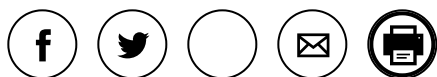

INTENTIONAL INTEGRITY

How Smart Companies Can Lead an Ethical Revolution

Robert Chesnut with Joan O'C. Hamilton
St. Martin's Press



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Introduction

Show of hands? A new approach to integrity

I look out over a room filled with about 50 new hires and throw out the question that always provokes uneasy laughter and side-eye glances.

“Show of hands—who in this group has integrity?”

I wait.

Some hands go right up. Others go halfway, the hires swiveling their heads to scan the room, wondering: Is it cool to raise my hand?

“A few,” I observe, smiling.

Laughter breaks the tension, resolving into silence; hands start to go down. People shift in their seats.

This is how it begins—a direct, open, mostly enjoyable but sometimes uncomfortable conversation with new employees about what it means to have Intentional Integrity in the workplace.

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In 2016, I joined Airbnb as the company's general counsel. Founded in 2008 by three twentysomethings who rented out airbeds on their small San Francisco apartment floor, the company now helps tens of millions of travelers connect with unique accommodations. Airbnb's founders were pioneers in the "sharing economy," in which Internet platforms like eBay, Uber, Lyft, Turo, Upwork, Poshmark, and many others leverage existing capacity in everything from shelter and artwork to clothing and vehicles.

So many of these companies, initially praised and celebrated as innovators, now find themselves at the center of important debates about the impact of technology on society. Politicians and the press are asking tough questions about their most significant impacts: Are platforms like Upwork, for example, enabling new flexible ways of working that unlock human potential, or are they just enabling large companies to exploit "gig" workers? Are ride-sharing companies offering new income sources and making the roads safer, or are they a collection of unregulated operators with too much information about where customers come and go? Is Airbnb helping thousands of people leverage unused space to augment their incomes, or is it reducing the quality of life in neighborhoods? Should we nurture these platforms? Regulate them? Tax them? Or break them up?

For over three years I managed a global legal team that confronted these questions daily, and worked with legal issues impacting our business model in over 190 countries and more than 100,000 cities. At times it was head-spinning. One minute we were concerned with regional conflict overseas, the next with a small-town ordinance governing short-term rentals. We had to figure out how to deal with white supremacists in the United States who had advised their supporters to stay in Airbnbs while traveling for rallies. And then there were the typical duties of any legal team, such as preparing contracts and managing disputes.

Ideally, platform companies like ours would partner with all levels of government leaders and focus on solving at least some of these challenges with well-reasoned policy solutions. However, that has become very hard to do. Our politics have become so fractured and our world's problems so complex. And even though we've largely avoided the kind of scandals that have plagued so many other companies, I nonetheless understand why politicians, and more importantly the public, are sometimes wary of corporate motives. Data privacy abuses, sexual misconduct, greedy self-dealing, and various other instances of arrogant and entitled behavior have contributed to an erosion of the public's trust in institutions in general.

This might sound grim. But I'm an optimist by nature, and I'm more convinced than ever that all businesses have a great opportunity right now to step into the leadership void and chart a proactive, ethical course that is good for their full slate of stakeholders. A company's stakeholders are commonly defined to include customers, employees, business partners, communities in which it operates, and, yes, investor shareholders. But to me, especially coming from a global platform company, "stakeholders" means everybody. Literally. I believe tech companies can make the world better, not just more digital. And if businesses of every size in every industry commit to principles like promoting ethical supply chains, lowering a company's carbon footprint, and declaring a commitment to fig

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discrimination of all kinds, then these organizations are poised to play a leadership role and make a meaningful and positive difference.

But here's the catch: to be taken seriously, to have the impact I am convinced they can have, business leaders must embrace what I call Intentional Integrity.

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Intentional Integrity is not just a vow to be virtuous. It means making a serious and thorough effort to, first, identify an organization's purpose and the values it stands for; then develop specific rules that reflect those values; and finally, drive the importance of following the rules into every corner—and level—of a company. It's often not a straight-line journey, and you need to be prepared for setbacks. But in my experience, the effort can deliver both business success and positive social value. In fact, there is growing evidence that failing to establish trust and ignoring issues important to an organization's entire slate of stakeholders will hurt companies' bottom-line performance.

Drilling down

Just as I was finishing this book in the fall of 2019, I transitioned from my role as Airbnb general counsel to run the company's ethics office. I made the move because the Integrity Belongs Here program we started at Airbnb had such an impact on our organization and on individuals that I wanted a chance to focus even more on ethics and push our ideas out into the larger business community.

