How to Create a Fair Workplace: Crash Course Business: Soft Skills #15

Crash Course: Business - Soft Skills
https://youtube.com/watch?v=59sCMUnvNdA
https://nerdfighteria.info/v/59sCMUnvNdA

A man on trial stands in front of two livestock pens, one full of grass and clover, and one with just dirt.

The judge of this village is there too, holding a sheep on a rope. The judge says the man will be declared guilty if the sheep walks into the pen with food, and he'll be declared innocent if it walks into the one without.

I think we all can guess what happens next. The idea of this fable is that, unfortunately, procedures, decisions, and power structures in life aren't always fair. But if you're a manager, fairness is the number one thing that makes a workplace functional.

It makes people more productive, less likely to quit, and generally happier. So it's super important for all of us to make an effort to be fair and watch out for biases that make us act unfairly. That way, we can be better at business and better humans in the world.

I'm Evelyn from the Internets. And this is Crash Course Business: Soft Skills. [Intro] Fairness is one of the quickest ways to lose or gain trust. A lot of times we assume unfair people are incompetent or opportunistic.

Neither of which are a good look. And the workplace is full of important decisions that could feel unfair, like determining salaries or settling disagreements. The idea that people at a company feel like they're being treated fairly is called organizational justice.

But it's a complicated idea, because fairness involves subjective stuff like perceptions and comparisons. Basically, we get frustrated if what we're being given doesn't match what we think we deserve compared to what others have. We like balance… and so do other animals.

The biologist Frans de Waal did an experiment where one monkey did a task and was rewarded with cucumber bits. It was totally cool with that… until it saw another monkey do the exact same task and get grapes. Then, it threw a mini tantrum and chucked the cucumber back at the researcher.

Seriously. The video will brighten your day. But back to humans!

There are three kinds of fairness that are important on a day-to-day basis. They're called outcome fairness, procedural fairness, and interactional fairness. Outcome fairness is if we perceive that we've been rewarded with what we deserve.

There are a lot of ways people judge outcome fairness, but the three most common norms are need, equality, and merit. These norms are all very different, and people may care about one more than another, which makes outcome fairness pretty tricky. Like, let's say you had $3000 to distribute to three team members as bonuses.

The need norm says that you should give the most money to the person who needs it the most. But need is hard to judge. It can get a little philosophical.

Like, what counts as a need? How do we weigh different kinds of needs? And what needs matter in a professional environment?

The equality norm says that you should distribute the money equally -- so $1000 per person. Without some equality, people may feel slighted and try to cheat the system, like by putting in fewer hours during the work day. And equality can be helpful in complicated situations, like if you've got three people with drastically different skill sets.

But it might not always make sense for a business to split everything equally. The merit norm says that you should give the most money to the person who contributed the most. But merit can be hard to judge too because job performance is hard to measure and define.

At an advertising firm, for example, you could look at hours, revenue, or client numbers. And each metric could point to a different person. Plus, we generally overestimate our own abilities and contributions, which is a psychological phenomenon called the Dunning-Kruger effect.

As you can probably tell, it's really tricky to pick what norm to prioritize. You have to consider how other people will see your decision and what they personally value, so you won't always be able to please everyone with outcome fairness. So recognize your own biases.

We all have a bit of self-serving bias, which means that we tend to use norms that help us more than other people. If you're coming up with a work schedule, a parent may want to be at the office while their young kid is at school, but a night owl might want the whole team to be in from 10 to 6 everyday. You also need to think about what fits the culture of the organization the best.

One Seattle entrepreneur decided that his company would offer a $70,000 minimum wage to fight against income inequality, which caused some controversy across the business world. Ultimately, trust your judgement. And know that as long as you're making an informed, calculated decision, you're doing your best.

Now, the path we take to get to a decision often matters as much as the outcome. Procedural fairness is if we perceive that the decision-making process is fair and unbiased. There are five features of a fair process.

We've all seen at least one episode of SVU, or some courtroom drama, right? Think about procedural fairness like you would a legal proceeding. First, procedures need to be consistent, which means the rules should be the same for everyone, no matter who they are.

Judges, lawyers, and lawmakers do their best to make sure that laws are applied without subjectivity or special treatment. The same goes for business policies, like overtime pay rates. They should be enforced the same for interns and executive staff!

