Ongoing Discussion "Thought Piece"

Legitimacy and Fairness in Organizations

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Numerous relationships exist among the individuals who are members of an organization. Those relationships can be beneficial to the individuals involved and to the organization as a whole, or they can damage the ability of the organization to fulfill its purpose. The following discussion is an exploration of what might be done to improve the relationships among an organization's people. The exploration is focused on legitimacy and fairness in organizations. Some frameworks for thinking about legitimacy and fairness are presented.

Legitimacy

In his book, *David and Goliath*, Malcolm Gladwell writes about the "principle of legitimacy." He argues that "when people in authority want the rest of us to behave, it matters – first and foremost – how *they* behave."[1] Those who give orders are vulnerable to the opinions of those to whom they give orders. Gladwell says that legitimacy of authority is based on three things: people who are asked to obey authority have to feel they have a voice – if they speak up, they will be heard; rules have to be predictable – the rules tomorrow can be expected to be about the same as the rules today; and the authority has to be fair – one group cannot be treated differently from another group.[2] In an organizational environment, managers carry the responsibility for these bases of legitimacy.

<u>Bases of Legitimacy</u>
- People who speak up are heard
- Rules are predictable
- Authority is fair

Some Examples of Unfairness

Fairness is cited as a basis of legitimacy. Some organizations have been criticized for being unfair to their employees and other stakeholders in various ways. A few examples of unfair treatment of stakeholders by organizations follow.

Walmart has been cited many times for being unfair. In a Wikipedia article about Walmart, several examples of unfair treatment of employees are provided.[3] In 2000, an internal Walmart audit reported by The New York Times revealed extensive violations of child-labor laws. The violations included minors working for too many hours in a day, working too late and working during school hours. A 2005 class action lawsuit against Walmart in Missouri asserted approximately 160,000 to 200,000 people were forced to work off-the-clock, were denied overtime pay, or were not allowed to take rest and lunch breaks. In 2007, a class action discrimination lawsuit was filed on behalf of current and former female employees of Walmart's stores in the United States. In 2008, Walmart agreed to pay at least $352 million to settle lawsuits claiming that it forced employees to work off the clock.

[1] Gladwell, M. (2013), *David and Goliath*, Little, Brown and Company.
[2] The term legitimacy has been widely used to refer to political legitimacy with reference to governments. The term is used here in the more general sense described by Gladwell.
[3] wikipedia.org/wiki/Criticism of Walmart

Title VII of U.S. law prohibits discrimination based on race, color, religion, gender, or national origin. (Other laws cover other forms of discrimination such as disability.) A news story published December 29, 2009 reported the following: "A class action lawsuit filed against the Outback Steakhouse has reached a settlement, with the restaurant chain reportedly agreeing to pay $19 million to settle allegations of sexual discrimination. The suit represents thousands of female workers employed at steak houses across the US. The suit was filed by the Equal Employment Opportunity Commission in 2006, over allegations that female employees couldn't get promoted up the ranks of management to profit-sharing positions, nor were they considered for favorable job assignments such as kitchen management positions. Under the terms of the settlement, the $19 million will be distributed among the women who have worked at corporately owned Outbacks for at least three years since 2002."[4] As described, this example illustrates unfair treatment of one group of employees (women seeking promotions and favorable job assignments) by other employees (management).

In the United Kingdom, the Financial Services Authority (FSA) fined accident and sickness insurance provider Combined Insurance Company of America (CICA) 2.8 million pounds for failing to treat its customers fairly. The FSA found that CICA had failed to effectively manage its sales processes, claims processes and complaints handling in order to ensure fair treatment of its customers. The FSA identified systemic failings across much of CICA's business. In particular: "CICA's recruitment procedures focused on the quantity rather than the quality of recruits. There were no minimum qualification requirements for agents and employment references were not always obtained; CICA did not have adequate systems and controls to ensure that its sales agents had the necessary skills and knowledge to provide suitable advice; CICA did not ensure that its sales agents recorded all relevant information when advising customers on the suitability of insurance products; the remuneration structure for the sales force was high-risk with agents paid on a commission-only basis, based on sales volumes with insufficient emphasis on the quality of sales…; CICA did not put in place adequate controls to monitor its claims handling process; aspects of CICA's complaints handling procedure and the accompanying systems and controls were inadequate."[5] According to this report, the CICA case illustrates unfair treatment of another group of stakeholders – customers.

