

The Impact of Perceived Organizational Justice and Organizational Trust on Unemployment Anxiety: Empirical Evidence from Chinese Employees

Junyu Zhu¹ Anbang Song^{2}*

¹ School of public policy and administration, Chongqing University, Chongqing City, China 400044

² Human Resources Supervisor, Aerospace Kaiyuan Technology, Beijing City, China 100043

*Corresponding author. e-mail: cqusong@qq.com

Abstract

As China deepens its supply-side structural reforms, the role of employees has become increasingly vital. Organizations, composed of individuals working collaboratively toward shared goals, rely fundamentally on their workforce. This study focuses on the retention dimension within the employee lifecycle—recruitment, utilization, development, and retention—using equity theory as the analytical framework to explore contemporary employee psychology. Drawing on data from the 2017 Chinese Social Survey (CSS), the study examines the influence of perceived organizational justice on unemployment anxiety and the mediating role of organizational trust. Results indicate that perceived organizational justice significantly and negatively predicts unemployment anxiety. Organizational trust partially mediates this relationship in a negative direction. Furthermore, both age and educational attainment negatively predict unemployment anxiety, while gender shows no significant effect.

Keywords: perceived organizational justice, organizational trust, unemployment anxiety, employee retention, equity theory, CSS data, China

Evidence for Practice

- Enhancing employees' perceived organizational justice can significantly reduce their anxiety about potential unemployment.
- Organizational trust serves as a psychological buffer, mediating the impact of perceived fairness on job insecurity.

- Promoting procedural fairness—such as transparent promotion and termination processes—can improve both trust and retention.
- Older and more highly educated employees exhibit lower unemployment anxiety, suggesting targeted mental health support may be needed for younger or less-educated workers.
- Establishing participatory mechanisms and bottom-up feedback channels fosters both trust and fairness, mitigating labor force anxiety under structural reform.

As China continues to deepen its supply-side structural reforms, the significance of employees within organizations has become increasingly pronounced. Organizations, defined as collectives formed through coordinated efforts to achieve shared goals, fundamentally rely on their employees as core units (Wei Huafei et al., 2024). Consequently, the processes of recruitment, utilization, development, and especially retention have emerged as focal concerns for contemporary enterprises. This study adopts the lens of employee retention and draws upon equity theory to examine the psychological conditions of modern employees. As a foundational framework in contemporary motivational theory, equity theory addresses not only hierarchical relationships, organizational climate, team cohesion, performance outcomes, and sustainable development, but also directly and indirectly influences employee behavior, satisfaction, and sense of responsibility—all of which ultimately affect overall organizational performance (Qi Aihong, 2025). However, much of the existing literature treats perceived organizational justice, organizational trust, and unemployment anxiety as separate constructs, with limited empirical exploration of their interrelationships. To address this gap, the present study utilizes SPSS 27.0 to construct multiple linear regression and mediation models, aiming to provide a nuanced understanding of employee psychological dynamics in the current organizational context.

Literature Review and Research Hypotheses

Equity Theory

Equity theory, developed by American psychologist J. Stacy Adams (1965), posits that employee motivation is influenced not only by absolute rewards but also by the relative value of those rewards. Employees evaluate fairness by comparing their own inputs and outcomes to those of others. When they perceive fairness, they are more satisfied and engaged at work; perceived unfairness, by contrast, leads to dissatisfaction and demotivation. In contemporary human resource management, equity theory is primarily applied through three dimensions: distributive justice, procedural justice, and interactional justice (Chen Yu & Zhou Anqi, 2024). Distributive justice refers to the fairness of outcomes

relative to contributions; procedural justice emphasizes fairness in organizational processes and decision-making; interactional justice focuses on the quality and respectfulness of interpersonal interactions within organizations.