As you read, you'll notice that I've always had a fascination with ethics and how to motivate positive behavior. It's been an important aspect of every job I've ever held, beginning with my years as a federal prosecutor. But in the corporate setting, to achieve the change I want to see, I've come to think about integrity in a specific way.

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What put these ideas in motion for me at Airbnb was that soon after I arrived, there was an explosion of news accounts involving scandals at tech companies. Some of the worst offenses happened literally down the street from our San Francisco offices. Accusations ranged from sexual harassment to illegally selling customer data to foreign actors and even out-and-out fraud (in the case of Theranos). The who's who of tech high-flyers—Facebook, Uber, Google—were being summoned right and left to testify before Congress, and the media were treating them as poster children for arrogance and unethical leadership.

Bad acting isn't confined to tech of course. Across many industries, unethical behavior in recent years has meant the tarnishing of once proud and respected brands, like Volkswagen and, more recently, Boeing. Then there is the #MeToo movement, prompted by a long list of prominent business executives and media figures who engaged years of inappropriate behavior with junior employees, resulting in scandal, resignations, and in some cases

lawsuits and even criminal charges. A number of top universities have been in the spotlight for allowing students to essentially bribe their way in through fraudulent athletic credentials. Even organizations like the Boy Scouts and the Catholic Church have been exposed for covering up thousands of sexual assaults. Talk about a depressing list.

I became preoccupied with the sheer number of these scandals. I thought, *These situations are outrageous and wrong. And the failure of leadership in these organizations is doing terrible harm to individuals and destroying trust in these brands. As Airbnb's general counsel, I cannot just sit here with my fingers crossed. I need to do something proactive to make sure that every single Airbnb employee—and by this time we had thousands—realizes this behavior is not OK. I need to try to prevent our company from becoming a fixture in these kinds of headlines.*

I came to Airbnb in the first place because I was impressed with the leadership of CEO Brian Chesky and his team. I had heard from others and observed myself that they had a mature and thoughtful style not always found among young tech entrepreneurs. They project a sincere sense of mission—to create a feeling of belonging in the world. Brian talks about it a lot, and you hear employees all over the world refer to the mission constantly.

However, the brutal reality is that you can have great leaders and the right intentions, but it's not enough. A very small number of rogue employees can have an outsized negative impact on your reputation. And so you need a deliberate, intentional commitment to promote and enforce specific rules that are tuned to your company's unique business and culture. There needs to be an environment where those rules are owned broadly within the company, discussed openly in a positive way so that they feel woven into the culture. There need to be fair, appropriate consequences for breaking those rules.

This challenge is one that many good leaders admit they struggle with. I attended the University of Virginia, which has a long-standing emphasis on its honor code, but even President James E. Ryan and I have discussed how creating an ethical culture is something you're never finished with. While Ryan reinforces messages of integrity and honor constantly, he admits that at the end of the day “the institution's reputation is still at risk if even one person fails to heed that message.”

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At Airbnb I decided two things. First, we needed to write a code of ethics specific to Airbnb's unique mission and business model. Second, we would not outsource communication of that code by just making employees watch some boring video created by a third party. The stakes were just too high, and the threats were just too big.

So we developed the written code (which I'll talk more about soon), and I began traveling and personally addressing employee groups all over the world on the topic of Integrity Belongs Here. And I will be honest: almost everybody admits to me that they dread coming to a talk on corporate ethics. But the good news is, the majority end up enjoying it and even want to learn more.

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As I indicated above, I always start sessions by asking, “Who here has integrity?” Then, either during these sessions or in conversations afterward, employees ask me more questions about the question itself:

Are you asking if I'm honest?

Does it mean abiding by the letter of the law?

Does it have anything to do with the law?

Is integrity the same thing as loyalty?

Do you mean something very specific, or is integrity a subjective thing?

My impression is that most people think the following: I'm a good person, so of course I have integrity. But these questions show me how vital it is that employees understand exactly what an organization expects of them. If they don't, they are vulnerable to what I call the integrity trap. The integrity trap is circular reasoning that goes like this: Because I feel confident that I have integrity, my integrity will point me toward the right thing to do when I encounter a dilemma. I will choose the solution that represents integrity. Even if I break a rule, it's OK, because, obviously, I have a good reason.

In fact, it's not OK.

We need more cherry-tree moments

The word “integrity,” of course, suggests a fundamental sense of honesty and ability to behave with civility and fairness. There was a time when every schoolkid in America learned the story of how George Washington's integrity was on display at a very young age. He supposedly (although likely not, but it's how the story was told) cut down a cherry tree as a boy, and when he was asked about it, he admitted his guilt, adding, “I cannot tell a lie.” The story may be quaint, but our society seems to have evolved to a point where teaching a child the importance of telling the truth and taking responsibility for mistakes is not a priority for some parents. The recent cheating and bribery scandals at some of America's top universities reinforce that.