The preceding are a few examples of unfair treatment of stakeholders, including other employees, by organizations and their employees. As stated in an earlier footnote, the term legitimacy has been widely used with reference to governments. Examples of unfairness abound in that context. One only needs to read the newspaper to find them.

Another possible example of unfairness can be found in numerous efforts to improve the outcomes of primary and secondary education in the U.S. Foundations that have become engaged in efforts to improve education appear to focus their energies and funding on improvement of teaching. This might be seen as analogous to an intense focus of quality efforts in manufacturing on the front line operators who are seen as the sole producers of products entirely responsible for the quality of the outcomes. This focus ignores the roles of managers and supervisors of these front line people in affecting quality and the roles of other functions in manufacturing organizations such as product design, manufacturing engineering, purchasing, and finance. A product is produced by a system that contains people at numerous levels, in different roles, with different types of expertise that must collaborate

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[4] http://www.bigclassaction.com/settlement/outback-steakhouse-settles-class-action.php. The settlement was also reported on the EEOC web site.
[5] See http://citywire.co.uk/new-model-adviser/news/insurer-fined-2-8m-for-unfair-treatment-of-customers.

effectively to produce a quality product. The limited, non-systemic, single cause, operator-focused view can limit opportunities for improvement. The focus on teachers in education is based on the same kind of flawed reasoning as the focus on front line operators in manufacturing. In the case of elementary and secondary education, other components of the system that produces educational outcomes include school systems and their management, supervisory and support staff, community governments, state and federal governments, teacher education and training programs, and parents' maturity, educational backgrounds and financial situation. To restrict the focus of improvement efforts to teachers limits exploration for opportunities for improvement and may constitute a form of unfairness to teachers. One might view efforts to identify a single "root cause" of any problem as sharing the same flaw as the focus on manufacturing operators and classroom teachers: lack of acknowledgement that outcomes are usually produced by multiple components of a system and their interactions. Such nonsystemic approaches to problem solving and improvement limit options and potential outcomes and can do harm.

My friend Ian Bradbury pointed out an important distinction between the preceding examples. The first three are examples of possible knowing misdeeds, such as violating labor laws. However, the education example appears to be a case of misguided good intentions at work.

The Psychological Contract

In 1960, Chris Argyris wrote about the psychological contract of an employee with an organization.[6] The psychological contract was a collection of an employee's unwritten expectations. According to Argyris, the employee's expectations included a sense of dignity, a sense of worth, fair treatment, and opportunities to learn and grow. Argyris' view was focused on factors that contribute to an individual's sense of well-being. Others have focused on the material obligations the individual believes the organization has. The psychological contract is not a formal, negotiated contract between an employee and an organization. It is a set of expectations held by an employee regarding how he or she will be treated by the organization and its members. A manager should know about these expectations and should address them. An obvious starting point for a manager would be to ask what opportunities for growth and learning he or she has provided to employees who report to him or her. Much of the writing on the subjects of the psychological contract and fairness in organizations is focused on the obligations of the organization. The preponderance of power in the relationship of employer and employee lies with the organization. However, the employee is also an agent in the relationship with the employer and so is responsible for upholding his or her obligations.

