



# Building a Fair Workplace

Authored by

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The Great Place to Work Survey® is administered to a large number of employees annually. This year as part of the study 2012 it was administered to over 100000 employees. The study is published in partnership with 'The Economic Times'.

The Trust Index© Questionnaire contains 57 Statements distributed over 5 Dimensions of Credibility, Respect, Fairness, Pride and Camaraderie. In India, 5 more statements have been added.

The 2010, 2011 and 2012 Great Place to Work ® Survey Results has been used as reference points in the report on Fairness.

## Executive Summary

Our research on Fairness in organizations has led us to some important findings. We outline herewith some of these critical lessons also embodied in the report that follows.

While organizations can manage to be successful in business, without being particularly employee centric we find, that organizations which are “great workplaces” in the eyes of their employees, are invariably successful in serving well all their stakeholders in a sustainable way!

The employee feedback on statements related to fairness in our employee survey seems to clearly show that a high level of fairness is a very difficult goal to achieve even for great workplaces. Unless, an organization strives towards fairness that organisation is not likely to be viewed as a great workplace by it employees.

At the core of fairness are issues that deal with who gets what and how much, how practices, policies and decisions are taken and implemented to ensure fairness within the organization. Fair share of profits, fair pay, special and unique benefits, determine the domain of compensation; promotions, fair evaluations and opportunities for recognition, as well as absence of politicking determine how the practices get administered.

Hierarchical level is often the foundation of determining who gets what, how much and how within an organization. The uniformity and universality of experience and perceptions of employees on fairness or lack thereof across hierarchy levels is therefore probably one of the best indicators of fairness. Our research, based on the annual study of best

workplaces clearly indicates that great workplaces have positive employee perception around fairness that sets them far apart from the rest.

An important aspect of fairness that deals with non-discrimination, diversity and inclusion on factors like gender/sex, age, religious beliefs, race/ethnicity is perceived to be high in the vast majority of organisations that participate in our study of best workplaces. For example, although women employees constitute only a little over 20% in the organizations that participate in our annual survey, there is no significant difference in perception of men and women

regarding discrimination based on gender.

Finally, fair and effective appeals are the core aspect of fairness. Even though organizations might find it difficult to deal with perceptions of favouritism and politicking an effective appeal, the process can still go a long way in building a fair workplace. Moreover, it is not just the 'what' of the people practices and managerial actions that distinguishes the best from the rest. Why the great workplaces do what they do and how do they do it are important elements of distinguishing success that make the journey of each great workplace unique and inspiring.

## Introduction

Great Place to Work® Institute has been doing research on the best workplaces for over 25 years (which now extends over 47 countries across continents). At the heart of our research is our definition of a 'great workplace' - a place where employees 'trust the people they work for, have pride in what they do and enjoy the people they work with'. Great Place to Work® Institute has been instrumental in helping numerous organizations in their journey to become a great workplace. We know and believe at the core that we can build a better society by helping companies transform their workplaces where everyone benefits – individuals, organizations, families and communities – where employees know that they can give their best and will get the best in return!

Independent research has validated and reinforced our finding that great workplaces are very successful organizations, who serve the interest of all their stakeholders very well. These organizations are able to attract and retain talent, practice greater innovation, achieve greater productivity, quality and delight their customers with outstanding service and reward their shareholders while being employee centric far better than those who are not great workplaces in the eyes of their employees. Research shows that great workplaces consistently and over a long stretch of time have outperformed market indices (such as S&P 500, Russell 3000) and have provided total

cumulative returns by approximately four times that of the market (research of Russell Investments Group). One of the ways in which our Institute has helped organizations become great workplaces is by creating and sharing intellectual capital and practical wisdom that resides in the best workplaces. Great Place to Work® Institute knows that along with studying the people-practices and policies of organizations the employee experience is central to understanding how to create a great workplace. Hence, the tools used for assessment of the greatness of workplaces are cognitive of that. The most robust and comprehensive people practices and policies in companies have not necessarily guaranteed employee satisfaction and perception of being a great workplace - often the guiding principles behind execution when strengthened have made all the difference. In the discussion that follows, we illustrate the basic framework of what a great workplace is from an employees' perspective and explore one of the most critical tenets that mark the formation of a robust and successful framework. A great workplace, we believe is definitely the right thing to do but we will also discover here as we proceed, that it makes good business sense!

## Why Fairness?

*Why did we, at Great Place to Work® Institute, choose to research and publish a paper on the subject “Building a Fair Workplace”? Why is Fairness significant?*

Human Development Report, 2011 (prepared by a team of over 500 researchers belonging to varied disciplines working with United Nations Development Program – UNDP), quite clearly shows with evidence how sustainability is inextricably linked to basic questions of equity — fairness and social justice and of greater access to a better quality of life. Sustainability and sustainable development as UNDP team of experts have found and persuasively articulated are neither exclusively nor even primarily environmental issues. They are fundamentally about how we choose to live our lives with an awareness that everything we do has

consequences for the 7 billion of us here today, as well as for the billions more to follow for centuries to come.

The Great Place to Work® Institute, with the development and articulation of the Great Place to Work® Model, has established a rigorous methodology of measuring employee perception and managerial actions to conclude which organizations participating in our Annual Study are great workplaces in the eyes of their employees. Our research indicates that Fairness as a Dimension in the Great Place to Work® Model differentiates great workplaces from others.

## Fairness does matter

### The Business Case for Fairness

*“In studying justice, what is important is not the reality itself, but the subject’s perception of reality.” - Beugré*

The discussion on fairness began with our study that threw light on the various factors that caused positive employee perceptions about their workplaces to waver. An abundance of research has demonstrated that *fairness* has many effects that promote organizational goals. Perceptions of injustice can impact job attitudes and behaviours at work. Fair procedures enhance job satisfaction and organizational commitment, encourage organizational citizenship behaviours, increase acceptance of assigned tasks and goals and voluntary compliance with supervisor instructions and reduce turnover

intentions. Above all, a climate of fairness and trust that it builds enables organizations to resolve disputes particularly collective disputes amicably and peacefully.

*Fairness* is often the central interest to organizations because the implications of Organizational justice research have shed considerable light on how employees respond to perceived *fairness* or the lack of it in the workplace. Based on the norm of reciprocity employees who perceive fair treatment by authorities are more likely to display positive actions



through greater commitments to the values and goals of the organizations. Great workplaces have developed the ability to look at the organization from the employees' point of view.

Conditions and events at work are perceived and appraised by employees. These are then perceived to be stressors, which induce negative emotions including anger, anxiety, and depression. These emotions

### **Trust**

Trust, Pride and Camaraderie form the basic premise of the Great Place to Work framework. Trust is the DNA of all relationships, official and social. Trust manifests as an outcome of *fairness* and justice. Multi-faceted in nature, Trust begets Trust. When managers appear fair and act without prejudice they promote trust. The relationship between trust and employees perceptions of fairness is based on reciprocity. Trust in the organization is built from the

### **Job Performance**

An individual's performance at work can wax and wane, dependant on various internal factors, which include abilities, skills development, effort, and motivation. Employees tend to thrive and perform well in atmospheres that are conducive to growth and performance. However, these perceptions of positive environments are cultivated only when the employees *firmly believe* that they do have opportunities to grow and perform, and will be recognized as they do so. These beliefs

contribute to Counter-productive Work Behaviours that occur immediately or impulsively at a later time. Positive perceptions of fairness are hence imperative for the effective operation of organizations and important to the well being of employees. An act is just in the eyes of employees only when they perceive it as just and respond accordingly.

employee's belief that since current organizational decisions are fair, future organizational decisions will also be fair. The foundations of trust can valiantly endure storms of upheavals and organizational changes, yet emerge unscathed. Employees seek trust in all their dealings, interactions and relationships and are willing to yield more in trusting relationships. Trust encompasses and overlaps *fairness* and yet evidences a vital outcome.

stem from their perceptions of fairness.

The impact of fairness perceptions on performance is believed to have stemmed from Adam's Equity Theory. It suggests that when people perceive injustice they seek to restore justice. One way in which employees can do so is by altering their level of job performance and brings it down. While unfairness hampers performance perceived fairness enhances work outputs and performance because employees believe that they will be suitably and fairly rewarded and recognised,



commensurate with their inputs. It is no surprise then that most Rewards and Recognition policies focus around the employee's performance at his job. Improving justice perceptions improves productivity and performance (Karriker & Williams,

2009). If the synergies of all employee performance metrics eventually point to performance at the job it is worthwhile to examine factors like fairness that can augment this performance.

### **Job Satisfaction & Organizational Commitment**

Research on Job satisfaction, has found it to be positively associated with overall perceptions of fairness, such that greater perceived injustice results in lower levels of job satisfaction and greater perceptions of justice result in higher levels of job satisfaction. Employees primarily seek satisfaction from their work and that can stem through multiple sources, including distributive and procedural justice. Though equity plays a huge role in employee's job satisfaction levels where inputs are equated with returns our study has clearly revealed that they *also* need to experience the other aspects of fairness to create unified perceptions. Exercising fair

systems and procedures will increase the employee's commitment to their organization and intention to stay because *fairness* indicates to employees that they are *valued* members of the organization. Employees would have more attachment with their employing organization if they feel that they would not get the same benefits tangible and intangible including respect and opportunity from other organizations. When employees are assured that the arms of fairness envelope them, they are willing to brace through rough weathers and remain committed to their organizations.

### **Organizational Citizenship Behaviour**

Organization citizenship behaviour (OCB) is conceived as an employee's willingness to go beyond the assigned roles and responsibilities and take on extra-roles for the well-being of the organization. OCBs are related to both procedural justice and distributive justice perceptions. As organizational actions and decisions are perceived as more just, employees are more likely

to engage in OCBs. In Great Place to Work Institute's parlance this is called "giftwork!!" It is not a wonder then that Great work places recognise and award employees who demonstrate behaviours that go beyond the identified call of duty and exhibit outstanding values. The entire concept of *initiative* at work has its

roots in employees believing and being

motivated to go that extra mile.

### **Counterproductive Work Behaviours**

Probably the worst and scariest outcome of perceived unfairness is behaviour that works against the firm and its stakeholders. Counterproductive work behaviours (CWBs) are “intentional behaviours by employees, viewed by the organization as contrary to their legitimate interests.” There are many reasons that explain why organizational injustice can affect CWBs. Increased perceptions of procedural injustice for instance can lead to employee’s

unwillingness to comply with an organization’s rules. When employees increasingly believe that the organization is ‘out to get them’ or doesn’t really care for them, they are provoked to get into a defensive mode, that eventually results in the form of a rivalry through counter productive work behaviours and overt aggressiveness. Preventing injustice at all costs is instrumental in ensuring perceptions of unfairness are not nurtured.

