscience. The prohibition relates to direct and indirect discrimination (Gazette, 1998).

The purpose of the act was to achieve equity in the workplace by promoting equal opportunity and fair treatment when employing all people through eliminating unfair discrimination, and implementing affirmative action measures that will bring redress to unfair employment practices for designated groups. This will then allow for equitable representation of the workforce in all categories of work and level of jobs (Gazette, 1998). Government further enforced implementation of the legislation by formulating the Preferential Procurement Policy Framework Act No.5 of 2000. This would allow speedy redress (Twala, 2004) and preferential procurement from previously disadvantaged groups. The B-BBEE Act No.53 of 2003 was also legislated to facilitate the move towards equality and economic emancipation of previously disadvantaged groups.

The Employment Equity Act has defined policies and practices that all companies have to follow in relation to recruitment, appointments, job grading, remuneration and benefits, job assignments, work environment, training and development, promotions, performance management, transfers and demotions, disciplinary actions and dismissal (Gazette, 1998).

### 2.3 Code of Good Practice for EE

The Code of Good Practice is issued in terms of section 54 of the EEA and must be read in conjunction with the EEA and other Codes issued in terms of the Act and other legislative documents like the Labour Relations Act, No. 66 of 1995 and others. The Code of Good Practice is not the law but guides how employers can eliminate unfair discrimination. It is not a comprehensive code, rather to assist in identifying areas that are key to employment equity that can be used to advance equity objectives. It provides the framework for the attraction,

development, advancement, and retention of employer's human resource talent. Organisations can improve employees' productivity and motivation when they invest in them and treat them with fairness and equity. The Code enables employers to put in place policies and practices that are non-discriminatory and reflect employment equity principles end to end. This is at every phase of employment, from the time of employment, during employment and on termination of employment.

The Code outlines the scope of EE implementation and divides them into two namely, eliminating unfair discrimination in human resources policies and practices and secondly designing and implementing AA measures to achieve equitable representation of designated groups in all occupations categories and all levels in the workplace. The purpose of the Code is to complement EEA and assist its implementation. This Code cover the following:

- Disability – for promoting equal opportunities for disabled people in the organisation.
- Implementation and monitoring of EE in the workplace, guiding how to prepare for EE plans, implement and monitor the plan.
- For human resource to incorporate EE in their policies and practices.
- Aspects pertaining to HIV in the workplace – not to unfairly discriminate against people living with HIV/AIDS.
- Guidance on how companies should handle reports or incidences and eliminate sexual harassment in the workplace.

### 2.4 Employment Equity plan requirements

The EEA outlines clearly what is required to put an EE plan in place. The plan outline steps that companies need to take to achieve EE in the workplace found in Chapter 3 of the EEA under section 20 (Deane, 2006; Gazette, 1998). Companies need to have objectives of EE in each year, AA measures that will be undertaken for the year, put a goal and a timeline in place for representation, outline procedures that will be monitored. Internal dispute resolution plan should be in place. The finally is to put in place responsible people who will monitor progress of the plan. The plan can be for 1 year but not for more than 5 years.

## 2.5 Unfair discrimination

Employers ought to promote equity for all employees by eliminating unfair discrimination in policies and processes of employment (Coetzee, 2005). Unfair discrimination spans discrimination based on but not limited to, race, gender, age, sexual orientation, religion, origin, pregnancy, political opinion, language, culture, HIV status, disability etc. The EEA prohibits such unfair discrimination. The EEA provide a guide to promote previously disadvantaged people and does not regard this as unfair discrimination (Coetzee, 2005).

Unfair discrimination can be direct and indirect. Direct discrimination is when an employee is treated unfairly on grounds of their demographic characteristics in the employment process. Indirect unfair discrimination is very difficult to recognize. The company has policies and practices put in place to eliminate unfair discrimination, but these have discriminatory effects or outcome for certain groups of employees that cannot be justified. This is a subtle form of discrimination (van der Heyden, 2013).

## 2.6 Affirmative Action

Affirmative action on the other end, ensures that suitably qualified people from previously disadvantaged groups receive equal employment opportunities and that they are equitably represented in all occupational categories and level in the workforce of an organisation (Gazette, 1998). AA requires that employers identify and remove employment barriers, unfair discrimination which may affect previously disadvantaged groups (Gazette, 1998). It is also aiming to diversify the workplace based on equal dignity and respect of all people and ensure that there is equitable representation of such designated groups (Gazette, 1998). AA requires that there is representation of suitably qualified people at all levels within the organisation and in all occupational categories (Gazette, 1998). AA process can be controversial and open to be interpreted differently based on one's belief system, views and ideals (Omar & Kiley, 2022). There can be lack of clarity when the term is used, based on the differing views from literature (Omar & Kiley, 2022). Some identify it as correcting past poor educational reach (Akala, 2019), ending past inequalities (Matambo & Ani, 2015), ending unequal wealth distribution (Leibbrandt et al., 2010). According to the EEA No. 55 of 1998, AA is linked closed with employment ensuring that suitably qualified people from designated groups have equal

opportunities and equitably represented across all occupational categories and levels in the workplace (Gazette, 1998).

## 2.7 Diversity

When diversity in organisations is managed well, it enhances social and demographic changes, a climate of equity and fairness, improved performance (Von Bergen et al., 2002) and eventually increased revenues and profits for the company (Overmyer-Day, 1995). How diversity is managed will impact on workforce morale and performance and the company. If not handled properly diversity management can lead to reverse discrimination of members belonging to the minority group, decrease in workforce morale and performance and stereotype reinforcement. Reverse discrimination will be due to poorly implemented EE and diversity management, where previously disadvantaged less qualified groups are hired in a rushed manner just for the sake of diversifying the organisation. This form of discrimination is not explicitly distinguishable from "normal discrimination" against the minority groups (Von Bergen et al., 2002).

EE raises an argument around diversity and merit. Those who support EE, frame their believe around diversity. The diversity argument according to Crosby et al (2003) proposed that diversity is enhanced when implementation of EE is achieved, and that it is beneficial (Crosby et al., 2003). This has seen previously excluded groups especially women and back people benefit from inclusion in the workplace and leadership roles (Crosby et al., 2003). This argument concludes that the policy of AA is in line with the ideal of fairness and that AA is necessary (Crosby et al., 2003). It is argued that the benefits of such policy far outweigh the costs (Crosby et al., 2003).

## 2.8 Barriers to Employment Equity implementation

There are some listed barriers in literature against EE implementation. The first being potential decreased foreign investments due to overregulation within the labour market (Maharaj, 2003; Selby & Sutherland, 2006; Thomas, 2002). The second barrier was seen as increase in administrative costs in complying with the enforced legislation (Thomas, 2002). Thirdly, the

unrealistic expectations from previously disadvantaged groups who still require training and development and lastly the entitlement felt by others (Selby & Sutherland, 2006). Eliminating barriers to successful implementation to EE is critical to fully realise the benefits and intended purpose of the process. Questions to ask whether the programme has been successful are: whether it has changed the position of women in the workplace, what impact it had on men, and whether they have been adversely impacted and finally what the economic impact is secondary to its implementation (Falkenberg & Boland, 1997). There is still scarcity of representation of women and black people (Steyn, 2010) in the workforce especially in top leadership positions within private sector. Negative perceptions towards EE implementation, the perceived reverse discrimination, that is thought not to take merit into account and window dressing, gender stereotypes, stigmatized minorities who move into desirable roles. A change in attitude towards EE implementation is needed.

## 2.9 Employment Equity Practices

Employers need to employ best practices and best policies to successfully achieve EE goals as outlined in the EEA (Gazette, 1998). These include recruitment procedures, advertisements, selection, grading, remuneration, compensation, benefits, assignments, environment, training and development, performance management, promotion, transfer, demotions, disciplinary measures, and dismissal procedures.

## 2.10 Procedural fairness perceptions of HR practices and satisfaction

All employment procedures should be fair and free from unfair discrimination (Gazette, 1998).

Fairness of advertising of positions, recruitment, and selection procedures: Employment procedures relating to recruitment, selection and development of employees should be fair and free from unfair discrimination (van der Heyden, 2013). Fair recruitment is about adhering to labour laws and the job requirements of the role, and based on merit and not on demographic characteristics that are not related to the job experience and skills. Hiring processes should be free of any bias. Companies need to ensure recruitment process is fair and void of discrimination (Arvey & Renz, 1992). Many studies show an association between fair

employment procedures and employee satisfaction (Coetzee, 2005; Esterhuizen, 2008; Omar & Kiley, 2022; Utete & Nzimakwe, 2022; van der Heyden, 2013)

Fairness of renumeration: Employees want to work for companies that implement fair compensation across the workplace. This not only reflects the company's values but will also contribute towards staff retention and increase recruitment. Pay fairness perceptions determine employees' behaviour and attitudes in organisations. This occurs when employees compare their pay with their counterparts (social comparison), or when they compare their pay with what they believe they deserve (deserved comparison). If they think their pay deviates from what they believe they deserve, perceptions of unfairness results. Any negative perceptions towards renumeration will negatively impact the organisation. However, when employees receive higher pay than their similar counterparts, bias in perception fairness is observed as failure to recognise unfairness is not observed (Kim et al., 2019). Fairness in renumeration regardless of gender, race and any other form of differences should be applied across the organisation. This needs to be based on set criteria, on merit and capabilities. Abdin et al. (2020) study confirmed that perceived procedural fairness of renumeration determined satisfaction with work. This in turn improve organisational performance and competitiveness (Abdin et al., 2020).

### 2.11 Procedural fairness perceptions of performance appraisal and satisfaction

Performance appraisal is a process managers undertake to help link organisational objectives to performance standards and evaluation, The process of appraising performance is a critical determinant of procedural fairness in organisations (Munir et al., 2013). This is the perception that the procedures used in evaluating their performance is fair. In evaluating Performance appraisals influence critical HR decisions and outcomes that impact on employee rewards, compensation, and promotions (Jawahar, 2007). Any perceptions of unfairness in appraisal procedures will impact employee satisfaction with the procedures and with the organisation. Procedural fairness of appraisals refers to the fairness of the process used in deciding appraisal outcomes (Leventhal, 1980). Performance appraisal procedures can be subjective, and depend on manager appraising performance, which can leave room for discrepancies. This can result in inconsistent process to manage performance. This will lead to negative employee

perceptions. There is a positive correlation between employee satisfaction and perceived fairness of performance appraisals (Jawahar, 2007). That is if employees perceive the processes for appraisals are fair, their satisfaction levels increase. If employees perceive appraisal as unfair, data suggest that this process would not be ineffective, hence organisations need to put consistent procedures in place that are free from any bias in appraising performance. When organisations put fair processes in place to performance appraisals, positive consequences results, satisfaction and acceptance of the process and employee motivation. Perception of fairness of appraisals also contributed positively towards employee commitment to their organisations (Munir et al., 2013).

### 2.12 Procedural fairness perceptions of conflict management and satisfaction

Organisational conflict occurs in every company. How employees judge fairness of conflict management is if process is consistent, lacks bias, uses accurate information, that employees have representativeness, and that the decision is correctable. How organisations deal with conflict in the workplace will affect employees job satisfaction (Coggburn et al., 2014). Conflict management is associated directly with job satisfaction and with organisational performance (Terason, 2018). Fair conflict management process in the workplace will improve employee satisfaction and increase retention, as this creates a safe workplace environment. Constructive conflict management allows employees to have a voice and participate authentically in the workplace. A positive perception of fairness applied by managers or the organisation in conflict management will impact organisational outcomes positively.

### 2.13 Injustice perception and its impact on employee' satisfaction

Organisations become successful when they understand how employees perceive injustices. Acting to correct any incidents of injustice that occur also gives employees confidence in the organisation. Organisations need to minimise employees' perceived injustice. Where employees do not understand EE and its intended purpose, EE may have a negative interpretation and employees may perceive it as reverse discrimination (Zondi, 2013). Reverse racism was felt by employees not benefiting from EE (Oosthuizen & Naidoo, 2010). Those classified as not previously disadvantaged were more concerned around reverse discrimination,

racism, and victimisation (Oosthuizen & Naidoo, 2010). For many white employees, especially males, EE may be viewed as possibility to lose employment as companies try to promote females into higher roles, this leading to the South African brain-drain. Oosthuizen and Naidoo (2010) study failed to contrast employees' perceptions between previously advantaged and disadvantaged groups. Negative perceptions of EE will harm employees possessing those perceptions and may create a hostile working environment for all (van der Heyden, 2013), if not handled well. Addressing employees' negative perceptions and implementing forums to openly discuss such topics may assist organisations in addressing these. Van der Heyden (2013) study was limited to one mining company.

Employers may also lower job standards just to achieve EE candidates who then are incompetent in those roles (Oosthuizen & Naidoo, 2010), negatively impacting the organisation. Often those previously advantaged staff felt that black employees and women were often promoted because of EE requirements (Buthelezi, 2011; Omar & Kiley, 2022) even without proper qualifications. This further demotivating those who benefit as well as those who do not. This leads to a hostile company environment and a divided workforce. Tokenism, real or perceived has negative impact on both the employees and the organisation (Omar & Kiley, 2022). Employees against EE implementation perceive it as being unfair, as reverse racism, that beneficiaries of it are tokens and only hired to fulfil certain quotas. Young and James (2001) argued that this left the EE employees' feeling unhappy, leading to lower job satisfaction.