Unwritten Expectations of Employees in Argyris' Psychological Contract

- Fair treatment
- A sense of dignity
- A sense of worth
- Opportunities to learn and grow

When the organization fails to respond to an employee's contribution as the employee believes it is obligated to do, the psychological contract is violated. Attributes of employment that might turn

[6] Argyris, C. (1960), *Understanding Organizational Behavior*, Dorsey Press.

out to be not as expected could include opportunities for promotion, career guidance and mentoring, competitive pay, participation in decision making, well-defined job responsibilities, a reasonable work load, adequate resources to perform the job and recognition of the employee's accomplishments. There are many other parties who can affect the relationship between one employee and an organization. The organization is not a single person and the many relationships the employee has with other members of the organization affect the employee's experience. The organization is affected by its environment and the opportunities and constraints the environment provides. The operating environment is dynamic and technological change, politics, and economic factors can have effects, as do management decisions. Consideration of these factors might produce a different perception by the employee of a violation of a psychological contract.

When an employee makes a commitment to an organization, the employee likely believes the organization should honor the psychological contract as he or she perceives it. When the employee has a perception of a promise made to him or her that differs from the perceptions of organizational agents, the employee can experience a breach of the psychological contract. Employees who receive realistic information before they are hired will be less likely to experience a breach of the contract, but employees may have distorted perceptions of how well they have fulfilled their obligations and how well the organization has fulfilled its obligations. The incidence of perceived contract breaches can be reduced by the employee and by organizational agents. The employee can seek to have explicit discussions of obligations with organizational agents to ensure that the employee and the organization have shared perceptions of the terms of the employment relationship and the terms are as clear as possible. Organizational agents can reduce disparity between the perceptions of the employee and the organization by providing potential new employees with realistic previews of jobs and communicating frequently with employees about their obligations and the organization's expectations after they have been hired. Organizational agents should communicate clearly with employees when they believe the employee is not fulfilling their obligations to the organization. In the ongoing relationship between the employee and the organization, organizational agents should offer honest and adequate explanations of differences between expectations expressed by the employee and the actual situation.

To reduce the likelihood of differing perceptions, managers can take steps to ensure that all personnel who will interview potential employees have thorough training in honest and skillful interviewing and on the obligations of the organization to fulfill promises made to potential employees. Recruiters should be trained to provide realistic job previews and not promise more than can be delivered to attract desirable job candidates. Managers at higher levels should initiate a review of interview processes to ensure that promises made to potential employees are consistent with the organization's practices and its predicted circumstances. A possible small scale study to begin examination of interview processes would be to select a small number of pairs of interviewee and interviewer and see if the members of each pair thought they had heard and said the same thing. Personnel who interview potential employees should also be trained to provide interviewees with thoughtful discussions of the effects the external environment and corporate strategic choices can have on the fortunes of the organization and therefore, on the fortunes of its employees. Interviewees should be helped to understand that uncertainty is a given and should be taken into account when comparing expectations with reality. The effects of technological changes and new methods of delivering products and services have provided many examples of how reality can change quickly and significantly. Executives should emphasize the importance of ongoing respectful and honest communication between an employee and his or her supervisor and coworkers so that the employee's expectations and those of other organizational members are mutually consistent.

Policies and processes aimed at providing employees with a reasonable work load and the resources to carry out their work should be established. The first step is to look for evidence of employees having unreasonable workloads. Some of the labor practices described in the earlier discussion of Walmart provide examples. Lack of resources to carry out work may provide evidence of the need to reconsider what is necessary and what is not. Executives should see that the organization has decision-making processes that are inclusive and provide for inputs from all functions that will be affected by a decision. There should also be mechanisms through which employees can voice their concerns and criticisms and they can be appropriately communicated without putting the careers of employees with concerns and criticisms at risk.

Executives should provide for structures and processes to mentor employees and ensure that they receive guidance to learn and develop. In the book *Toyota Kata*, author Mike Rother describes two routines that employees in Toyota learn and practice: (1) improvement; (2) coaching.[7] These routines are not restricted to production workers; all employees are expected to learn and practice them. In the process of mentoring and coaching, employees receive guidance important for their development. A coach may not necessarily be the employee's manager and an individual can have several coaches at different stages of their development. Rother argues that these routines provide Toyota the power to continually improve the organization's work and develop the organization's people.