### **Absenteeism & Withdrawal**

Absenteeism or non-attendance is another outcome of perceived injustice related to Equity Theory. Failure to receive a promotion is an example of a situation in which feelings of injustice may result in an employee being absent from work without reason. When people see both their commitment to the organization and the organization’s commitment to them as high absenteeism is

diminished. Additionally, withdrawal or leaving the organization (attrition) is a more extreme outcome stemming from the same Equity Theory principles. If a sense of misplaced unfairness prevails in the mind of an employee restorative justice or ensuring the gripe of the employee is dealt with fairly and in an unbiased manner may eventually salvage the relationship.

### **Emotional Exhaustion**

Emotional exhaustion which, is related to employee health and burnout is related to overall organizational justice perceptions. As perceptions of justice increase s employee good health increases and burnout decreases (Liljegren & Ekberg

2009). A combination of distributive, procedural and interactional justice perceptions are capable of influencing the employees mind and attitude. In cases where the employee is emotionally affected as a result of some injustice perception it is bound

to reflect on his work performance. For example, if a particular employee continues to believe that no matter how much efforts she/he puts in she/he will never be rewarded it is bound to leave the employee with

*All this motivated us to explore and research this subject. This is just the beginning.*

## **Background**

Trust is the defining principle of great workplaces — created through management’s *credibility*, the *respect* with which employees feel they are treated and the extent to which employees expect to be and are treated *fairly*. A key element of the employee experience is the formation of perceptions about how both the self and others are treated by organizational stakeholders particularly by leaders and managers as well as the level of dignity and respect bestowed by the organization upon external groups. Employees therefore look in, around, and out in order to comprehend their working experiences and depend on these judgments to navigate the organizational milieu. In an organizational context, this translates into *Fairness*. Practices in *Fairness* involve sharing of economic success equitably through compensation and benefit programs and through equal opportunity for recognition. In *Fairness*, decisions on hiring and promotions are made impartially and the workplace seeks to free itself of

lowered self confidence, lower morale and eventually diminished emotional strength. Emotional exhaustion is directly related to the intention to leave.

discrimination and politicking with clear processes for appealing and adjudicating disputes (justice).

Great Place to Work® Institute has chosen to research and document a paper on “Creating a Fair Organization.” In all of our research and understanding of great workplaces *Fairness* has emerged as a factor of major significance. Interestingly, through our research we have found that existence or absence of *Fairness*; this almost elusive and difficult to achieve sense of fairness is what really separates great workplaces from good and average workplaces. In the Great Place to Work® Model *Fairness* at its core is constituted by Equity, Impartiality and Justice. Elements that constitute *Fairness*, directly and indirectly are difficult to consistently achieve and sustain but they are at the core of the employment relationship. Even great workplaces do not achieve high scores on the dimension of *Fairness* in our surveys through their employee ratings as they do on other aspects. And yet, on *Fairness* great workplaces

are way ahead of others. So *Fairness* really does matter.

Although the concerns for justice and fairness have existed for a long time (e.g., Aristotle, Hobbes, J.S. Mill, and Marx) it was not until Homans (1961) introduced the concept of distributive justice that social scientists began to pay attention to this fundamental

aspect of human behaviour. The concept became more pertinent in organizational behaviour research with the work of scholars like Adams (1965). Several facets of justice in the organizational context have been investigated. This includes the following aspects:

1. Who gets what and how much, in terms of resources of the organization and fruits of labour expressed in grades, designations, compensation, benefits, share of profit and wealth sharing opportunities, etc (called Distributive Justice). This aspect is really central to Fairness. However, it appears that while this aspect is absolutely essential by itself it does not seem to be sufficient to create a sense of *Fairness*. Presence of other aspects seem to enhance the sense of fairness around equitable distribution of resources and gains and their absence is likely to diminish the impact and put even greater pressure on “material needs.”
2. Non-discrimination in regard to sex/gender, age, race or ethnicity, religious beliefs, linguistic or regional group, caste, sexual orientation, political beliefs, etc., encompassing Diversity and Inclusion
3. Institutionalized mechanisms and processes about how policies & practices are formulated & implemented, and how decisions about “who gets what and how much” are taken (Called Procedural Justice).
4. How leaders and managers treat employees in their day to day interactions (Called Interactional or Interpersonal Justice). Do the interactions and relationships managers have with the employees essentially reflect respect, caring, consultation and sense of equality?
5. Is information that impacts the employees shared with them regularly, proactively, openly and trustingly, without excessive focus on “confidentiality and need to know (Called Informational Justice)”? As we know, information is a great enabler and leveller.
6. Are grievances and appeals of employees against perceived or real instances of injustice and unfairness fairly heard and corrected when justified by facts? (Called Corrective or Restorative Justice).
7. Are misconducts investigated and punished in a fair manner? (Called Retributive Justice). Does the organization ensure that no one is “above the law”

and that' who you are does not matter'? Whether you are guilty of a serious misconduct or not determines the outcomes.

To be fair, you must be just. Great Place to Work® Institute, through its years of studies has identified *Fairness* as an outlier to the various dimensional scores of their

assessment across people practices and possibly the most difficult for companies to master and through this discussion, we attempt to decipher the same.

*“Being good is easy, what is difficult is being just.” - Victor Hugo*

## **Great Place to Work® Institute’s Survey Results!**

Great workplaces, we have understood, are built through the day-to-day relationships that employees experience — not a checklist of programs and benefits. Employees believe they work for great organizations when they consistently: TRUST the people they work for, have PRIDE in what they do and ENJOY the people they work with. The Trust Index© Survey is our primary research tool for assessing and rating organizations that believe they would like to become a great Workplace. It measures employee engagement by surveying employee experience through opinions, attitudes and perceptions on the level of trust between colleagues and between management and employees.

Globally the Trust Index© Questionnaire contains 56 Statements distributed over 5 Dimensions of Credibility, Respect, Fairness, Pride and Camaraderie. The questions seek

to elicit granular experience and perception of employees about various aspects of these 5 Dimensions.

Employees experience the organization through managerial actions in 9 People Practices (magnified into 15 People Practices). They are: Hiring, Welcoming, Inspiring, Speaking, Listening, Collaborating, Grievance Redressal, Thanking (Appreciating & Recognizing), Developing, Balancing, Supporting, Including, Celebrating, Rewarding (Sharing) and Contributing (giving back to Society). The last Statement (57th) seeks to capture the overall sentiment or perception of employee(s) where all things considered, is their workplace, a Great Place to Work®? In India, over the last few years, 5 additional Customised India Specific statements have been included.

Great Place to Work® Institute in its yearly study, calculates benchmarks

for each statement that fall under the 5 Dimensions of Trust Index© across the best workplaces. It is typical that scores for most statements on the Survey have benchmarks in the high 80s and low 90s, **excepting** those falling under Dimension Fairness, particularly for Sub-Dimensions Equity and Impartiality. It is also intriguing that the difference between average scores of great workplaces and the others on *Fairness*, has in some cases crossed the 100% mark! However, additionally the differences between the highest and the lowest scores on statements of fairness in great workplaces is far lesser (13%) than the difference that exists in other workplaces (52%) {2012 Great Place to work Study}. This indicates that though the fairness related statement scores in their entirety are low even for great workplaces, the experiences of fairness by the employees in great workplaces are far more within the same perceptive range, than those of employees in other organizations!

It is reasonable to claim that employees face fairness-related events at work on a daily basis. The negative perceptions of employees as seen in our study, are highest when it comes to elements like fair share of profits, impartiality at workplace (managers avoiding politicking, favouritism and promotions going to people who best deserve them) and fair pay. *Fairness* represents and guides the decisions an individual makes in the context of his or her work place, ranging from financial, to inter-personal relationships, a choice of salary, to the degree and openness of communication with a supervisor. As difficult as it is, a sense of *Fairness* that prevails in the organization can actually hold fort when fast calls are taken in times of uncertainty leaving no time, thorough explanations. Yet, by analyzing data that throws light on the nature of fairness prevailing, the practices the best workplaces have incorporated in their culture that indulge fairness can emerge as imperative wisdom.

*“Trust men and they will be true to you; treat them greatly and they will show themselves great.” - **Ralph Waldo Emerson***



## **Manifestations of Fairness at the Workplace**

### **Who Gets What and How Much? Distributive Justice**

A balance between inputs and outcomes is a significant facet of employees' perception of fairness. Employees want to be paid fairly, both in cash and in kind. However, *Fairness* is not just about being paid *well*, but is a *process* that should be understood in the context of making employees feel they get what they deserve. Employees liken *Fairness* with what they believe is their worth, effort and value, often termed as 'Equity.' The most fundamental form of Fairness & Justice is - who gets what and how much - the aspect of distribution of material & financial resources, fruits of labour and wealth between different members of humanity in the largest sense or an organization in increasingly narrower sense. In his original theory on Equity, John Stacey Adams (1965) initiated valuable research on this angle of fairness, termed as distributive justice. Employees compare their outcomes and inputs with those of others and then judge the equitableness of these relationships in the form of a ratio.

The referential comparison may be someone in the work group/organization or those working in other organizations. The former is known as perception of internal equity and the latter as external equity.



The equity principle is already upheld to a large extent in organizations through their standardized HR policies, job bands, grades, training and development opportunities and avoidance of playing favourites. Yet, it is extremely elusive, and much sought after!

Great Place to Work® Institute, in its Trust Index, has zoned in on statements that best capture the employees perception of fairness in distribution of what they believe is a fair hand dealt. Assessments and analysis of the scores on these statements, reflects how the companies measure up to the Fairness mark, in the eyes of their employees. Grades, Designations, Compensation and Benefits, including all kinds of wealth sharing opportunities, form the plethora of an employees' purview of distributive justice. By ensuring that all members are paid fairly for their work, a company can send out a clear message that it values its employees.



Perception of equity and justice play an important role in employees' commitment to the organization and

intent to leave. The outcomes or resources distributed may be tangible (eg : pay) or intangible (eg : praise).

### **The Trust Index ® Statements reflective of Distributive Justice**

Whilst the Trust Index itself contains a wide range of statements that appropriately and adequately capture the various dimensions of employees assessment of their workplaces, the statements that capture the essence of the employees' perceptions of who receives what and how much, (distributive justice) is highlighted by

the following set of statements. While the first three statements deal with share of profits, benefits and compensation, the last one deals with whether the organization recognizes the "importance of job security," from employee viewpoint and does it do its best to protect employees to the extent possible.

	<b>Who Gets What and How Much (Distributive Justice)</b>	<b>Range of % difference between the Average scores for Top25 and Bottom placed 25companies (in 2010, 2011 &amp; 2012)</b>
1	I feel I receive a fair share of the profits made by this organization.	115% - 133%
2	We have special and unique benefits here.	103% - 123%
3	People here are paid fairly for the work they do.	70% - 87%
4	I believe management would lay people off only as a last resort.	41% - 51%

The results of the scores on these statements are supportive of our reading that Fairness, is not just a difficult target to achieve and maintain, but is a moving target, with changing horizons of newer benchmarks and points of references.