If EE is implemented in the correct manner, it correlated with high employee performance (Utete, 2022). This led to positive experiences for workers, which trickles into increased satisfaction levels. This benefits the company as employees are retained. This has an overall positive impact on organisations, from a wellbeing and costs perspective. Measures to ensure that both previously disadvantaged and advantaged benefit from EE are crucial, to eliminate the negative perceptions towards EE implementation, especially in new companies. Without understanding the attitudes and perceptions towards EE and its implementation, will make it difficult to implement these measures. An understanding of such attitudes will give a basis for putting in place appropriate information, educational programmes and engagements that are relevant to employees and managers alike. Oosthuizen and Naidoo (2010) argued that more

research is needed in more sectors of business. Communicating the purpose of the EE policy and involving all employees may positively influence success and positive perceptions towards EE.

The mining industry has led the way in implementing EE (van der Heyden, 2013). Due to its high male employee dominance, this sector was able to transform easily, although some work still needs to be done. Petro-chemical industry has shown some transformation (Surtee & Hall, 2010), although the sample was from one province only. EE may be perceived as perpetuation of the past injustices (Kruger, 2014) by some, and that the damage it has caused to SA's economy has resulted in a negative perception. Oosthuizen and Naidoo (2010) argued that more research is needed in other sectors of business.

Not many people are informed about EE policies and programmes within the companies (van der Heyden, 2013). Due to this lack of understanding and information on EE, employees become dissatisfied with EE implementation (van der Heyden, 2013). Communication about EE, its intended purpose and why transformation to achieve diversity and inclusion remain very important (Leornard & Grobler, 2006). Some employees may not be fully comprehensive of what EE entails, and why it needs to be reinforced in companies. The employees understanding of the framework is needed especially among hiring managers, to achieve its intended purpose.

Morale refers to psychological wellbeing, when one feels a sense of usefulness, self-confidence, and purpose (Omar & Kiley, 2022). Morale and satisfaction are connected and for an employee to have high satisfaction level, they must have high morale (Omar & Kiley, 2022). Morale is subjective and is a state of mind depending on employees' attitudes towards their job, organisation, manager, and other employees. High morale is related to high performance and high satisfaction levels. When we focus on group level, morale will refer to the groups' spirit. Employees with high morale tend to have good attitudes, this results in a positive good work environment. Resulting in retention of employees. EE showed a positive correlation with employee morale in public service organisation (Omar & Kiley, 2022), which in turn increases employee motivation and overall satisfaction, however this study was limited in that it assessed only one organisation. Data from other sectors of business, especially private sector is needed to support this. In Buthelezi (2011) study, there was no relationship between EE and training

and development of designated employees, retention or job hopping. Buthelezi (2011) recommended that similar studies be focused in one company to determine differences in sectors.

Implementation of EE has also created challenges in the workplace. There is stigma surrounding EE, that previously disadvantaged people are only hired to comply with the EE Act and viewed by their white counterparts as solely being hired because of their skin colour and/or gender (Omar & Kiley, 2022) to tick the box. This supports why organisations need to know and understand their employees' perceptions towards EE fairness. Education programmes aiming to address the lack of this understanding become important in organisations.

## 2.14 Impact of procedural justice perception on employees' satisfaction

Fairness of the process and procedures is evaluated by means of applying certain rules. Procedures and processes are said to be fair if they lack bias, have consistent allocation, rely on truthful information, can be corrected, have represented all concerned parties and are based on morals and ethics (Coetzee, 2005). When employees perceive fairness of EE procedures, it is assumed that it will result in their satisfaction. Their satisfaction and performance will be enhanced, which in turn increases work effort. When employees perceive justice, it creates loyalty to the organisation. All the above give rise to employee satisfaction in the how procedures are implemented in the company. When employees feel injustice or unfairness, their response and perception towards EE procedures will be negative. These employees may exit the company or may withdraw from active participation and eventually lower work outputs. Although this depends on how loyal the employee is to that company. Understanding how employees behave in response to injustice perceptions will help managers and organisations to minimise level of perceived injustices or unfairness (Coetzee, 2005). There is lack of data to show the impact of EE procedural fairness on satisfaction in companies (in relation to procedural justice theory).

## 2.15 Factors affecting justice perception of EE procedures.

Procedural justice refers to how EE practices are implemented in the workplace (Opotow, 1997). It is focused on fairness and consistency in applying the procedures to all employees in the company (van der Heyden, 2013). When the employees experience or perceive procedure implementation that is not fair, it results in a negative reaction.

Certain factor may affect how an individual perceives justice. These factors have been classified as environmental and personal (Nowakowski & Conlon, 2005). The environmental factor that can affect a person perception of justice are the industry or organisation they work in, cultural norms, trust in authorities and their occupation. The individual factors that affect people's perception of justice include gender, race, personality, work experience and selection process experience. In this study we will examine race as a personal factor affecting justice perceptions.

## 2.16 Best practices for effective Employment Equity implementation

Van der Heyden (2013) outlined best practices for EE implementation that will lead to success as follows (van der Heyden, 2013):

*Training and development:* the EE plan should always be linked to the skills development and training of designated groups as per the National Skills Development Strategy. This will assist move these group of employees into areas of under representation within the organisation.

*Transparent communication:* Employee consultations and honest communication about transformation are critical for success. This way employees will support the EE initiatives. Easily accessible information on company websites/intranets will make information about EE visible for all.

*Management commitment:* If managers are committed to the EE and the transformational strategy EE implementation will more likely succeed and it must be viewed as a business strategy by the managers.

*Fair employment practices:* Employment procedures relating to recruitment, selection and development of employees should be fair and free from unfair discrimination.

*Inclusive organisational culture:* Organisations need to cultivate an inclusive culture that understands diversity and always promote equity. The organisational values of inclusiveness, diversity and equity need to be enforced across the organisation.

*Diversity management:* This relates to representation within the workforce and fair treatment despite differences in race, religion, gender, disability etc.

*Justification:* This relates to justice and fairness within the company that is required for effective functioning. Perceptions of employees about fairness with the organisation will influence their motivation and performance (Esterhuizen, 2008).

## 2.17 Theoretical framework

This section looked at the conceptual framework employed in different studies to evaluate perceptions of fairness in EE implementation, as per literature review.

### 2.17.1 Organisational Justice theory

The organisational justice theory is the fair and just manner by which organisations treat its employees (Randeree & Malik, 2008). This is the overall perception of what is fair in the organisation. This theory underpins employees' perception of fairness of organisational procedures and practices. Its focus is on employees' perception of what constitutes fairness. Justice refers to an individual's perceptions, their evaluation of appropriateness of a given outcome or process, therefore making justice subjective (Randeree & Malik, 2008). There is a direct link between perception of justice by employees in relation to fairness and good outcomes and employee satisfaction. The theory makes it better to understand consequences of any HR practice to employee equity. There are three different forms of organisational justice namely, Distributive justice, Procedural justice, and Interactional justice. See Figure 2.4 below.

#### 2.17.1.1 Distributive Justice

This refers to concerns expressed by employees with regards to the resource and outcome distribution. The individual will compare this distribution of resources or outcomes with others, this is where the equity aspect of justice is of concern. Distributive justice is perceived fairness

of the amount and distribution of pay/rewards among employees in an organisation. This asks whether for example salaries, workload, promotions etc. are equitable. This theory is like the Equity theory (as described above), where employees compare themselves with others to weigh equitable distribution of outcome and then alter the input when inequity is perceived or felt.

#### 2.17.1.2 Procedural Justice

Procedural justice is perceived fairness of practices or procedures used to determine the decisions for the outcome. This can also be viewed as fairness in the process used to determine distribution of rewards (Randeree & Malik, 2008). The procedures should take account of everyone's concerns, be morally acceptable, and be free of any biasness. The employee is concerned about whether the process of the decision is fair and if the process used to determine the outcome was just. As Randeree and Malik (2008) argues, this theory relates mainly to the fairness of the means that an organisation uses to determine the outcome.

The origins of this theory stem from legal procedures (Esterhuizen, 2008) and that people in dispute procedure responded to the outcomes they received and to the process which was followed to determine these outcomes (Nowakowski & Conlon, 2005). There are criteria in terms of what makes dispute resolution fair as described by Leventhal (1980). Firstly, it needs to be accurate (information provided must be honest correct or honest). Secondly it must be consistent (same process used for all the time). Thirdly, the procedure must be ethical. Fourth criteria are that the procedure must be correctable, which imply that a mechanism needs to be in place to change a bad decision. The fifth criteria are that there must not be any biasness towards the outcome, that the person making the decision does not do so based on their beliefs. Lastly, there must be representation to allow both parties to state their case (Leventhal, 1980).

Perceptions towards procedural justice is recognised by many cultures as a fair practice, in that it offers a voice to people and that the process is open and has clarity, hence many consider it fair (Greenberg, 2001). This study will focus on this concept of procedural justice fairness. Below are the best practices for EE that relate to procedural justice and the EE domains that were investigated in this study: Human Resource practices (fair employment practices), performance appraisal and conflict management.

### 2.17.1.3 Interactional Justice

Interactional justice relates to the fairness of interpersonal communication, relating to organisational procedures. Its concern is how information gets communicated and whether people affected by a certain decision were treated in a courteous respectful manner and with dignity. Further this theory gets divided into two components: interpersonal and informational. Interpersonal constitutes respect and propriety, whereas informational constitutes truthfulness and justification (Randeree & Malik, 2008).

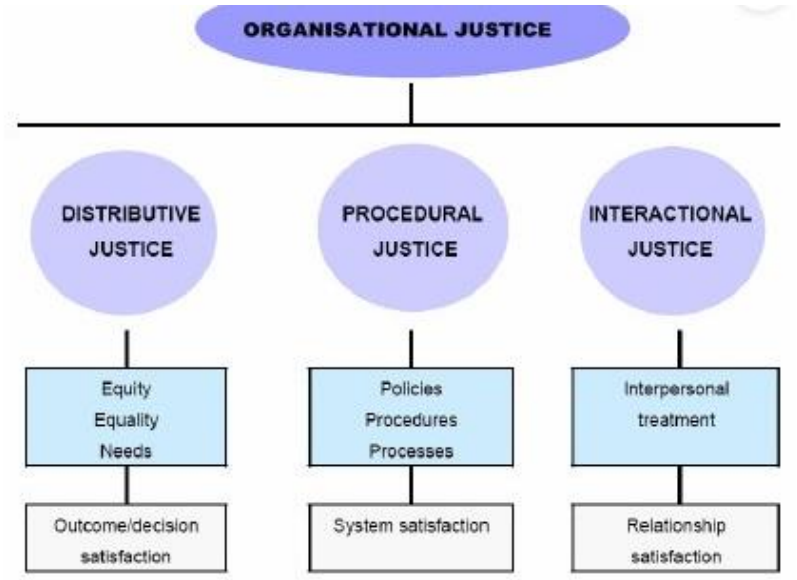



**Figure 2**: Organisational Justice theory.

Adapted from Greenberg (1990)

## 2.18 Conceptual proposition

The above organisational justice framework was modified for this study to only focus on Procedural Justice pillar. This pillar relates to fairness of selected EE procedures and processes, see in below Figure 3. The adapted conceptual framework below relates to employees' perceptions of EE procedural fairness and that employees' satisfaction will be impacted by employees' perceptions of EE procedural fairness.

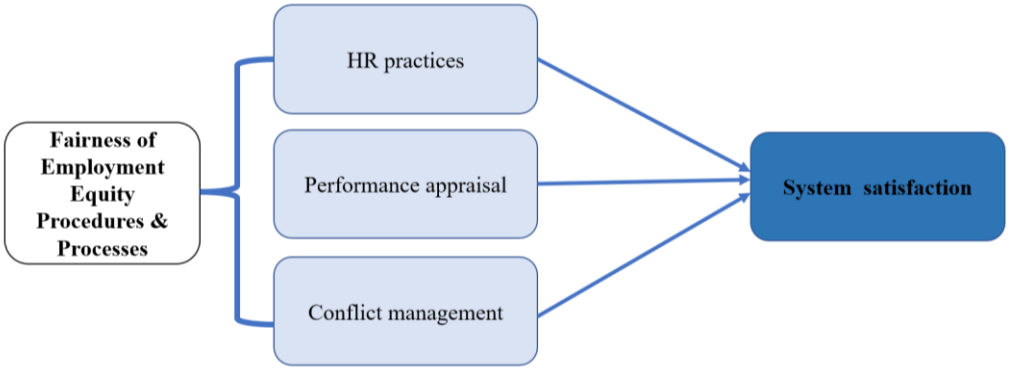



**Figure 3**: The Proposed Employment Equity Procedural Justice conceptual framework.

Based on the above theoretical framework (Figure 3), the perceptions of fairness of EE dimensions: Management & leadership processes (Human resource practices, Performance appraisal and Conflict management) are the independent variables. Satisfaction is the dependant variable.

## 2.19 Conclusion of literature review

This chapter provided background on employment equity and affirmative action. The literature review sought to explore the employment equity Act, its implementation, and looked at the code of good practice for implementation. Discrimination and diversity in organisations were also explored. The chapter outlined the organisational justice framework that underpins employees' perception of fairness in EE procedures. The literature also looked at the impact of employee perceptions of injustice on employees and organisation. Literature on the association of perceptions of EE procedural fairness on satisfaction was investigated, looking specifically at fairness of HR practices, conflict management and performance management. Lastly factors affecting justice perception of EE procedures were outlined.

In summary, the literature review outlined that since the EEA came into effect post-apartheid in South Africa, different organisations tried to implement EE. The implementation was slow and resulted with some negative perceptions towards its implementation. Previously disadvantaged groups had mainly positive perceptions towards EE and AA implementation compared to their non-previously disadvantaged counterparts. Criticism around EE

implementation existed and expressed as reverse racism and negative stereotypes towards those that benefited through AA and EE.