So yes, integrity in the workplace *is* about “doing the right thing.” I also like the comment widely (but alas erroneously) attributed to C. S. Lewis that integrity is about doing the right thing “even when no one else is watching.” But I will concede that workplaces today are diverse, and it's not always clear what the right thing to do is. At Airbnb, our workplace, like most, is steadily becoming more diverse, more global, which means there's no common set of values, no one religion, no agreed-upon set of ethics or morals that we bring to this new highly connected workplace. We each have our own unique background, our own sense of right and wrong, and

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beliefs about what's appropriate. We are grappling with how to promote collegiality and trust; at the same time, we're realizing that what one person considers a friendly hug may make the person to whom the hug is offered uncomfortable. The world is changing quickly, forcing us to consider new topics—like who owns our data in the virtual world—for which there are not always established norms.

Although codes of ethics have many common themes, there is in fact no one list of rules that works for every company. Rather, the point is that companies must intentionally determine what their values are and state them, and then each and every employee at every level, including the board, must agree to behave in a manner *consistent with the values everyone has pledged to adhere to*—even when it's hard to do so, even when another course may also have value to the individual or others. This is not just a top-down exercise. At the highest level of the company, it means that leaders agree to adhere to the same rules that apply to everyone else and to manage by those rules. For example, a manager ignoring the rules until someone she or he doesn't like breaks one should be held accountable for violating the spirit of the code.

Over the years, I have led legal teams and served as an advisor at more than a dozen companies and nonprofits. I have heard many versions of integrity-trap logic from employees at all levels. “C’mon, we don’t get paid enough as it is, and you’re going to nickel and dime me on my expense report?” Or, “I didn’t mention that my brother owns the company I hired to do our printing because I knew I could negotiate a better deal out of him than we’d get from anybody else. Trust me!” I once had to terminate a leader who assaulted another employee at a Christmas party. “I would never do something like that, but I was hammered,” he argued. We fired both him and his alter ego.

Keeping leaders, employees, and companies out of integrity traps is one reason why I’m writing this book. Ambiguity is the enemy of integrity. Silence and poorly conceived incentives set integrity traps. Intentional Integrity requires a deliberate process, not just a policy announcement.

The good news is that creating a workplace with a strong sense of integrity is a more welcome notion than many realize.

Trust is critical

In early 2019, the global public relations firm Edelman released its 19th Annual Edelman Trust Barometer,¹ which tracks trends in public opinion involving trust in institutions like the media and government, as well as in the workplace. According to the firm’s CEO, Richard Edelman, “People have low confidence that societal institutions will help them navigate a turbulent world, so they are turning to a critical relationship: their employer.”

I was already working on this book when this data dropped on my desk. These findings inspire me, because they reflect what I see every day when I talk to our employees and read headlines concerning companies facing public scrutiny and vocal and contentious pushback from their workforce. Despite the frustration and the mistakes many companies have made, employees want to be proud of where they work; they yearn to be what Edelman calls “partners in change” with their employers. Says Edelman, “This significant shift in employee expectations c

an enormous opportunity for employers to help rebuild societal trust, as the general population sees business as being able to make money and improve society (73 percent).”²

The Edelman trust study reinforced that employees are looking for leadership to speak up and clarify the boundaries and set out clear expectations for how employees should treat each other, interact with partners, and represent the company’s values to customers. And, most importantly, model the right behavior themselves.

It just makes sense. The path to integrity requires commitment, focus, and attention *from everybody*. What makes Intentional Integrity such a powerful concept is that it means asking “What is the right thing to do?” so often that it becomes a reflex, not a distraction. The return on this investment in reinforcing the importance of doing the right thing is measured not just by the problems you avoid but in the trust that is created within an organization and among stakeholders.

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For example, at Airbnb, my ethics advisor team and I have been debating a question that is not in any way a scandalous emergency. One of our in-house recruiters managed the successful hiring of a highly skilled employee. After accepting our offer, the new employee sent the recruiter a thank-you letter and a \$200 gift card as a token of his appreciation. Pretty generous token, right? The recruiter, noting that a simple note would have been sufficient, immediately reported this to our ethics team, unclear whether this represented a prohibited form of a gift.

Airbnb has a specific set of rules governing gifts, including one that prohibits employees from accepting gifts from vendors valued in excess of \$200. We are also firm that customer service folks who interact with our guests and hosts may not accept free stays or any other kind of gift. However, we do not have a policy about employees giving gifts to one another. It has never surfaced as an issue for us before.

