A historical examination of employee entitlement

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Abstract (summary)

There has been much debate about people's perceptions of entitlement. This paper traces the history of the different uses of entitlement perceptions across fields in order to develop a typology that identifies two dimensions: level of entitlement and degree of reciprocity. It concludes that a historical, cross-disciplinary examination of the construct of employee entitlement will improve the understanding of the role of entitlement perceptions in the workplace. Specifically, the paper suggests that each of the four combinations of the entitlement and reciprocity dimensions points to a different employee-organization relationship and, thus, requires a different motivational tool.

Full Text

Headnote

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Employee rights, Employee relations, Motivation

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Abstract

The concept of entitlement has a notable history in many classic social science fields, including philosophy, political science, and law. For organizational science, understanding individuals' perceptions of entitlement is fundamental to understanding employees' expectations and, in particular, the nature of exchange between each individual and the employing organization. For example, psychological contracts are thought...
to develop, in part, from employee entitlement perceptions (e.g. Robinson and Rousseau, 1994). Over time, the employment contract has changed. Evidence of how employers (e.g. Klein et al., 1999; Sturman et al., 1996) and employees (e.g. Pearce, 1993) view the changing employment contract has begun to accumulate and management researchers have also recognized the need to examine how employee perceptions of what they are entitled to affect employee-- organization relationships (e.g. Heath et al., 1993). We argue in this paper that a historical, cross-disciplinary examination of the concept of entitlement will improve our understanding of the role of entitlement perceptions in the workplace.

Treatments of the term entitlement in organizational science often do not, however, reflect its historical roots. In fact, they frequently ignore some of the precise components of its domain that have led to key distinctions in other fields. Yet, management historians have pointed to the need for researchers to examine constructs' ideological and historical roots in order to more fully understand current management theory (Bedeian, 1998).

Although the multidisciplinary roots of management are often seen as a distinctive competence for the field (Bartunek et al., 1993; Blackburn, 1990; Porter, 1996), the varied assumptions behind the use of the term entitlement in other fields create different uses of the term within the organizational sciences. We argue that entitlement is an important construct for management theory, research, and practice. Given the need to understand entitlement perceptions, it is, therefore, necessary to precisely define the construct and demonstrate how the divergent assumptions can be synthesized into a coherent typology. As with other concepts, different treatments of entitlement can add confusion or value to its application in the organizational sciences (e.g. Rousseau et al., 1998). In this paper, we trace the history of the various uses of entitlement perceptions across fields in order to show how this construct can be used to inform management theory, research, and practice.

The body of literature on entitlement across fields has generally focused on the philosophical debate regarding the specification of what is entitled (e.g. Nozick, 1974). Each field brings its own assumptions to how it defines entitlement. The field of law treats entitlement as a measure of one's right, which cannot be taken away without due process (Black, 1990, p. 532). On the other hand, utilitarianism views one's entitlement as strictly a function of societal benefit, and no rewards are obligatory for reasons of fairness (e.g. Rawls, 1971). Other arguments concerning entitlement have lead to debates about what constitutes distributive and procedural justice (e.g. Rawls, 1971) and the merits of socialism versus capitalism. Varying fundamental assumptions, thus, often make the implications of the construct unique to each field.

Although there is some agreement across fields as to the basic meaning of entitlement, we will describe how our review of these definitions reveals that since different fields offer different assumptions when examining entitlement, the causes and consequences of the construct are viewed differently as well. The purpose of this paper is to develop a typology of entitlement that integrates historic uses of the term and reveals its underlying assumptions.

"Entitlement" across disciplines

As noted earlier, various fields rely on different assumptions in their examinations of entitlement. However, there is some general agreement across fields regarding the concept. Specifically, all fields treat entitlement as related to what a person perceives he/she deserves, although why it is deserved is an area of intense debate. Thus, entitlement can be seen as ranging from low (i.e. the person perceives he/she does not deserve a certain distribution) to high (i.e. the person perceives he/she deserves the distribution).

First, we examine the level of entitlement from a legal tradition. From this perspective, an entitlement is viewed as something owed by law, and thus cannot be taken away without due process (Black, 1990).
Researchers in the legal arena have conceptualized entitlement as part of US citizens' legal and economic rights (e.g. da Silva Cornell, 1994). Therefore, one's entitlement level is viewed as a dichotomy (e.g. an item of property is owed to a person or not). Other examples of the legal discipline's treatment of the concept have involved discussions of welfare. The Social Security Act of 1935 spurred a semantic distinction between entitlement, what is deserved, and welfare, what is not. However, in the 1970s, welfare entitlement was viewed as being a social right of citizenship. Subsequent reform measures have led to discussions about welfare entitlement as a discursive right in which legitimacy of one's citizen's rights is balanced against others' rights. Thus, although the concept of entitlement level has changed over the years, the conceptualization of what is inherently involved in the specific domain of its content has not.