Applications of Equity Theory. Equity theory has been widely applied in studies on performance evaluation, employee achievement, organizational citizenship behavior, and perceptions of pay fairness. For instance, Liu Jinbo and Wang Lanyun (2012) linked performance appraisal fairness to employee engagement, demonstrating that satisfaction with both the outcome and process of performance evaluations fosters greater trust in supervisors and organizational commitment. Similarly, Liao Bing, Xu Jiayun, and Tang Songtao (2012) found that organizational justice predicts both emotional engagement and a sense of achievement, with emotional engagement serving as a partial mediator. Cao Hui and Liang Huiping (2010) analyzed the impact of perceived fairness on organizational citizenship behavior, focusing on distributive and procedural justice. Jing Yayu and Zhang Songting (2021) introduced the concept of pay fairness, examining its multidimensional structure and its relationship with turnover intentions.

Perceived Organizational Justice

Perceived organizational justice reflects how employees evaluate fairness in outcomes, procedures, and interpersonal treatment within their organization. While Adams originally conceptualized justice in terms of pay fairness in 1965, subsequent scholars expanded the framework: Thibaut and Walker (1975) developed the notion of procedural justice, and Bies and Moag (1986) introduced interactional justice. Colquitt later integrated these perspectives into the widely accepted tripartite model of organizational justice (Liu Shanshan, 2023). Debates remain over the dimensional structure: the monistic view equates justice with distributive fairness; the two-factor model distinguishes between distributive and procedural fairness; the three-factor model, most widely accepted today, includes interactional fairness as a separate dimension; while the multidimensional model further divides interactional justice into informational and interpersonal fairness.

Unemployment Anxiety

Unemployment anxiety is a psychological concept rooted in the fear of job loss. It arises from individuals' subjective perceptions of job insecurity within the labor market or workplace environment (Yuan Bo, 2021). Duncan Gallie et al. (2017) distinguish between "job tenure insecurity" (fear of unemployment) and "job feature insecurity" (anxiety over the loss of valued job characteristics). Frone and Blais (2020) argued that layoffs may fail to produce expected organizational benefits and instead heighten anxiety among retained employees, thereby reinforcing the view that unemployment anxiety is driven by perceived labor market risk.

Castelhano (2005) identified four main effects of unemployment fear: (1) it can increase productivity as employees overwork to avoid dismissal; (2) it weakens collective action, as seen in weakened union activity in Brazil; (3) it erodes empathy, causing workers to ignore unfair treatment of others; and (4) it intensifies individualism and internal competition, weakening interpersonal bonds and cohesion.

Related Studies on Unemployment Anxiety. Research has examined both the determinants and consequences of unemployment anxiety. Gallie et al. found that workers over 35 years of age experience heightened job tenure insecurity due to family responsibilities and fear of skill obsolescence. Lower-level employees reported greater job feature insecurity than higher-level professionals. Carsten Ochsen (2011) emphasized the social costs of unemployment, showing a direct link between unemployment duration and reduced life satisfaction. Castelhana's insights remain highly relevant in the post-pandemic labor environment, where fear of unemployment continues to impact both employed and unemployed individuals alike.

Organizational Trust

Trust plays a critical role in organizational life, influencing team collaboration, productivity, job satisfaction, and commitment (Kaltiaien et al., 2018). Organizational trust encompasses not only employees' trust in the organization itself, but also interpersonal trust among colleagues. Hwee Hoon Tan and Augustine K.H. Lim (2009) defined coworker trust as a willingness to be influenced by another's behavior, which is beyond one's direct control. Applying this to the organizational context, they defined organizational trust as an employee's willingness to be influenced by organizational actions, even when such actions are uncontrollable. Kaltiaien et al. further defined organizational trust as the willingness to relinquish control in situations of perceived risk. Despite ongoing debates, organizational trust is increasingly viewed through multilayered, multifaceted perspectives.

Related Studies on Organizational Trust. Studies have examined organizational trust from both static and dynamic perspectives. Tan and Lim found that organizational trust mediates the relationship between coworker trust and organizational performance. Podsakoff et al. conceptualized vertical trust (trust in superiors) and horizontal trust (trust in peers). Organizational trust is considered a predictor of employee behavior (Dai Yuping, 2023), and Zhang Zhuo & Zhang Fujun (2021) demonstrated its moderating role in the link between innovation climate and new product performance.

