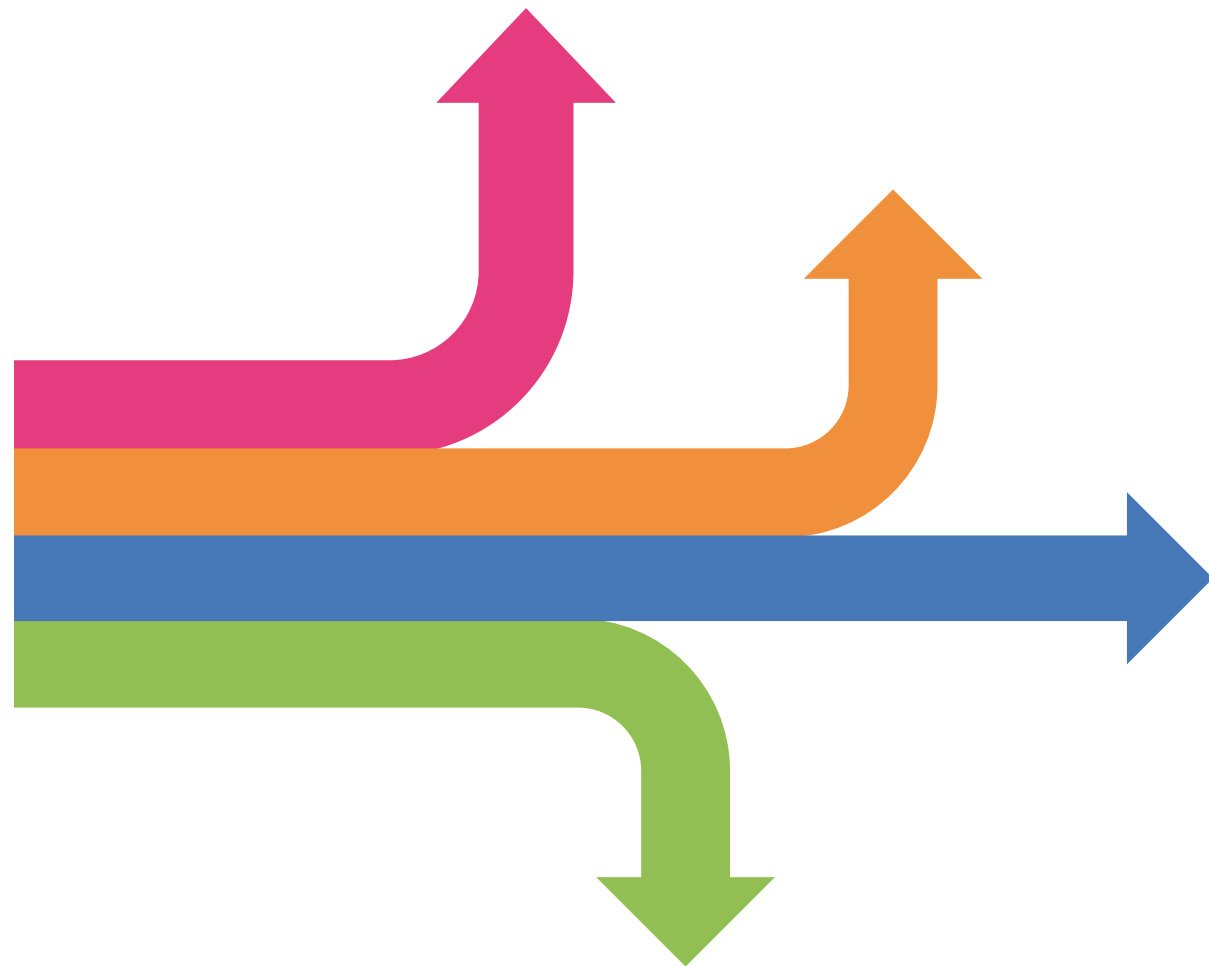




HSM Insights Fairness, Trust and Ethics



Introduction.

For over ten years, the Future of Work Research Consortium (FoW) has explored the trends shaping industries, organisations and careers. Changing employee and consumer expectations, accelerated by Covid-19 and global equality movements, have driven an increasing need for you and your organisation to think about fairness, trust and ethics.

Faced with an overwhelmingly uncertain future, we must all reflect and consider the hard questions posed by the mass shift to virtual and hybrid working. These hard questions inspired our research into what it now means to be fair, trusting and ethical.

This FoW report provides you with a guide as you respond to these shifts, helping you embed a sense of trust, ethical behaviour, fairness and consistency across your whole organisation.

Please note that the insights and case studies included in this report are not to be shared outside of the HSM FoW Research Consortium.

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Research Methodology.

We interviewed 25 people from across 12 organisations and combined these insights with practical learnings from our Fairness, Trust and Ethics Masterclass and Hackathon. In addition, we undertook a thorough literature review and leveraged insights from our HSM Pandemic Webinar Series.

Our Consortium, with current members shown on the right, is widely acknowledged as one of the most innovative and collaborative forums for exchanging insights, models and concerns about the future of work. As a member, you have access to the very latest academic research along with practical insights for your organisation. The diversity of our membership enables us to provide you with unique cultural and strategic insights that reflect your organisations and the different locations and industries within which you operate.



Key Insights.

Here are the five trends you need to be thinking about as your organisation navigates the future.