Other evidence of the use of the entitlement concept may be seen in Nozick's (1974) theory of entitlement, that entitlements constitute certain inalienable rights. This implies that individuals have fundamental rights to control their property and not be harmed. Nozick (1974, p. 155) then argued that entitlement theory was historically based, and distributive justice is established by determining whether the distribution came about by just means "historical principles of justice hold that past circumstances of people can create differential entitlements ... to things". Similarly, other philosophers have argued that hunger is an entitlement failure since people are viewed as being entitled to food. O'Neill (1994, p. 645) suggested that famine represents an "entitlement failure failures of persons to enjoy customary or legal claim-rights to food and other prerequisites of nutritional well-being".

In other social science disciplines, perceptions of entitlement are assumed to vary along a continuum. For example, in the social work field, entitlement refers to a tendency for some people to perceive a sense of privilege (Woodruff, 1996). Others view entitlement perceptions as a natural consequence of a negotiation or contract (Gore, 1993; Robinson and Morrison, 1995; Robinson and Rousseau, 1994; Sagie and Weisberg, 1996) with the implicit understanding that the level of one's entitlement refers to the magnitude of one's expectations.

Anthropology scholars have examined how different cultures perceive themselves as being entitled to special rights. For instance, groups that view themselves as endangered indigenous people often believe they are entitled to political power (Carroll, 1994). This is an example of entitlement perceptions being determined by contextual factors (e.g. social structure of the community; length of settlement) as opposed to reciprocity factors.

Political science scholars have depicted democracy as being a global entitlement. For example, Franck (1992) described a global entitlement concerning self-determination, free expression, and a participatory government. This "democratic entitlement" is becoming a normative expectation that those who govern do so with the consent of the governed. There is growing international recognition of a democratic entitlement that ranges beyond physical borders to individual citizens; recent UN General Assembly Resolutions affirm this trend by declaring the right of all people to participate in government (Pierce, 1996).

In sum, these perspectives share a theme suggesting that one's level of entitlement is predetermined and little reciprocity is implied. They imply that one is not required to reciprocate in return for a certain entitlement (e.g. food, legal rights, democracy). Alternatively, other scholars (e.g. Locke, 1960) have described entitlement as resulting from an exchange, focusing on how much reciprocity operates in relationships (i.e. whether people are entitled to various things as an inalienable right or whether they are expected to somehow reciprocate).

This reciprocity viewpoint is reflected in the philosophy literature in Locke's (1960) theory of entitlement, which suggests that working for something entitles a person to receive something in return. Utilitarianism considers the distribution of goods, and thus one's level of entitlement, as a function of utility to society (Nozick, 1974). This implies that one is only entitled to as much as its distribution benefits the overall
good; however, to the extent the distribution benefits society, one is entitled to receive that full amount. In other words, one must earn one's level of entitlement. Within the realm of employment, Marxist theories have assumed a connection between work and income entitlement. According to this perspective, workers are entitled to a product and the full fruits of their labor; because they have earned it, a distribution is perceived as unfair if it does not provide the workers their entitlements (Nozick, 1974, p. 154).

In sum, our historical examination of the entitlement literature has identified two dimensions: individuals' level of entitlement perceptions and the level of reciprocity in relationships. Whereas identifying the dimension of entitlement level is not new, and is reflected in common uses of the word, the issue of reciprocity has varied across fields, and has significant implications for its use. First, we offer a general definition of entitlement: employees' expectations that the outcomes they receive from the organization be positive. The next section of the paper uses the assumptions of the other fields discussed above to define two dimensions of entitlement perceptions that can be applied in the management literature: level of entitlement and level of reciprocity in employee-organization relationships.

Identifying entitlement dimensions in the management literature

Entitlement level

Much of the entitlement literature described above points to a common, underlying dimension concerning the level of entitlement perceptions, which have been viewed as ranging from high to low. The equity sensitivity literature (e.g. Huseman et al., 1985) suggests that some employees have high entitlement perceptions and others have low entitlement perceptions. In addition, several studies have found that one's level of entitlement perceptions is negatively related to one's level of job satisfaction (Huseman et al., 1985; King and Miles, 1994; King et al., 1993) and pay satisfaction (Sweeney et al., 1990). Individuals' entitlement perceptions have also been found to be negatively related to their perceptions of distributive justice and organizational commitment. Further, they have been shown to be positively associated with turnover intentions (King and Miles, 1994) and absenteeism levels (Huseman et al, 1987).

