

3 effective remedies to restore justice

How should an organization right a wrong? Monetary compensation, apologies and changes in corporate procedures are three powerful remedies, a study finds.

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Organizations work to ensure that people who have directly suffered a wrong feel that it has been righted. But what about the witnesses to injustices?

In their article "[Righting the Wrong for Third Parties: How Monetary Compensation, Procedure Changes and Apologies Can Restore Justice for Observers of Injustice](#)," published in the *Journal of Business Ethics*, Natàlia Cugueró-Escofet of IESE, Marion Fortin and visiting professor [Miguel Ángel Canela](#) explore the answer. They highlight three main remedies — monetary compensation, procedure changes and apologies — and test how these three work and interact with one another.

The study has several important conclusions. First, the authors have created a way to test the effectiveness of three remedies meant to restore justice and found all three effective in the eyes of witnesses. But above all, they find that procedural changes are the most effective remedies for organizations seeking to restore justice. Second, the authors investigate remedies alone and in combination and find that pairing two remedies is more effective than any single action. Third, they extend previous research on apologies as a remedy by separating sincere from insincere apologies and adding apologies from additional sources — namely, from senior management.

Six hypotheses

At the center of this study are the three main remedies used by organizations to restore justice: (R1) paying compensation, (R2) changing the procedures that led to the injustice, and

(R3) apologizing. (Another remedy, meting out punishment, was not considered here.) The authors test six main hypotheses based on the three remedies. They are:

- That (R1) monetary compensation contributes to the perception that justice has been restored, and that full compensation is more effective than partial compensation.
- That (R2) changing unjust procedures has a positive effect, and more so when they are changed completely than only partially.
- That changing procedures to make them more just magnifies the effect of paying compensation (R1 + R2).
- That (R3) a sincere apology is better than no apology or an insincere one.
- That sincere apologies strengthen the effect of other remedies [R3 + (R1 or R2)].
- Finally, that (R3) an apology from someone other than the source of the injustice (a member of senior management, for example) has a positive effect.

Testing and results

The authors tested these hypotheses in an experiment. They took 82 subjects who were participating in executive education courses and presented them with an example of someone who had been unjustly overlooked for a promotion. The 82 subjects were then given 54 scenarios where a business tried to right its wrong using a single remedy or a combination of remedies in order to test the hypotheses.

The subjects were asked to evaluate the degree to which they felt that justice had been restored in each scenario. The authors then calculated the relative restorative power of each remedy, and combinations of remedies.

All six main hypotheses are verified in the results. And of the three remedies, procedural changes are found to produce the most positive effects. The authors suggest that this is because witnesses to injustice are most interested in solutions that best avoid future injustices. Money may help in the short term, but changing an unjust policy is an organization's best solution in the long run.

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