In the wake of Covid-19, you are currently facing hard questions.

The pandemic is raising hard questions for your organisation around what they stand for. Balancing short-term decisions whilst also considering long-term effects is key, alongside allowing purpose to guide all the decisions you make.



You should expand your thinking to include your ecosystem.

Internal and external actions and perceptions are inherently linked. By expanding thinking to your ecosystem and driving fairness, trust and ethics across all levels – individual, team, organisation and ecosystem – you can create a clear and consistent narrative for the future.



Embedding fairness is key in meeting increased expectations.

Despite making massive leaps in home working, the question now for your organisation is how to embed fairness when it comes to new ways of working and meet the expectations of your people. You can do this through open dialogues and inclusive, customised responses.



Empathetic and authentic leaders are crucial to success.

People expect their leaders to be empathetic, authentic and human. By acknowledging that they don't have all the answers, your leaders can give people the opportunity to 'breathe out', bringing your people into the conversation to respond to challenges.



Fairness, trust and ethics are built slowly but destroyed quickly.

Consistency over a sustained period of time is crucial in building and maintaining fairness, trust and ethics. However, they can be destroyed much more quickly than they are built by actions that are inconsistent with your organisational values and purpose.

Why fairness, trust and ethics are important.

Right now, we are all faced with unprecedented challenges relating to fairness, trust and ethics. The global Covid-19 pandemic and related economic impacts, alongside recent social movements, are raising questions around how we can be fair, build trust and act ethically.

But these questions aren't new to us. Over the past few decades **employee and customer expectations** have shifted, increasingly putting fairness, trust and ethics on your organisational agenda. We have witnessed an acceleration of the long-term trends that have been shifting consumer, employee and investor behaviour.

There are four key social trends driving the increasing focus on fairness, trust and ethics, which can be read on the right.

+ Spotlight on Black Lives Matter

Global calls for racial equality, driven by the Black Lives Matter movement⁷, have renewed popular focus on equality and fairness. In response to this movement, organisations have made significant commitments and statements of action to drive racial equality⁸. With 52% of people of colour in the U.S. saying that they will not work for a company that fails to speak out on racial inequality², your organisation is likely having to navigate these discussions and challenge yourselves to further drive equality and fairness.

Four key social trends to track



Changing expectations

Consumers expect organisations and brands to act on social issues.

Research shows that 85% of people want brands to 'solve my problems' and 80% want them to 'solve society's problems'². These shifting expectations place new and increased demands on organisations and institutions to drive social purpose.



Growing sense of inequality

People feel that institutions are serving the interests of the few, and not the many, which undermines trust.

Distrust is being driven by inequality and unfairness, with none of the four societal institutions currently being trusted¹. Recent popular discourse that 'billionaires should not exist'³ highlights a renewed focus on wealth distribution.



Shifting ethical values

Concerns for ethicality, equality and fairness have driven support and exposure for global social movements.

Movements such as Me Too⁴ and Extinction Rebellion⁵ have contributed to popular discourse on ethical values. Research suggests that working for a responsible and ethical organisation is a top priority, especially for millennial workers⁶.



Increasing scrutiny

People now have greater visibility of ethical and unethical behaviour, forcing organisations to be more accountable.

Social media and the 24-hour news cycle are driving greater transparency and scrutiny of organisational actions. Prospective employees and customers have more information on organisations than ever before⁶.

The Covid-19 pandemic has accelerated social trends driving greater focus on fairness, trust and ethics. This is an important moment for your organisation as you look to 'unfreeze' and establish new ways of working.

You and your organisation are having to reflect on, and respond to, the increasing focus on fairness, trust and ethics. In addition, the global shift to virtual working has presented you with new challenges around how to build and embed these virtually (see *spotlight on challenges of virtual working below*).

The economic impacts of the Covid-19 pandemic, and the resulting pressure on your organisation to drive results, has prompted hard questions and tough decisions for your business leaders. This includes to measure performance and be fair and consistent when creating new ways of working, to maintaining the trust of your people and remaining ethical as you react to change.



Hard questions that are on your agenda



Scenario 1 What is fair?

Person A and Person B have the same salary and the same output expectations. During the pandemic Person A's output has reduced to 70%, due to caring responsibilities. Person B has no caring responsibilities and has been working long hours to ensure that their output remains constant.

Is it fair that they retain the same salaries?



Scenario 2 What will build trust?

Company A had committed to taking on 50 graduates in January 2021. They are considering delaying the start dates of the 50 graduates or even renegeing on their contracts.

How can they take action and maintain trust?



Scenario 3 What is ethical?

Company B is struggling financially due to Covid. Cash flow is short and they need to reduce costs significantly. In order to survive they can either:
_Reduce their workforce by around 20%
_Implement a 20% salary cut for all employees.

What is the more ethical action?

See Appendix 2 for the initial responses to the three scenarios from our members.

+ Spotlight on challenges of virtual working

Most of our FoW members have seen almost all of their workforce shift to working virtually in response to the Covid-19 pandemic. Widespread virtual working poses unique challenges to building fairness, trust and ethics⁹, including...

- _Reduced face-to-face interactions
- _Loss of visual signals used to 'check in' on colleagues
- _Disrupted communication
- _Less serendipitous interactions
- _Risk of in- and out-group formation

Disrupted communication is a particularly prevalent challenge for members in Japan, due to the importance of non-verbal cues when communicating in high context languages, such as Japanese¹⁰.

