

The Transforming Power of Procedural Fairness

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Do you ever make decisions that employees think are unfair? Do you hear questions like this: “Why does Sally get to work a flexible schedule and I don’t?” or “How come James got that promotion when everyone knows I’m more qualified?” If you’d like to reduce significantly the number of complaints about the unfairness of workplace decisions, a simple concept called procedural fairness may be of interest to you.

There are two aspects of fairness that are particularly relevant to decision-making: **distributive fairness** and **procedural fairness**.

The former addresses the outcome of a decision; the latter addresses the process or rules by which the decision was made. To illustrate how they operate, think of a homemade apple pie and twelve hungry pie lovers. Suppose that everyone agrees that the fair way to distribute the pie is to split it evenly among those present. Though some of the pie lovers may be unhappy at the size of their share (i.e., distributive fairness), they accept it because they believe the process that resulted in the miniscule servings was fair (i.e., procedural fairness).

Given the reality of scarce resources, managers constantly have to make decisions about how to allocate them. Often the decisions result in outcomes that managers and/or employees don’t like, yet management may have little or no control over them. For example, most managers are told how much their merit pay budget is; they cannot change it even when it does not permit them to adequately

reward star performers. The good news is that while managers may not be able to control the outcomes of many decisions, they can control the process by which they make decisions. In this example, managers can make clear the process they use to decide how to allocate the small amount of funds available. More importantly, research shows that perceptions of procedural fairness overcome dissatisfaction with negative results. That is, people will accept even undesirable outcomes if they believe the processes used to arrive at those results are fair.

For example, suppose three very qualified individuals have applied for one position. Management cannot justify creating two more positions to accommodate the excellent employees, so they are unable to increase the number of promotional opportunities. Thus two people are likely to be unhappy that they are not selected. However, if the employees knew the criteria and the rules in advance and if they believe the process was transparent, reasonable, and free of bias, they will accept that decision even though two of them would have preferred a different outcome.

Perceptions of procedural fairness have implications for important workplace attitudes and behaviors. For example, compared to employees who see decision-making processes as unfair, those who perceive them as fair are more likely to go above and beyond what

their jobs require, perform at a higher level, and trust decision-makers. The organization benefits as well: employees who perceive decision-making processes are fair are more satisfied with their jobs, committed to the organization, forgiving of workplace disappointments, and likely to contribute to organizational change than their counterparts who believe they are unfair.

Procedural fairness has many applications to decision-making in the workplace. Examples include decisions related to pay, making and following rules, standardizing professional work, organizational change, discrimination complaints, managerial control, and teamwork. In short, there are many opportunities for you to realize the myriad of benefits listed above.

How can you ensure that your organization's decision-making processes are perceived as fair? Try implementing these seven steps:

1. To the extent possible, allow employees and/or relevant stakeholders who will be affected by the decisions meaningful opportunities to provide input into the decision-making process
2. State the decision criteria clearly in advance of the decision
 - Use objective standards whenever possible
 - Ensure they are logical, relevant, and used consistently
 - Explain why they were chosen
3. Communicate the criteria to all employees
4. Make the process as transparent as possible - communication is key throughout the process, not just in identifying the criteria and rules
5. Follow the stated criteria consistently; if there must be an exception, justify it clearly and forthrightly
6. Ensure the results are consistent with the stated criteria
7. Provide appeal procedures for decisions where possible

In summary, fairness of the decision-making process is critical to the legitimacy of decisions as well as employees' acceptance of them. Ensuring that employees perceive decisions as procedurally fair literally can transform your workplace from one in which complaints, mistrust, and dissatisfaction are common to one in which employees take disappointments in stride and continue to contribute positively to the organization. You have the power to shape your employees' behaviors in a positive way or a negative way. Which outcome do you choose for **your** organization? ➔

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