The main gap that exists in literature is the lack of focus on EE procedural fairness on satisfaction underpinned by the procedural justice conceptual framework. Other gaps in literature identified are the need to assess different sectors and companies, a need for assessing EE perception differences between previously disadvantaged and advantaged groups (race) and the lack of data demonstrating satisfaction with EE procedural fairness.

The conceptual framework of organisational justice that underpins employee perception of EE fairness was explained. The focus was on procedural justice theory which relates to the purpose and objective of this study. This concept relates to employees' perception of procedural fairness in organisations and the resultant satisfaction when justice is perceived and dissatisfaction when injustice is perceived. Factors affecting these perceptions are also explained.
The table below summarises the literature in this section.

**Table 1:** Summary of literature review.

| **Author (Year)** | **Organisational Problem** | **Research Problem** | **Conceptual Frame Used** | **Population & Sample** | **Research Gap** |
|---|---|---|---|---|---|
| (Coetzee, 2005) | AA regarded as unfair by employees | What constitutes AA fairness and how it differs between demographic characteristics | Organisational justice theory | Population of 29688<br><br>Sample of 1720 employees. | There may be other factors that influence perception of fairness that need further research e.g. leadership |
| (van der Heyden, 2013) | Perceptions of fairness of EE implementation | Lack of EE/AA implementation in the mining sector | Organisational justice theory | One mining company.<br><br>109 employees | One mining organisation – representativeness low.<br><br>Lack of understanding of perceptions towards EE implementation in the mining sector |

| | | | | | |
|---|---|---|---|---|---|
| (Oosthuizen & Naidoo, 2010) | Attitudes towards and experience of employment equity | Lack of understanding why there is resistance and misunderstanding of EE. To understand attitudes and experiences of employees towards EE in South Africa | Organisational behaviour and social psychology | 105 employees interviewed, from 21 organisations | Perceptions of managers and non-mangers on EE.<br><br>Qualitative study. |
| (Oosthuizen et al., 2019) | EE and individual and organisational factors that shape experiences.<br><br>Subjective experiences of employment equity in South African organisations. | Lack of understand how employees perceive EE from diverse backgrounds | Qualitative research approach – difference in perceptions linked to race and gender | Private and public sector – 28 participants | Lack of understanding of role of leadership in EE implementation |
| (Utete & Nzimakwe, 2022) | Perceptions of small and medium companies toward employment equity amendments in South Africa | Need to understanding SMEs perception on EE amendments | Legal and policy framework of EE policy amendments | 33 companies - small and medium enterprises | Lack of research on perceptions of SMEs on EE amendments in South Africa |
| (Buthelezi, 2011) | Employee attitudes towards employment equity | Understand the perceptions towards EE implementation morale, turnover | Social exchange theory | 100 employees | Lack of research on employee attitudes to EE in SA. Limited research on impact of psychological contract on employees' attitudes to EE. Lack of demographic factors of employees |
| (Esterhuizen, 2008) | Organisational justice and employee responses to employment equity | Negative perceptions of EE fairness impact organisations negatively | Organisational justice theory | Population of 3299<br><br>Sample of 520 employees. | Lack of a integrated model addressing legislative plus justice aspect |
| (Rankhumise et al., 2001) | Lack of transformation in the health sector | If EE candidates fill senior roles in health, the health system will improve. | AA and productivity | 360 employees in a health district in Standerton | Old study, progress has been made. New data may conflict findings due to its earlier research since |

| | | | | | |
|---|---|---|---|---|---|
| | | Resistance towards AA policies and procedures | | | implementation of EE. |
| (Mputa, 2016) | Evaluating implementation of EE in a pharmaceutical company | Lack of understanding of EE implementation in the workplace, employment practices assessment in an organisation to assess EE implementation success | Goal based theory, Moral and Interest based theory, Critical Diversity Theory<br><br>Qualitative study. | 10 participants from one organisation | Only one organisation, but relevant to current study as is the same type of business. Time has evolved since this study and new insights may emerge; newer studies would assess evolution of implementation |
| (Nujjoo, 2013) | Negative employees' attitudes towards employment equity | Exploring differences in attitudes towards EE among employees | Social Identity Theory | Total population of 396 employees.<br><br>Sample = 264 | Results only from highly skilled employees |
| (Ogolo et al., 2016) | Decreased level of motivation of employees due to inequity perceptions | How equity theory can be applied to organisation in order to influence workers motivation and satisfaction | Equity theory | 231 was total population of study.<br><br>Participants = 144 | No relation to EE and AA procedures |

# CHAPTER THREE: RESEARCH METHODOLOGY

## 3.1 Introduction

The research methodology section outlined how employee perceptions of EE fairness and its impact on satisfaction was investigated, looking at the population, the sample, sampling process, method of collecting the data and analysis techniques that were employed for analysing the data. The method sought to assist in answering the following research questions:

- What is the state of employees' perception of EE procedural fairness in the company?
- What is the impact of employees' perception of EE procedural fairness of management & leadership processes (Human resource practices, Performance appraisal and Conflict management) on satisfaction?

The objectives of this study were as follows:

- To assess employee's perception of EE procedural fairness in the company.

- To determine the impact of employees' perception of EE procedural fairness of management & leadership practices (Human resource practices, Performance appraisal and Conflict management) on satisfaction.

## 3.2 Research Paradigm

The research paradigm was based on a positivist thought and can be approached to verify the observation and experimentation. Positivism is a "*an epistemological position that advocates the application of the methods of the natural sciences to the study of social reality and beyond"* (Sekaran & Bougie, 2016). Further, it entails the principle that theory generates a hypothesis that can be tested and that allow for explanation of laws to be assessed (deductivism).

Deductive approach was employed in this study, as it started with the theory and aimed to test it. In this study, organisational justice theory as a conceptual framework was tested through empirical data. Perception of EE fairness was described against demographic characteristics of participants (race and gender). The role of the theory was to help guide development of clear

and hypothesis that guides the research design and analysis, and this hypothesis was testable. This allowed establishing a causal relationship between variables and testing of the validity of the conceptual framework.

### 3.3 Research Approach:

There are two types of approaches a study can employ, namely qualitative method and quantitative research method. Quantitative method allows for generalization to the population as it allows for distribution of the variables (Sekaran & Bougie, 2016). With quantitative method, the researcher has less interaction with the participants and results in a more objective conclusions as it utilizes questionnaires and experiments. Qualitative approach investigates participants' behaviours and characteristics to understand problems and then solve them (Sekaran & Bougie, 2016). The qualitative method is however less generalisable to the population compared to quantitative approach, although it provides a deeper understanding of individuals or groups. It utilizes various methods to gather data for example, interviews and focus groups (Sekaran & Bougie, 2016). This study utilized quantitative research method as it provides high anonymity and confidentiality, as people may be reluctant to share their perceptions in interviews especially when the interview is done by a fellow colleague.

### 3.4 Research Design

This study is a descriptive cross-sectional quantitative case study collecting data at one point in time from one organisation. Non-probability sampling technique was used, and a sample of convenience chosen as the company investigated is a medium sized employing 123 people.

### 3.5 Sample, Sampling Technique and Sampling Frame

The case study investigated perceptions of EE fairness in one subsidiary of a multinational pharmaceutical company, based in South Africa.

The sampling technique was non-probability sampling. The international company employs >9 000 employees globally and only one subsidiary that employs 123 employees was investigated. This is a case study, and a sample of convenience was utilized for collection and

analysis of data. The questionnaire was shared with all employees in the subsidiary, and responses were received from only those who were willing and volunteered to participate in the research (self-selecting). At the time of the survey, only 104 employees were found on the company's HR mailing list. The disadvantage is that it may lack generalizability.

### 3.6 Data Collection

The survey was sent to 104 employees via the company's HR emailing list. Data was collected from a sample of 63 employees, non-contrived setting. A Questionnaires was utilized. The questionnaire was self-administered, collecting information about their perceptions towards selected EE procedural fairness and their demographic information (gender, race, age, and functional area). Surveys are able are associated with the paradigm of positivism.

#### 3.6.1 The measuring instrument:

The questionnaire used to measure in this study was utilized before in the study called "Employee perception of employment equity fairness within a mining organisation in South Africa" by Van der Heyden (2013) that focused on EE fairness perceptions in a mining company (van der Heyden, 2013). The questionnaire covered the EE dimensions that relate to procedural justice that links to the conceptual framework adopted for this study. The information provided data from the case organisation on perception of and satisfaction with EE procedural fairness. The following EE dimensions were included in the questionnaire (see the measurement instrument in Appendix A: Questionnaire sample): HR practices, conflict management and performance appraisal practices.

The questionnaire measured three constructs with 19 questions in total, using Likert scale. The dimensions of transformation, vision and strategy, valuing diversity and interpersonal dimension were removed as they don't relate to the procedural justice conceptual framework.

### 3.7 Data Analysis

Analysis of data was done using Windows Statistical Packages for Social Science (SPSS) version 27. Univariate, bivariate and multivariate analysis was performed on the data.

Descriptive and inferential statistics were done. Descriptive entailed converting raw data to inform description of several factors applicable in this study (Sekaran & Bougie, 2016). Inferential statistics allowed researcher to infer from the data analysis the relationship between different variables, testing the differences in a variable among different groups and analysing how different independent variables may explain the variance in a dependant variable (Sekaran & Bougie, 2016). The unit of analysis was individual employees in the organisation.

Univariate analysis showed means and frequency distribution of variables. Bivariate analysis used Pearson correlation coefficient to measure the strength and direction of a linear relationship between two continuous variables. The Hypothesis testing utilised Paired t-test to determine whether there were statistically significant differences between paired observations within the scales in the study. Multivariate logistic regression tested the theoretical framework outlined in Chapter 1, which analysed the causal relation of EE domains (HR, leadership procedures) and the dependant variables (satisfaction). Fitness of the fit of the regression model was performed. Statistical significance at 95% confidence interval was used (p-value less than 0.05).

Individual's satisfaction was analysed as the dependant variable (outcome variable). The demographic characteristics, age, gender and race are the mediating factors (variables) and all the three EE dimensions (Human resource practices, Performance appraisal and Conflict management) are the independent variables (input variables).

### 3.7.1 Descriptive analysis:

Description of data was done to show the proportions and frequency of the different categorical demographic characteristics of the participants and to determine the means and standard deviations of continuous variables. Reliability tests and assessments for normal distribution were performed.

### 3.7.2 Validity and Reliability:

According to Sekaran and Bougie (2016), reliability of the measuring instrument indicates the level to which the instrument is without bias and has consistent measurement across time and

various items found in the instrument. Reliability refers to consistency of the measurement concept. While validity is the ability of the measurement instrument to measure the intended concept (Sekaran & Bougie, 2016). Validity refers to whether a chosen variable to measure a concept really measures that concept (Sekaran & Bougie, 2016).

#### 3.7.2.1 Validity

The questionnaire that was used to measure in this study was utilized before in the study called "Employee perception of employment equity fairness within a mining organisation in South Africa" by Van der Heyden (2013) that focused on EE fairness perceptions in a mining company (van der Heyden, 2013) to make sure there is measurement validity in the instrument. The instrument was slightly adapted to suit the current study setting and objectives and the conceptual framework of procedural justice theory. Items that were not related and not linked to the procedural justice theory were eliminated from the measuring tool.

#### 3.7.2.2 Reliability

To measure internal reliability, was to make sure that the data was coherent and that the questions in a construct were related to each other. Cronbach's alpha was used to measure internal reliability (Sekaran & Bougie, 2016). This calculated a correlation coefficient demonstrated internal consistency, and to show consistency the correlation coefficient should be closer to one (1) which shows perfect internal reliability. A Cronbach's alpha coefficient result above 0.7 was used as an acceptable level of internal validity.

### 3.7.3 Inferential analysis:

The study sought to demonstrate the relationship between employee satisfaction and employees' perception of EE procedural fairness (of Human resource practices, Performance appraisal and Conflict management). Correlation analysis and regression tests were employed to explore associations between variables. Inferential analysis utilised paired t-tests to analyse the relationship between the independent and the dependant variables. This was to determine whether there are statistically significant differences between paired observations within the

scales in the study. Logistic regression model tested the theoretical framework outlined in Chapter 1, which analysed the causal relation of independent and the dependant variables. Goodness of the fit of the regression model was performed. Statistical significance at 95% confidence interval was used (p-value less than 0.05). The following hypothesis were tested:

**Hypothesis 1:** There is a positive relationship between employees' perception of HR procedural fairness and satisfaction.

**Hypothesis 2:** There is a positive relationship between employees' perception of performance appraisal procedural fairness and satisfaction.

**Hypothesis 3:** There is a positive relationship between employees' perceptions of conflict management procedural fairness and satisfaction.

### 3.8 Ethical Considerations

The study was conducted according to the ethical code of conduct for research studies to uphold the highest integrity of the study. Participation in the study was voluntary and participants were able to opt out of the study. The data was anonymous and kept confidential, and only the researcher accessed the data. Informed consent to participate was collected from all participants prior data collection. The study ensured that data collected from participants was safeguarded and data privacy upheld. Data collected will be kept for five years on an electronic password locked database that only the researcher can access. Human rights of all participants were upheld. Ethical approval was granted by the Witwatersrand University Ethics Board prior to the research data collection. Approval to conduct the study was received from the organisation prior to submission to the Ethics Board review and assessment.