Organizational Justice / Fairness

In the past two decades, a substantial literature has been developed based on research to investigate fairness in the workplace. The name *organizational justice* has been applied to this subject. Gladwell's bases of legitimacy are aspects of organizational justice. Three kinds of organizational justice have been identified: distributive, procedural and interactional. Distributive justice refers to the fairness associated with the distribution of resources, including resources needed to conduct work as well as pay and other benefits. Procedural justice refers to the fairness of policies and procedures (processes) used to make decisions. Interactional justice refers to fair treatment of people. Interpersonal justice and informational justice are two aspects of interactional justice. Interpersonal justice refers to conformance to accepted standards of behavior and to the degree of respect given to people. Informational justice refers to the adequacy and honesty of explanations given for actions. So the term justice in the workplace refers to fairness and respect for people.

Fairness

Type	Focus
Distributive	Fairness of distribution of resources
Procedural	Fairness of policies and processes
Interactional	Fair treatment of people
Interpersonal	Conformance to accepted behavioral standards
	Respect for people
Informational	Adequacy and honesty of explanations

[7] Rother, M. (2010), *Toyota Kata*, McGraw-Hill Education.

Fair Processes

Based on their work with people at all levels in organizations, researchers have identified three characteristics of fair decision-making processes: (1) employees who will be affected by decisions are asked for their input and are invited to explore together the merits and the weaknesses of decision alternatives; (2) the thinking that underlies the decision is explained; (3) employees are provided with a clear explanation of what will be expected of them as a result of the decision.[8] In addition, efforts are made to collect relevant and accurate information and to use it appropriately in making the decision. Decision-making processes are explained and used consistently over time.

To provide for fair decision-making processes, executives should examine whether they routinely ask their reports to provide input on decisions that will affect those individuals and others in the organization. If the executive does ask for input, does he or she receive and respond to the input in a respectful manner? If the executive doesn't ask for input, he/she should explore why he/she doesn't and should probably seek coaching on how to ask for and respond appropriately to the input. Further, executives should see that managers in the organization receive training and/or coaching on involving employees in providing input to the decisions that will affect them. Fairness in the workplace does not require decision by consensus or democracy. What is required is that employees have a chance to voice their opinions and their views are considered carefully. Executives and managers at all levels should explore how to provide adequate explanations of decisions and clearly explain what will be expected as a result. Opportunities for improvement should be identified.

Executives should initiate the design of administrative processes to identify people who will be affected by a decision and to obtain their input. Such processes could be complex and could initially slow down decision-making in the organization. However, the savings in time required to deal with dissatisfaction created by deciding without asking for input could, in time, make decision-making and its consequences more efficient. In unusual circumstances, decisions may have to be made quickly and not enough time exists to obtain adequate input to avoid dissatisfaction. In such cases, explanation of how the decision was made, who was involved, and the reasoning behind the decision should be provided to affected parties. Mechanisms should also exist to capture the reactions of affected parties and consider them. When a faulty decision can be changed, it should be.

Policies can define processes or, at least, constrain them. Policies can be introduced into organizations without consideration of their effects on employees or on the organization's work. A policy may be established without seeking input from other parties or functions that might be affected by the policy. Policies are sometimes established as a reaction to a single event. The individual or group that establishes the policy may presume that they know the cause of the event, they may mistrust employees, or they may presume that the cause of the problem to be addressed is built into the system and requires action on the system in the form of a new policy. In the early hours of the morning, the personnel manager of a small company discovered a factory worker watching a movie on television in a training room and began writing a policy stating that any worker who wished to use the training room had to get written permission from his or her supervisor. (One is reminded of hall passes for school children.) No questions were asked about whether the worker's supervisor knew the worker was in the training room or whether he might have been sent there because there was no work at the time requiring him to be on the factory floor. Considerable effort was required to prevent the personnel