But what's at stake? If your organisation fails to respond to these changing expectations you risk missing out on the numerous benefits that can be achieved in fair, trusting and ethical environments. These benefits are listed on the right.

By failing to invest in fairness, trust and ethics, you risk negative impacts on employee productivity, engagement and wellbeing¹². Potential risks also exist in terms of customer retention, with low brand trust impacting consumer loyalty and engagement^{2,17}. These risks can pose serious challenges for your organisational performance. To avoid this, you must continue to invest in driving fairness, trust and ethics.

Prof. Alex Edmans on purpose¹¹

Purpose and profit are often presented to us as a choice between two conflicting opportunities, but your organisation can drive both purpose and profit by increasing the amount of value you create, rather than trying to find a 'fair' split of value between stakeholders and investors.

By relentlessly committing to innovation and excellence, your organisation can monetise social value creation, creating value for investors and stakeholders alike. A truly trustworthy business seeks to create profits only through creating value for society. Research shows that this approach pays off in the long term, with organisations driven by purpose performing better¹.

10 reasons to invest in trust, ethics and fairness



Higher productivity.

People in high-trust organisations report 50% higher productivity at work¹².



Increased retention.

People are 15 times less likely to resign when they perceive processes as being fair¹⁴.



More engagement.

76% more engagement is reported by people in high-trust organisations¹².



Loyal customers.

75% of people with high brand trust say that it is the only brand of the product they'll buy².



Less burnout.

People report 40% less burnout¹² in high-trust organisations and experience less work anxiety¹³.



Reduced costs.

The expected cost saving of process fairness is \$1.28 million for every 100 employees dismissed¹⁴.



Better creativity.

74% of people think that procedural fairness encourages creativity and innovation^{14,15}.



Improved performance.

55% of CEOs think that a lack of trust is a threat to their organisation's growth¹⁸.



Greater collaboration.

When people have "complete trust" in collaborating parties, 92% report successful collaboration¹⁶.



More energy.

In high-trust organisations people report over 2 times (106%) more energy at work¹².

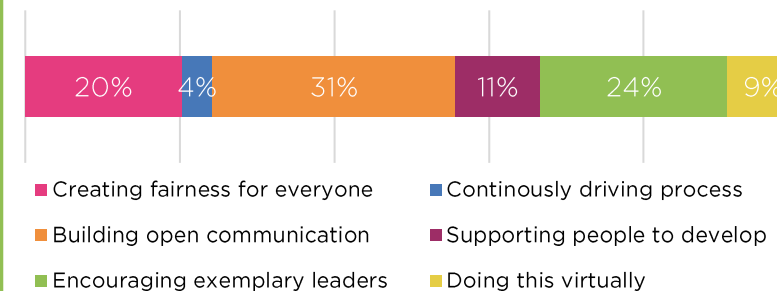
The benefits of fairness, trust and ethics are being realised by our FoW Consortium members. Research with our members identified the following six areas of focus that your organisations are driving to achieve fairness, trust and ethicality⁹.

- 1. Creating fairness for everyone.** Driving fairness – of processes, interactions, and decisions – to create more parity in experience.
- 2. Continuously driving processes.** Building the foundations and driving long-term processes to embed fairness, trust and ethics.
- 3. Building open communication.** Open communication, including actively listening to employees and promoting transparency.
- 4. Supporting people to develop.** Utilising learning initiatives to inform, educate and develop employees and embed positive behaviours.
- 5. Encouraging exemplary leaders.** “Setting the tone from the top” and having leaders who rolemodel positive behaviours.
- 6. Doing this virtually.** Adapting to the unique challenges presented by virtual and hybrid working. These challenges are explored further on the following page.



Poll Insight: Of the six areas of focus, members felt that *building open communication* was the most important¹¹.

Which one of the six factors is most important to you?
(45 responses)



*Due to rounding percentages may not total 100%.



Interconnection

Fairness, trust, and ethics are interconnected.

People grant trust to others when 1) they are fair and competent, delivering fairly on their promises, and 2) they behave ethically, doing the right thing and working to improve society¹. As such, as you look to build a high-trust environment in your organisation, you will need to also create fairness and promote ethical behaviour.



Slow to build, fast to destroy

Fairness, trust and ethics take time to build, but they can be lost much more quickly.

It only takes 0.07 seconds for the human brain to move to threat-based interpretations of perceived uncertainty or danger, for example when we sense distrust or receive mixed messages¹⁹. The speed of this neurological reaction means we can lose trust extremely quickly.

The breakdown of fairness, trust and ethics presents risks for your organisation:

_People who don't feel trusted are more likely to demonstrate distrustful behaviours, amplifying distrust²⁰.
_People are more likely to act unethically when they perceive their organisation to be unfair²¹.
_When people don't speak up due to a lack of trust, unethical behaviour can become normalised²².

The HSM building blocks.