# CHAPTER FOUR: RESEARCH FINDINGS

The survey was sent out to 104 employees who were at the time of the study employed at the organisation. Out of the 104, a total of 63 (62%) employees responded to the survey. The data was exported from Qualtrics into Microsoft Excel, then imported into the Statistical Package for the Social Sciences (SPSS), version 27, for analysis. The analysis was conducted at a 95% confidence interval and a significance level of 5% when interpreting inferential statistics. The analytical process unfolds in a systematic manner, commencing with the generation of frequency tables for all variables. Subsequently, descriptive statistics, including mean scores and standard deviations, were computed. Reliability tests and assessments for normal distribution were also performed. Correlation analysis and regression tests were employed to explore associations between variables, while paired t-tests were utilized to test the hypotheses within the study.

## 4.1 Demographic information

**Table 2. Demographic information**

| | **Category** | **Frequency** | **Percent (%)** |
|---|---|---|---|
| **Gender** | Female | 45 | 72.6 |
| | Male | 17 | 27,4 |
| **Age** | 25 - 39 | 29 | 46.8 |
| | 40 - 54 | 26 | 41.9 |
| | 55 - 65 | 7 | 11,3 |
| **Race** | African/Black | 30 | 48,4 |

| | | | |
|---|---|---|---|
| | Coloured | 10 | 16,1 |
| | Indian | 7 | 11,3 |
| | White | 15 | 24,2 |
| **Functional Area/Department** | Commercial Functions | 36 | 58,1 |
| | Support Functions | 26 | 41,9 |
| **Total number of respondents (N)** | | **62** | **100** |

Understanding the composition of the respondents enhances the context for interpreting the survey results and considering the varied perspectives that contribute to the dynamics within the organisation. Table 4.1 provides insights into the gender, age, race, and functional areas of the respondents. In the survey conducted, a total of 63 individuals participated, providing valuable insights into the composition of the workforce. However only 62 participants data was analysed due to deletion of one participant with lots of missing data elements. Most of the respondents identified as female, comprising 72,6% of the sample, while male respondents constituted 27,4%. This indicates a higher representation of women among the survey participants.

The racial distribution among respondents reflected a diverse group. The largest group identified as African/Black, making up 48,4% of the respondents, followed by White individuals at 24,2%. Coloured and Indian individuals constituted 16,1% and 11,3%, respectively. This diversity in racial backgrounds contributes to a rich tapestry of perspectives within the surveyed population.

The age distribution of the respondents showed the majority to be younger (46,8%) employees, 25 to 39 years old, followed by 41,9% in the category between 40 to 54 years old. No participants were over 65 years of age.

Examining the functional areas or departments in which respondents worked shed light on the organisational structure. A slight majority, 58.1%, belonged to Commercial Functions, encompassing roles in Sales, Marketing, Communications, Digital, Policy, Compliance, and Commercial Operations. The remaining 41.9% were part of Support Functions, which included departments such as HR, Medical, Regulatory, Quality, Supply Chain, Finance, IT, and Procurement. This distribution suggests a balanced representation of individuals across different areas within the organisation, each contributing to the overall functioning and success of the company.

## 4.2 Fairness of Employment Equity dimensions statements.

### *4.2.1 Fairness perception of HR practices:*

This section illustrates responses to statements about HR procedures including advertising of positions, recruitment, selection, development, promotions, performance counselling, career development and remuneration, with participants expressing their level of agreement or disagreement.

#### *4.2.1.1 Fairness perception of advertising of positions*

**Statement:** HR practices for advertising of positions as applied in my division are fair towards all.

This section illustrates the responses to a statement related to the perceptions of fairness of procedures in advertising of positions, with participants expressed their level of agreement or disagreement.

These results suggest that a significant portion of the respondents (37.1%) strongly agreed that the procedures for advertising of positions within the organisation is fair. Additionally, an equal number (37.1%) also agreed with this statement. On the other hand, a smaller percentage either disagreed (12.9%), feels neutral (8.1%), or strongly disagreed (4.8%) with procedural fairness of advertising positions.

**Table 3. Fairness of advertising of positions**

| *HR practices* | *Category* | *Frequency* | *Percent (%)* |
|---|---|---|---|
| ***Advertising of positions*** | Strongly disagree | 3 | 4,8 |
| | Disagree | 8 | 12,9 |
| | Neutral | 5 | 8,1 |
| | Agree | 23 | 37,1 |
| | Strongly agree | 23 | 37,1 |
| | **Total** | **62** | **100%** |

In summary, most respondents expressed positive perceptions about the fairness of advertising of positions, with a combined percentage of 74.2% (37.1% strongly agreed and 37.1% agreed). However, there is a notable portion that either disagreed or neutral, indicating some diversity in opinions regarding their perception of fairness of the current practices related to advertising job positions.

#### *4.2.1.2 Fairness perception of recruitment procedures*

**Statement:** HR practices for recruitment as applied in my division are fair towards all.

These results suggest that a significant portion of the respondents (36.5%) strongly agreed that the recruitment procedures within the organisation are fair. Additionally, a substantial number (31.7%) agreed with this statement. On the other hand, a smaller percentage either disagreed

(17.5%), feels neutral (6.3%), or strongly disagreed (7.9%) with fairness of the recruitment procedures.

**Table 4. Fairness of *Recruitment procedures***

| *HR practices* | *Category* | *Frequency* | *Percent (%)* |
|---|---|---|---|
| ***Recruitment procedures*** | Strongly disagree | 5 | 7,9 |
| | Disagree | 11 | 17,5 |
| | Neutral | 4 | 6,3 |
| | Agree | 20 | 31,7 |
| | Strongly agree | 22 | 36,5 |
| | **Total** | **62** | **100,0** |

In summary, majority of respondents expressed positive sentiments about the fairness recruitment procedures, with a combined percentage of 68.2% (36.5% strongly agree and 31.7% agree). However, there is a notable portion that either disagreed or were neutral, indicating some diversity in opinions regarding the fairness of the current recruitment processes.

#### *4.2.1.3 Fairness perception of selection procedures*

**Statement:** HR practices for selections as applied in my division are fair towards all.

These results suggest that a significant portion of the respondents (33.9%) strongly agreed that the selection procedures within the organisation were fair. Additionally, a substantial number (27.4%) agreed with this statement. On the other hand, a smaller percentage either disagreed

(24.2%), felt neutral (4.8%), or strongly disagreed (9.7%) with the fairness of the selection procedures.

**Table 5. Fairness of selection procedures**

| *HR practices* | | **Frequency** | **Percent (%)** |
|---|---|---|---|
| **Selection procedures** | Strongly disagree | 6 | 9,7 |
| | Disagree | 15 | 24,2 |
| | Neutral | 3 | 4,8 |
| | Agree | 17 | 27,4 |
| | Strongly agree | 21 | 33,9 |
| | **Total** | **62** | **100,0** |

In summary, majority of respondents expressed positive sentiments about the fairness of selection procedures, with a combined percentage of 61.3% (33.9% strongly agreed and 27.4% agreed). However, there was a significant portion that either disagreed (24.2%), strongly disagreed (9.7%) or were neutral (4.8%), indicating some diversity in opinions regarding the fairness of the current selection processes.

#### *4.2.1.4 Fairness perception of Development Opportunities*

**Statement:** HR practices for development opportunities as applied in my division are fair towards all.

**Table 6. Fairness of procedures for Development opportunities.**

| *HR practices* | | Frequency | Percent (%) |
|---|---|---|---|
| **Development opportunities** | *Strongly disagree* | 6 | 9,7 |
| | *Disagree* | 14 | 22,6 |
| | *Neutral* | 6 | 9,7 |
| | *Agree* | 19 | 30,6 |
| | *Strongly agree* | 17 | 27,4 |
| | **Total** | **62** | **100,0** |

The results suggest that there is a varied range of opinions among respondents regarding fairness of procedures for development opportunities within the organisation. While a notable portion (27.4%) strongly agreed that development opportunities were fair, a similar percentage (22.6%) disagreed. Additionally, there is a substantial portion who expressed neutral sentiments (9.5%).

In summary, perceptions about procedural fairness of development opportunities were distributed across the spectrum, with a combined percentage of 58.0% (27.4% strongly agreed and 30.6% agreed). However, the presence of respondents in the disagree and neutral categories indicated that there might be areas for improvement or communication regarding the perceived procedural fairness of development opportunities. Understanding these perspectives can assist organisations in tailoring their development programs to better meet the expectations and needs of their workforce.

#### *4.2.1.5 Fairness perception of Promotions*

**Statement:** HR practices for promotions as applied in my division are fair towards all.

**Table 7. Fairness of Promotions.**

| *HR practices* | | **Frequency** | **Percent (%)** |
|---|---|---|---|
| **Promotions** | *Strongly disagree* | 10 | 16,1 |
| | *Disagree* | 13 | 21,0 |
| | *Neutral* | 8 | 12,9 |
| | *Agree* | 18 | 29,0 |
| | *Strongly agree* | 13 | 20,1 |
| | **Total** | **62** | **100,0** |

These results suggest that there is a diverse range of opinions among respondents regarding fairness of promotions within the organisation. While a significant portion (29.0%) agreed that promotions procedures are fair, a similar percentage (20.1%) strongly agreed. However, there was also a notable portion expressing disagreement (21.0%), while 21% strongly disagreed and a smaller percentage were neutral (12.9%) about how they perceive procedural fairness of promotions.

In summary, opinions about promotions were distributed across the spectrum, with a combined percentage of 49.1% (29.0% agreed and 20.1% strongly agreed). However, the presence of respondents in the strongly disagree, disagree and neutral categories indicated that there might be areas for improvement or communication needed regarding the perceived fairness of the promotion processes.

#### *4.2.1.6 Fairness perception of Performance counselling*

**Statement:** HR practices for performance counselling as applied in my division are fair towards all.

**Table 8. Fairness of Performance counselling.**

| *HR practices* | | **Frequency** | **Percent (%)** |
|---|---|---|---|
| **Performance counselling** | *Strongly disagree* | 6 | 9,7 |
| | *Disagree* | 10 | 16,1 |
| | *Neutral* | 12 | 19,4 |
| | *Agree* | 12 | 19,4 |
| | *Strongly agree* | 22 | 35,5 |
| | **Total** | **62** | **100,0** |

These results suggest that there is a varied range of opinions among respondents regarding fairness of performance counselling within the organisation. While a substantial portion (35.5%) strongly agreed that performance counselling was fair and 19.4% agreed. However, there is also a notable portion who expressed disagreement (16.1%), a significant number were neutral (19.4%) and a small portion strongly disagreed (9.7%).

In summary, perceptions about performance counselling fairness were distributed across the spectrum, with a combined percentage of 54.9% (35.5% strongly agreed and 19.4% agreed). However, the presence of respondents in the disagree and neutral categories indicated that there might be areas for improvement and/or communication regarding the perceived fairness of processes for performance counselling.

#### *4.2.1.7 Fairness perception of Career development*

**Statement:** HR practices career development as applied in my division are fair towards all.

**Table 9. Fairness of Career development.**

| *HR practices* | | Frequency | Percent |
|---|---|---|---|
| **Career development** | *Strongly disagree* | 4 | 6,5 |
| | *Disagree* | 6 | 9,7 |
| | *Neutral* | 8 | 12,9 |
| | *Agree* | 29 | 46,8 |
| | *Strongly agree* | 15 | 24,2 |
| | **Total** | **62** | **100,0** |

There is a substantial portion (46.8%) that agreed that career development processes were fair, a similar percentage (24.2%) strongly agreed. However, there is also a small portion expressing disagreement (9.7%), and 6.5% strongly disagreed. Lastly, 12.9% expressed neutral sentiments.

In summary, the perceptions about fairness of career development procedures were distributed across the spectrum, with the majority of respondents (71.0%) with positive sentiments (46.8% agreed and 24.2% strongly agreed). However, the presence of respondents in the disagree, strongly disagree and neutral categories indicated that there might be areas for improvement regarding the perceived fairness of career development processes.

#### *4.2.1.8 Fairness perception of Remuneration procedures*

**Statement:** HR practices for remuneration as applied in my division are fair towards all.

**Table 10. Fairness of Remuneration procedures.**

| *HR practices* | | **Frequency** | **Percent** |
|---|---|---|---|
| **Remuneration.** | *Strongly disagree* | 4 | 6,5 |
| | *Disagree* | 13 | 21,0 |
| | *Neutral* | 15 | 24,2 |
| | *Agree* | 20 | 32,3 |
| | *Strongly agree* | 10 | 16,1 |
| | **Total** | **62** | **100,0** |

These results suggested that there was a varied range of perceptions among respondents regarding remuneration within the organisation. While a substantial portion (32.3%) agreed that the remuneration processes was fair, a smaller percentage (16.1%) strongly agreed. However, there was a notable portion expressing disagreement (21.0%), and a significant number in the neutral category (24.2%), with a very small segment of respondents who strongly disagreed (6.5%).

In summary, perceptions of fairness of remuneration process were distributed across the spectrum, with a combined percentage of 48.4% (32.3% agreed and 16.1% strongly agreed) with positive sentiments. However, the presence of respondents in the disagree and neutral categories indicated that there might be areas for improvement regarding the perceived fairness of remuneration practices. Understanding these perceptions can assist organisations in refining

their remuneration strategies to better align with the expectations and perceptions of their workforce.