[8] See, for example, Kim and Mauborgne (1997), "Fair Process: Managing in the Knowledge Economy," *Harvard Business Review*, July-August.

manager from putting the policy into place without any investigation. In another company, a policy stated that when an employee missed work because of bereavement, he or she was required to bring an obituary from the newspaper to support the absence. The acceptable number of days absent depended on the employee's relationship to the deceased. Employees of a very large company parked their cars inside company fences around the company's properties. As a result of a single theft, guards at the fences were required to do "random" searches of employee cars as they left company property. Three of the questions that arise from examples such as these are: (1) Would it have been preferable to learn more about the single event and take appropriate action in that one case than to have established a policy to be used subsequently in every case? This question addresses the possibility that the system has been changed in reaction to an outcome affected by a special cause. (2) Does the policy communicate mistrust of employees? (3) Could the policy offend the dignity of employees? The second and third questions address lack of respect for employees that can produce damage to the organization. When a policy is proposed, the evidence that is used to support it should be examined to see if the proposal is based on a single, special cause outcome or is due to system flaws that need to be addressed. Potential effects on employees should also be taken into account.

Shortly after its beginning, an organization will likely have policies being established. At any point in its life an organization can conduct a review of existing policies to (a) determine, if possible, the evidence that was used to decide that a policy was needed, (b) determine if the policy communicates to employees that they are not trusted, and (c) determine if the policy implies lack of respect for employees. A review can result in elimination or revision of existing policies. The organization should also establish processes to (a) propose a policy, (b) review the argument and evidence for having such a policy, (c) obtain input from parties who would be affected by the policy, (d) determine whether the policy should be established, (e) test the policy in use for a trial period, (f) revise as needed or abandon the proposed policy on the basis of testing.

Questions about evidence and rationale for change and effects on people can and should be applied to other processes. In general, change should be preceded by asking for input so that people have a chance to express their views and believe they have had an opportunity to influence the design of the change. Employees may more likely accept change if they believe the design and planning for change have been fair. Among the processes that should be examined for fairness are processes to allocate resources among projects and activities, processes to determine job assignments, processes to determine the assignment of work to units or locations, and many other processes that involve the distribution of resources and the interactions of people and organizational units.

Distributive Justice

While procedural justice deals with the fairness of procedures (processes) used to make decisions, distributive justice deals with the perceived fairness of decision outcomes, for example, pay, promotions, or allocation of resources among potential recipients. A common criterion used to evaluate the fairness of decision outcomes is equity. In the case of pay or allocation of resources, equity is evaluated by assuming that the ratio of rewards to inputs should be about the same for all recipients; that is, recipients should be rewarded according to their relative contribution. Individuals who make judgments of equity probably do not appreciate the extreme complexity (and likely unfairness) of any attempt to make legitimate comparisons of this kind among recipients. An organization is a complex system and the actual effects of the inputs of any individual or group are virtually impossible to assess. Further, we all carry with us our own personal biases and opinions of what is fair and what is not. This is particularly difficult to deal with in the area of distributive justice. A man may develop the attitude that he has been unfairly treated when a woman is assigned to the job he wanted. Racial biases may play a role in people's assessments of fairness. When resources are allocated among different functions or units, the people involved may be unable to get past their own interests to determine whether decisions about resources are made fairly. Fair procedures can help to lessen the effects of personal biases in evaluating the fairness of decisions.

Creating and sharing knowledge are essential to companies in the modern economy. Some organizations seek to promote efficiency and consistency by dictating what employees should think and do. There is a managerial preoccupation with creating incentives and rewards and measuring and monitoring performance. Conventional management activities such as these do not encourage cooperation; they lie in the realm of distributive justice. In contrast, fair processes build trust and commitment, producing voluntary cooperation which supports innovation. Distributive justice leads to performance that might meet expectations, while procedural justice leads to self-initiated cooperative behaviors that will produce performance that can exceed expectations. Spending management time on procedural justice is preferable to the traditional focus on distributive justice.