Research Hypotheses

Based on the literature review, the following hypotheses are proposed:

H1: Perceived organizational justice significantly and negatively predicts unemployment anxiety. That is, higher levels of perceived fairness are associated with lower levels of anxiety and fear regarding job loss.

H2: Organizational trust mediates the relationship between perceived organizational justice and unemployment anxiety. That is, the effect of perceived fairness on unemployment anxiety operates partially through the level of organizational trust.

Data Selection and Empirical Analysis

Data Source

This study utilizes data from the 2017 wave of the Chinese Social Survey (CSS), a biennial longitudinal survey conducted through probability-based household interviews. The survey covers all 31 provinces, autonomous regions, and municipalities in China, encompassing 151 districts and counties and 604 village or neighborhood committees. Each wave includes responses from approximately 7,000 to over 10,000 households. For the purposes of this study, variables B4g and B5 from the CSS2017 dataset were selected. The original dataset included 10,143 samples. However, responses such as “uncertain,” “refuse to answer,” or “hard to say” were coded as system missing values and excluded. After data cleaning, a total of 1,972 valid samples remained for analysis.

Independent Variable. The independent variable in this study is perceived organizational justice. This was operationalized using item B4g in the CSS2017 questionnaire: “In your opinion, how fair is your workplace or company in making the following decisions?” The item includes six subcomponents: fairness in hiring, dismissal, job assignment, workload distribution, wage distribution, and promotion/demotion decisions. The mean score across these six sub-items was used to construct the organizational justice variable. Each item was rated on a 5-point Likert scale, where 1 = “very unfair” and 5 = “very fair.” Higher scores indicate a stronger sense of perceived fairness.

Dependent Variable. The dependent variable is unemployment anxiety, measured using item B5 from the CSS2017 questionnaire: “How likely do you think you are to become unemployed in the next six months?” The original responses were coded on a 5-point Likert scale, where 1 = “very likely” and 5 = “very unlikely.” To align the scoring direction with the independent variable, the item was reverse-coded so that 1 = “very unlikely,” 5 = “very likely.” Higher scores reflect stronger anxiety about potential unemployment.

Mediating Variable. The mediating variable is organizational trust, measured using item F1a2-5: “Do you trust your workplace/organization/company?” This item was rated on a 4-point Likert scale, where 1 = “do not trust at all” and 4 = “trust completely.” Responses marked as “hard to say” (code 8) were treated as system missing values. Higher scores represent greater trust in the organization.

Control Variables. Based on previous literature, the following control variables were included due to their potential impact on unemployment anxiety: age (1 = 23–40 years; 2 = 41–58 years; 3 = 59–76 years), gender (1 = male; 2 = female), and education level (1 = primary school or below; 2 = middle school or below; 3 = university or above) (Liu Jiankun & Zeng Huangfeng, 2023).

Empirical Results and Analysis

Descriptive Statistics and Regression Analysis

Descriptive Analysis of Perceived Organizational Justice, Unemployment Anxiety, and Organizational Trust. Descriptive statistics were first conducted to assess the basic characteristics of the independent variable (perceived organizational justice), the dependent variable (unemployment anxiety), and the mediating variable (organizational trust), as presented in Table 1.

The results indicate that the mean values for perceived organizational justice and organizational trust slightly exceeded their respective theoretical averages in the 2017 survey data. This suggests that, during the survey period, employees held a relatively positive perception of fairness and trust within their organizations. At the same time, the relatively high levels of organizational trust appear to be associated with a reduction in unemployment-related anxiety. The mean value of unemployment anxiety was slightly below the theoretical midpoint, suggesting that, overall, employees exhibited minimal anxiety regarding the risk of job loss during this period.

Correlation Analysis among Perceived Organizational Justice, Unemployment Anxiety, and Organizational Trust. Next, correlation analysis was conducted using SPSS 27.0 to examine the relationships among the three core variables. The results are presented in Table 2.