### *4.2.2 Fairness perception of Performance appraisals*

#### 4.2.2.1 Fairness of work performance discussions

**Statement:** The person I report to, frequently discusses my work performance with me.

**Table 11. Performance appraisals.**

| Statement | | Frequency | Percent |
|---|---|---|---|
| **The person I report to, frequently discusses my work performance with me.** | *Strongly disagree* | 3 | 4,8 |
| | *Disagree* | 8 | 12,9 |
| | *Neutral* | 5 | 8,1 |
| | *Agree* | 22 | 35,5 |
| | *Strongly agree* | 24 | 38,7 |
| | **Total** | **62** | **100,0** |

These results suggest that there was a generally positive perception among respondents regarding the frequency of discussions about work performance with their supervisors. A significant portion (38.7%) strongly agreed that such discussions were frequent, and an additional 35.5% agreed. However, there were still some respondents who disagreed (12.9%), strongly disagreed (4.8%), or neutral (8.1%) about the frequency of these discussions.

In summary, a majority of respondents expressed positive sentiments about the frequency of discussions with their supervisors regarding work performance. The combined percentage of

those who agreed and strongly agreed was 74.2%. However, the presence of respondents in the disagree, strongly disagree and neutral categories indicated that there might be variations in experiences or expectations regarding the frequency of performance discussions. Understanding these perspectives can help organisations tailor their communication and feedback processes to better align with the preferences and needs of their workforce.

#### *4.2.2.2 Fairness of Performance standards*

**Statement:** My performance standards are clearly defined.

**Table 12. Fairness of Performance standards.**

| Statement | | Frequency | Percent |
|---|---|---|---|
| **My performance standards are clearly defined.** | *Strongly disagree* | 2 | 3,2 |
| | *Disagree* | 10 | 16,1 |
| | *Neutral* | 4 | 6,5 |
| | *Agree* | 24 | 38,7 |
| | *Strongly agree* | 22 | 35,5 |
| | **Total** | **62** | **100,0** |

These results suggest that there were positive perceptions among respondents regarding the clarity of their performance standards. A majority (74.2%) either agreed or strongly agreed that their performance standards were clearly defined. However, there were still some respondents (19.3%) who either disagreed, strongly disagreed, and 6.5% who are neutral about the clarity of their performance standards.

In summary, a significant portion of respondents expressed positive sentiments about the clarity of their performance standards. The combined percentage of those who agreed or strongly agreed was 74.2%. However, the presence of respondents in the disagree, strongly disagree, or neutral categories indicates that there might be variations in experiences or expectations regarding the clarity of performance standards. Understanding these perspectives can help organisations enhance their communication and transparency regarding performance expectations to better align with the preferences and needs of their workforce.

#### *4.2.2.3 Fairness of recognition of achievements*

**Statement:** In my experience, high achievers are recognized for their achievements.

**Table 13. Fairness of recognition of achievements.**

| Statement | | Frequency | Percent (%) |
|---|---|---|---|
| **In my experience, high achievers are recognized for their achievements.** | *Strongly disagree* | 6 | 9,7 |
| | *Disagree* | 6 | 9,7 |
| | *Neutral* | 4 | 6,5 |
| | *Agree* | 31 | 50,0 |
| | *Strongly agree* | 15 | 24,2 |
| | **Total** | **62** | **100,0** |

These results suggested that there was a positive perception among respondents regarding the recognition of high achievers within the organisation. A substantial majority (74.2%) either agreed or strongly agreed that high achievers are recognized for their achievements. However,

there are still a quarter of respondents (25.9%) who either disagreed, strongly disagreed, or neutral about the recognition of high achievers.

In summary, a significant portion of respondents expressed positive sentiments about the recognition of high achievers. The combined percentage of those who agreed or strongly agreed was 74.2%. However, the presence of respondents in the disagree, strongly disagree, or neutral categories indicated that there might be variations in experiences or perceptions regarding the recognition of high performers. Understanding these perspectives can help organisations refine their recognition and rewards systems to better align with the preferences and needs of their workforce.

#### *4.2.2.4 Fairness perception of Development*

**Statement:** The person to whom I report assist me in developing my full potential

**Table 14. Fairness of Development.**

| Statement | | Frequency | Percent (%) |
|---|---|---|---|
| **The person to whom I report assist me in developing my full potential.** | *Strongly disagree* | 3 | 4,8 |
| | *Disagree* | 6 | 9,7 |
| | *Neutral* | 14 | 22,6 |
| | *Agree* | 23 | 37,1 |
| | *Strongly agree* | 16 | 25,8 |
| | **Total** | **62** | **100,0** |

These results suggested that there was a mixed range of opinions among respondents regarding the assistance they received from the person they report to in developing their full potential. While a substantial portion (62.9%) either agreed or strongly agreed that they received assistance, there were still respondents (37.1%) who either disagreed, strongly disagreed, or were neutral about the assistance they received.

In summary, a significant portion of respondents expressed positive sentiments about the assistance they received in developing their full potential. The combined percentage of those who agreed or strongly agreed was 62.9%. However, the presence of respondents in the disagree, strongly disagree, or neutral categories indicated that there might be variations in experiences or perceptions regarding the support for professional development.

### *4.2.3 Perception of Conflict management*

#### *4.2.3.1 Perception of conflict between races*

**Statement**: I feel comfortable dealing with conflict with people from a different race group

**Table 15. Perception of conflict management.**

| Statement | | Frequency | Percent |
|---|---|---|---|
| **I feel comfortable dealing with conflict with people from a different race group.** | *Strongly disagree* | 6 | 9,7 |
| | *Disagree* | 9 | 14,5 |
| | *Neutral* | 5 | 8,0 |
| | *Agree* | 20 | 32,3 |
| | *Strongly agree* | 22 | 35,5 |

| | | | |
|---|---|---|---|
| | **Total** | **62** | **100,0** |

These results suggested that there was generally positive perception among respondents regarding their comfort level in dealing with conflict involving individuals from different race groups. A substantial majority (67.8%) either agreed or strongly agreed that they felt comfortable in such situations. However, there were still respondents (23.2%) who either disagreed, strongly disagreed, or neutral about their comfort level in dealing with conflict across different race groups.

In summary, a significant portion of respondents expressed positive sentiments about feeling comfortable dealing with conflict involving individuals from different race groups. The combined percentage of those who agreed or strongly agreed was 67.8%. However, the presence of respondents in the disagree, strongly disagree, or neutral categories indicated that there might be variations in experiences or perceptions regarding comfort levels in dealing with conflict across different race groups.

#### *4.2.3.2 Perception of Conflict management in teams*

**Statement:** The person I report to manages conflict between team members effectively.

**Table 16. Perception of Conflict management in teams.**

| Statement | | Frequency | Percent |
|---|---|---|---|
| **The person I report to manages conflict between team members effectively.** | *Strongly disagree* | 1 | 1,6 |
| | *Disagree* | 5 | 8,1 |
| | *Neutral* | 23 | 37,1 |
| | *Agree* | 19 | 30,6 |

| | | | |
|---|---|---|---|
| | *Strongly agree* | 14 | 22,6 |
| | **Total** | **62** | **100,0** |

These results suggest that there were a varied range of opinions among respondents regarding the effectiveness of conflict management by the person they report to. While a substantial portion (53.2%) either agreed or strongly agreed that conflict was managed effectively, there were respondents (9.7%) who disagreed and strongly disagreed, and 37.1% who were neutral about the effectiveness of conflict management by their managers.

In summary, a significant portion of respondents expressed positive sentiments about the effectiveness of conflict management by the person they report to. The combined percentage of those who agreed or strongly agreed was 53.2%. However, the presence of respondents in the disagree, strongly disagree, or neutral categories indicated that there might be variations in experiences or perceptions regarding conflict management within the team. Understanding these perspectives can help organisations improve communication and conflict resolution strategies to create a more positive and collaborative team environment.

#### *4.2.3.3 Perception of conflict management in the organisation.*

**Statement:** There is consistent conflict management across the organisation.

**Table 17. Conflict management across the organisation.**

| Statement | | Frequency | Percent |
|---|---|---|---|
| **There is consistent conflict management across the organisation.** | *Strongly disagree* | 1 | 1,6 |
| | *Disagree* | 6 | 9,7 |
| | *Neutral* | 29 | 46,8 |

| | | | |
|---|---|---|---|
| | *Agree* | 15 | 24,2 |
| | *Strongly agree* | 11 | 17,7 |
| | **Total** | **62** | **100,0** |

These results suggest that there were varied range of opinions among respondents regarding the consistency of conflict management across the organisation. A substantial portion (41.9%) either agreed or strongly agreed that conflict management was consistent, while majority (46.8%) were neutral about this aspect. There was a small proportion of respondents (11.3%) who either disagreed or strongly disagreed about the consistency of conflict management across the organisation.

In summary, opinions about the consistency of conflict management across the organisation were distributed across the spectrum. Majority of respondents (46.8%) were neutral about their views on consistent conflict management across the organisation. The combined percentage of those who agreed or strongly agreed was 41.9%, but the presence of respondents in the neutral, disagree, and strongly disagree categories indicated that there might be variations in experiences or perceptions regarding the uniformity of conflict management practices across different parts of the organisation.

### *4.2.4 Individual satisfaction*

#### 4.2.4.1 Satisfaction with effectively being utilized at work.

**Statement:** Generally, I am effectively utilized at work.

These results suggest that there was a positive perception among respondents regarding their effective utilization at work. A substantial majority (80.7%) either agreed or strongly agreed that they were effectively utilized. However, there was a small proportion of respondents (18.3%) who either disagreed, strongly disagreed, or neutral about feeling effectively utilized.

**Table 18. Satisfaction with effectively being utilized at work.**

| Statement | | Frequency | Percent |
|---|---|---|---|
| **Generally, I am effectively utilized at work.** | *Strongly disagree* | 4 | 6,5 |
| | *Disagree* | 2 | 3,2 |
| | *Neutral* | 6 | 9,6 |
| | *Agree* | 29 | 46,8 |
| | *Strongly agree* | 21 | 33,9 |
| | **Total** | **62** | **100,0** |

In summary, a significant portion of respondents expressed positive sentiments about satisfaction with effectively being utilized at work. The combined percentage of those who agreed or strongly agreed was 80.7%. However, the presence of respondents in the disagree, strongly disagree, or neutral categories indicated that there might be variations in experiences or perceptions regarding the extent to which individuals feel effectively utilized in their roles.

#### 4.2.4.2 Feelings about employees' future at the company.

**Statement:** I feel positive about my future at the company.

These results suggest that there was a diverse range of opinions among respondents regarding their optimism about the future at the company. Only half of the respondents (50.0%) either agreed or strongly agreed that they felt positive about their future at the company. While 21.0% disagreed, and 12.9% strongly disagreed on feeling positive about their future in the organisation.

**Table 19. Feelings about employees' future at the company.**

| Statement | | Frequency | Percent (%) |
|---|---|---|---|
| **I feel positive about my future at the company.** | *Strongly disagree* | 8 | 12,9 |
| | *Disagree* | 13 | 21,0 |
| | *Neutral* | 10 | 16,1 |
| | *Agree* | 16 | 25,8 |
| | *Strongly agree* | 15 | 24,2 |
| | **Total** | **62** | **100,0** |

In summary, opinions on feeling positive about the future at the company were distributed across the spectrum. The combined percentage of those who agreed or strongly agreed was 50.0%, showing an equal split between those who felt positive about their future at the company and those who did not or may be neutral about this aspect.

#### *4.2.4.3 Feelings about employees' belonging to their team or division.*

**Statement**: I feel part of my division/team.

These results suggest that there was a positive and a strong sense of belonging among respondents to their division or team. A substantial majority (83.9%) either agreed or strongly agreed that they felt part of their division or team. However, there was a small number of respondents (16.1%) who either disagreed, strongly disagreed, or were neutral about their sense of belonging.

**Table 20. I feel part of my division or team.**

| Statement | | Frequency | Percent (%) |
|---|---|---|---|
| **I feel part of my division/team.** | *Strongly disagree* | 3 | 4,8 |
| | *Disagree* | 2 | 3,2 |
| | *Neutral* | 5 | 8,1 |
| | *Agree* | 23 | 37,1 |
| | *Strongly agree* | 29 | 46,8 |
| | **Total** | **62** | **100,0** |

In summary, a significant portion of respondents expressed positive sentiments about feeling part of their division or team. The combined percentage of those who agreed or strongly agreed was 83.9%. However, the presence of respondents in the disagree, strongly disagree, or neutral categories indicated that there might be variations in experiences or perceptions regarding team dynamics and inclusivity.

#### *4.2.4.4 Employees' perceptions about respect by managers.*

**Statement**: I feel respected by the manager(s) in my division.

These results suggest that there were strong and positive perception among respondents regarding the level of respect they felt from the manager(s) in their division. A significant majority (83.9%) either agreed or strongly agreed that they felt respected by their manager(s). There were respondents (16.1%) who either disagreed or were neutral about the respect they felt from their manager(s).

**Table 21. Employees' perceptions about respect by managers.**

| Statement | | Frequency | Percent |
|---|---|---|---|
| **I feel respected by the manager(s) in my division.** | *Strongly Disagree* | 0 | 0,0 |
| | *Disagree* | 2 | 3,2 |
| | *Neutral* | 8 | 12,9 |
| | *Agree* | 20 | 32,3 |
| | *Strongly agree* | 32 | 51,6 |
| | **Total responses** | **62** | **100,0** |

In summary, a substantial portion of respondents expressed positive sentiments about feeling respected by the manager(s) in their division. The combined percentage of those who agreed or strongly agreed was 83.9%. However, the presence of respondents in the disagree or neutral categories indicated that there might be variations in experiences or perceptions regarding the managerial approach to respect in the division.

