

1.

Title Slide

2.

Coming up, we'll be exploring the difficult questions of balancing business and ethics. What is the ethical case? How do we tackle unethical behaviour? And how do organisations develop their approach to ethical action or neutrality?.

3.

What does good look like? It's a question we get asked a lot as network leads. It usually refers to measuring impact - how do you know that your activities are heading in the right direction? What are your KPIs? These may in turn specifically link to the business case: does it show greater productivity? Are we losing fewer employees from greater engagement, which in turn is saving the business money. Are we seeing fewer grievance cases, minimising our legal risk? All valid questions.

But there's another way we could approach this question. What do you personally perceive as good, as opposed to wrong or immoral. What does the organisation do that has a positive effect on society. How do you cope when people of the same community have different interpretations of "good". Viewed in this way "What does good look like" can have many levels and might take you a while to properly assess.

This is not an essential step in creating a good employee network. But also it might make it more... good. Who's got a thesaurus to hand? This module is an opportunity to reflect on a particularly challenging aspect of business, and you will very much have to draw your own conclusions, but we'll offer guidance where we can.

4.

As network leaders we are frequently asked to prove the business case for diversity and inclusion, we are expected to understand the legal case. Although most of us will have become involved because of our passion for creating a positive change, we don't often have crucial conversations about the ethical case. Perhaps this is because it can be seen as opposition to the business case, irrelevant, or too controversial. But can this be squared in a way that becomes not only acceptable, but beneficial to the organisation?

In Aristotle's original writing on ethics, he describes it as active engagement in life which leads to good habits - "Habits" being the Greek meaning of "Ethos". Ethics as it is applied is a common set of rules that a community adheres to, governing their personal and social actions. It's the glue that says whether you're a member of the group or not, whether your behaviour is right or wrong. The key here being action - not just values or beliefs.

Organisations have no inherent requirement to act ethically. There will be laws that govern certain behaviours, but ultimately most companies are self-serving and don't create rules based on broader ethical outcomes. People who work for these organisations are usually not immoral, but may find their personal ethics irrelevant as part of this transactional community. You do the job you're paid for.

Organisations that take ethics seriously will usually display this by publishing and enacting

procedures (not just values) that encompass how moral objectives are built into everyday functions, how employees are treated fairly and respect diversity, how self-aware they are about their impact on society and the environment, how clear they are about their corporate objectives, and how ethical behaviours are held to account.

There are potentially business benefits to an ethical approach, such as gaining a sense of cohesion among the workforce who believe and behave according to a common set of values. Employees may feel an inflated sense of worth and motivation to work for the organisation, and customers may regard you with greater trust and warmth, which can be turned into a market differentiator.

But the point about an ethical case is that it stands alone as simply the right thing to do, regardless of the business and sometimes legal case. At times when you receive push-back for something your employee network wants to do because it is unmeasurable in a traditional sense, you may want to consider using the ethical case.

5.

Should networks attempt to tackle unethical behaviour? Do individuals make a difference? Organisations are complex systems, like networks themselves, and according to complexity theory even a single change can have big consequences, just as a big effort can have little change. It's sometimes known as the Butterfly Effect, and it's not just a cliché. We are affecting the ethical practices of our organisation whether we choose to pay attention to it or not.

If ethical behaviour is not just a set of values or one-off activities, but habits, then the same is true for unethical behaviour. Examples might include bullying and harassment, exploitation and discrimination, and acting in ways that are detrimental to the business, wider community or environment. In all these cases the real enemy is normalisation. When these are not challenged, and repeated, they become more and more embedded into your community, and are difficult to undo.

Key to tackling normalisation is your response time. The faster you can call out something that isn't acceptable, the more likely it is to change. That's why even though we may be hesitant of zero-tolerance policies, or approach difficulties softly and gradually, it may be best to take a medical approach and go in swiftly and surgically.

However, this can still be informal. Unethical behaviours, particularly stereotyping and micro-aggressions may not be as difficult to change as you think. This often appears due to normalisation and can be curtailed by offering a fresh perspective to the offender. Done in a respectful and private way, it may just do the job.

If you feel you need to escalate a behaviour to management, then it's advisable to get a second opinion, understand what the current standards of ethics are, have evidence or an audit trail, and stick to protocol so that you don't put yourself at a disadvantage.

6.