Fair Treatment of People

Interpersonal justice deals with whether individuals are treated with courtesy and respect by those in authority. Indicators of the absence of interpersonal justice include derogatory statements, public criticism, inconsiderate or abusive actions, and coercion. A story on public radio several years ago told about the so-called Louisville Slugger Man who supervised a group of telemarketers. He carried a baseball bat around with him (hence the name Louisville Slugger Man) that he would slam on the desk of an employee as he shouted, "I want $10,000 from you today." This is an obvious and extreme example of lack of interpersonal justice. Myriad more subtle examples can exist in organizations unless executives see that managers learn to recognize these kinds of behaviors in themselves and also emphasize that courteous and respectful treatment of all employees by every employee is expected.

Informational justice deals with information provided to employees by managers. Can an explanation be perceived as legitimate? Are mistakes acknowledged? Are employees given advance notice of decisions rather than learning about them in news reports? Are the causes that compel a change explained? Are there apologies and statements of regret for damage and for mistakes when management actions result in disappointing outcomes for employees and/or the organization? These questions are examples of issues organizations need to address with regard to informational justice. When organizations begin to do business in a new country, interactional and informational justice need to be examined in light of the cultural norms and values of that country, while ensuring that the values and principles of the organization are maintained.[9] An organization deals with an external environment. Organizational actions in its dealings with the environment can affect the organization's relationships with its employees. Unfair or dishonest treatment of customers, suppliers, or investors, dishonest public statements, violations of law or damage to the physical environment can cause employees to

[9] If an organization is considering doing business in a country where various forms of corruption considered unacceptable and/or illegal in the organization's home country are part of the business climate, the consequences of entering the country may be judged to potentially have such effects on the organization as a whole that doing business there may be an unacceptable option. See Unger, S. (1998), "Ethical Aspects of Bribing People in Other Countries," Science and Engineering Ethics, 4(4). See also http://www.bloomberg.com/news/2013-11-21/china-s-bribery-culture-poses-risks-for-multinationals.html and http://acchamber.org/MediaCenter/businesslibrary /ForeignCorruptPracticesAct.aspx

question the integrity of the organization. When employees question the integrity of the organization, the capabilities of the organization are compromised.

Interpersonal Trust

Trust between people can be described as the degree of confidence people have that they will not be harmed or put at risk by others when they interact. Jones and George write that trust "allows people to manage the uncertainty or risk associated with their interactions so that they can jointly optimize the gains that will result from cooperative behavior."[10] Two kinds of trust have been identified: conditional trust and unconditional trust. Jones and George describe conditional trust as a state of trust in which "the attitudes of one party toward the other are favorable enough to support future interactions … as long as each behaves appropriately" and they propose that conditional trust is probably the most common form of trust in organizations. Conditional trust can change to unconditional trust when organizational members interact repeatedly and learn from the behavior of others that their likely behaviors are predictable and principled. Each "party's trustworthiness is now assured, based on confidence in the other's values that is backed up by empirical evidence."

Jones and George describe seven attributes based on unconditional trust that can contribute to interpersonal cooperation and teamwork: (1) broad role definitions; (2) communal relationships; (3) high confidence in others; (4) help-seeking behavior; (5) free exchange of knowledge and information; (6) subjugation of personal needs and ego for the greater common good; (7) high involvement. When trust is conditional, people define their roles in terms of their job description. When trust is unconditional, individuals will tend to define their roles more broadly so that they act for the common good. Unconditional trust leads to relationships that are based on a belief that the parties are responsible to help one another and seeking help will not be viewed as dangerous to one's standing in the organization. Combined with high confidence in others, these attributes promote free exchange of knowledge, actions for the common good and high involvement. The result is increased interpersonal cooperation and teamwork. Jones and George argue that knowledge is generated by teamwork facilitated by unconditional trust. However, they point out that developing and maintaining unconditional trust in an organization requires time, effort and resources as well as a willingness to invest in employees.