### 4.3 Descriptive statistics

The following figures represent the mean (average), standard deviation, and sample size (N) for different aspects of human resource practices related to unfair discrimination. The scale for each aspect ranges from 1 (strongly disagree) to 5 (strongly agree), where higher values generally indicate more positive perceptions. The mean scores provided an overview of the central tendency of these perceptions, while the standard deviations provided insights into the degree of agreement or disagreement among respondents for each statement.

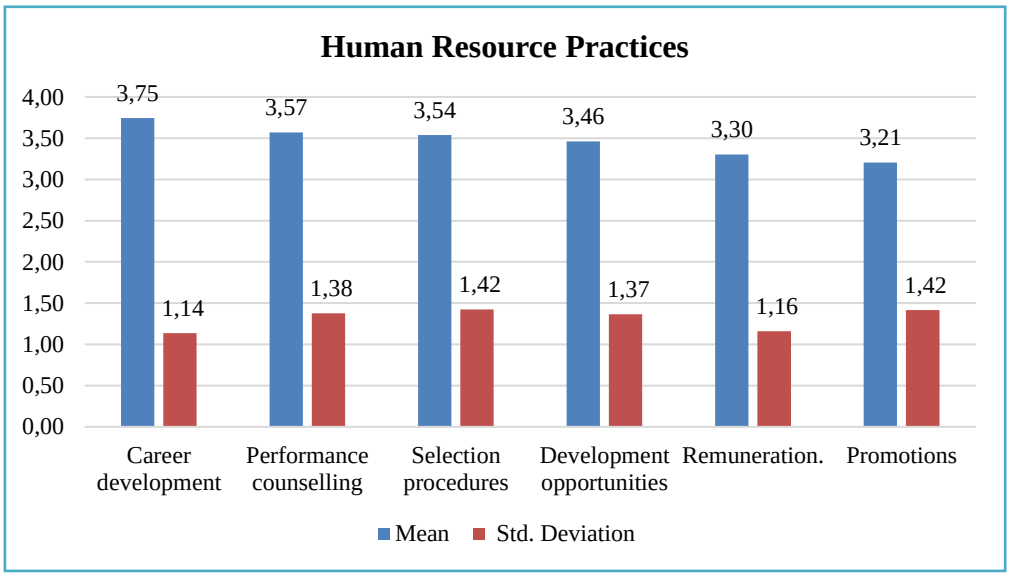



**Figure 4:** *Human resource practices*

The career development mean score of 3.75 suggests a moderately positive perception of career development practices. Performance counselling also received a moderately positive mean score of 3.57. Selection procedures have a mean score of 3.54, indicating a similar positive perception, though slightly lower than career development and performance counselling. Development opportunities received a mean score of 3.46, still indicating a moderately positive perception but slightly lower than some other aspects. Remuneration has a mean score of 3.30 (SD=1.15), indicating a moderately positive perception but relatively lower than the previously mentioned aspects. Promotions received the lowest mean score of 3.21 (SD=1.41) among the listed aspects, suggesting doubt among participants about procedural fairness of promotions.

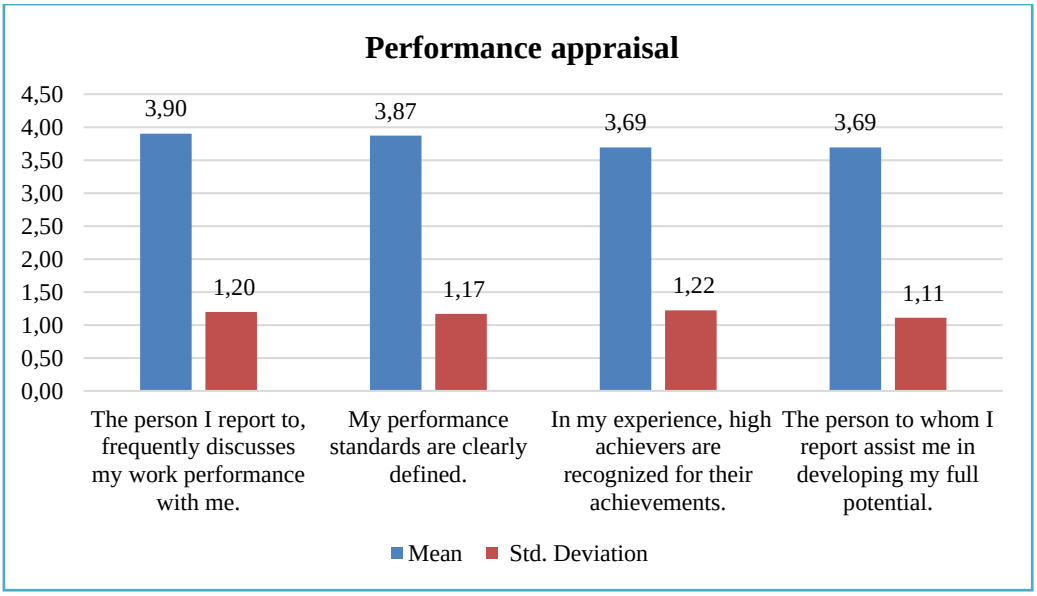



**Figure 5:** Performance appraisal.

Employees, on average, perceived that the person they report to frequently discussed their work performance, with a mean score of 3.90. They, on average, felt that their performance standards were clearly defined, as indicated by the mean score of 3.87. The mean score of 3.69 suggests a moderately positive perception regarding the recognition of high achievers for their achievements. In addition, the employees perceived that the person they report to assisted them in developing their full potential, with a mean score of 3.69. The relatively moderate standard deviations (<2) among all aspects in this scale suggests some variability in responses, but overall, there was a positive perception. In summary, employees generally had positive perceptions of the discussed aspects related to performance appraisal and employee development.

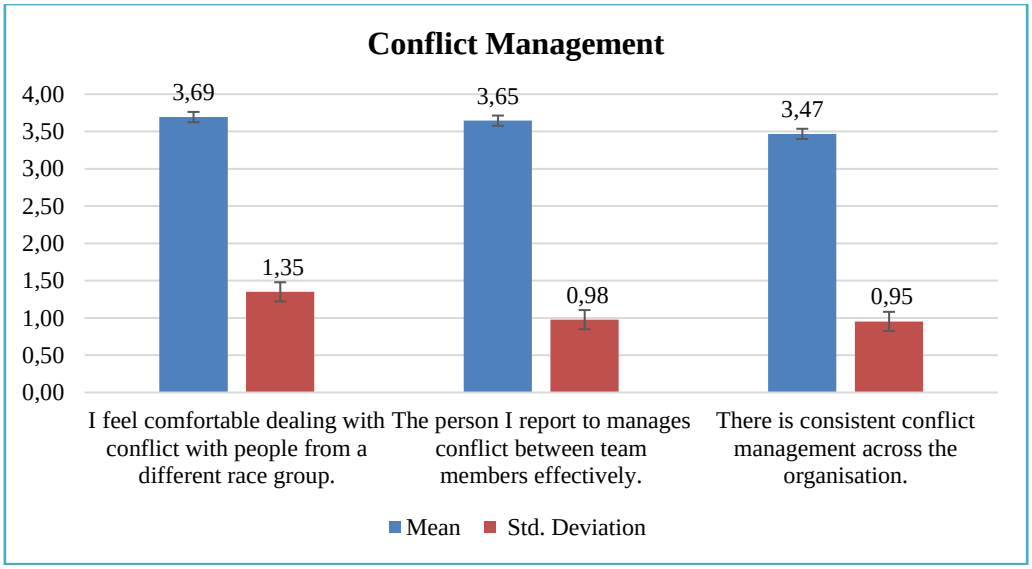



**Figure 6:** Conflict management.

On average, employees expressed a moderately positive level of comfort when dealing with conflict involving individuals from different race groups (mean score=3.69). Employees, on average, perceived that the person they reported to managed conflict between team members effectively, the mean score was 3.65, indicating a reasonable level of confidence in the conflict management skills of their supervisors. Lastly, employees perceived that there was a moderate level of consistency in conflict management across the organisation, mean score of 3.47.

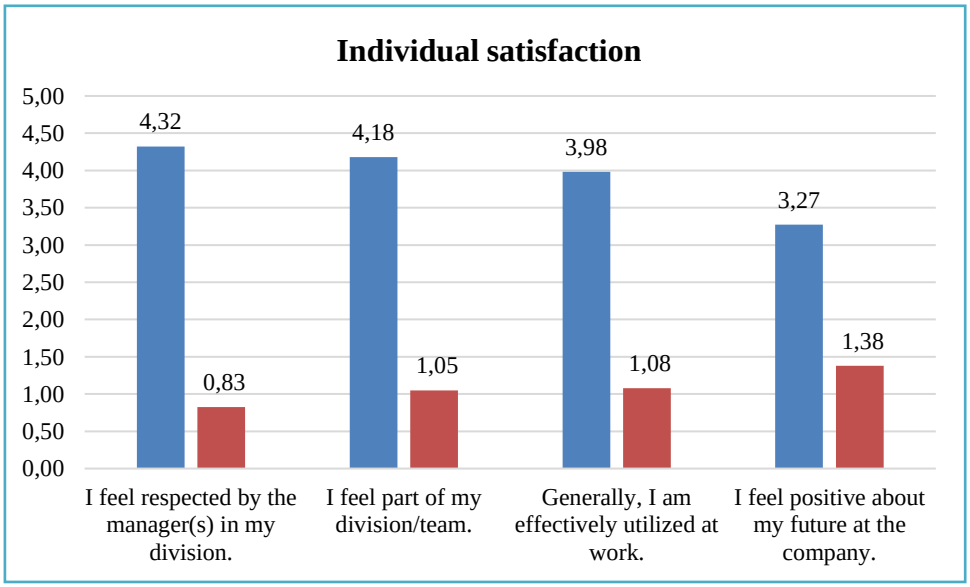



**Figure 7:** Individual satisfaction.

Employees, on average, had a high level of satisfaction regarding feeling respected by the manager(s) in their division, as indicated by the mean score of 4.32. Employees, on average, expressed a strong sense of satisfaction about feeling part of their division or team, with a mean score of 4.18. The mean score of 3.98 suggests a moderately positive level of satisfaction with the perception of being effectively utilized at work. Employees, on average, have a lower level of satisfaction regarding feeling positive about their future at the company, as indicated by the mean score of 3.27. In summary, employees generally express high levels of satisfaction with feeling respected and being part of their division or team. There was a moderately positive satisfaction level with the perception of being effectively utilized at work. However, there was a lower level of satisfaction and more variability in responses regarding feeling positive about the future at the company.

### 4.4 Overall scales

The different responses (1-5) in each sub scale were summed and divided by the number of items to obtain the average perceptions. The following table provides the descriptive statistics for the overall scales.

**Table 22. Measure of central tendency.**

| | N | Mean | Std. Deviation | Skewness | Kurtosis | Minimum | Maximum |
|---|---|---|---|---|---|---|---|
| **HR Practices** | 62 | **3,54** | 1,07 | -0,552 | -0,663 | 1 | 5 |
| **Performance appraisal** | 62 | **3,79** | 0,93 | -0,694 | -0,254 | 1 | 5 |
| **Conflict Management** | 62 | **3,60** | 0,81 | 0,079 | -0,430 | 1 | 5 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Individual satisfaction** | 62 | **3,94** | 0,86 | -0,740 | -0,088 | 1 | 5 |

The means indicated the central tendency of the responses for each variable. On average, respondents rated HR Practices the lowest (3.54) and Individual Satisfaction the highest (3.94). Skewness measured the asymmetry of the distribution. Negative skewness indicated a longer left tail. Performance Appraisal and Individual Satisfaction had negatively skewed distributions.

