Interview

The Right Thing – an interview with Sally Bibb

Interview by: Giles Metcalfe

Sally Bibb has more than twenty years experience working in organizations, consulting to them, studying them and writing about them.

Expert in organizational trust and ethics, she has been studying this field for many years. As co-author of an award winning book on trust, she researched the subject and has helped many organizations to build and rebuild trust. Her latest book, The Right Thing: How to Make Everyday Ethics Work in Business is the product of global research into how to build ethical organizations.

GM: Your book is called The Right Thing – An everyday guide to ethics in business. Is now the right time for a paradigm shift towards ethical business – surely the “bottom line” matters more now than ever in the current economic climate?

Sally Bibb:

We have seen in recent years and months examples of companies whose reputations have been left damaged by their wrongdoing. Customers and employees increasingly want to do business with/work for ethical organizations. So there is a clear connection between doing the right thing and profitability. In my research (cited in an appendix in my book) 80 per cent of respondents said that it is important for organizations to be ethical ‘because it is morally right’. Around 40 per cent said that organizations should be ethical to increase profitability.

GM: What was the driving factor behind you writing the book?

Sally Bibb:

In the last 20 years I have seen many people in organizations struggle with ethical issues with little or no guidance as to how to handle the situations. I wanted to write a book that fills that gap and that gives practical guidance in an accessible way.

GM: Who is your book aimed at? Are you "preaching to the converted", or hoping to win new hearts and minds?

Sally Bibb:

It is aimed at anyone who works and who cares about making sure that they do the right thing. Concern with ethical issues is increasing yet few organizations are providing proper training and guidance to their employees. As for winning new hearts and minds – I think that those who read the book will want to increase their ethical know-how whether their motivation is to do the right thing for the sake of it or simply to protect themselves and their reputations. Or maybe a bit of both!
GM: Would you say that business is more unethical now than ever before, or is it a case of more wrongdoing coming to light through new media?

Sally Bibb:

The increased focus in the last few decades, on creating shareholder value (as opposed to doing right by all stakeholders) has, I think, led to people in business being pressurised to make as much money as possible. For sure it is harder to conceal wrongdoing and contain bad news. But my hunch is that more chances are taken by more leaders these days because they are required to make their organizations as profitable as possible in as short a time as possible. This raises the question, what is business for. In the early days of business schools the answer was clearly to contribute to the well-being of society as a whole as well as to create wealth. Business schools are starting to go back to this and increasingly teach ethics and social responsibility on MBA and other business courses.

GM: You maintain that women in business are more ethical than men. That’s a big claim. What are your grounds for this?

Sally Bibb:

The evidence is that women are more ethical than men for two reasons: the first is that they spot ethical elements in an issue where men often don’t, and the second is that they consider matters of social and principled conscience more frequently than men do. See www.sallybibb.com for a free downloadable article with more details of the research on this subject.

GM: Is there a place in the hard-nosed business world for "soft skills"?

Sally Bibb:

It is short sighted not to consider so-called “soft skills”. I would turn the question around and ask 'what are the implications of not taking into account moral and ethical issues'? These days, the risk of losing valuable customers and employees is too great not to take account of the human and moral sides of business.

GM: Have you met any resistance to your ideas or negativity within business circles?

Sally Bibb:

Not at all. I find that most business people totally understand the "business case" for being ethical. What they struggle with is how to go about creating and maintaining a highly ethical culture. This is what the book is for – to help them to do that.

GM: How much of a groundswell towards ethical behaviour do you think is coming from employees? Managers? CEOs?

Sally Bibb:

I see the groundswell coming from customers and investors for reasons I have highlighted above.

GM: What are the characteristics of an ethical organizational culture?

Sally Bibb:

This is my take on how an organization should go about building an ethical culture:
1. **The right leader.** An organization can never be ethical unless its bosses role model ethical behaviour and set the standards. They have to be clear about their values and demonstrate them in actions as well as words.

2. **A clear purpose and strategy.** Harvard Business School professor Michael Beer researched the difference between companies that achieve high performance levels over long time periods and those that fail when they reach a certain size. He analysed the companies that failed in the 2009 financial crash and suggested three core reasons:
   - the companies lacked a higher purpose (they were focused on short term gains not long term value);
   - they did not have a clear strategy;
   - and they badly mismanaged risk.

3. **A focus on doing the right thing.** For an ethical culture to prevail, employees also need to feel responsible and accountable for their actions. In the ‘Ethics in the Workplace’ survey, 70 per cent of respondents believed that it is important that employees feel responsible for and committed to ethical practice. However, only just over 40 per cent believed that employees in their organizations actually did feel responsible. Without a sense of personal accountability people can blame their boss, the organization or someone else. Creating an environment where people are expected to stand up for what they believe is right and take responsibility is crucial. Without it, there can be no ethical culture as small and large daily wrongdoings will go unchecked. It is the regular employees who know what is going on. Bad things are hidden from management so organizations need to create a strong culture of speaking up and standing up for what is right.

4. **Hiring the right people.** Hiring people with the right values as well as the right skills and knowledge is important. Interviews and assessment processes should explore what people have done in certain situations as well as asking them about their rationale for their actions.

5. **Firing the wrong people.** If you don’t fire people for wrongdoing you send a message that behaving ethically does not matter all that much. Actions speak louder than words and people become very cynical if they see senior managers espouse one thing and do another.

6. **Run ethical training courses.** It can be difficult to spot an ethical situation in the first place, let alone knowing the best way to tackle it. All employees need to have the knowledge and skills to identify and tackle ethical situations as well as the "permission" to raise concerns when they have them. Running mandatory ethics training for everyone in the company signals that ethics is a high priority.

7. **"Reward" people for doing the right thing and challenge them when they do the wrong thing.** It can take a lot of courage to raise concerns about the actions of colleagues. People need to be encouraged to do so by being rewarded in the form of appreciation from management including a positive mark in their performance appraisal. People often don’t challenge wrongdoing for fear of ostracism from colleagues and management. They need to be actively encouraged to do so.

8. **Tolerate mistakes (but not when they are made repeatedly).** If people are afraid to make mistakes they will either always “play it safe” (which is not always good for the business) or cover any errors up for fear of "punishment". One company gives an annual award for the best mistake made last year – it is the mistake from which the corporation learned most. It comes back to
people feeling like they can speak up without fear of reprisal.

Notice that having a code of conduct is not on the list. It is not a bad thing to have one. But having one does not guarantee an ethical culture. The problems with codes of conduct are two-fold: they cannot possibly cover all situations and eventualities and usually ethical issues are not as simple as saying ‘this is the right answer’.

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