

What is "Fair Process"?

"Fair process is our...expression of procedural justice theory...

Fair process builds execution into strategy by creating people's buy-in up front. When fair process is exercised in the strategy-making process, people trust that a level playing field exists. This inspires them to cooperate voluntarily in executing the resulting strategic direction.

The Three-E Principles of Fair Process

Engagement means involving individuals in the strategic decisions that affect them by asking for their input and allowing them to refute the merits of one another's ideas and assumptions. Engagement communicates managements' respect for individuals and their ideas. Encouraging refutation sharpens everyone's thinking and build better collective wisdom. Engagement results in better strategic decisions by management and greater commitment from all involved to execute those decisions.

Explanation means that everyone involved and affected should understand why final strategic decisions are made as they are. An explanation of the thinking that underlies decisions makes people incident that managers have considered their opinions and have made decisions impartially in the overall interests of the company. An explanation allows employees to trust managers' intentions even if their own ideas have been rejected. It also serves as a powerful feedback loop that enhances learning.

Expectation clarity requires that after a strategy is set, managers state clearly the new rules of the game. Although expectations may be demanding, employees should know up front what standard they will be judged by and the penalties for failure. ...To achieve fair process, it matters less what the new goals, expectations and responsibilities are and more that they are clearly understood. When people clearly understand what is expected of them, political jockeying and favouritism are minimized and people can focus on executing the strategy rapidly."

Kim and Mauborgne Blue Ocean Strategy, 2005, pages 175-6

1. Engagement - opportunity to have a say
2. Explanation - understand the reasons for a decision
3. Expectation clarity - shared understanding on what is expected in terms of rules and behaviour