The most extreme version of an intervention to tackle unethical behaviour is whistleblowing. This is when an individual or group perceive their efforts to change an immoral practice being ignored, and feel they have no alternative but to challenge this outside of the

organisation. This is almost always because they want to change the organisation for the better, not because they want to destroy, although vexatious whistleblowing is not unheard of. Given that the reputational and financial repercussion of whistleblowing can be devastating, it's worth looking at how employee networks can help to prevent this situation arising, without resorting to any kind of suppression such as NDAs and retaliation.

First of all is communication and representation. Online forums and surveys are good ways for employee voices to be heard across the organisation and at senior levels. As networks we are curators of conversation, with a responsibility to provide safe spaces and take issues seriously. We can use our influence and senior connections to elevate problems and communicate trends where they occur, anonymising complaints where appropriate to reduce risk of retaliation.

We also work to create better representation at all levels, both through more diverse hiring and promotion, and also the inclusion of grassroots voices in cross-organisation forums. But communication both ways is equally as important, and by encouraging non-hierarchical practices and helping to share information and stories back down the line, we do our part in creating a more open culture.

Which leads to the second theme, transparency. Whistleblowing usually occurs where there has been some form of secrecy. This means that those actions are not open to moral scrutiny. Hiding information is disempowering and manipulative, and should be avoided where possible. Counter-arguments to this involve the protection of proprietary information and competition, but you may challenge this idea by acknowledging that this is a balance based on there being a winner and a loser, and therefore asking whether it is ethical to intentionally create a loser. After all, we're all part of giant networks subject to complexity theory, and who knows how many more losers further down the line that actually creates.

How transparent are your network activities, and can you lead by example?

7.

The Journal of Business Ethics, which we've linked to in your further reading, contains an article by Reidenbach and Robin which outlines a conceptual model of corporate development. We'll take you through the five stages, but first a note that not all organisations will consider this a priority, some organisations might make huge leaps and skip stages, and sometimes different departments within an organisation will be in different stages.

We begin with the amoral organisation (not to be confused with immoral). Leaders may give little thought to ethics, or only consider it when hit with a PR disaster. In these organisations there is usually a defence of the status quo to maintain business as usual, whatever the ethical cost. There is a strict power dynamic of profit and productivity over people, and this may involve breaking rules and acceptable standards. To move on from this stage organisations need to elevate the importance of their people. This is done by promoting safe workspaces and employee wellbeing.

In stage 2 we encounter the legalistic organisation, who adhere strictly to rules and regulations, but only to meet the minimum requirements, and manipulating their interpretation where it is of benefit. We may see this play out with organisations who have

enormous growth but pay minimal tax. They tend to be large organisations with complex codes of conduct and chains of command, designed to protect the organisation rather than bring clarity to individuals. To move on from stage 2 networks can help flatten hierarchies and challenge adherence to rules where there is a bigger conversation to be had.

In stage 3, responsive organisations are feeling the social or community pressure to make changes, balancing legality, productivity and ethics. This is more as a reaction to outside forces than their own deep-thinking. There will be codes of ethics and managers will apply them, but these will mostly imitate common practices seen in other organisations and tread a middle ground. To move beyond stage 3 networks can be a voice of challenge to consider more leftfield ethical arguments, and also put pressure to apply the same ethical standards to partners and suppliers.

The emergent ethical organisation of stage 4 has undergone a noticeable cultural shift, where ethical practices are approached with positivity at all levels. Leaders will often be involved with specific ethical projects - such as sponsoring an employee network. Employees are encouraged to take more responsibility and report ethical failure where they encounter it. Ethical action plans are living strategies, not just codes of conduct. In all of these approaches employee networks have a lot of opportunity to lead by example.

The final stage, which is arguably more of a vision than it is an immediate practicality, is the ethical organisation. These companies still make profit, but their line of business is guided by high ethical standards. They would need to show they have turned away business opportunities that conflict with their values-driven corporate culture. Employees who challenge and demonstrate ethical approaches would be praised, not suppressed, and the organisation would encourage, maybe even help, competitors to follow its ethical lead. They would need to fully assess their broad societal impact and have active plans to reduce waste and inequality. This would likely involve taking employee networks to the heart of organisation-wide strategic decision making, and require more resourcing for the networks to contribute without taking away from their day-jobs or leaving them burnt-out.

8.

Is neutrality a reality? Or is silence violence? Placards aside, it's a real challenge for employee networks. We have heard many times, particularly from global organisations that they struggle to apply the same inclusion practices in one location that they do in another. This may be due to local laws, or just to culture and leadership. We have heard phrases like "we don't want to be political". But if your identity is the one being politicised, then it's not really you getting political. Global organisations have found they can be supportive by standing up for general principles of fairness and non-discrimination towards their employees, without being too specific about what they're referring to. Perhaps this isn't the grandstand we would want, but it may be the most strategic way to begin culture change safely.