Let's look in depth at the statement '***I feel I receive a fair share of the profits made by this organization.***' It resonates the employees' perception of fair rewards. The overall feedback (Great Place to Work Survey, 2012) on

this statement, however, is illustrative of our assertion that even the best workplaces are struggling with getting the distributive justice arm of fairness, right. The average, on

responses of all employees in the top ranked great workplaces, hovers around a 72 point score (2012 Great Places to Work Survey) - statements on other dimensions have notched up to as high as a healthy 90! Delving deeper into the significance of this statement and its relatively low scoring pattern by employees, leads us to the disquieting discovery that its quandary lies not only in its deficient absoluteness, but rather as the number one relative differentiator between the top 25 workplaces and the bottom 25 workplaces as well! A startling 117% difference between the average scores of the best 25 workplaces and the bottom 25 workplaces (Great Place to Work

Survey,2012), confers upon it the rank of the No.1 differentiator.

Why, we ask, is fairness through distributive justice, such an obscure target, yet one that great workplaces have been able to identify and work on to get better results than the others have? Brockner, through his research on Psychological Needs (2000), has implied that 'As long as inputs are fairly rewarded by outcomes, motivation and happiness prevail!' Both internal equity and external equity perceptions are positively related to commitment and negatively related to intent to leave. How, then, can organizations work on achieving fairness in equity?

### **Making Fairness Work through Equity:**

With the desire to get the distributive leg of justice correct, today, organizations are spending millions to ensure their compensation policies are benchmarked in the industry in which they operate. However, it doesn't end there! The best companies are not just recognizing and rewarding good performance frequently, but also ensuring that the small wins and the little things done including exemplary behaviour, are rewarded and made significant!.

Many companies are emphasizing their philosophy that life, health and the need for rest and recreation are equally important to all employees.

They are doing so by means of benefits catering to employee needs such as Medical Insurance, Sick Leave, Privilege Leave, Life Insurance, etc. When these are not differentiated by grade, and privilege practices such as car parking, company transport, cafeterias and recreational facilities are equally accessible to all employees, irrespective of organizational hierarchy, employees perceive a larger sense of fairness and belonging, and equity in the firm. Corroborating this acknowledgment is the statement '**We have special and unique benefits here**'. The table above demonstrates the differential

between the score of the top 25 great workplaces and the bottom placed 25 companies, awarding it status as the No.2 ranked differentiator. Slightly higher scores for special and unique benefits than fair share of profits and fair pay, indicates that it may be easier and worthwhile for organizations to focus on the smaller not necessarily financial aspects of equity participation in their employee focus.

Sometimes, facilities that cost next to nothing will go a longer way in fostering feelings of fairness, than materialistic rewards! Organizations are offering yoga and meditation camps, employee counselling services, crèche and day care, extended maternity leave (even for adoption), paternity leave, concierge services, Employee Assistance Programmes, relocation services, fully or partly paid sabbaticals, flexi time, telecommuting and involving families of employees as means to convey caring. In best workplaces, employees respond to this sense of well being and goodwill by referring and encouraging other potential recruits to join the organization. 19 out of 25 Great

Places to Work© in our list recruit more than 15 per cent of their employees through internal referrals. It is a clear recognition that the workplaces who need to carve up a niche evidently have to work on areas that recognise the larger needs of employees beyond basic compensation.

Some questions that are addressed by the great workplaces, include those that determine whether serious attempts are made to build external parity and internal equity in terms of total rewards & compensation (assured compensation, non-statutory benefits, incentives/bonuses, profit sharing, wealth sharing, other forms of - financial, material and non-financial - rewards, etc.) between employees of different levels, functions/departments, business units, regions/locations, genders, and alternate demographics. Sheldon & Ruderman, in their 1983 research on Distributive Justice, exhort that when employees experience Distributive Justice, they have more trust towards their management. Trust, as we are aware is the key to relationships.

### **Fair Rewarding: What the Best Do Well**

Professionals report that employees express concern about internal equity and fairness among major elements of a total rewards program. The allocation of merit increases and

career development opportunities are most frequently identified as equity elements where employees express fairness concerns. Employees also more frequently express fairness

concerns about the “recognition” they received versus other elements of the rewards they receive.



Not surprisingly, management reports that employees express most concern about those reward elements where their managers make individual judgments about the level of rewards that employees receive. Hence, if there is any people practice area that can best capture the essence of fairness in equity, it is ‘*Rewarding*’.

Demonstrating the importance of equity, fair pay or distributive justice, as a vital focus area, is American Express India Ltd. A result of a series of intrinsic activities, that involve Market Data Surveys, they collect information that helps the organization assess their pay against comparable companies who compete with it for business, labor, and talent. Market Pricing is then used for pay positioning for jobs, based on what selected competitors pay for similar jobs. Job Matching helps American Express India Ltd. determine the external value of the jobs identified in

other companies that resemble their content and competency requirements. Once this is done, Job Bands are used to position jobs within the organization based on a variety of factors, including breadth of responsibility, latitude of decision-making and scope of impact.

Though benchmarking is the start point of any reward mechanism, most successful leaders in great workplaces, have gone beyond baseline benchmarking, to create a greater essence of fairness throughout the employee base, through the practice of ‘rewarding’. They have understood that employees could look beyond their basic pay and receive value in what they believe is their contribution to the creation and growth of their organization. Very often, what this translates into is incentives and commission payments for a fair share of the profits of the business.

Employees in Scope are rewarded for their contribution to organizational performance through performance linked bonuses or incentives, and in good years bonuses are paid in full. They invite employees annually to participate in an International Share Save Scheme (ISS), with a savings plan linked to purchase of shares. However, a greater sense of equity and hence superior perception of *Fairness* is generated by the fact that employees investing through this

scheme are guaranteed their investment value through a unique and fair refund policy - if the future share price falls below the issue price, refunds are allowed in full with interest!.

As another case in discussion, one great workplace goes the extra mile through a Stock Purchase Plan designed to create an incentive for all employees to become shareholders, where one matching share is awarded by the Company, for each share invested by the Employee. With Monsanto India Ltd the incentive system is run by the people managers themselves – not HR. This builds greater ownership where people managers must own the incentive process and its payouts.

Mind Tree Ltd. covers 100 per cent of its employees under its Employee Stock Option Plan. While At RMSI Pvt. Ltd. employees have access to the computation sheet and can calculate their own bonus. A novel perspective to rewarding is exhibited by Wipro - while most organizations offer senior members the opportunity to appreciate their subordinates, Wipro provides its employees the opportunity to appreciate their senior through the “Dear Boss” award! At Cadbury, a key feature of the loans offered at subsidized rates, is that they are offered to all their employees regardless of level.

Though equity in pay and compensation act as a primary focus of distributive justice, various other dimensions also emerge at a workplace and add to the employee’s assessment of *fairness*. Many great workplaces fathom the need to permeate fairness as a culture and approach, and propagate the same through the corporate vision and value statements. Some great

### ***Wheels of Distributive Fairness***

*Transparency*

*Employee Participation*

*Communication and  
Collaboration*

*Equal Opportunity*

workplaces determine appropriate compensation increases for associates which are based on the assessment of the associate’s behaviour, in addition to whether or not an associate achieved set goals - whether the associates behaviour reflects the organizations values!. As a result, the organization is not just reiterating its values, but rewarding all those who are willing to believe in and adhere to them as well.

An additional look at the Great Place to Work® Survey results, is indicative of a vast disparity between what the

best workplaces offer, vis a vis the rest of the companies, in the areas of variable pay and ESOPs to a larger recipient base. Whilst the 2012 survey discloses that 50% of the organizations adjudged as Great Workplaces offer employees the opportunity to participate in wealth sharing, a lesser percentage in the range of 30's materializes for the rest of the companies surveyed! The merits of profit sharing are yet to be experienced by a vast majority of companies!

The crux of the discussion, however, can be summarized with Marico Limited's model – the Membership Model. Marico refers to its entire people as members, and not employees. By connoting a choice and voluntary participation between the members and the organization, Marico has transformed the employee-

employer association with exchange of pay for work, into a richer and a lot more committed association. At Marico no attendance is recorded.

WIPRO magnifies another experience of fairness, by offering the same comprehensive set of medical benefits to all the employees across career bands in the company. They treat everyone equally, when it comes to facilities and benefits.

The wonderful narratives of best practices continue, yet the principles that surface are those that speak of a great level of equality and wholesome recognition, both internal and external. What we can safely conclude is that a greater number of the organizations recognized as great workplaces have understood the essence of partnering with their employees in a far fairer demonstrative way, than the others!

### **The Best and the Rest: Boundary-less Fairness**

The importance of practices that are well rounded in spirit and content, and implement the principles of *fairness*, or distributive justice, both in the eyes of the employees and the employer, form the roots of a healthy employer-employee relationship. The various practices exhibited above, stress a feature which transcends the boundaries of actual execution, and displays Fairness. They progressively illustrate the guiding principles behind the cultures, thought

processes and value systems, of these great workplaces.

Having a fair and robust rewards and recognition policy, for example, is a tool to ensure the mechanics of distributive Justice are functioning, But the wheels of this turn through the force of **transparency!** Google, as we can quote, got its Compensation team to keep Googlers abreast of the rewards programs, by releasing the Equity Valuation Tool in Q1 2008, making the total rewards program



even more transparent for its employees.

Let's look at a somewhat seemingly outlandish practice, of allowing **employees participation** in the setting of their own wages/compensation and benefit. Yet, what the leaders at this company have effectively enumerated through a practice like this is the way to promote the employees' belief in the fairness of those wages. Employees may be eligible for the Management by Objectives ("MBO") Bonus Plan, which allows them to earn bonuses based on actual achievement of their pre-defined objectives. But for this, they are involved in setting of their goals and objectives at the start of the year, and are also given an opportunity to readjust or substitute as the year proceeds. Good acumen, at the least, we must accept; since pay systems mirror the distribution of outcomes and epitomise distributive justice, it is worthwhile for organizations to attempt a disclosure of the employee pay plan or at the very least, limit the level of secrecy. The ability to offer "cafeteria-style" benefits cannot genuinely assist the organization and the employee in better understanding the costs to both himself and the organization.

Apart from being competitive, equitable and egalitarian as far as paying or rewarding employees is concerned, an organisation needs to

ensure that it fairly and correctly differentiates between performers and others. The differentiation in rewards and recognition ought to reflect true and significant differentiation in performance and contribution, and more importantly, the underpinning that every employee has an **equal opportunity** to aspire for the reward or recognition!

SAP Labs India, in its rewards policy, in addition to rewarding the permanent employees, also rewards its contractors and vendors. By doing so, they are creating a larger domain of trust and equity for the firm, ensuring a sense of fairness that far exceeds its sphere of employees, and acknowledges the larger 'stakeholders'. Aviva, too, extends its mentoring program to its Financial Planning Advisors (employees not on the company's regular pay roll) and Consultants, by selecting them as 'mentees', hence providing them with an equal opportunity for career guidance and overall development.