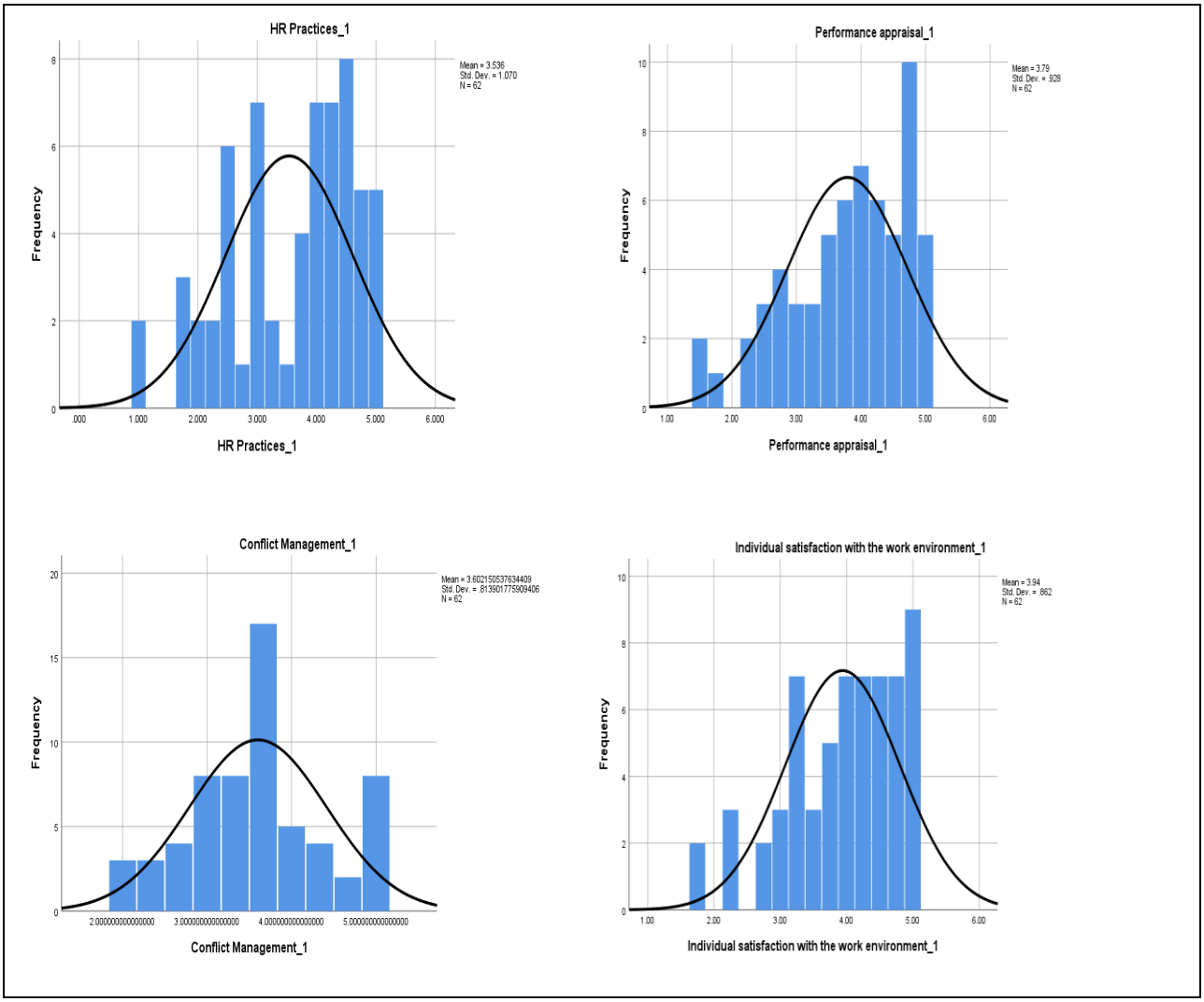



**Figure 8:** Measure of central tendency

The data for Performance Appraisal and Individual Satisfaction dimensions were negatively skewed. This means that there were more employees who were generally satisfied with these practices than there were employees who were dissatisfied.

The data for the four scales did not part from normal distribution. Statistical methods and tests assume or work best under the assumption of normality. For example, the following parametric tests employed in this study like t-tests and analysis of variance (ANOVA) are more robust when the data is normally distributed.

### 4.5 Reliability of the scales

It is important to test the reliability of scales before running inferential statistics such as correlation and regression analysis. Cronbach's Alpha is used to determine reliability, it assessed how well a set of items in a scale or test measure the underlying construct in each scale. The coefficient can range from 0 to 1, the higher the values indicate greater internal consistency among the items.

**Table 23. Reliability of scales.**

| Dimension | Number of items | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Cronbach's Alpha if Item Deleted |
|---|---|---|---|---|---|
| **HR Practices** | 8 | 11,33 | 4,602 | 0,637 | **0,761** |
| **Performance appraisal** | 4 | 11,08 | 5,396 | 0,561 | **0,791** |
| **Conflict Management** | 3 | 11,27 | 5,699 | 0,595 | **0,776** |
| **Individual satisfaction with the work environment** | 4 | 10,93 | 5,063 | 0,739 | **0,709** |

Cronbach's Alpha values for the four dimensions were above 0.7 and are considered acceptable, indicating a satisfactory level of internal consistency. A high reliability score is a crucial attribute for any measurement instrument. These results indicate that the scale consistently measured the intended construct, providing this study with confidence in the validity and trustworthiness of their assessments. Hence, this study has confidence that the four scales effectively captured the intended concepts, and the following inferential results are dependable and reproducible.

### 4.6 Pearsons's correlation

Pearson's correlation measures the strength and direction of a linear relationship between two continuous variables. The coefficient ranges from -1 to 1, where: 1 indicated a perfect positive linear relationship, -1 indicated a perfect negative linear relationship, and 0 indicates no linear relationship.

**Table 24. Pearsons's Correlations.**

| **Correlations** | | | | | |
|---|---|---|---|---|---|
| | | **Satisfaction** | **HR Practices** | **Performance appraisal** | **Conflict Management** |
| **Satisfaction** | Pearson Correlation | 1 | .700** | .510** | .541** |
| | Significance (2-tailed) | | 0,000 | 0,000 | 0,000 |
| | N | 62 | 62 | 62 | 62 |
| **HR** | Pearson Correlation | **.700**** | 1 | .424** | .455** |

| | | | | | |
|---|---|---|---|---|---|
| **Practices** | Significance (2-tailed) | **0,000** | | 0,001 | 0,000 |
| | N | **62** | 62 | 62 | 62 |
| **Performance appraisal** | Pearson Correlation | **.510**** | .424** | 1 | .503** |
| | Significance (2-tailed) | **0,000** | 0,001 | | 0,000 |
| | N | **62** | 62 | 62 | 62 |
| **Conflict Management** | Pearson Correlation | **.541**** | .455** | .503** | 1 |
| | Significance (2-tailed) | **0,000** | 0,000 | 0,000 | |
| | N | **62** | 62 | 62 | 62 |
| **Age** | Pearson Correlation | **0,019** | -0,126 | 0,185 | -0,042 |
| | Significance (2-tailed) | **0,885** | 0,331 | 0,149 | 0,746 |
| | N | **62** | 62 | 62 | 62 |
| **Gender** | Pearson Correlation | **-0,181** | -0,183 | 0,164 | -0,124 |

| | | | | | |
|---|---|---|---|---|---|
| | Significance (2-tailed) | **0,159** | 0,154 | 0,202 | 0,338 |
| | N | **62** | 62 | 62 | 62 |
| **Race** | Pearson Correlation | **-0,092** | -.250* | -0,131 | -0,223 |
| | Significance (2-tailed) | **0,477** | 0,050 | 0,312 | 0,082 |
| | N | **62** | 62 | 62 | 62 |
| **Functional area** | Pearson Correlation | **-0,194** | -.298* | -0,096 | -0,108 |
| | Significance (2-tailed) | **0,131** | 0,019 | 0,458 | 0,402 |
| | N | **62** | 62 | 62 | 62 |

***. Correlation is significant at the 0.01 level (2-tailed).*
**. Correlation is significant at the 0.05 level (2-tailed).*

Satisfaction was positively and significantly correlated with HR Practices ($r = 0.700$, $p < 0.001$), Performance Appraisal ($r = 0.510$, $p < 0.001$), and Conflict Management ($r = 0.541$, $p < 0.001$). There were weak and non-significant correlations with demographics. The significant positive correlations between Satisfaction and each of HR Practices, Performance Appraisal, and Conflict Management suggested that these positive impressions of each organisational practice were associated with higher satisfaction levels. HR Practices and Performance Appraisal showed a significant positive correlation with Conflict Management, indicating that organisations with better HR practices and performance appraisal systems may also exhibit effective conflict management. Demographic variables (Age, Gender, Race,

Functional area) generally showed weak and non-significant correlations with overall satisfaction and organisational practices, suggesting that these demographic factors may not strongly influence perceptions in this context. It is important to note that these correlation did not imply causation, and these relationships provided insights into the associations between variables in the dataset.

### 4.7 Hypothesis testing

Hypothesis testing involved setting up a null hypothesis and an alternative hypothesis, then assessing the evidence in the data to decide about the null hypothesis. Paired t-tests were used to determine whether there were statistically significant differences between paired observations within the scales in this study.

**Table 25. Paired Samples Test.**

| Paired Samples Test | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Paired Differences | | | | | t | df | Sig. (2-tailed) |
| | | Mean | Std. Deviation | Std. Error Mean | 95% Confidence Interval of the Difference | | | | |
| | | | | | Lower | Upper | | | |
| **Pair 1** | **HR Practices (3.54)** | - 0,403 | 0,773 | 0,098 | - 0,601 | -0,207 | -4,107 | 62 | 0,000 |
| **Pair 2** | **Performance appraisal (3.79)** | - 0,149 | 0,888 | 0,113 | -0,375 | 0,076 | -1,324 | 62 | 0,191 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Pair 3** | **Conflict Management (3.60)** | - 0,337 | 0,804 | 0,102 | - 0,541 | -0,133 | -3,306 | 62 | 0,002 |

### 4.7.1 Null hypothesis 1:

**There is NO positive relationship between employees' perception of HR practices (procedural fairness) and Individual satisfaction with the work environment.**

The mean score for HR Practices (3.54) was lower than the mean score for Individual satisfaction with the work environment (3.94). There was a statistically significant difference between HR Practices and Individual satisfaction with the work environment ($p < 0.05$). Hence, the null hypothesis was rejected, and a conclusion made that on average, respondents rated their satisfaction with the work environment higher than their perception of HR Practices. This suggested a positive relationship between employees' perception of HR practices (procedural fairness) and Individual satisfaction with the work environment.

### 4.7.2 Null hypothesis 2:

**There is NO positive relationship between employees' perception of performance appraisal (procedural fairness) and satisfaction.**

The mean score for Performance Appraisal (3.79) was slightly lower than the mean score for Individual satisfaction with the work environment (3.94). There was no statistically significant difference between Performance Appraisal and Individual satisfaction with the work environment. The p-value was greater than 0.05, hence the null hypothesis is not rejected, indicating that any observed difference could likely be due to random chance.

### 4.7.3 Null hypothesis 3:

**There is NO positive relationship between employees' perceptions of conflict management (procedural fairness) and satisfaction.**

The mean score for Conflict Management (3.60) was lower than the mean score for Individual satisfaction with the work environment (3.94). There was a statistically significant ($p < 0.05$)

difference between Conflict Management and Individual satisfaction with the work environment. Hence, the null hypothesis was rejected, and a conclusion made that on average, respondents rated their satisfaction with the work environment higher than their perception of Conflict Management.

### 4.8 Binary Logistic regression

In logistic regression, the dependent variable Satisfaction was binary, meaning it had only two possible outcomes: 0 (not satisfied) or 1 (satisfied). The logistic function was used to transform a linear combination of the independent variables into a value between 0 and 1, representing the probability of the event occurring.

**Table 26: Binary logistic regression model summary**

| **Step** | -2 Log likelihood | Cox & Snell R Square | Nagelkerke R Square |
|---|---|---|---|
| **1** | 36.003[a] | 0,448 | 0,648 |

**a. Estimation terminated at iteration number 6 because parameter estimates changed by less than .001.**

The -2 Log likelihood value of 36.003 indicated how well the model fits the observed data. Lower values were desirable, suggesting a better fit. Cox & Snell R Square and Nagelkerke R Square provided information about the proportion of variance explained by the model. In this case, both measures indicated a moderate to strong level of explanation, with 44.8% and 64.8%, respectively. Therefore, the logistic regression model appeared to have a good fit to the data, explaining a significant proportion of the variation in the dependent variable (satisfaction).

**Table 27. Classification Table**

| Observed | | | Predicted | | |
|---|---|---|---|---|---|
| | | | Satisfaction | | Percentage Correct |
| | | | .00 | 1.00 | |
| **Step 1** | **Satisfaction** | .00 | 14 | 3 | 82,4 |
| | | 1.00 | 1 | 44 | 97,8 |
| | Overall Percentage | | | | 93,5 |

The classification table (Table 27) provided insights into how well the logistic regression model was performing in terms of predicting the observed categories of the dependent variable. The model seemed to be relatively accurate, with high percentages of correct predictions for both classes and an overall accuracy of 93.5%.

### 4.9 Multivariate Logistic regression model

The binary regression model tested the theoretical framework (Table 28), the perceptions of fairness of EE dimensions: Management & leadership processes (Human resource practices, Performance appraisal and Conflict management) as the independent variables. Satisfaction is the dependant variable. This can mathematically be written as:

***Y (Satisfaction) =α (constant) + β (HR practices) + β (Performance management) + β (Conflict management) β (demographics) + error term.***

Variables with a small p-value ($p < 0.05$) are considered statistically significant. The odds ratio (Exp(B)) represented the multiplicative change in odds for a one-unit increase in the predictor. Positive coefficients (B) contributed to higher odds, while negative coefficients contributed to lower odds.

**Table 28. Multivariate Logistic regression model**

| Satisfaction | | B | S.E. | Wald | df | Sig. | Exp(B) |
|---|---|---|---|---|---|---|---|
| **Step 1** | HR_Practices | 1,632 | 0,586 | 7,754 | 1 | 0,005 | 5,113 |
| | Performance_appraisal | -0,244 | 0,540 | 0,204 | 1 | 0,651 | 0,783 |
| | Conflict_Management | 1,796 | 0,770 | 5,447 | 1 | 0,020 | 6,026 |
| | Age | 0,049 | 0,804 | 0,004 | 1 | 0,952 | 1,050 |
| | Gender | 0,570 | 1,093 | 0,272 | 1 | 0,602 | 1,768 |
| | Race | 0,136 | 0,397 | 0,117 | 1 | 0,732 | 1,145 |
| | Function | -0,865 | 0,946 | 0,837 | 1 | 0,360 | 0,421 |
| | Constant | -9,360 | 4,307 | 4,723 | 1 | 0,030 | 0,000 |

### *4.9.1 Individual satisfaction: overall satisfaction and HR practices.*

The results showed that for a one-unit increase in procedural fairness perception of HR Practices (recruitment, advertising, selection, career counselling, promotions and renumeration), the odds of overall satisfaction increased by approximately 5.1 times. The variable was statistically significant ($p < 0.05$). Hence, we confirmed that there was a positive relationship between employees' perception of procedural fairness of HR practices and overall satisfaction with work environment.