Procedures also need to make sure people have a voice. Both plaintiffs and defendants present their side of the story -- just like both people in a work disagreement. The accuracy of information that affects decisions is important too.

Evidence in a courtroom needs to be valid, relevant, and available to both parties. So if you're deciding to fire someone, you need to make sure you've got your facts straight. Then, there needs to be bias suppression.

That's why there's a whole jury selection process. Realistically, we can't really suppress all of our biases, because we're human beings with personal connections to our coworkers. But we can try to minimize them.

And finally, the decision needs to be correctable. There needs to be an appeals system, or a way for a bad decision to be reversed. Like the ability to sue for wrongful termination, or appeal a decision to HR.

Granted, the legal system isn't perfect, and neither are corporate policies. But establishing thoughtful procedures can make messy situations better. And that makes people happier... or less angry, at the very least.

Like, one study published in Administrative Science Quarterly found that people who are fired are less likely to sue companies if they perceived the process was handled fairly. Whether we feel something is fair all comes back to personal perception and comparison. So procedural fairness can sometimes compensate for less-than-ideal outcome fairness, and vice-versa.

But if we don't have interactional fairness, we definitely don't feel like we've been treated fairly. Interactional fairness involves treating people with dignity and respect. It's another one of those business concepts that boils down to the (slightly modified) golden rule: treat others as you want to be treated… or as they want to be treated, if that's different.

Don't be condescending to anyone, and be as honest as possible with relevant information. Even though it may feel easier to sidestep issues, showing a little vulnerability can be helpful. Like, patients are less likely to sue hospitals if the doctors apologize for their mistakes rather than hide them.

Good apologies are really useful! To see how any sort of unfairness can lead to counterproductive work behavior like stealing, mistreating others, or being unproductive... let's go to the Thought Bubble. You're a junior member at a public relations agency.

You spend most of your time designing graphics for clients' social media, and you love a good inspirational quote. Your office has an open floor plan, so you've noticed your coworker has been spending a lot of time on recipe blogs instead of work. Like… at least 5 hours a day.

That's cyberloafing, and pretty clear counterproductive work behavior. It could get them fired. After talking to them about it, you learn that they're upset that they've been unfairly passed over for more challenging projects.

And they haven't had the opportunity to pitch new clients. The clients they have brought in generate a lot of revenue. So in a merit-based system, there doesn't seem to be outcome fairness.

They tell you that they're planning to quit and start their own PR agency in a month. Because of those non-compete clauses in your contracts, they can't take any of her current clients with them… so they're scrolling through BBQ chicken recipes instead of working. You tell your coworker that they should meet with the director of the agency and communicate persuasively and respectfully.

Your coworker shouldn't storm in complaining about unfairness. Instead, they should frame the problem carefully: they'd like to be challenged. Then, they should give evidence that they're a qualified, hard worker -- like those big clients they brought in.

The director might not have noticed the discrepancies in project assignments, so she could be won over. But, there's no guarantee that the director will completely understand your coworker's perspective. The director could be distributing clients with a process that seems fair to her, even though she hasn't made it clear to employees.

But at least this discussion about unfairness is a start. Thanks Thought Bubble. Ensuring fairness in the workplace isn't easy.

It may mean having tough conversations about the procedures, outcomes of decisions, or even interactions you have with your coworkers. Sometimes, there are big organizational justice problems like discrimination. We don't want to minimize how awful those can be, because systemic change is difficult.

But sometimes, unfair situations are unintentional. So if you bring the problem to someone's attention, they'll be willing to think about other perspectives, and you'll be able to advocate for yourself using specific, detailed feedback. We've been learning lots of soft skills together that can help with fairness, like having difficult conversations and building trust.

So you've got this. The key things to keep in mind are: Knowing what's fair comes down to considering other people's perspectives. Outcome fairness matters, but because of need, equality, and merit norms, it can be pretty subjective.

There are 5 features of a fair process: consistency, voice, accuracy of information, bias suppression, and correctability. Treat others with dignity and respect, because interactional fairness is key. Next time, we're going to show you how to synthesize all your business skills to empower others and yourself in your work life.

Thanks for watching Crash Course Business. If you want to help keep all Crash Course free for everybody, forever, you can join our community on Patreon.