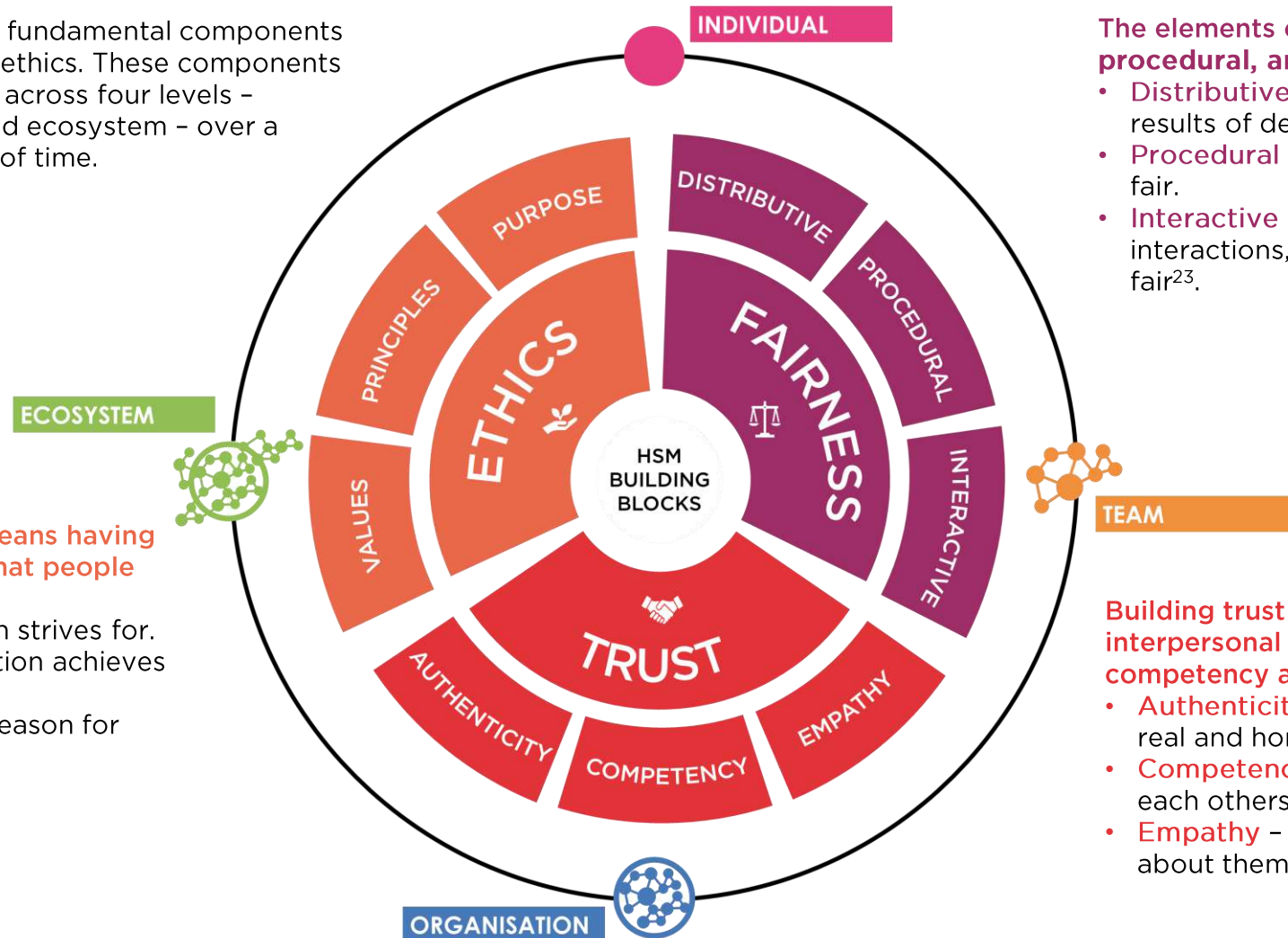


By focusing on the HSM building blocks, you can create, build and embed fairness, trust and ethics across the four levels of operation.

The HSM building blocks are the fundamental components that make up fairness, trust and ethics. These components must be present and embedded across four levels – individual, team, organisation and ecosystem – over a continued and sustained period of time.

Building organisational ethics means having values, principles and purpose that people understand and believe in²⁵.

- **Values** – what the organisation strives for.
- **Principles** – how the organisation achieves their values.
- **Purpose** – the organisation’s reason for being²⁵.



The elements of fairness are **distributive, procedural, and interactive**²³.

- **Distributive** – people perceive outcomes and results of decisions as fair.
- **Procedural** – people perceive processes as fair.
- **Interactive** – people feel that interpersonal interactions, especially with managers, are fair²³.

Building trust is about driving the interpersonal behaviours of **authenticity, competency and empathy**²⁴.

- **Authenticity** – people experience others as real and honest.
- **Competency** – people have confidence in each others’ reasoning and judgement.
- **Empathy** – people believe that others care about them²⁴.



INDIVIDUAL

Your organisation should consider how to ‘nudge’ individual choices and behaviours towards fairness, trust and ethics.

To embed **fairness**, **trust**, and **ethics** at the level of the **individual** you can:

_Provide time and guidance to reflect on decisions and actions, encouraging your people to ask themselves “Can I explain this decision in a way that I would be willing to share with others?”²⁶.

_Support your people to develop by sharing examples of trusting relationships and behaviours⁹. Job sharing can provide useful insight on the behaviours that create trusting relationships (*see case study on job sharing*).

_Understand the informal ethics of your organisation by listening to the language your people use and the stories they tell. These shed light on the real motivations, pressures and ethics that govern behaviour and impact people’s decision-making²⁷.