Organizations undoubtedly will find it quite difficult to incorporate employee involvement in all aspects. Therefore, a minimum incorporation and leveraging of effective communication and frequent feedback throughout all touch-points of the employment life cycle, from start to finish, will greatly contribute to employee engagement.

**Communication and Collaboration**



become key to the successful existence of Fairness.

An absolutely fantastic approach undertaken at the initiative of Mahindra and Mahindra Limited is the creation of a compensation club with 9 other members. Members of this compensation club meet quarterly with their core purpose of sharing compensation data among all. HR

Heads of all companies attend and share best practices and any new initiatives undertaken by them. By getting the best practices shared and reviewed at a larger forum, organizations seeking to cultivate great workplaces can learn and adopt from existing expertise and success stories.

*“The hearts of employees are a tougher battlefield than the minds of employees.”*

## **The ‘Hows’ Behind the ‘Whats’**

### **Fairness, the lens of Procedural Justice**

*It's not only what you do, but how you do it that matters’.*

Internal and external compensation benchmarking, parity, generous and extensive profit sharing and wealth sharing are examples of striving to achieve distributive justice. However, even more critical are the answers to the questions which address **how** the decisions about these and other important employment related aspects are taken. How are practices/policies & procedures/processes governing these decisions, formulated and implemented or administered? (Procedural Justice)

Healthy and relevant performance metrics which track and ensure that the right results as well as actions and behaviours are rewarded, form a pertinent part of ensuring procedural justice. It is

the ‘*how*’ behind performance appraisal processes and the ‘*how*’ behind salary decisions, to quote a few. Social Psychologist John Thibaut, asserted, ‘*Concerns about the processes through which decisions are made, form the basis of what is referred to as Procedural justice.*’

*The real work of procedure is to guide conduct.* A classic illustration could be the practice of mid-year corrections and compensation review, in lieu of annual exercises, done across many Great Workplaces. The philosophy behind this is not just alignment to market benchmarks, but to ensure *fairness* is administered quickly, rather than through a delayed mechanism. Great Workplaces align their performance review and appraisal cycle in a manner that they

are able to revisit compensation and designation of its high performing employees frequently and take corrective - preventive measures if required without unnecessary delay. A robust performance appraisal system, by itself, does not yield the power to guarantee perceptions of *fairness*. For employees to be able to paint a complete picture, they need to have faith in the methodology through which the performance appraisal system is administered, and results arrived at. Procedural justice may moderate the effects of distributive justice, in cases where the perceptions of distributive justice are warped. An un-promoted employee may accept that he was legitimately not promoted, if he is convinced that the system used to decide promotions, is robust, transparent and free from bias.

In-depth research has found that procedural justice is the strongest predictor of organizational trust (Hubbell & Chory-Assad, 2005). Since people in more trusting social exchanges also are seeking to satisfy their social and psychological needs, they may assign less importance to the economic aspects of the exchange and, as a consequence, be less affected by the favourability of the economic outcomes (distributive justice). More than often, (through the open ended questions administered by

Great Place to Work in the TI), data has revealed that employees have continued to work and remain with their organizations for over decades, experiencing business and growth cycles, trading the opportunity to move across industries and organizations, primarily guided by the desire of remaining committed to their current fair work cultures and trustworthy management. Fair Processes, reduce turnover intentions. In contrast, when trust in the other party is low, people know that they are unlikely to reap social and psychological rewards (e.g., feeling respected by the other party). Consequently, they are likely to define the currency of the exchange more strictly in economic terms. Intensive compensation policies and reward mechanisms are ineffective if employees lack faith, and believe they do not have an equal opportunity to strive for the same. In essence, for distributive justice to prevail, it must be fortified by the pillars of procedural fairness. In other words, having great practices by themselves cannot guarantee the prevalence of perceptions of fairness - rather the conviction that employees have in the *method* used to arrive at the results or outcomes of these practices, will go further in generating faith in fairness!

## Procedural Justice as shown through the Trust Index

We understand that is of heightened importance in the organizational context, and generally the one that raises most concerns amongst employees and employers. Yet, we exhort that one should not attempt looking at distributive justice, or equity, in isolation as an indices that can be improved. Our studies reveal that procedural justice has an equally important role to play! Distributive fairness and procedural fairness go hand in hand.

Getting down to measuring the prevalence of procedural fairness, or the perceptions of employees on 'how' the machinery of fairness functioned, brings us to narrowing down the Trust Index statements that reflect this experience.

The scores on statements that depict employee perceptions towards procedural justice are equally unsettling!

Here are four statements (two introduced only in India in the 2012 Study) that show how practices and policies are laid down and how decisions relating to who get what and how are taken and implemented. They reflect the process or procedure to ensure that all meritorious and deserving employees have their performance evaluated fairly; all have opportunities to get rewarded & recognized, get career growth opportunities and that robust processes ensure that promotions go to the best deserving.

	<b>How are Practices &amp; Policies laid down? How are decisions about "who gets what and how much," taken and implemented? (Procedural Justice)</b>	<b>Range of % difference between the average scores for Top25 and Bottom placed 25 companies (in 2010, 2011 &amp;2012)</b>
1	Everyone has an opportunity to get special recognition.	65% - 80%
2	Promotions go to those who best deserve them.	60% - 80%
3	Performance of employees here is fairly evaluated.*	63%
4	There are opportunities here for my career growth.*	46%
* Only 2012 Data - These statements were introduced on this year		

Promotions, universally, have been a constant source of a sense of perceived unfairness across organizations both great and others. Similarly, opportunity to all meritorious employees to be recognized and rewarded is a critical element in creating a sense of fairness. Adequate career opportunities to all deserving and striving employees are yet another important point. Fair assessment of performance, which is transparent and free of bias, therefore becomes the basis for ensuring sense of fairness through well laid down processes and procedures. Not surprisingly then, the average scores of both the top 25 great workplaces, and the bottom 25, (2012 Great Workplaces Survey) for ***'Promotions go to those who best deserve them'*** are in low ranges. The differences between these scores confer upon this statement, the rank of being a critical

### **Making Fairness look Fair**

Take a walk around an office, factory or any other place of work, and strike up a conversation with the employees on whether they believe that they are treated fairly at work, and you would have started an easy conversation! They will probably share with ease, a lot of areas on which they believe they are fairly or unfairly treated, including matters as trivial as a coffee break or as intense as compensation. The

differentiator. A high differential between the lowest and the highest scores in organizations that are the bottom placed 25 companies, on this statement, shows the vast disparity in perceptions of justice. The best workplaces are indicative of a difference of 17% between the lowest and highest rating. Thus proving that even great workplaces, who have strived to enhance their positive employee experiences across facets, are experiencing poor success rates in dealing with promotions and their after effects

What is actually evident from the synergies of the statements listed above, is that just the act of making promotions a part of the appraisal cycle or designing developmental programs on paper, will not matter, unless the belief that 'opportunity', or 'a fair and equal chance' is available to all employees, and each one can aspire for growth and recognition exists in sufficient measure.

focus, as is human nature, has been on the output, the outcome, and the results. Yet, it is the infallible truth that an outcome perceived as fair is the result of well-oiled machinery and decision making process that stands for virtues of just and equality.

Let us, then, for a brief moment look at some detailed questions that companies need to answer, in order to be able to create trustworthy as

sturdy frameworks that represent procedural justice; Take the context of rewarding - How are policies & practices for ensuring fairness in total rewards and recognition designed and implemented? What tools and mechanisms are used to ensure fairness, particularly external parity and internal equity? How are goals/objectives set, tasks and resources allocated, performance/results measured, tracked and reviewed? How are decisions relating to increments, bonuses, promotions, etc., taken? How is the differentiation made that fairly and proportionately rewards "outstanding performers" as well as "steady performers?" Answers to these core questions, when formulated and manifested into actionable and governing principles, create the background upon which practices can be administered. The ability lies in capturing the spirit of the intention basis of which pathways for execution can be sought!

An interesting angle, we could explore, which doesn't normally warrant front-page attention in most discussions on fairness, is the format of unstructured selection tools that are often used in organizations for **hiring**, a practice that emerges much before the compensation and rewarding stage. The two goals of selection practices evident in literature are accuracy and fairness. Accuracy refers to the ability of a selection device to correctly gauge

an individual's true ability to perform tasks associated with a particular job. Historically, accuracy has been the focus of selection practices. More recently, organizations have recognized the importance of fairness perceptions with regard to their selection practices, and have begun substituting their more stringent, and accuracy focused tests with those that could also convey fairness of outcomes. When aspiring candidates believe they stand a fair chance at bagging their coveted jobs and roles, encouraging them to apply, the success of the hiring procedure is magnified! The perceived fairness of selection practices is associated with important organizational consequences such as refusal to apply for a job, refusing to accept a job, and questions about future commitment to a job. It is not surprising then, that Latham and Finnegan (1993) found that job applicants viewed unstructured interviews, those which allowed them a greater level of communication with the organization and deeper interactions, freedom of expression and spontaneity, more fairly than structured interviews, though technically, this interview form ranked one notch lower than structured interviews, in the accuracy based ranking debate! This yields an important lesson, for organizations to interpret in various ways, when formulating well – balanced fair hiring

practices, those that are strong enough to first *attract*, and then

### **How to better the ‘Hows’**

One antecedent to perceptions of Fairness, or Justice, is the extent to which employees feel that they are ***involved*** in decision-making or other organizational procedures. Higher levels of justice are perceived when employees feel that they have a say in the processes, than when employees do not perceive that they have the opportunity to participate (Greenberg & Folger, 1983). Employees’ perceptions of procedural justice are likely to be enhanced if they are given the opportunity to present information and ***voice their concerns***. When individuals feel that they have a voice in the process or that the process involves characteristics such as consistency, accuracy, ethicality, and lack of bias then procedural justice is enhanced. A good demonstration of this is Tata Power. Their Corporate Guidelines on creation of workspaces include a declaration that every employee shall get equal opportunity. All employee practices shall be administered in such a manner that equal opportunity would be offered to all, and subsequently, all decisions shall be merit based.

Maintaining a firm yet fair hand of procedural justice is no doubt a difficult line to tread, however guiding values of ***consistency and neutrality***

identify the best.

could go a long way in ensuring the message of even-handedness is percolated. The same allocations made across persons, time and places, could make certain the dark clouds of biases and favouritism do not hover over. At the same time, decisions based on ***facts and figures***, communicated through multiple sources of communication, would help create comprehensive and objective views of situations. Alongside correct and up to date information that forms the basis of decision-making, referencing to HR policies and laid down procedures generate validity and buy-in.