As shown in the table, there are statistically significant correlations among all three variables. Specifically, perceived organizational justice is significantly negatively correlated with unemployment anxiety and significantly positively correlated with organizational trust. Additionally, unemployment anxiety is significantly negatively correlated with organizational trust. These results provide preliminary support for the proposed hypotheses regarding the directional associations among the variables.

Regression Analysis of Perceived Organizational Justice, Unemployment Anxiety, and Organizational Trust. Multiple linear regression analysis was conducted using SPSS 27.0 to examine the relationships among perceived organizational justice, unemployment anxiety, organizational trust, and the control variables. The path coefficient between perceived organizational justice and unemployment anxiety was -0.263 ($p < 0.001$), indicating that higher levels of perceived fairness are significantly associated with lower levels of unemployment anxiety.

When the control variables were included in the model, the results showed the following:

- Age was negatively associated with unemployment anxiety, with a path coefficient of -0.213 ($p < 0.001$), suggesting that older employees experience lower levels of anxiety regarding job loss.
- Gender showed no significant effect on unemployment anxiety ($\beta = -0.080$, $p > 0.05$), indicating no meaningful difference between male and female employees.
- Educational attainment had a significant negative effect on unemployment anxiety ($\beta = -0.133$, $p < 0.001$), implying that employees with higher levels of education reported lower levels of anxiety.

To test the mediating role of organizational trust, the three core variables—perceived organizational justice, organizational trust, and unemployment anxiety—were entered into a mediation model. The regression analysis between perceived organizational justice and organizational trust yielded a path coefficient of 0.205 ($p = 0.000$), confirming a significant positive relationship.

Subsequently, a multiple regression analysis was conducted to assess the joint effect of perceived organizational justice and organizational trust on unemployment anxiety. The path coefficient from organizational trust to unemployment anxiety was -0.2168 ($p = 0.000$), indicating a significant negative effect. Meanwhile, the direct effect of perceived organizational justice on unemployment anxiety remained significant ($\beta = -0.2250$, $p = 0.000$).

Since perceived organizational justice continued to significantly predict unemployment anxiety after including organizational trust in the model, it can be concluded that organizational trust partially mediates the relationship between perceived organizational justice and unemployment anxiety. In other words, perceived fairness has both a direct negative effect and an indirect negative effect (via organizational trust) on unemployment anxiety. These findings are visually represented in the partial mediation model illustrated in Figure 1.

Conclusion and Discussion

This study employed SPSS 27.0 to conduct an empirical investigation into the effects of perceived organizational justice on unemployment anxiety, using both multiple linear regression and mediation models. The key findings are summarized as follows:

First, **Hypothesis 1** was confirmed: perceived organizational justice has a significant negative impact on unemployment anxiety. When employees perceive their organization as fair—particularly in areas such as hiring, dismissal, wage distribution, and promotion or demotion—they experience lower levels of anxiety regarding job security. Organizations should enhance fairness in these areas to create equitable work environments, safeguard employee rights, and reduce uncertainty. Enhanced perceptions of fairness not only lower employees' unemployment anxiety and allow them to focus on their tasks, but also contribute positively to overall job performance. In fact, as Mao Yuanzhen (2023) notes, the higher employees' perceived level of organizational justice, the more significantly it benefits their work outcomes.

Second, **Hypothesis 2** was also supported: organizational trust plays a partial mediating role in the relationship between perceived organizational justice and unemployment anxiety. That is, fairness perceived by employees influences their trust in the organization, which in turn negatively predicts their unemployment anxiety. This finding aligns with prior theoretical assertions that individual cognition and psychological states act as critical intermediaries between environmental factors and behavioral outcomes. Hence, beyond promoting fairness, organizations should also foster an atmosphere of mutual trust—both among employees and between employees and the organization. Concrete strategies include establishing participatory mechanisms to strengthen procedural justice, enabling employees to better understand organizational realities, and encouraging bottom-up feedback systems that allow concerns to be voiced and resolved efficiently.