_Reduce pressures such as uncertainty, isolation and tight deadlines that can act as blockers to ethical decisions. People experiencing these pressures, as many of us are during the Covid-19 pandemic, are more likely to make unethical decisions. This is because decisions are more likely to be rushed and emotional, with people taking less time for self-reflection²⁷.



Case study on job sharing at Audit Scotland⁹ Building **trust** between **individuals**



We spoke to two senior leaders at Audit Scotland who have been job sharing for the past year. They shared how they have built trust within their job sharing relationship:

_Verbalising self-reflection helps them to share their thought process and show **authenticity**.

_Continuous communication and using a shared email promotes transparency and a sense of collective **competency**.

_Embracing their differences and collaborating around a shared vision drives **empathy**.

In addition to building trust between each other, they also ensure others in the organisation trust that they can work competently as a job sharing team. By producing blogs and speaking in team meetings they help people understand how they make job sharing work.



Spotlight on ethical behaviour Interventions to drive **ethics** at the level of the **individual**



Examples of how your organisation can ‘nudge’ individuals towards ethical behaviour²⁸.

Include small reminders to behave ethically at the point of decision-making, for example recalling a code of ethics.

Manage and alleviate annoyance and irritation, as these can drive individuals to justify immoral behaviour.

Promote and share examples of positive moral acts and ethical behaviour across the organisation.

Incorporate ‘resetting’, giving people the opportunity to stop, pause and start again after negative ethical behaviour.

Encourage people to **consider all options** when decision-making, and invite others into the discussion.

Embed third-party and group feedback into processes so that people must more accurately evaluate past decisions.



TEAM

You need to understand how teams, and the social dynamics that govern them, can impact fairness, trust and ethics in your organisation.

To embed **fairness**, **trust**, and **ethics** in your **teams** you can:

_Develop coaching capabilities in your managers, supporting them to have transparent conversations with their people where they provide clear explanations for decisions and actively listen to feedback²⁶. This can help drive perceptions of fairness in difficult conversations, such as performance management²⁹.

_Leverage peoples' trust in teams as they rely on co-workers for support during the Covid-19 pandemic³¹. Share positive examples of virtual trust-building to help teams achieve the numerous benefits of a trusting and psychologically safe environment, such as better engagement, innovation and decision-making³⁰. (See *Case study on virtual teams for effective ways to build trust in a virtual environment*).

_Combat groupthink and social pressures to act unethically by encouraging teams to broaden their networks by inviting 'outsiders' to regular meetings, and structurally distancing monitoring bodies from the teams that they monitor²⁸. (See *spotlight on group dynamic of ethical behaviour to explore how people's ethics can be swayed and influenced by their teams*).



Case study on virtual teams at Artemis Connection⁹ Embedding **trust** in a virtual **team**



We spoke to the founder and CEO of Artemis Connection, an almost completely virtual strategy consultancy where some colleagues have never met face-to-face, about how they build trust across virtual teams.

_Establishing trust and integrity as a core organisational principle encourages people to demonstrate authenticity.

_Building time for group feedback into team processes helps people to develop and drive competency.

_Communicating intentionally to reproduce serendipity and supporting managers to have meaningful conversations promotes empathy.



Spotlight on the group dynamics of ethical behaviour Exploring how **ethics** is impacted by the **team**



Teams and social dynamics can impact ethical behaviour in a number of ways²⁸.

If someone inside of our social group is being unethical, we are more likely to act unethically, creating an image of **social acceptance**.

Collaboration in teams can deter unethical behaviour through the feeling of being **watched or supervised**.

If someone outside of our social group acts unethically, we act more ethically to **distance ourselves** from them.

If **benefits for others** can be realised through unethical behaviour, we are more likely to act unethically. This is exacerbated if we have close social ties to beneficiaries.



ORGANISATION

You need to consider two levers that can impact fairness, trust and ethics in your organisation: processes and practices, and leaders.

To embed **fairness**, **trust**, and **ethics** in your **organisation** you can:

_Improve processes and practices by assessing current procedures, providing clear guidance for the creation of new ones, and encouraging your people to give honest and open feedback. These measures can help ensure that processes and practices promote equal and fair treatment.

_Promote positive questioning when designing processes and practices. For example, allocate a role in project meetings specifically to challenge decisions and drive more considered decision-making²⁸.

_Encourage leaders to rolemodel positive behaviours⁹. Quantitative and qualitative employee feedback shows that trust in organisations and leaders is currently high⁹. Leverage your leaders, and the trust your people have in them, to demonstrate and promote the behaviours and values you want your people to adopt (*see spotlight on leadership behaviours*).

_Elevate and reward the right leaders. Recruit and promote leaders who demonstrate your organisation's values, principles and purpose, and not those who don't⁹.



Case study on co-creation at Ericsson⁹ Building **fairness** in the **organisation**



In 2017 Ericsson started their transformation journey. They decided to harness the collective intelligence of their people to co-create and embed change across the organisation. To scale the transformation they utilised our HSM Collaboration Jams. Starting with their leaders, they ran a Jam in 2019 for over 7,000 leaders across the organisation. They then invited over 85,000 employees from across geographies and functions into the conversation to drive engagement and democratise the transformation.

_Co-creating change to drive positive outcomes, informed by diverse perspectives, and strive for distributive fairness.