Empirical evidence has also shown that people use procedural fairness information to make inferences about the *degree* of trust to place in the other party. A study has revealed that employees whose managers were more procedurally fair were more likely to trust their managers and as a consequence exhibit greater organizational commitment.

A second antecedent to procedural justice perceptions is organizational ***communication*** with employees. The quality of communication by an organization or manager can improve employee perceptions of manager trustworthiness and also reduce

feelings of uncertainty. Employees need to know their job duties and responsibilities clearly before they get started. Managers may want to express their view of goals, values, expectations, and organizational culture and may discuss any changes in these areas over time. Orientation training, realistic job preview formal and informal socialization process for employees may enhance this process. Alongside, equipping line managers with market data, educating and sensitizing them to use this information, will help better the entire engagement of the practice. It was suggested that employees did not report 30% of the tasks supervisors said were part of their jobs! Therefore, there may be major differences between managers' and employees' perceptions of job duties and

responsibilities, which can eventually lead to a flaw in the mechanisms of distributive justice. Avoidance of this trap lies in the key of procedural justice - early, continuous, clear and precise communication, with the buy-in and involvement of employees.

Leaders in the most impartial companies avoid favouritism in hiring and promotion and eschew workplace politics. Consequently, employees at these companies need not waste time jockeying for attention or defending themselves personally; instead they are free to work towards clear goals with an accurate understanding of what it takes to rise through the ranks. When impartiality prevails in a company's decision-making, employees have an easier time trusting their peers and going along with the management's decisions.

*“Justice denied anywhere diminishes justice everywhere  
- Injustice anywhere is a threat to justice everywhere.”*

**Martin Luther King**

### **How the Best do What they do**

People practices that are focused on the employee welfare are no doubt abundantly found in great workplaces. Yet, some of the better organizations have succeeded in going behind the lines to reinforce their mechanisms through some well thought out and bright methods! PayPal's Hiring Specialists program is one such meritorious practice. PayPal

has attempted to invest in the efficacy and fairness of the hiring processes, to keep elements like biases and mis-judgements at bay. Recognizing that interviewers often overlook the two-way-street nature of interviews, and by doing so, fail to seize the opportunity to make a positive impression on the candidate—which is often the difference between a great



candidate wanting to continue with the selection process or opt to pursue opportunities elsewhere. Hence for hiring right, PayPal trains its interview panels in the Selecting and Hiring Talent workshop. As part of the hiring processes, the hiring managers ask a variety of carefully chosen questions that are aligned with the key areas of talent that they incorporate into the overall business strategy.

To Walk their Talk, Tata Power has a transparent hiring policy for Fresh Engineers, which includes the initial screening through written tests conducted by a third party, ensuring fairness in the selection process. Promotions, too, at Tata Power, are based solely on merit and vacancy. Each probable candidate is scrutinized for his performance by an independent panel (named the People Planning Committee) consisting of senior officers to ensure that there is no discrimination among the candidates.

It is relatively easier to spot inlaid principles in practices that have larger acceptability and referencing especially with employees. Fairness in the hiring mechanism, is of intense and macro meaning at the start of the employer-employee relationship, whilst compensation, rewarding and recognition, including promotions, is a continuum. When assessed, some of the better practices that demonstrate procedural fairness have emerged

from areas like **rewards and recognition**. For example, Fedex has an annual pay review process to define the salary increase. Each year, the input of employees and management is taken into account prior to making the proposals for the Executive Management, consequently allowing employees to participate in their own equity offering. At American Express India Ltd, in addition to the online compensation tutorials, Know Your Compensation sessions etc. that enhances awareness, publishing of Market Reference Zones (MRZs) on the company's intranet are the various ways in which the organization tries to foster *fairness* and transparency.

Wipro, as another example, has a Performance Appraisal Process which is a very transparent process with ample steps and opportunities for an employee to take up his concerns and ensure his voice is heard. If the employee has worked with multiple supervisors he can add them as additional supervisors. This ensures that their feedback is taken into consideration for the overall rating. At Godrej Consumer Products Ltd, the Flexi Pay Policy - Plan your Pay, allows Managers to decide the composition of their salary under various heads like LTA, Food and Education Allowances, etc., based on their individual needs.

The practice for **Developing** of employees, at some of the companies,

is quite exemplary. Bajaj Capital has tied up with International College of Financial Planning to provide the 'CFP' (Certified Financial Planner) course to team members. Team members are encouraged to enrol for the CFP course by sponsoring up to 70% of the fee and also by providing instalment facility to pay the rest of the fee. Scope International has designated "Learning Weeks" as part of nurturing through organization wide initiatives. They include Workshops on Stress Management, Corporate Grooming, and Motivation, Learning through humour, setting up of book stalls and higher education stalls. All these are organized keeping in view the overall nurturing and development of the employee. To create opportunities for candidates from the under privileged classes with basic education, Aztec (now part of Mindtree Ltd.) ensures that their Office Boys and the security have a career growth within the organization if, performance is found to be good. The Security Personnel and Office Boys have moved on to become Office Administrators and Office Assistants at Aztec (part of Mindtree Ltd) itself. What surfaces from these discussions is the way in which workplaces *encourage and make available* multiple opportunities for their employees, not just through processes but through dialogues and continuous

assessments that evaluate and support them.

Other great workplaces have made it compulsory for all their managers who are in positions that would involve rating or appraising others, to undergo training that would sensitize them in dealing fairly with candidates. These processes equip managers to adhere to and incorporate the principles of *Fairness* in the way they conduct themselves, deal with others, working on their attitudes and mindset, over and above providing them with the requisite tools for execution.

In line with our earlier assertion that fairness in hiring is a key to attracting and then recruiting aspiring, worthy and deserving candidates: our study of great workplaces also suggests that subsequently providing opportunities to employees who *wish or aspire* for recognition, rewards and growth, and are given adequate and relevant support to hone their skills and competencies, is equally critical. To elaborate, it is not sufficient to have an appraisal system that identifies poor performance at regular intervals. What matters is whether the under-performing employee has been given the opportunity to address their areas of concern and improve their performance levels to meet the required performance standard. In effect, answers to some questions like - Does the manager explain and help

document the areas of improvement in the form of goals, provide support and closely monitor the employee progress through reviews. It is ***Impartiality is a key part of fairness.***

important that the information provided be accurate, timely, and helpful in order for the impact on justice perceptions to be positive.

*“Being impartial does not mean having no biases. Rather it means knowing what those biases are and striving to set them aside.”*

*“There are three truths: my truth, your truth and the truth.”*

### **Reactive or Reflective Interaction?**

*“Men often make up in wrath what they want in reason.”*

A basic tenet to any form of outcome from any practice is the *nature* or *process* in which it is communicated to the recipient. It is not farfetched to relate to our communications with our families, social circles and other community forums, and comprehend how our interactions determine the nature and depth of our successful relationships! Irrespective of whether the outcome is desirable or not, the decision-makers’ behaviour during the enactment of procedures, the format of communication and spirit of the interaction, governs it all! This perspective has been labelled *interactional justice*.

The continuum of justice begins at a referential point of Distributive justice/equity, emphasized through mechanisms of procedural justice, but subsequently passes through the corridors of interactional

justice. Well-rounded policies and practices with varying degrees of moderation and controls to ensure *fairness* will at the end of the day require communication to the end receivers or those affected by the mechanisms of *fairness*. A deeper look into the finer nuances of the various components of fairness, has initiated a concern on the *fairness* of the *treatment* that an individual receives as decisions are made and communicated. It can be certainly be promoted by providing explanations for decisions and delivering the news with sensitivity and respect.

Research in the area of organizational justice, suggests that interactional justice should be broken into two components: *interpersonal* and *informational* justice. Interpersonal justice refers to perceptions of respect and propriety in one’s treatment,

while informational justice relates to the adequacy of the explanations given in terms of their timeliness, specificity, and truthfulness. A positive climate reinforced, by genuineness of appreciation, regret or gratitude as the case may be, expressed sensitively, in a personal, manner by leaders, managers and peers, conveys a sense of interactional justice.

Informational fairness becomes even more significant during bad times or business downtrends. The “mutual trust” goes beyond simply sharing information. Noteworthy is how truly committed the senior management is to sharing information. If senior management can willingly share sensitive information with employees, even at the risk of such information becoming public before the company is ready to make it public, is truly distinctive! Employees are left with a sense of confidence in their leadership for having been kept informed despite the unsettling news. So, to quote,

while the increments in a particular year may not be as expected by the teams, timely and prompt sharing of financial results, a genuine attempt made by the management to prune costs and own a share of the austerity measures, followed by a respectful and dignified request made to employees for their cooperation to tide over the difficult times as a unit, will certainly facilitate a fairer evaluation by the employees, in how they perceive they have been treated!

What research shows, is that employees expect fair, honest, courteous, and truthful treatments from the organization and/or its agents. This draws attention to issues of respect and courtesy, in the role that managers have to play as mediums of communication. Making managers more **sensitive, accessible and approachable**, then, apart from creating more visible forums for exchange of information, becomes imperative.



## Interactional Fairness captured in the Trust Index

One of the most striking findings of social justice research is that people are seldom at a loss when asked whether or not an allocation, a procedure, or a punishment is fair! In study after study, research has demonstrated that people are not only capable and willing to determine fairness, but that they have criteria or standards that allow them to determine how those things are considered just or unjust.

The assessment of organizational practices and behaviour of authority figures in terms of fairness, usually depends on how fairly the

employee perceives that she/he was treated (Greenberg, 1990). Perceptions of interactional justice play a role in the determination of employees' work attitudes and behaviour. Empirical evidence suggests that employees show a lot of concern for the treatment they receive from authority figures and the adequacy with which formal decision making procedures are explained. Because of the importance of good quality social exchange relationships in workplaces organizations strive to encourage supervisors and employees to willingly interact with each other.

