

MMIS Departmental Research Seminar

The Effect of Pay Transparency on Employee Integrity: Taking Social Mindfulness into Account

Date: Feb 7, 2023

Time: 14:00 – 15:30

Venue: DLB 905



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Abstract

Extending prior research on the role of injustice perceptions and negative emotions in explaining the positive effect of pay transparency on pay-disadvantaged employees' unethical behavior, we examine an additional motivational state – (decreased) social mindfulness – as an alternative explanation for this effect. Three studies supported the mediating role of social mindfulness. Specifically, Study 1, a correlational field study conducted among UK employees, revealed that those working in organizations characterized by higher levels of pay transparency practices and who perceive their pay as being lower than that of peers, indicated lower social mindfulness towards peers. Study 2, using US employees and manipulating employees' pay in an online simulation to be lower relative to that of virtual "teammates" or other participants "currently connected online", provided casual evidence for the negative impact of pay transparency (vs. secrecy) on social mindfulness, with (lower) social mindfulness leading to unethical behavior towards other participants. The adverse effect via (lower) social mindfulness persisted even when taking the previously established mechanism– negative emotions (resulting from injustice perceptions)– into account. Study 3, a pre-registered experiment designed to disentangle pay transparency to one's disadvantage from compensation disadvantage, replicated findings from Studies 1 and 2. It further indicated that the negative impact of pay transparency (to one's disadvantage) on social mindfulness (and subsequent unethical behavior), is amplified among individuals with a high (rather than low) social dominance orientation. Theoretical and practical implications are discussed.

About the speaker

Peter A. Bamberger (PhD Cornell University) is the Domberger Professor of Management at Tel Aviv University's Coller School of Management, and Research Director of the Cornell ILR School's Smithers Institute. His research examines pay communication and compensation strategy, pro-social behavior, occupational health psychology, and the cognitive implications of discrete workplace events. Author of several books including *Human Resource Strategy* (Sage, 2000; Routledge, latest edition forthcoming in 2024), *Mutual Aid and Union Renewal* (Cornell, 2001), and *Exposing Pay: How Pay Transparency and Disclosure Impacts Employees, Employers and the Societies in Which We Live* (Oxford, 2023), Bamberger has published over 100 referred journal articles in such journals as *AMJ*, *ASQ* and *JAP*. An elected fellow of SIOP and the Academy of Management, he served as an associate editor of the *AMJ*, founding associate editor and then editor-in-chief of *Academy of Management Discoveries* (2012-2020). He currently serves as the Vice-President and Program Chair of the Academy of Management.