### *4.9.2 Individual satisfaction: overall satisfaction and Performance appraisal*

For a one-unit increase in procedural fairness perception of Performance appraisals, the odds of overall satisfaction decreased by approximately 21.7% (1 - 0.783). The variable was not statistically significant ($p = 0.651$). Hence, we failed to confirm that there was a positive relationship between employees' procedural fairness perception of Performance appraisals and satisfaction in this study.

### *4.9.3 Individual satisfaction: overall satisfaction and Conflict Management.*

For a one-unit increase in procedural fairness perception of Conflict Management, the odds of overall satisfaction with work environment increased by approximately 6.026 times. The variable was statistically significant ($p < 0.05$). Hence, we confirmed that there was a positive relationship between employees' procedural fairness perception of conflict management and overall satisfaction with work environment.

# CHAPTER FIVE: DISCUSSION

## 5.1 Discussion of results

The main objective of the study was to assess employees' perception of fairness of EE procedures and its implementation in a pharmaceutical company in South Africa. The study investigated the following objectives: Employee's perception of EE procedural fairness in the

company and the impact of employees' perception of EE procedural fairness of management & leadership practices (HR practices, performance appraisal and conflict management) on general satisfaction with the work environment. The conceptual framework of organisational justice that underpins employee perception of EE fairness was explained, and specifically for this study a focus on procedural justice theory was investigated.

This study provided insights into the company on employees' perception of procedural fairness of some elements of EE. There were generally positive sentiments towards all EE domains, which showed that employees perceptions of procedural fairness of EE was positive, with means ranging from 3.21 (SD = 1.42) to 3.9 (SD = 1.2). Fairness of promotions procedure scored the lowest, which may warrant the organisation to focus on this domain to improve the negative perceptions. The second lowest domain was fairness of renumeration procedures. The areas with the highest positive sentiments were perceptions of fairness of performance discussions with managers. Despite generally positive sentiments, there were very small pockets of employees who had negative perceptions about procedural fairness of EE processes, which highlights that some work still needs to be done to correct how employees view fairness of EE procedures in the organisation.

Demographic factors, age, gender, race, and functional area of employees had no correlation with the perceptions of fairness of EE procedures in this study. Which means that demographic factors did not influence fairness perception in this study. This contrasts some studies showing that particularly race and gender influenced fairness perception of EE procedures in some companies (Nowakowski & Conlon, 2005; Omar & Kiley, 2022; Thomas, 2002). In these studies, being male and being white were associated with perceptions of unfair discrimination.

There were high satisfaction levels within the company, even though employees felt uncertain about the future in the organisation. Even with generally positive impressions of fairness of EE procedures in the organisation, only half of the employees expressed feeling positive about their future in the organisation. This is a cause for concern and further investigation on why they feel this way is needed. There were generally positive employee perceptions of EE procedural fairness in the organisation, shown by the high mean scores of fairness perception in each EE dimension measured (mean scores were above 3.2). This indicates that in general employees had a positive view on how employment procedures are conducted in the company.

HR practices: there were generally positive sentiments about all HR procedures, specifically recruitment, advertisements, selection, remuneration, performance counselling and career development, with means ranging from 3.21 to 3.75 The domain with the highest positive impression was fairness of career development procedures. Perceptions of procedural fairness of promotions had the least score under HR practices, meaning that even though employees were positive about fairness of all HR practices in the company, they were least happy about how promotions happen in the organisation. Raising concern about whether the procedures followed to promote employees are fair or transparent for all.

Performance appraisal: Employees expressed high fairness perception about performance appraisals (mean = 3.9; SD = 1.2). Employees felt performance standards were clearly defined and were satisfied with recognition processes.

Conflict management: Employees felt positive with dealing with conflict with people from different race groups (mean = 3.69; SD =1.35), how managers dealt with conflict within their teams (mean = 3.65, SD = 0.98), and consistency conflict management in the organisation (mean = 3.47; SD = 0.95).

This study confirmed a statistically significant positive relationship between procedural fairness of HR practices and overall satisfaction with work environment (p =0.005). The results imply that when employees perceived HR procedural fairness, their overall satisfaction with work environment increased. This study confirmed a positive relationship between fairness of conflict management and satisfaction with work environment. These results imply that when employees perceive conflict management procedures to be fair, their satisfaction increase. This is supported by other literature. This study failed to confirm that there is a positive relationship between employees' procedural fairness perception of performance appraisal and overall satisfaction with work environment. These results imply that for this company, negative perceptions of fairness of performance appraisals had no influence on employee overall satisfaction with work environment. This contradicts literature, linking fairness of appraisals to organisational commitment and satisfaction (Munir et al., 2013).

In summary, employees' perceptions were generally positive towards fairness of organisational EE procedures, with demographics having no influence on fairness perceptions. The study

proved positive fairness perceptions of HR practices including conflict management increased employees' satisfaction but failed to prove that perception of fair performance appraisals increase satisfaction.

## 5.2 Study limitations

This study only examined one organisation in the industry which limits its generalisability of the results on perceptions of EE procedural fairness. The study investigated employees' perceptions into limited EE procedures, therefore non-comprehensive list of procedures. Most of the employees work in the Commercial functions, and these results may highly represent those in these functions, and not generalize to other support functions within the company. The organisation is in existence for less than three years since its spin-off, and the results may reflect the previous company's management of EE implementation and should be interpreted with caution. The study utilized a quantitative method using a survey questionnaire and therefore may miss to interrogate the employees' perceptions to deeply understand the basis of their negative perceptions. The results collected using a survey forced them to answer in a particular way and restricts deeper reasons for their answers. Job satisfaction can be influenced by a myriad of factors, including family life, mental wellbeing, attitudes of other employees or/and manager. The association in this study has not taken into consideration these other factors.

## 5.3 Recommendations

Recommendations are stratified accordingly to the organisation, to policymakers and to the academic community:

### 5.3.1 For the organisation:

The organisation may need to put focus on improving and communicating transparently about how promotions are done and applying the same methods across the organisation. Perceptions of fairness of promotions procedures had the highest negative perceptions and may need more focus in correcting the negative impressions employees have on the procedures followed in promoting staff. Transparency about all other EE processes to all employees is also vital in correcting the negative perceptions of fairness for such procedures. Working groups that

support engagement around EE procedural fairness and its imperatives may also improve understanding of such laws and improve how these are viewed by employees. The company needs to put efforts into further investigating why half of their employees are worried about their future in the organisation, as this may decrease their motivation, commitment and increase employee turnover. The application of recommendations on effective implementation of EE as outlined by Van der Heyden (2013) can be followed. The author outlined leadership commitment towards EE implementation, transparent communication, training, fair employment practices, inclusive organisational culture, justification, and management commitment towards EE (van der Heyden, 2013).

### 5.3.2 Recommendations for policymakers:

Since the legislation of Employment Equity Act in South Africa many years ago, it is clear that employees still experience unfairness with some of the EE procedures in organisations. Policymakers need to come up with ways in which companies can be evaluated in how they implement all the EE procedures. In addition to the EE scorecards, to further utilize measures that evaluate fairness of implementation of EE. Policymakers could also mandate periodic employee questionnaires assessing procedural fairness within organizations.

### 5.3.3 Recommendations for academia:

Future research recommendation utilizing qualitative methods to further explore and seek reasons for negative sentiments about fairness of the processes, by employing interviews and/or focus group discussions to uncover why employees have negative sentiments about some of the aspects of EE procedures in the company. Further research may also need to investigate other factors impacting employees' job satisfaction negatively. Future research may also want to include several pharmaceutical companies to increase generalizability of the findings.

## 5.4 Conclusions and implications

The study explored perceptions of procedural fairness of some EE procedures and their relationship with employee's overall satisfaction with work environment. The findings showed a positive relationship between HR procedural fairness perceptions and satisfaction, and a positive relationship between conflict management procedural fairness and satisfaction. But

failed to show a relationship between procedural fairness of performance appraisals and satisfaction. The findings from this study contribute to the understanding of the relationship between employee perceptions of EE procedural fairness and overall satisfaction with work. For human resource practitioners these results could be used to put in place systems and programmes that ensure fairness of processes of HR and management including but not limited to recruitment, advertising, selection, promotions, performance management, career development, renumeration and conflict management.

This study adds value to the company in understanding how employees view fairness of the measured EE procedures and allows the company an opportunity to take actions in addressing areas where employees expressed perceptions of unfairness, as this impacts on satisfaction. Satisfaction determines employees' commitment and retention, and if these negative perceptions are addressed appropriately, it will benefit the company.

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# APPENDICES

**Appendix A: Questionnaire sample**

**SECTION 1: Demographic information**

Select the most appropriate answer.

**Age:**

1. 18 – 24
2. 25 – 39
3. 40 – 54
4. 55 – 65
5. >65

**Gender:**

1. Male
2. Female

**Race:**

1. African/Black
2. Coloured
3. Indian
4. White
5. Other

**Functional area/department:**

1. Commercial (Sales, Marketing, Communications, Digital, Policy, Compliance, Operations)
2. Research & Development (Medical, Regulatory, Quality)
3. Other (Supply chain, Finance, IT)

**SECTION 2: Employment Equity dimensions statements.**

This section consists of 19 questions related to EE dimensions (that relate to procedural justice). For this Section, on a scale from 1 - 5 (1 = Strongly disagree and 5 = Strongly agree). For each question, please indicate your preference by selecting the answer which is most true to you.

| Strongly Disagree | Disagree | Unsure | Agree | Strongly Agree |
|---|---|---|---|---|

1. **Human resource practices:**
   a. In my experience, advertising of positions as applied in my division, are fair towards all.
   b. In my experience, recruitment procedures as applied in my division, are fair towards all.
   c. In my experience, selection procedures as applied in my division, are fair towards all.
   d. In my experience, development opportunities as applied in my division, are fair towards all.
   e. In my experience, promotions as applied in my division, are fair towards all.
   f. In my experience, performance counselling as applied in my division, are fair towards all.
   g. In my experience, career development as applied in my division, are fair towards all.
   h. In my experience, remuneration as applied in my division, are fair towards all.
2. **Performance appraisal:** this forms part of employee development and determines individual's training needs.
   a. The person to whom I report frequently discusses my work performance with me.
   b. My performance standards are clearly defined.
   c. In my experience, high achievers are recognised for their achievements.
   d. The person to whom I report assists me in developing my full potential.
3. **Conflict management:** how conflict is dealt with in the company.
   a. I feel comfortable dealing with conflict with people from a different race group.
   b. The person I report to manages conflict between team members effectively.
   c. There is consistent conflict management across the organisation.
4. **Individual satisfaction:** overall satisfaction with work environment.
   a. Generally, I am effectively utilised.
   b. I feel positive about my future at the company.
   c. I feel part of my division.
   d. I feel respected by the manager(s) in my division.

**I sincerely appreciate your time and cooperation. Thank you!**

## Appendix B: Ethics Clearance Certificate

Graduate School of Business Administration
University of the Witwatersrand, Johannesburg

**Wits Business School Ethics Committee**
Constituted under the University Human Research Ethics Committee (Non-Medical)

### Ethics Clearance Certificate

**Ethics protocol number:** WBS/BA297119/793
*This certificate is only valid with a legitimate ethics protocol number and signed by the Researcher (below).*

| | |
|---|---|
| **Project title** | Employees' perceptions of procedural fairness of employment equity in a multinational pharmaceutical company in South Africa |
| **Investigator / Researcher** | Dr Norah Maitisa |
| **Nature of Project** | MBA (Research Article) |
| **Decision of the Committee** | Approved, provided stakeholders and participants are guaranteed anonymity and confidentiality. |
| **Issue Date of Certificate** | 2023-07-19 |
| **Expiry date** | Date of submission of the project / research report |
| **Chairperson** | Dr Pius Oba<br>☎ +27 11 717 3976<br>+27 82 733 6587<br>pius.oba@wits.ac.za |

**Declaration by Researcher**

*One copy must be signed by the Researcher and returned to the Chairperson of the Wits Business School Ethics Committee.*

I fully understand the conditions under which I am authorized to carry out the abovementioned research and I guarantee to ensure compliance with these conditions. Should any departure to be contemplated from the research procedure as approved I undertake to resubmit the protocol to the Committee.

Signature

14/08/2023
Date:

## Appendix C: Company permission to conduct the research.

ORGANON

Organon South Africa (Pty) Ltd
(Reg. No. 2020 / 543929 / 07)
Spaces, 1st Floor
22 Magwa Crescent, Gateway West
Waterfall City Midrand
2090
Tel: +27 (0) 87 106 9655
Fax: +27 (0) 10 492 6977

14 August 2023

MBA Director
Wits Business School
2 St Andrews
Parktown
2193

Dear Madam,

**APPROVAL TO CONDUCT RESEARCH STUDY AT ORGANON SA (PTY) LTD.**

This letter grants permission to Dr Norah Maitisa, Country Medical Director at Organon and current MBA Part-time student at Wits Business School to conduct her research at Organon. Her research topic is titled: "**Employees' perceptions of procedural fairness of employment equity in a multinational pharmaceutical company in South Africa**".

She is granted permission to collect data using an online questionnaire to Organon employees during the period between 2023 August to December 2023. This permission is granted subject to any approvals of the university and research ethics committees that may be required.

We wish Dr Maitisa all the best with her research.

Sincerely,

S. Damons

*Electronically signed by: Sharne Damons*
*Reason: Author*
*Date: Aug 15, 2023 15:52 GMT+2*

Sharne Damons

**Finance Director, ORGANON SOUTH AFRICA (PTY) LTD**