The various components of interactive fairness are captured in the Trust Index statements following below:

	<b>How leaders and managers treat employees, interact and communicate with them. (Interactional Justice - Interpersonal Justice &amp; Informational Justice)</b>	<b>Range of % difference between the top25 and bottom placed 25 companies (in 2010, 2011 &amp; 2012)</b>
1	Management delivers on its promises.	72% - 93%
2	Management's actions match its words.	74% - 93%
3	Management shows appreciation for good work and extra effort.	56% -69%
4	Management involves people in decisions that affect their jobs or work environment.	65% - 79%
5	I can ask management any reasonable question and get a straight answer.	68% - 86%

	<b>How leaders and managers treat employees, interact and communicate with them. (Interactional Justice - Interpersonal Justice &amp; Informational Justice)</b>	<b>Range of % difference between the top25 and bottom placed 25 companies (in 2010, 2011 &amp; 2012)</b>
6	Managers avoid playing favourites.	66% - 83%
7	People avoid politicking and backstabbing as ways to get things done.	69% - 87%
8	Management shows a sincere interest in me as a person, not just an employee.	70% - 73%
9	When people change jobs or work units, they are made to feel right at home.	67% - 80%

An intricate web of questions as demonstrated above, culls out the perceptions that employees have about their management's behaviour, and the strength of the information they believe they are recipients to. As you can see from the table above, 3<sup>rd</sup> & 4<sup>th</sup> top differentiators are **'Management delivers on its promise** and **'Management's actions match its word.'** Both these statements express the importance of

No amount of 'best practices' and 'next practices' can be a substitute for old fashioned walking the talk and giving straight answers, without deflecting difficult questions or trying to put a spin on them. The best workplaces have excelled in feedback mechanisms even for the senior most managers where even the most uncomfortable question can be asked without fear of consequences. When senior managers subject themselves to such open and transparent Interactions, it has a very positive

commitment and delivery of commitments, made by managers to employees. Can employees expect to receive what they are assured and is the experience much different from the promise - a subtle but fundamental principle underlying communication, and eventually assuring fairness. Do managers walk the talk or under challenging circumstances, their actions diverge from their word.

impact on employees. **'Management is approachable & easy to talk with.'**

Almost every one of the components identified above has not just a wide employee perception and rating gap (between great workplaces and others), but by themselves, settle in lower score bands. Great workplaces may have been able to better the tally in comparison to other organizations, yet are stifled by perceptions that do not express fairness, like favouritism. Bias, a classic flaw in human nature,

is highlighted through the scores on the statement ***'Managers avoid playing favourites.'*** With low ratings, it proves that avoiding the trap of prejudice is one that even great workplaces struggle to master. What makes for an interesting observation

### **The Best Interactions**

How do managers/leaders behave? How do they treat employees? Are they accessible? Do they treat employees with respect, concern and sense of equality? (Interactional fairness) Is complete and truthful information shared with employees, proactively, trusting them, without unnecessary fuss about 'confidentiality'? Are leaders/managers prepared to answer inconvenient questions that may not make them look good (Informational fairness)? These and many more, when answered, can raise the bar of interactional justice.

The key, however, to interpersonal fairness and informational fairness (the two facets of interactional justice), lie in communication - Open, transparent, and with respect. When companies are able to disperse information in a timely, clear and accurate manner, and when they create environments conducive to positive social interactions, employees will experience a higher sense of fairness, and subsequent commitment. Every explanation given

is that employees at supervisory grades and below believe that favouritism exists with their managers, but the low scores by senior employees and managerial grades, indicates that it is a perception even at the top!

for decisions will add to the employees' belief in the rightness of the procedure adopted, and the outcome of the process delivered.

Qualcomm's leadership strives to openly communicate all company news that has an impact on employees in a timely and efficient manner — whether positive or negative - in good and bad times. Qualcomm's employee communications strategy aims to support and reinforce the culture of openness. As a result, the Company employs a diverse range of communication vehicles and programs to reach their growing employee population - either virtually or in person. An amazing piece of communication that goes out to employees who may have come aboard as part of an acquisition, is internally focused and targeted messaging informing them about the rationale behind the acquisition! The kind of buy-in that emerges with candid and respectful sharing of information like that of Qualcomm's, is one that highlights the value the



company accords every employee and the importance it awards to encourage feelings of inclusiveness, respect and dignity.

Sasken, initiated an organization level 'Communication Audit' involving 120 people, group by group to assess the communication methods of the organization.



Using moderation method, the workshops were conducted to get feedback about existing top-down communication methods and channels; and develop means and ideas to improve bottom-up communication methods and channels. They truly believed that only multiplicity of methods did not guarantee success. They wanted to ensure that content, form and format, all went hand in hand to achieve the purpose.

At Google, employees, through an intranet portal, can anonymously seek answers to business related questions from their top leadership every week and they are provided honest answers. And leaders proactively share business results with employees.

Looking at the practice of **hiring** once again, we bring to light an interesting interaction. Cleartrip, during its hiring processes, ensures that the experience of all prospective employees (candidates) is good, warm and in synch with the values of the company, as they arrive and participate in the selection process. It ends with clear communication to those who were not considered as eligible, citing reasons for the same and gifting them a coupon that can be redeemed at Cleartrip, as a measure of appreciation for their time and effort. This not just results in a memorable experience for candidates aspiring to join Cleartrip, but also enables references to emerge from these individuals!

Some compound practices like *re-hiring* of ex employees demonstrate interactional justice at two levels - exit and re-entry. For instance Ernst and Young understand and respects the fact that employees at some stage would want to explore careers outside of the world of Ernst and Young. They facilitate a smooth and respectful exit from the company, keeping dignity and fairness in mind, and are supportive of the employee's ambitions. They ensure these employees leave as proud and vocal brand ambassadors. But, hand-in-hand, runs their re-hire policy, that *encourages* these 'Boomerangs' (the very people who had left Ernst and

Young for other employers and now choosing to return), to feel a warm and responsive welcome back into the folds of the company! This assures a sense of dignity for the returning employee, and offers an environment of respect and reception. Ernst and Young have also demonstrated transparency through a detailed rewards communication program that was developed and shared with their Partner Group, to ensure that everyone across the firm had a uniform understanding of the firm's rewards philosophy and context behind how salary decisions were made, making discussions that revolved around compensations and rewards, more meaningful and accurate. This ensured that employee concerns were addressed in a timely and prejudice-free manner, exhibiting mannerisms that spoke of informational justice and fairness.

On the positive side, when good behaviour is demonstrated, 'Do the employees feel valued enough?' is a good question to ask. If organizations are able to ensure their interactions with performing employees spell encouragement and support, and winners actually made to feel like achievers, we can hope to say that the job is well done! To demonstrate appreciation, the mechanism at Kotak Mahindra Bank, called I-Applaud, has been very effectively deployed across the organization. The I Applaud cards,

which are essentially appreciation cards, are available as ecards on the intranet, as well as in hard copy at some locations with soft boards dedicated to sticking up the I-Applaud cards. I Applaud cards are used to congratulate appreciate and reward efforts or exemplary behaviour of colleagues/juniors/seniors. They can be given by anyone to anyone.

Interactional fairness through the practice of **rewarding** is exemplified by TPG Software. The winners of the Rewards and Recognition Awards by Great Place to Work, 2012, TPG Software, has demonstrated interactional justice way beyond what the definition mandates; It lays an emphasis on connecting with the families of the employees who have been recognised and rewarded. All the prizes won by these BrickRed'ians as they call themselves fondly, in routine and weekly events are carefully chosen to suit the personalized needs of the families of the employees. An attempt is being made here, to transcend boundaries of the normative employer-employee relationship, and understand the importance of larger interactive dynamics with the employee's family. One can only imagine the positive impact such a practice could generate!

The Monsanto Pledge Awards are the highest honours in Monsanto and are given to employees for initiatives in

upholding the Monsanto Pledge. It strives to recognize and reward behaviour in sync with the Monsanto Pledge, the statement of Monsanto's values. This annual award includes a \$15,000 grant to fund a social project nominated by the employee and a trip to the USA with family to meet with the CEO of Monsanto Worldwide! As part of **supporting** their employees, the research function Monsanto has instituted a study sabbatical policy. This policy allows scientists to take 3-6 months as study leave where they visit other countries in Monsanto's network and understand new developments in their field:

While **caring** for their employees, organizations strive to maintain a good work life balance for its employees, Bajaj Capital has the lights and computers shut off mandatorily at 7:00 pm in their offices (Restricted Work Timings). At Amex, the 'Summer flexi program' allows flexibility for time off to care givers - parents with young kids, employees with aged parents, who would like to use the benefit of alternate work models (shorter work week, work from home, early/late start time, etc.). Compressed work week: allows for employees to work for compressed working hours for a determined period of time, which gives employees the flexibility to attend to personal life demands. LG Electronics discourages late sitting. If somebody works more

than 4 times in a month beyond normal working hours, it is taken into consideration and is discussed with his HOD. If somebody has to work on a holiday he has to compulsorily take a Comp off in the corresponding week. In LG's Joyful Working 5 (JW5) program, the main emphasis is to provide the employees with proper work life balance.

In synch with Marico's philosophy of 'membership', Marico does not record and monitor attendance of its employees. The principle again is **empowering** the members to determine how they would like to manage their work time. This is different from "Flexi Timing" and there are no guidelines. A key benefit, which is unique to Marico, is the absence of Mandatory - Limited - Controlled Casual/ Emergency/Sick Leave Concept. The company does not have any guidelines to such leaves and the taking of these leaves is left to the individual's needs and the alignment of the individual with the supervisor. There is no recording of this leave. The principle of this is that individuals are accountable for the responsibility they are given, and all monitoring is accountability driven. The principle of this practice is absolutely aligned to the Values of Marico - wherein there is high level of trust and empowerment and members are expected to use their judgment while taking leave.

## **Interactive Learning**

The inferences are clear. These companies reap an invaluable return on their humane approach towards their employees. By fostering a sense of fairness that demonstrates belonging, caring, sharing and rewarding, they are nurturing commitment, enthusiasm and innovation!

Here, it is necessity for management to be open to communication and approachable by employees, is of primary significance. Half the barriers to positive interactions are diminished by making managers more open and accessible to employees. Also, the sense of respect in interaction, clarity, concern, and sharing of information, need to percolate throughout the firm, for a sense of justice to prevail. This can be warranted by ensuring that managers imbibe the values of the firm, and seek to convey the same impartially through their behaviours. For this, putting managers through programs that coach them in avoiding the traps of discrimination, and facilitate the delicate facets of sensitive communication, will go a long way. Often, however, the selection of the right leadership team itself can make the difference!

When employees are seen as human beings, and not 'human doings', they experience a sense of genuine concern for their welfare' emitted through interactions and opportunities

### **Top Differentiators in the 2012 Great Place to Work Survey**

- ⊕ I feel I receive a fair share of the profits made by this organization.
- ⊕ We have special and unique benefits here.
- ⊕ Management delivers on its promises.
- ⊕ Management's actions match its words.
- ⊕ Everyone has an opportunity to get special recognition.
- ⊕ People here are paid fairly for the work they do.
- ⊕ Management shows a sincere interest in me as a person, not just an employee.
- ⊕ Managers avoid playing favourites.
- ⊕ I can ask management any reasonable question and get a straight answer.
- ⊕ Management involves people in decisions that affect their jobs or work environment.
- ⊕ When people change jobs or work units, they are made to feel right at home.

provided by the organization. Great practices and outcomes from detailed policies will not prevail, if they are not doled out through virtues of respect and pride. If employees feel they are in a vulnerable position, or lack respect through interactions, or are subject to biases and prejudices, they are bound

to feel and experience the lack of interactional fairness. When they are armed with relevant and complete information, their judgements reflect their perceptions of fairness! The

## **Restorative Justice**

### **Willingness to Share Power**

*"To know what is right and not to do it is the worst cowardice." - Confucius*

We have traversed the journey of understanding what essentially makes up the landscape of fairness in the minds of the employees - from the basics of who gets what and how much, to how and why, interspersed with elements of respect and dignity in interactions and through information sharing. However, there are crossroads in this journey every great workplace has to pass, and the efficient and correct choice of path, is often a decisive turn in the wheels of fairness.