Most management research on individuals' levels of entitlement has thus far treated the entitlement concept as one-dimensional. That is, entitlement perceptions range from high to low. Other research, however, has pointed to the role of the employee-organization contract in these perceptions. For instance, Heath et al (1993, p. 76) define entitlements as "the benefits that people believe they deserve under the implicit contract". As noted earlier, employee entitlement perceptions are thought to be related to the development of psychological contracts (Robinson and Rousseau, 1994), which affect subsequent work attitudes and behaviors.

Reciprocity level

The second dimension of our typology concerns the level of reciprocity inherent in the employee-organization exchange relationship. There is some evidence of the dimension of reciprocity in the management literature in terms of whether employees are rewarded for hard work or company loyalty (i.e. high reciprocity) or whether employees do not operate under any such exchange (i.e. low reciprocity). Tsui et al. (1995) identified two types of employee-organization relationships: job focused and organization focused. Job focused relationships are more transactional in that the employer is primarily interested in obtaining high levels of task performance from employees, without expecting organizational commitment in return. Conversely, employees working in organization focused relationships have broadly defined jobs, a high degree of organizational involvement, and a willingness (or at least an expectation) to perform tasks outside of their job descriptions; their employers, in turn, are expected to reciprocate by offering a wide variety of obligations such as investing in the employees' careers, providing job security, and offering extended benefits.
In sum, we have taken a historical, crossdisciplinary approach to identifying two dimensions of entitlement perceptions: level of entitlement and level of reciprocity in employee-organization relationships. The next section of the paper describes our employment typology, which presents four possible combinations of these two dimensions.

Employment typology

Low entitlement/low reciprocity

Some employees work in low reciprocity exchange relationships with their employers. For example, many private sector employees are employed "at will." When employees are not protected by a union, public policy, or contract, employers may dismiss their employees at will and "at will" employees may quit for any reason without giving notice (Werhane and Radin, 1995). Although many workers are legally employed in an at-will contract, contract and "contingency" workers operate most obviously under this type of a system. Under such a system, there is no implied arrangement of employers providing good treatment in return for employee loyalty. Likewise, there is no expectation on the part of employees of being paid in relation to how hard they work. They are likely to view their position in the organization as temporary and/or noncritical. Thus, such employees would be expected to have low entitlement perceptions and low reciprocity perceptions. The employee-organization relationship is job focused in nature (Tsui et al., 1995) in that it is limited to that of the employment contract. The employer is primarily interested in obtaining high levels of task performance from employees without expecting organizational commitment in return.

Researchers have suggested that many contingent workers might be motivated by job design factors such as having flexibility in work, or autonomy over choosing assignments (e.g. Barringer and Sturman, 1998). These individuals would be less likely to be motivated by traditional compensation plans. They do not expect fringe benefits or job security. They operate in a market, instead of a familial, relationship with the organization; they are expected to exploit their opportunities, not take care of one another (Pearce, 1993).

High entitlement/low reciprocity

Whereas at-will employees would be expected to hold a low level of entitlement perceptions, other employees working in a low reciprocity exchange relationship with their employers would be expected to hold high entitlement perceptions. Such an example may be seen in the case of the permanent public sector employee or the union employee. State employees are viewed as being entitled to receive certain things from their employers unless they exhibit consistent low performance or a high absence rate. Similarly, employees view benefits as an entitlement (e.g. Federico and Goldsmith, 1998). Specifically, they hold that as long as certain minimal standards are met (e.g. the person is employed by an organization and has not behaved in a way to forfeit his/her entitlement), they are entitled to outcomes such as benefits.

Performance-based pay plans are not likely to motivate employees with high entitlement perceptions working in a low reciprocity exchange relationship with their employers. These individuals believe they should receive outcomes from the employer independent of their effort and performance. Note, however, that these employees are still expected (and the employees themselves would expect) to fulfill their contract, and thus low reciprocity should not be confused with low performance. A more traditional compensation plan based on seniority or experience would work best with these employees.

High entitlement/high reciprocity

Another group of employees may be described as entrepreneurs or overachievers who want the high degree of effort they put forth to be rewarded. A compensation system that bases pay on each individual's