_Bringing everyone into the conversation with full transparency to drive procedural fairness.

_Embracing vulnerability and honesty in discussions, building a sense of interactive fairness.



Spotlight on leadership behaviours³⁵ Driving **trust** at the level of the **organisation**



Your leaders can build trust in your organisation through the following behaviours.

Be curious, not dismissive. Ask guiding questions when people make errors to understand their thought process.

Set clear expectations. Share and explain clear principles for how you expect people to engage professionally with others.

Model healthy conflict. When you disagree with someone treat them with respect, listening to their point of view.

Support silent strugglers. Approach and reach out to those who seem demotivated, stressed or unfocused.

Acknowledge mistakes positively. Reflect on your own mistakes and how they helped you grow. Share this with others.

Create a culture of appreciation. Call out your peoples' achievements publicly, taking time to celebrate success.



Nhlamu Dlomu, Global Head of People, KPMG on your new world of work¹¹

The role of **fairness**, **trust** and **ethics** in sustaining effective leadership



In a conversation with Lynda Gratton, Nhlamu Dlomu shared her perspectives on what leaders can be doing right now to foster trust and make ethical decisions.

_In this new world of work, it's crucial to know who you are as an organisation.

It's time to revisit your foundation – purpose and values – and ensure that your organisational principles guide your people toward ethical decision-making.

_The Covid-19 pandemic has given leaders permission to be vulnerable.

Taking video calls from home, in real environments, has normalised even your most senior leaders. We're all vulnerable in this moment because of the lack of certainty in the world, and acknowledging this collective vulnerability helps us all to connect and empathise with each other.

_One size does not fit all.

Each of your employees has individual needs, and your leaders have a responsibility to understand those needs and uncover what enables that individual to perform. Your leaders have a role to play in helping your people to manage their work over the short and long term. Crucially, there is a balance to be found in intentionally customising your response to individuals' needs, while continuously working within the framework of your organisation's values and principles to maintain fairness.

_Recognise and admit that leaders don't have all the answers.

At a time like this, no one has the key to what will happen next. Admitting "I don't have the answer" is another way to showcase your vulnerability and openness as a leader and build empathy. On occasions when you don't have the answer, reaching out to colleagues, your clients, and your communities is crucial. Value is found when people converge to test ideas and find solutions together, and listening in those moments is essential.

Nhlamu Dlomu is the Global Head of People for KPMG International. She sits on the organisation's Global Management Team and is responsible for leading the execution of a leading-edge Talent Strategy for over 200,000 KPMG people in 153 countries. Nhlamu has over 19 years' experience in management consulting and strategic human resources across various industry sectors.



ECOSYSTEM

When driving fairness, trust and ethics, you need to expand your thinking to include your ecosystem – your community, suppliers, open talent, partners and competitors.

To embed **fairness**, **trust**, and **ethics** across your **ecosystem** you can:

_Collaborate with your partners by finding members of your ecosystem who hold the same or complimentary values and work together to drive purpose. This might even include your competitors. For example in 2017 Burger King in Argentina decided to support McDonald's charity fundraising by refusing to sell any Whopper burgers and instead directing customers to the nearest McDonald's³².

_Hold others to your ethical standards by requiring them to meet the same ethical assessment criteria that you hold your organisation to. To successfully collaborate, you should support members of your ecosystem to improve, rather than 'dumping' the ethical burden on them⁹.

_Listen to your ecosystem to gather their feedback and expertise. You can look to exemplary organisations and expert third-parties to leverage best practice and continually improve fairness, trust and ethics in your own organisation. By listening to feedback from customers and the broader community, you can better understand the issues on their agenda that you need to be aware of.



Case study on investing in skills at Microsoft³³ Driving **ethics** in your **ecosystem**



For Microsoft, one of the key requirements for safe and inclusive economic recovery is expanding access to digital skills, especially for those hardest hit by job losses. In line with these values, Microsoft has launched a global skills initiative aimed at bringing more digital skills to 25 million people worldwide by the end of 2020.

_Investing in and striving for meaningful change in the digital world to drive inclusive action aligned to values.

_Partnering with LinkedIn and GitHub, embracing collaboration and trust as key principles.

_Investing in the organisation's vision for an inclusive digital future, communicating this internally and externally to embed purpose.



Case study on doing the right thing at Coats^{9,11} Driving **ethics** across **all levels of operation**



Over the past few years Coats has been evolving from a culture of compliance to one that empowers people to 'Do The Right Thing' through a global engagement programme.

_Sharing stories and examples to help people engage and understand expected ethical behaviours, and recognising those who demonstrate ethical values.

_Running interactive workshops, leveraging real-life experiences and scenarios, with regular follow-up discussions to track progress, resolve challenges, etc.

_Embracing co-creation and communication as core principles, listening to people's feedback and concerns and empowering regions to adapt materials to their cultural environment within the Group's clearly defined global parameters.

_Building a shared understanding of what positive ethical behaviour looks like by aligning to a common purpose.

In addition, Coats have worked with their ecosystem to support their suppliers to enhance their ethical mindset and to develop a shared understanding of what good looks like.

Moving forward.

The background of the slide is a green-tinted photograph of a wooden jigsaw puzzle. One piece is missing from the center, and a smooth, reflective sphere is placed on the surface of the puzzle. The lighting creates soft shadows on the puzzle pieces.