Fair policies and wholesome approaches to the culture of *fairness* are definitely a precursor to ensuring that *fairness* prevails, but as reaffirmed above, this cannot guarantee and ensure all employees are a hundred percent convinced that they have been handed a fair deal. All businesses face workplace grievances. It is a fact of life that when people work together there are going to be conflicts — both minor and serious. While minor cases can often be handled with proven conflict management strategies, the more

credibility of the firm is at stake here, and when management strives to match its audio with its video - words and actions, they are ensuring a faith repository in their wake!

serious conflicts and wrongdoings often require a process that can adequately address the emotional impact of the behaviour and its aftermath. Restorative solution brings the best practices of restorative justice into the workplace so that workplace grievances can be fully resolved at all levels — substantively, emotionally, and procedurally.

Often believed, the simplest form of restitution is a straightforward apology. However, when employees believe that the organizations they work in are stakeholders in their careers, livelihoods and ambitions, the equations change and mere apologies may not be considered acceptable in restoring what they believe was an act of unfairness. Restoration means putting things back as they were, so it may include some act of contrition to demonstrate one is truly regretful. According to Braithwaite (2004), Restorative Justice is a process where all stakeholders affected by an injustice have an opportunity to discuss how they have been affected

by the injustice, and to decide what should be done to repair the harm. *Restorative Justice is also known as Corrective Justice.*

### **Justice Delayed is Justice Denied**

Justice is experienced through a lack of discrimination based on people's behaviours and the presence and utilization of as fair process for appeals. Fair treatment of all is a fundamental building block in creating just workplaces. It creates more room for diverse people, thoughts and ideas, dictates more overall fairness in the workplace and sends the message that each person is valuable. Altogether this prevents personal prejudice from becoming institutionalized.

What then should organizations ask themselves in order to formulate policies and practices and a culture, that can allow employees to believe they can seek justice if they believe they are treated unfairly? We attempt enumerating a few, but as in the case before, the list is endless. How are issues of discrimination, unfairness and injustice investigated and redressed? Are such instances only dealt with as part of "grievance redressal or appeals" processes? Does the organization on its own seek to find out and correct wrongs? Do both possibilities exist (Restorative/ Corrective)? How are misconducts investigated? How guilt established and punishment is meted out commensurately? Are principles of



natural justice followed?" Does it matter who you are or is anyone above the law?

When the management is able to preempt the answers to these questions and institutionalise policies, practices, and cultures that promote intolerance to prejudice or acts of unfairness and encourage those who believe they are victims of such acts to voice a concern freely, they are promoting an environment of fairness. It is not good enough to have a grievance redressal committee or a hotline - what is of larger merit is what happens to the grievance, and the output of the redressal either through demonstrative acts of contrition or constructive recognition through improved, fortified and modified mechanisms. Of even larger merit, is the creation of a conducive and supportive, free environment that encourages the employee to speak up! This can happen when the mechanisms of communication and



transparency oiled by *trust* work smoothly.

For example, a workplace that facilitates an employee to raise grievances that relate to excess workload and consistent long working hours, not being able to avail of leave and holidays, etc., would be indicative of how confident he or she is of being heard and receiving some respite or fair judgement, without the fear of retaliation by supervisors in any form. Such grievances, however, need to be investigated and attempts made to help employees lead a more balanced and fuller life. If an endeavour is made to deal with the root cause of such instances whether it is person or process driven and institute programs

### **The upholders of Justice**

Common areas of concern in organizations are those relating to performance appraisals, promotions, harassment and discrimination. Indeed dealing with cases that are brought up by employees who believe they were treated unfairly in the light of these actions, is of immense importance, but beyond that is the creation of a culture that propagates 'no tolerance' for harassment and unfair practices. The best companies use the same yardstick for the CEO as they would for any other employee. And they do not spend too much time agonizing over such decisions.

that can alleviate these problems, progressive justice, can prevail.

Restorative justice enables employees to have their say and to talk about the full impact of what they believe is 'unfair.' They can actively participate in the resolution of the situation and can receive answers to questions they may have about the situation, decision and reasons for decision making. Organizations have a chance to put things right for their employees. Perhaps the biggest mistake many organizations make when attempting to adopt restorative justice principles is miscalculating what is expected. Too often, it is viewed as a program, as a result of which real changes don't emerge. Desired outcomes may often be superficial.

Scope for example, has an open culture that encourages dialogue. Employees work in an environment where they are aware that they will have an opportunity to receive a fair hearing and are educated about the processes for seeking redressal. Employees are educated on their right to escalate a difference of opinion and can reach out to skip level or HR to seek support for resolving such conflicts. To facilitate this, employees are provided with channels for raising grievances, which includes a well publicized escalation mechanism. The manner in which their legitimate



issues are taken up and addressed, contributes to reinforcing their sense of fair play in the organization.

Intel practices a strong sense of egalitarianism and openness. Any employee can set up one-on-one meetings with anyone, no matter how senior they are, and go talk to them. No one has walled offices; the President of the organization sits in the same cubicle as an intern or fresh college joinee. No one is more equal than others. Differences in cultures, values and thoughts are cherished and assimilated to make one strong diverse family. This gives every employee a sense of belonging, and also makes them feel welcome, and cared for in their workplace.

By instituting a Recruitment Appeal – FedEx has taken its commitment to fairness to a whole new level! FedEx is committed to recruiting and promoting exceptional people who meet or exceed clearly established requirements. FedEx also not only recognizes the right of all employees to be treated fairly, but believes similar rights should be extended throughout the selection process and provides a procedure for candidates to follow, if they believe they have been treated in an unfair manner. It offers a structured process for appeal in case of rejection. Candidates would need to send a written complaint to the Recruiting Manager's MD and Human Resources Manager within 7 Calendar

Days of receiving detailed selection feedback.

The Guaranteed Fair Treatment Procedure is unique to FedEx. This procedure is designed to give employees an opportunity to have their concerns heard by the management and to ensure fair evaluations of those concerns without fear of retaliation. This procedure enables an employee to escalate an issue, such as a decision that has been taken by their manager (disciplinary action or performance review), which they deem unfair, to the MD, Vice President or regional President. Employees utilizing GFTP are entitled to have their appeal heard at 2 levels by the relevant senior management. The employee has the right to bring along another FedEx Express employee to a Step 1 and Step 2 meeting. And the appeals ladder goes right up to the top, to the Founder- CEO & Chairman, if the issue is not resolved earlier to the employee's satisfaction

Ensuring an environment of *fairness* is not an easy task and when the case does arise, enabling restorative justice to embrace the issue, is no easy task either. It requires a highly disciplined, long-term commitment and approach to implementing a collaborative process that involves the buy-in and credibility of various levels of hierarchy in the firm. A robust Ombudsman Team, for example, in

some great workplaces, is committed to resolving the range of issues brought to them in a consistent, transparent and timely manner. They bring together relevant internal and external parties, identify root causes and implement process or policy changes that fundamentally improve the quality of products and services the company provides. In addition, external hotlines, administered by a third party, to which any concerns may be reported anonymously, work successfully.

The directness of the statement '***If I am unfairly treated, I believe I'll be given a fair hearing if I appeal***' from the TI, leaves no room for doubt in what aspect of fairness is being measured here. Our analysis of scores in places that are yet to progress into great workplaces, has yielded very disturbing outcomes. In organizations placed at the bottom 25 by their employee perceptions, the average score is about 50, whereas for the top 25 it is more than 80. In effect, employees in these organizations which are not great workplaces, apart from believing that they do not

experience fairness in any of the forms described earlier, also believe that they have no real recourse to voice their concerns, and seek justice! Inadequate grievance redressal platforms and a sense of fear of reprisal that an employee may feel while speaking up, we presume, are at the root of this perception!

Truly idolising the essence of restorative justice beyond its intrinsic meaning is a practice that exists in a leading Research Firm, the practice of Quota Relief. It indicates that in the event an unforeseen situation happens with a client that can seriously impact the sales results of an associate, the management team can apply to request Quota Relief for the account executive, to ensure the executive's overall success is not impacted by events beyond his or her control. To be able to anticipate the cause of possible challenges to *fairness* in the eyes of the employee, and to ensure proactive - cognitive action to ensure employees are aware that the organization is fair in all circumstances, is exemplary!

*"The glue that holds all relationships together -- including the relationship between the leader and the led is trust, and trust is based on integrity."*

**--Brian Tracy**

## **Diversity**

*A huge feature that in itself demonstrates the existence or lack of Fairness is Diversity.*

The concept of diversity encompasses acceptance and respect. It means understanding that each individual is unique, and recognizing our individual differences. These can be along the dimensions of race, ethnicity, gender, sexual orientation, socio-economic status, age, physical abilities, religious beliefs, political beliefs, or other ideologies. It is the exploration of these differences in a safe, positive, and nurturing environment. It is about understanding each other and moving beyond simple tolerance to embracing and celebrating the rich dimensions of diversity contained within each individual. In many ways, diversity initiatives complement non-discrimination compliance programs by creating the workplace environment and organizational culture for making differences work.

In order to provide discrimination free and healthy work environment, several organizations have formulated “no discrimination” policies. These policies help in preventing any form of discrimination when decisions such as hiring, pay hike, promotions, transfers, etc., are taken. Through these policies, organizations have identified the action steps that would be taken when a case gets reported.

Also, people are encouraged through various mediums to report discrimination if they have faced or seen it. At great workplaces, several policies have been defined which are relevant to the Indian context. These include Sexual discrimination, Religious discrimination, Caste discrimination, and Age discrimination.

To ensure that employees appreciate inclusiveness and value the diversity of gender, thoughts, views, opinions, ways of working, sensitizing them and walking them through different styles of working that men and women operate with is a compulsory practice at Ernst and Young. ‘Unconscious bias’, a web based global program was introduced for all counsellors to be taught to identify behaviours that reflect biases, both consciously and unconsciously, with the intention of encouraging rational and fairness in all decision making processes.

All MindTree Ltd. campuses are friendly towards differently-abled people. With the help of wheelchairs they can access any location in the campuses. Every floor has washrooms uniquely designed to suit the needs of differently-abled people. ITC Ltd Hotels Division actively hires differently-abled people. Elaborate

programs are conducted to educate all employees on disabilities and how to work with disabled people. Application forms, training programs, inductions are changed if needed, according to the needs of the differently-abled employee. Sign language events are organized at certain locations. Managers are trained to understand that differently-abled people are also capable of availing promotion opportunities. Outstanding employees with disabilities who deliver exceptional results are recognized organization wide.