Finally, the regression models reveal that **age** significantly and negatively predicts unemployment anxiety. Younger employees—especially those approaching the age of 35—report higher anxiety, driven by fears of skill obsolescence and heightened career uncertainty. After 35, this anxiety tends to decline, possibly due to reduced aspirations for career advancement or financial gain, and a preference for stability. Additionally, **educational attainment** also negatively predicts unemployment anxiety. As China transitions from “Made in China” to “Intelligent Manufacturing in China” under its ongoing supply-side structural reforms, the labor market increasingly favors highly educated, technically skilled individuals. Given this demand, employees with higher education face less job insecurity and tend to have stronger prospects even after involuntary job separation.

Research Limitations

Despite its contributions, this study has several limitations. First, the data used were drawn from the 2017 wave of the CSS, which predates the major structural and psychological shifts brought about by the COVID-19 pandemic. As such, the findings may not fully reflect current labor market dynamics or employee sentiment. Second, the operationalization of age divided respondents into three broad categories—ages 23–40, 41–58, and 59–76—without accounting for the critical threshold at age 35, widely recognized in Chinese labor discourse as a tipping point for job insecurity. Future research should incorporate more nuanced age groupings and recent data to better capture these complex dynamics.

Tables and Figures

[Table 1 Descriptive Statistics of Independent, Dependent, and Mediating Variables]

Variable	N	Mean	Standard Deviation
Perceived Organizational Justice	1972	3.6809	0.8671

Unemployment Anxiety	1972	2.3000	1.3800
Organizational Trust	1972	2.9300	0.7210

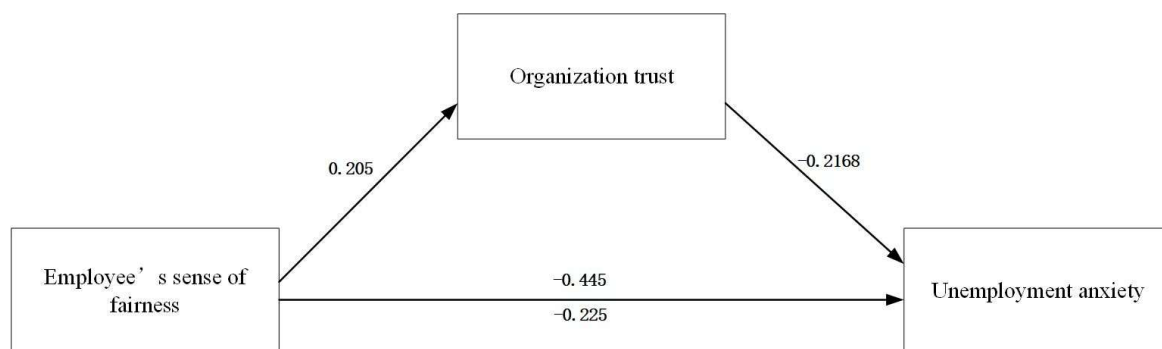
Note: Descriptive statistics reflect baseline levels of key variables based on the CSS2017 sample ($N = 1972$).

[Table 2 Correlation Matrix of Independent, Dependent, and Mediating Variables]

Variable	1. Perceived Organizational Justice	2. Unemployment Anxiety	3. Organizational Trust
1. Perceived Organizational Justice	1.000		
2. Unemployment Anxiety	-0.174**	1.000	
3. Organizational Trust	0.281**	-0.127**	1.000

Note: $N = 1972$. *Correlation is significant at the 0.01 level (two-tailed).

[Figure 1. Partial Mediation Model of Perceived Organizational Justice, Organizational Trust, and Unemployment Anxiety]



Conflict of Interest

The authors declare no conflict of interest.

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Author Biographies

Junyu Zhu holds a Master's degree and is affiliated with the School of Public Administration at Chongqing University. His primary research interests include behavioral public administration and organizational behavior. (Email: 1095981080@qq.com)

Anbang Song holds a Master's degree and serves as the Party Affairs and Human Resources Supervisor at Aerospace Kaiyuan Technology Co., Ltd., Beijing, 100043, China. (Email: cqusong@qq.com)