How truthful is any attempt at a neutral position? Neutrality, it might be argued, is a position of privilege, whereby the decision-maker is not really affected either way by the outcome. For many people, this isn't an option. To be a good ally, either as an individual, or as a company, decisions must be made. This often comes to light in corporate social media guidelines, not only for official accounts, but also what employees are allowed to do in their own personal accounts. Many organisations will argue that you represent the company

even on your own time, and must be careful about statements you make, groups you join, and how you generally position your public brand. Is this a fair sense of accountability, or a restriction of freedom?

For example, you may be familiar with a recent update to the BBC guidelines which advised: "Do not support campaigns, (eg. by using hashtags) no matter how apparently worthy the cause or how much their message appears to be accepted or uncontroversial." We perhaps don't need to add our own opinion to this given how many headlines it managed to generate, but a good approach for networks faced with this situation is to think about how many campaigns, ideologies, or received wisdom are already being supported by an organisation who has normalised it so much they've lost sight of how it began. For example, a regularly supported charity fundraiser or remembrance badge.

9.

While we can recommend frameworks to encourage ethical practices, the minutiae of what exactly is and isn't ethical is a matter for more deliberation. A utilitarian view would have it that ethics is beyond the self and about creating value for society. Modern business philosophy would point to Daniel Kahneman's writing on thinking fast and slow - intuitive system 1 and deliberative system 2. In the reduction of bias we aim for increased system 2 thinking, and the same is true of ethics. Slowing down in an increasingly fast-paced workplace is a challenge, but one that must be addressed in order to give ethical thinking it's proper dues.

As much as we would like to think that our own authenticity ensures we will make ethical choices, behavioural science has tested this and shown that environment is a crucial factor in whether we stick to our values or not. People claim they contribute more to group tasks than they do, executives will overlook wrongdoing if it benefits the company, it's called motivated blindness because we're often unaware we're doing it, but pressure to be part of a community challenges our individualism.

An often-discussed example of an ethical challenge which creates a dilemma for utilitarianism is the AI-driven car - a modern version of the Trolley Problem. If it's heading for an accident and needs to decide whether to prioritise the safety of the passenger or the pedestrian - whose life has more value? What if the passenger is pregnant? What if there are three pedestrians? Could a company sell a car if they make decisions based on the greater good, versus another company who guarantees passenger safety first? Who is culpable for that decision? The buyer, the programmers, or the CEO? If you feel like exploring this mind-twister there are links in your further reading.

Next time we'll expand on this ethical thinking and show how we can encourage inclusive behaviours in the workplace.

Interviews Video Transcript

Names	Commentary
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- CH Do you have an example of when you've worked with, for example, the sales service or indeed support an ethical statement that they have made?
- MS So ... ethical statement – I'd probably say the Permanent Secretary in the immediate aftermath of the George Floyd murder and the protest around the world. You know, our Permanent Secretary wanted to put a statement out but he didn't want to ... he didn't want to be insensitive. He didn't want to stamp on people's feet and he wanted the right tone and so I worked with his office; I worked with him ... to get the statement right – the blog right – and we were able to use our experience and knowledge to make sure that landed properly, you know. And I think that was the beginning of when he namechecked us that we started seeing an increase in the number of people who wanted to be members, wanted to know more about us so we kind of had a stake in making sure that the message was correct but also, you know, that we could benefit from that added coverage by being part of his blog.
- CH OK, absolutely. So you're saying that you, as a network, you felt a lot more valued in that kind of conversation as opposed to it being Oh let's speak to this network to check that the wording's correct. It's actually much more on the messaging.
- MS Yeah, it was the messaging, you know, and often what happens ... what happened in the past is you get a statement that's been released, it just gets released. The sense of sense-checking to make sure it's, you know, it's fine according to minority groups doesn't even come into the equation. And I think ... I think there was a part in that process where he wanted to know, you know, this is his personal blog; I'm writing it but I really want to know what's right, what's wrong, what can I say, what can't I say and to be involved in that, you know, and to be valued, to be respected I think was a significant impact on us.
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- CH Can you give an example of when you've worked with the business to support, honour an external ethical statement that they had to make? And, if I give you an example ... obviously last year we saw an awful lot of problems about Black Lives Matter, we see continual messaging around Pride so any examples like that?
- SDA Yes, I'd probably ... wouldn't say gone out with external message. I'd probably say when we had our Christmas ad with the gravy boat we had a lot of backlash from customers, on wife featuring a black person, we don't like this and other stuff and the business came to ... to myself and the network Chair and asked for our view on it and actually our view on it is we need to remain steady; we need to ... we need to keep going on because my challenge was, as we set a benchmark, we said If you don't recognise or if you don't take in around ethical, black history or anything or diversity then we don't want you in our shops basically. So actually