Bharti Airtel promotes diversity through measures like advising all placement consultants to ensure that one out of every three interview candidates should be a female. The recruitment consultant is paid an additional 10% on consulting fee if the hired employee is female.

Infosys was the first Indian IT company to establish a company office to manage and drive all company initiatives dealing with diversity and inclusion. Today it has employees from over 70 countries. Women constitute more than one-third of its workforce. Infosys Women Inclusivity Network (IWIN) promotes a gender-sensitive work environment. IWIN recognizes the unique aspirations and needs of women. It provides avenues for vocational, personal and psychological counsel to enable

professional and personal development.

Vaahini is a formal women's networking group in Accenture, which supports networking amongst the women employee on efforts and initiatives related to mentoring, communication and counselling. The group aims to address women's issues proactively, leveraging the powerful contribution of women by nurturing, sustaining and building the female workforce at all levels in Accenture.

As a global enterprise, FedEx embraces and reflects the diversity of the communities it serves. The FedEx culture encourages an environment where a person's performance is what counts, not a person's color, gender or origin. FedEx has a policy on discrimination / harassment which condemns any acts in its environment that creates the potential for sexual harassment. This year Human Resource Services in India has designed and introduced a customized 'Fairness at Work' workshop for managers, which is a one day awareness workshop covering topics such as sexual harassment, different kinds of discrimination and bullying, sensitive illnesses and handling drug misuse and abuse.

What impacts the environment of fairness, is the management's attitude and behaviour towards diversity and inclusiveness. If fair treatment, equality of opportunity, and respectful

interaction is awarded to all, both aspiring and existing employees, irrespective of personal characteristics, a larger portrait of justice and fairness can be created. By ensuring inclusivity and diversity, an organization can reap the benefits of attracting and retaining from a wider capable and talented work force, promoting and encouraging equality, acceptability and commitment!

In order to prevent any form of discrimination from taking place while recruiting and promoting employees, several organizations are now setting in place policies that make them an equal opportunity employer. Guidelines are used in order to ensure that the selection process is fair to all the parties involved.

### **Tapestry of Fair Leadership: Conclusion**

The phrase such as “a fair day’s pay for a fair day’s work” symbolizes the importance of fairness at work to employees. No amount of 'best practices' and 'next practices' can be a substitute for old fashioned walking the talk.

The most fundamental principle of justice—one that has been widely accepted since it was first defined by Aristotle more than two thousand years ago — is the principle that "equals should be treated equally and unequal unequally". In its current context at the workplace, it refers to

#### **Leadership Lessons**

*Fairness in Spirit*

*Democratic Identity*

*Expression and  
Communication*

*Transparency*

Organizations have to not only promote diversity at the workplace, but also be adept in using virtual collaboration tools. This calls for new ways to build values and culture in a virtual environment, using multiple channels of communication.

treating Individuals the same, unless they differ in ways that are relevant to the situation in which they are involved. A modern day interpretation is creation of a level playing for all, yet rewarding and acknowledging the outperformers, simultaneously nurturing and encouraging the others! “It is the need of the hour to encourage organizations to create an effective and nurturing culture that consists of programs to honour, respect and recognise employees, with an entire ‘value proposition’ of remuneration, benefits and careers.

Today, the competitive edge of businesses is determined by its people and it must gain significance

dominance over all in the context of organizational success.”

*“If your actions inspire others to dream more, learn more, do more and become more, you are a leader”.- John Quincy Adams*

**Fairness in Spirit:** Fairness is a key concern of organizations, employee and leaders. Leaders, however, hold the key to imbuing sense of fairness in the culture, through conversations, actions and behaviours which they institutionalize. Anchored with experience, leadership can offer the vision and nurture the right values and attributes required for cultures that recognise and encourage the reign of *fairness* and organizational justice. Beyond what gets reflected and captured in practices, is the **spirit** in which fairness is practiced, that can establish justice as a value and philosophy for the institution.

**Developing a Democratic Identity** and agency through the values of shared learning, sharing experiences, development and embracing broad diversities, becomes crucial. Converting Leadership into a pattern of relationships, rather than resting it solely on authority, can encourage action planning and message development. Collaboration, Speaking and listening, all facilitate achieving a unified voice. Allowing employees to have a voice in crafting their future,

will always bring with it a larger buy in and commitment.

The power through **expression and communication** cannot be over emphasized. Affirming the right to be as effective as we believe it is, needs a strong channel of information and communication. *The actions of men are the best interpreters of their thoughts.* Good leadership sees and says what needs seeing and saying, and supports programs and groups that assist in disseminating these throughout the firm. **Transparency** that governs such communication makes it easier for employees to fathom the depth of decisions, and in return, understand the basis or grounds for actions taken.

Great workplaces recognise the persistent longing in employees to operate in respectful, progressive and conducive work environments. This forms the basis of their vision of transforming themselves into *preferred employers* for many. The management’s recognition and value of employees is measured through their credibility, perceptions of trust and fairness. When what the

management speaks, and what gets understood down the line is at par, the wings of fairness will take flight. Just as a tapestry is meaningless if reduced to its bare threads, the wholesome nature of fairness cannot be captured in a few steps alone—words and actions that radiate Integrity, Credibility and Trust, reveal the progressive nature of fair leadership.

We believe change can best be achieved by encouraging organizations to aspire to become their best rather than demanding that they fix what is wrong. That is why our approach is positive. By focusing on the examples set by great

workplaces, we spread the good news that any company anywhere can become great workplaces with sustainable business benefits.

Great workplaces outperform their competitors. They also exceed the performance of stock market indices by a wide margin in terms of total cumulative returns to their shareholders (Source: Independent research by Russell Investments Group, USA on Best Companies to Work For in the United States of America, 1997-2010). Fairness, in its entirety, seems to be a very significant differentiator or discriminator between these best organizations and the rest.



In three rigorously researched books *Built to Last*, *Good to Great* and *Great by Choice*, Jim Collins and his associates identified 36 truly great companies – 23 out of those 36 companies are also considered to be great workplaces by their employees.



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## Companies Featured in this Report

### **American Express India Ltd**

Ranked in-2005, 2007, 2008, 2009,  
2010, 2011, 2012

Industry- Financial Services &  
Insurance

Ownership- Subsidiary, Division, or  
Majority owned of another Company

Employee Strength- 6158

Location- Gurgaon

### **Scope International**

Ranked in- 2007, 2008, 2011

Industry- Information Technology

Ownership- Subsidiary, division, or  
majority owned of another company

Employee Strength- 8222

Location- Chennai

### **Mind Tree**

Ranked in- 2004, 2005, 2007, 2008,  
2009, 2012

Industry- Information Technology

Ownership- Publicly held

Employee Strength- 10990

Location- Bangalore

### **RMSI Pvt. Ltd**

Ranked in- 2005, 2007, 2008, 2009

Industry- Information Technology

Ownership- Privately held

Employee Strength- 1457

Location- Noida

### **Wipro**

Ranked in- 2003, 2004, 2008, 2012

Industry- Information Technology

Ownership- Publicly held

Employee Strength- 111932

Location- Bangalore

### **Cadbury**

Ranked in-2003, 2004, 2005, 2008,  
2010

Industry- Manufacturing &  
Production

Ownership- Publicly Held

Employee Strength- 2841

Location- Mumbai

### **Accenture Services Pvt. Ltd.**

Ranked in-2009, 2011, 2012

Industry- Information Technology

Ownership- Publicly Held

Employee Strength- 76400

Location- Mumbai

### **Marico Limited**

Ranked in-2003, 2008, 2009, 2010

Industry- Manufacturing &  
Production

Ownership- Publicly Held

Employee Strength- 995

Location- Mumbai

**Google India Pvt. Ltd.**

Ranked in- 2007, 2008, 2009, 2010,  
2011, 2012

Industry- Information Technology

Ownership- Publicly Held

Employee Strength- 1535

Location- Bangalore

**Mahindra and Mahindra Financial  
Services Limited,**

Ranked in- 2012

Industry- Financial Services &  
Insurance

Ownership- Publicly Held

Employee Strength- 4324

Location- Mumbai

**PayPal India Pvt. Ltd.**

Ranked in- 2009, 2010, 2011, 2012

Industry- Professional Services

Ownership- Subsidiary, Division, or  
Majority owned of another Company

Employee Strength- 843

Location- Chennai

**Tata Power Delhi Distribution  
Limited**

Ranked in - 2012

Industry -

Ownership- Privately Held

Employee Strength- 3826

Location- Delhi

**Fedex India**

Ranked in- 2003, 2004, 2005, 2007,  
2008, 2009, 2010

Industry- Transportation

Ownership- Subsidiary, Division, or  
Majority owned of another Company

Employee Strength- 514 in 2010

Location- Mumbai

**Bajaj Capital**

Ranked in-2008, 2009, 2010, 2011,  
2012

Industry- Financial Services &  
Insurance

Ownership- Privately held

Employee Strength- 1122

Location- Delhi

**Qualcomm**

Ranked in-2007, 2008, 2009, 2010,  
2011, 2012

Industry- Telecommunications

Ownership- Publicly held

Employee Strength- 1683

Location- Mumbai

**Sasken Communication  
Technologies Limited**

Ranked in- 2004, 2005, 2007

Industry- Information Technology

Ownership- Publicly Held

Employee Strength- 2452

Location- Bangalore

**Cleartrip**

Ranked in - 2012  
Industry- Professional Services  
Ownership- Privately held  
Employee Strength- 371  
Location- Mumbai

**Ernst and Young**

Ranked in-2003, 2008, 2009, 2011,  
2012  
Industry-Professional Services  
Ownership- Privately Held  
Employee Strength- 6405  
Location- Gurgaon

**Kotak Mahindra Bank**

Ranked in-2008, 2009, 2010  
Industry-Financial Services &  
Insurance  
Ownership- Publicly Held  
Employee Strength- 6461  
Location- Mumbai

**TPG Software**

Ranked in- 2011, 2012  
Industry- Information Technology  
Ownership- Privately Held  
Employee Strength- 320  
Location- NCR

**Monsanto India Limited**

Ranked in- 2004, 2008, 2009, 2010,  
2011, 2012  
Industry- Agriculture, forestry and  
fishing  
Ownership- Publicly Held  
Employee Strength- 833  
Location- Mumbai

**LG Electronics**

Ranked in- 2009, 2010  
Industry- Manufacturing &  
Production  
Ownership- Privately held  
Employee Strength- 4277  
Location- Delhi

**Intel Technologies Pvt. Ltd.**

Ranked in- 2004, 2005, 2007, 2008,  
2009, 2010, 2011, 2012  
Industry- Information Technology  
Ownership- Subsidiary, Division, or  
Majority owned of another Company  
Employee Strength- 3302  
Location- Bangalore

**Bharti Airtel**

Ranked in-2009, 2010, 2011  
Industry- Telecommunications  
Ownership- Publicly held  
Employee Strength- 15400  
Location- Delhi



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