During the HSM Hackathon we leveraged the power of the crowd to start designing actions that organisations can take forward.

Over 20 participants, representing 10 of our Consortium members, came together to actively share experiences, generate ideas and develop solutions to embed in their organisation. In three groups, members brought energy, enthusiasm and ‘big picture thinking’ to explore how to drive and embed fairness, trust and ethics across all levels – the individual, team, organisation and ecosystem – and designed their own solution.

_Designing fairness. Group 1 created a global programme that brings organisations together to define what fairness is and the principles to drive it³⁴.

_Embedding ethics in results. Group 2 designed a process whereby reports on ethical conduct are presented alongside financial results to emphasise that they are both complementary and key priorities³⁴.

_Embracing collaborative transformation. Group 3 developed a transformation Hackathon, where senior leaders explore ideas contributed by their people and reflect on how they can take them forward³⁴.

More details on each of the solutions designed by participants during the Hackathon can be found on the right.

 **Group 1 on designing fairness³⁴**

Sharing bold and disruptive ideas to drive innovation and a forward-thinking approach across all organisations.

Creating a common understanding and shared vision of what fairness is and how you can drive it in your organisation.

Collaborating with the ecosystem to share best practice and expand the benefits of fairness to society at large.

 **Group 2 on embedding ethics in results³⁴**

Prioritising ethics and purpose alongside profit and results by discussing them in the same conversation.

Driving accountability for results by appointing a Chief Ethical Officer to lead initiatives and rolemodel positive behaviours.

Empowering individual action by measuring individual ethical performance and holding people to account.

 **Group 3 on embracing collaborative transformation³⁴**

Embracing collaboration at all levels, giving people an opportunity to contribute, discuss and debate disruptive ideas.

Giving everyone a role in strategic decision-making by actively including them in the idea generation and feedback process.

Communicating transparently, providing employees with regular updates on actions and progress.

Concluding remarks. Employee and consumer expectations mean that fairness, trust and ethics should be at the top of your organisation's agenda.

You are currently facing hard questions regarding your future alongside adapting to widespread virtual and hybrid working. This makes maintaining and building fairness, trust and ethics even more challenging for your organisation.

Navigating this disruption and adapting to the new world of work requires your organisation to embed fairness, trust and ethics throughout every interaction and process. However, they cannot be built overnight and require you to demonstrate consistent actions over a continued and sustained period of time.

To respond effectively you must take the time to consider the short- and long-term impacts of your response, and be guided by your purpose. You must adopt a human-centred approach, understanding the current state of your organisation by listening to your people and your ecosystem, to identify where you can amplify good practice and address organisational challenges. You can achieve this by embracing collaboration, working with your employees, managers, leaders and ecosystem, to design your future of work.

By embracing your purpose and collaborating with those around you, you can bring your people on the journey to a more fair, trusting and ethical organisation.

Our Consortium members' key takeaways on fairness, trust and ethics⁹.

- #1 Building trust requires being courageous, to demonstrate vulnerability and embrace transparency.
- #2 Considering hard questions requires headspace and taking the time to think them through and reflect.
- #3 Navigating uncertainty demands creating a dialogue with your people, bringing them into the challenge to help design solutions.
- #4 When experiencing disruptions, return to your fundamental values, sticking to your purpose rather than your plan.
- #5 It isn't a choice between profit or purpose, you can work towards both by thinking about 'growing the pie'.
- #6 Fairness is not one-size-fits-all, but requires customisation. Open and honest conversations are key.
- #7 Collaborate and partner with others in your ecosystem to help achieve your vision and goals.
- #8 Fairness, trust and ethics are commercially important. They aren't just fluff or nice-to-haves.
- #9 Leaders play a key role in modelling behaviours and being a positive example, such as by demonstrating empathy.
- #10 Fairness, trust and ethics are built slowly over time and this requires organisations to act consistently.

Contact us.

Dr. Anna Gurun
Associate Director

Anna@hotspotsmovement.com
+44 (0) 20 8194 4723

Ciara Scott
Consultant

Ciara@hotspotsmovement.com
+44 (0) 20 8194 4725

HSM
62-65 Chandos Place
Covent Garden
London
WC2N 4HG

hotspotsmovement.com

Appendices.



Appendix 1: Your fairness, trust and ethics framework.



Our Fairness, Trust and Ethics Framework leverages the HSM Building Blocks and the HSM Maturity Index to enable your organisation to assess your current state maturity and to track and drive progress to become more fair, trusting and ethical.

Fairness, Trust and Ethics are broad concepts that can be challenging to state credibly where your organisation is excelling and where challenging areas lie. This means that investments in and progress around driving these concepts can be hard to demonstrate and are at risk of being overlooked by your key stakeholders.

Our framework allows you to distil complex qualitative data, around key indicators relating to fairness, trust and ethics, into a simple and quantifiable snapshot of current performance. Drawing on our work with more than 100 leading organisations, as well as the thought leadership of Professor Lynda Gratton, the index sets out the current strengths and development opportunities.

Drawing on a range of data from surveys, focus groups and interviews, we assesses the level of maturity against a number of indicators. On the right hand side you can see the five levels of organisational maturity. This assessment results in a series of practical and effective recommended actions focussed on driving and embedding fairness, trust and ethics across all levels – the individual, team, organisation and ecosystem.