Trust can be eroded by managers who exhibit threatening behavior, withhold support, blame employees for their own mistakes, or exhibit favoritism. Other inappropriate managerial behaviors include changing rules after the fact, taking credit for employees' ideas, making unfair accusations, or breaking promises. Managers in organizations probably see those holding higher level positions as models for appropriate behavior, so efforts to remove these behaviors from an organization should start with executives and then move to lower levels. To engage in such a behavioral change, executives need to see the benefits of working on behavioral issues and likely would need to bring outsiders with expertise in behavioral analysis into the organization to observe and advise them on change to their own behavior and strategies for cascading behavioral change throughout the organization's workforce. Activities to bring about such a change would require a large investment, but would have the potential to bring about large benefits to the organization and its members.

[10] Jones, G. and George, J. (1998), "The Experience and Evolution of Trust: Implications for Cooperation and Teamwork," *Academy of Management Review*, July.

Unconditional Trust

Leads to

- broad role definitions
- communal relationships
- high confidence in others
- help-seeking behavior

which contribute to

- free exchange of knowledge and information
- actions for the common good
- high involvement

which lead to

- increased cooperation
- teamwork

Character

Ethics became a focus of attention, particularly in business education, as a result of several egregious examples of unethical behavior in organizations. The systems in which people work can influence their behavior. (Milgram's obedience experiments provide an extreme example.[11]) So the leaders of an organization have a responsibility to create systems which enable people to behave ethically. Employees should not have to sacrifice their principles to be successful in the organization. They should not be put into positions in which the choice between ethical and unethical behavior is difficult. Rather, leaders should design systems in which ethical behavior is the natural outcome.

In his book, *Character at Work*, William J. O'Brien wrote, "The practice of moral excellence requires more than avoiding what is illegal, or simply conforming to contemporary commercial ethical principles. It requires us, in addition, to pursue moral truths with the same vigor and commitment we bring to technological, marketing, and financial achievement." He proposed four important corporate values:

Localness: distributing power so that decisions can be made as close to the scene of the action as possible.
Merit: Evaluating decisions based on their worth, not on how much they please the boss.
Openness: Allowing the free flow of information throughout the organization.
Leanness: Being stewards of the organization's resources.

An organization's values should be enacted daily, not just espoused. The managers in an organization have a responsibility for the lives of employees, their families, and their communities. O'Brien said, "The antidote to the dispiriting impact of the command-and-control, authoritarian institution is to cultivate deep respect for each individual worker, recognizing that all work has dignity and understanding that managerial humility is an important virtue for long-term success."[12] Enacting O'Brien's proposed values and working to establish fairness in the organization can contribute to establishing the legitimacy that managers must have to be effective.

[11] A discussion of these experiments can be found in Wikipedia.
[12] O'Brien, William J., *Character at Work*, Paulist Press, 2008.

Biography

Gipsie Ranney is an international consultant to organizations on management, quality improvement and statistical methodology. She was a member of the faculty of the Department of Statistics at the University of Tennessee, Knoxville for fifteen years. She was a co-founder of the University of Tennessee's Institute for Productivity through Quality, and she developed and conducted numerous seminars on quality improvement. She served as Director of Statistical Methodology for General Motors Powertrain Group from 1988 to 1992. She co-authored *Beyond Total Quality Management: Toward the Emerging Paradigm,* published by McGraw-Hill, and contributed to *Competing Globally Through Customer Value*, published by Quorum. She has published papers on quality improvement and statistical methods. The American Society for Quality awarded her the Deming Medal for 1996, "for outstanding contribution in advancing the theory and practice of statistical thinking to the management of enterprises worldwide." Gipsie holds a B. S. in Mathematics from Duke University and a Ph.D. in Statistics from North Carolina State University.