that's the stance we've set; that's the benchmark we've set; we've got to be consistent. And, for us, this was making sure we fed through via social media teams of what we think that response should be and what was quite telling was we also had other retailers who stood by us as well of ... we're standing by saying ... I think Channel 4 did an advert, I think it was like a two minute advert where they talked about the standing together with Sainsbury's, I think Co-op want it, Virgin want it, so for me that only shows a powerful message.

FJ So, I'm interested in knowing whether, as a network, you help your company with sort of statements they might want to make externally from an ethical point of view. So, if your company's making statements externally, do you help them put them together?

SN Yes ... yes ... every day (laughs) because our communication ... they ... they don't write in one article or on social media or for partners or customers without our discussion. For sure, what yes. We have a close relation with HR, communication, legal and compliance areas. We constructed this ... yes, this is perfect. This is a good idea to others (laughs) because you must have a good and clear communication to all ... this is a kind of intersectionality. It's not only among employees' networks but among the areas so they ask us Are we writing in a good way? We are using the correct words, the words correctly? For sure they learned a lot of things so they don't need to ask me again.

CH Is there an example of when you've worked with the wider business to support perhaps an ethical statement that they've made so where Vibrance has perhaps been called in to support or advise on perhaps a higher level statement that Virgin has made?

AC We feed into ... so the ... on our annual accounts, which are about to be published, we feed into that to basically say What do we believe as a network we've done to support inclusion? So all the inclusion networks will feed into that. There'll be a statement in the annual accounts and we've had that link in for the past few years so how do we feel we've done? Unsurprisingly enough there'll be some stakeholder engagement (laughs), changing to work time, some things will be put in, some things will be taken out because it is a legal document but also - so that's included in our annual accounts – but also, when it's external, an example is when .. Virgin might sign up to the recent work charter – that was all through a whole engagement programme with our Embrace network. We got to feed in because unsurprisingly enough we ... it's not mutually exclusive ... it's that intersectionality so we got to feed in. We fed in through the Embrace network and then came back out that way so that it means that, whenever we're talking about things as an

organisation, we're going from the subject matters experts pooling together the information rather than actually just making statements.

GM I don't want to bore you with ... but I'll give you an example. In October 2019 we had a conference called The Journey and that was to do with race disparity, you know, the David Lammy review? The CPS got a gold star from David Lammy but we thought we could do better (laughs). So we had a conference about racism within the Criminal Justice System. We actually brought our Criminal Justice partners together to examine it from a personal perspective so we had black Judges, black ... you name it ... police officers ... and we looked at it from that perspective but that was with the support of the CPS. Our Chief Executive Officer was there. It was a great event that pulled out the fact that youth was our children that were suffering the most and that's why we focused on that. And then this year we had, because of the lockdown we couldn't have a proper conference, but we had an online conference on the lack of justice and looking for justice in the Youth Justice system, where we examined youth justice again like what could we do? An ideal wish list that would redress the imbalance between the way black and ethnic minority children were being treated. I say the word children because that's ... they're not even calling them youths any more. They're changing the language now.

CH Yeah, absolutely

GM Yeah, I don't want to bore you with that but we do ... we ... it's an important part of our mandate.

CH Can you give us an example of when you've worked with your business to support any ethical statements they may have made? So, for example, perhaps they've done an announcement around trans rights or human rights.

PS Generally all that sort of external communication is done by our comms teams that would deal with that on our behalf or pass the ring back so we would normally ... it would normally be more of a case of us saying We'd like to recognise this and then them working with a senior person in the company to make that into a story. We do get sight of those before they go out and we have made suggestions before to adjust some of the wording or make sure we're focusing on certain areas. Things like the themes of ... so we do a Pride message normally every year so we'd make sure that's aligned to the theme for London, for example ... and how that's interpreted. So I guess it's ... yeah, part of that sort of feedback between us and the comms departments to get that saying the right thing and make sure it is as inclusive as possible. We have had a communication (laughs) ... actually when our network

launched in South Africa, one of our communications said something like ... so that ... something like So that men and women can ... why can't you just say everyone? So it's that sort of feedback (laughs) ... why are you making it gender binary when it doesn't need to be (laughs)?