Organisational structures and hierarchy present significant challenges. There are few or ineffective mechanisms in place for measurement and evaluation while processes and practices act as blockers rather than enablers. Organisational beliefs and management philosophy are problematic.

Organisational structures and hierarchy present some challenges. Mechanisms for measurement and evaluation tend to respond to issues rather than proactively setting direction, while some processes and practices act as blockers rather than enablers. Organisational beliefs and management philosophy lack clarity and enable poor behaviours.

Organisational structures and hierarchy do not actively block progress. Mechanisms for measurement and evaluation are embedded and governance processes provide some assurance. Organisational beliefs and management philosophy are clear and generally support positive behaviours.

Ongoing efforts to ensure organisational structures and hierarchy do not present challenges. Leaders actively role model desired behaviour. There are strong mechanisms for measurement and evaluation, and processes and practices act as enablers. Organisational beliefs and management philosophy clearly demonstrate positive behaviours.

Organisational structures and hierarchy act as enablers. Leaders are accountable for role modelling positive behaviours. There is continuous improvement of already impactful measurement, evaluation and governance. Organisational beliefs and management philosophy enable positive behaviours.

Our Fairness, Trust and Ethics Framework assesses a number of indicators related to driving and embedding fairness, trust and ethics in your organisation. These indicators are depicted on the right hand side and further information is provided below.

Voice. Psychological safety and the ability to speak up. Opportunities to share opinions and ideas at all levels and for feedback to be heard and actioned.

Purposefulness. Commercial, strategic and social purpose aligned across the organisation. Values, principles and purpose that are understood and believed in by individuals.

Humanity. Interactions and experiences driven by empathy, respect, fairness and empowerment.

Good work. Meaning, belonging and dignity in the workplace. Individual autonomy to craft good work around human-centred tasks.

Leadership. Embracing authenticity, empathy and honesty, alongside authority, expertise and vision. Leaders who respond to the needs of individuals and teams.

Co-creation. Structure and systems that enable co-creation and collaboration across all levels - individual, team, organisation and ecosystem, “bringing everyone in”.

HSM assesses the level of maturity against these indicators, recommending practical and effective actions to drive progress against each indicator.

 **FAIRNESS.**  **TRUST.**  **ETHICS.**



VOICE



PURPOSEFULNESS



HUMANITY



GOOD WORK



LEADERSHIP



CO-CREATION

Our Fairness, Trust and Ethics Framework provides a way to assess and progress fairness, trust and ethics based on practical and effective actions.

We have supported multiple organisations in assessing their current state against key indicators selected for their unique circumstances and priorities.

We worked with a multinational Insurance company to sense check their current position and drive management and meaningful progress. The assessment was informed by a range of quantitative and qualitative data including; surveys, focus groups, interviews and emerging priorities of financial regulators. Based on this analysis, they were given a maturity assessment for each indicator.

The Insurance company framework included four of the six fairness, trust and ethics indicators; **voice, humanity, good work** and **leadership**. The framework led to a series of recommendations that enabled them to move rapidly into action, including the amplification of existing good practices and the opportunity to address some key perception gaps.

Our Fairness, Trust and Ethics Framework can support your organisation to drive and embed fairness, trust and ethics. For more information, please reach out to us. Contact details are provided on page 19.



The HSM Fairness, Trust and Ethics Framework

The framework takes organisations through four key stages:

Refine.

Understand your strategic priorities and identify the unique indicators that support your goals.

Assess.

Analysis of quantitative and qualitative data to map your current state against the Maturity Index.

Act.

Recommended actions based on your current strengths and development opportunities.

Progress.

Drive and measure your progress to embedding fairness, trust and ethics in your organisation.

Appendix 2: Consortium member responses to the hard questions.



Scenario 1 What is fair?

Person A and Person B are at the same level, have the same salary and the same output expectations. Person A has caring responsibilities and Person B does not. During Covid Person A's output has reduced to 70%, due to time spent caring. Person B has been working long hours to ensure that their output remains constant. **Is it fair that they retain the same salaries?**

The Wordcloud below shows key considerations identified during the Masterclass.



Scenario 2 What will build trust?

Company A had committed to taking on 50 graduates in January 2021. They are considering delaying the start dates of the 50 graduates or even renege on their contracts.

How can they take the necessary actions and maintain trust?

The below lists key considerations identified during the Masterclass. (Duplicated entries were only included once).

- _Honesty of circumstances
- _Communicate fairly and honestly
- _Reputation
- _Transparency
- _Clarity of communications
- _Open communication
- _Clear explanation and set expectations
- _Long-term impacts
- _Authenticity
- _Long-term investment
- _Risk losing future talent
- _Maintain engagement with individuals about options
- _Help graduates to other options
- _Alternative options
- _Building connections
- _Seek ongoing engagement
- _Provide context
- _Timely, transparent and authentic dialogue
- _Find blue oranges
- _Empathy
- _Offer support
- _Re-think business model
- _Two-way communication
- _Consistency
- _Importance of purpose and values
- _Time intention and information



Scenario 3 What is ethical?

Company B is struggling financially due to Covid. Cash flow is short and they need to reduce costs significantly. In order to survive they can either:

- _Reduce their workforce by around 20%
- _Implement a 20% salary cut for all employees

What is the more ethical action?

The Wordcloud below shows key considerations identified during the Masterclass.



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