All of our 30 ethics advisors are copied on every inquiry submitted to our ethics inbox. The gift card email prompted spirited reactions from many of them. Some said the gift card didn’t seem like a problem—since the new employee was now effectively done with the recruiter and there was no reporting relationship, where was the conflict of interest? A few others found it inappropriate and suggested that the recruiter should return the card, worrying that the employee might send friends seeking employment to the recruiter. It was fascinating to me to see the group devote so much energy to sorting out a fairly minor, isolated event.

Personally, I am inclined to think this gift is unusual, but not unethical. Recruiters don’t hire; they present slates of candidates who are hired or not by a manager based on their merits. But the reason I bring this up is that I believe it shows that our people trust our approach to ethics. That the recruiter’s first instinct was to check to see if this was OK tells me that employees are hearing the messages we’re sending: Integrity matters. Think before you act. Ask if you’re not sure if you’re about to do the right thing. People only ask questions like this when they trust you and feel that you’ll treat them with respect. This is why I have hope that companies can overcome what Du
University researcher Dan Ariely has explained to me is a basic tendency of most people to act in a self-in

way and rationalize situations where they stand to gain something if they believe they will not be called out or punished. Our recruiter didn't have to tell us about the gift card, but she determined that asking about it was the right thing to do.

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I believe that open, respectful dialogue in any organization builds trust. In 2018, a report by the worldwide consulting firm Accenture suggested that companies put considerable revenue at risk if they do not invest in measuring, managing, and exhibiting trust as an organizational value. Accenture's report, *The Bottom Line on Trust*, noted, "In the not-too-distant past, trust was considered a 'soft' corporate issue." In other words, it was something a company's leaders focused on after the hard work of delivering profits was done. No more. Today, "companies need to execute a balanced strategy that prioritizes trust at the same level as growth and profitability. Those who do benefit from greater resiliency from trust incidents, making them more competitive. Those who don't are putting billions in future revenue at risk."³

According to Accenture, trust is vital for companies to survive the changing dynamics of globalization and increased transparency. Accenture developed what it called the Competitive Agility Index, which predicts the financial impact of negative "trust incidents" like scandals or revelations of hypocritical behavior. They concluded that customers today punish companies for bad behavior by withholding their business. According to Accenture's calculus, for example, "a \$30 billion retail company experiencing a material drop in trust stands to lose \$4 billion in future revenue."

Let's talk. Seriously.

Where does this journey to regain and nurture trust begin? By having some honest and straightforward conversations. The trouble is, most companies don't talk much about integrity. Many seem to fear that it might attract unwanted attention, scrutiny, or accusations of hypocrisy. Others worry that attempts to actively enforce integrity or other workplace interaction concepts like "radical candor" or "civility" will be seen as tools to further advance the agendas of the powerful. Legal officers who deal firsthand with the consequences of companies' and employees' problematic acts may feel like they are professionally constrained from addressing the larger issues and speaking about unreported facts, motives, and dilemmas. Meanwhile, some leaders say that they just don't want to seem "holier than thou," or appear to "virtue signal" just for public relations purposes.

As a result, many companies have their human resources department download a code of ethics template, put their logo on it, and send it out in an email for their employees to read and agree to. They hang a laminated poster created by a compliance company in the breakroom, with legally mandated information about how to file complaints with various state agencies. They ask their employees to watch a video about sexual harassment. But then they never mention ethics again, and the lawyers can only hope that if something goes wrong, the thin document in the breakroom will be their legal and brand shield.

There is no shield against the damage a lack of integrity can inflict. And the problem is, silence about integrity creates ambiguities about right and wrong that make everyone in an organization a little uncertain, a little nervous. Regrettably, a minority of people will exploit that uncomfortable silence to rationalize selfish behavior. And so the lack of specificity about the values an organization expects its employees and managers to model is one reason why we have so many ethical crises erupting.

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It's clear to me that pressure on companies to act ethically is bubbling up from inside their own ranks. Many employees are no longer content to just cash their paychecks—they want to understand the lines their employers will and will not cross. Some employees, and particularly millennials, see their employer as inseparable from their own identity. When their company makes a mistake or a controversial decision, it becomes public, shared on social media, and visible for their friends to question them about. If evidence emerges that the company is spewing huge amounts of carbon into the air or exploiting child labor overseas, employees will demand answers, and they may hold a walkout or even quit if they don't like what they hear. And their actions may inspire or amplify consumer boycotts or prompt customers to take their business elsewhere.

In 2018, more than 600 employees of Salesforce signed a petition asking the company to end its contract with the U.S. Customs and Border Protection in protest over the Trump administration and the CBP's policy of separating migrant children from their parents at the border.⁴ By June 2019, employees of the online marketplace Wayfair staged a walkout to protest the company's sale of beds and home goods to a contractor who was sending them to a facility in Texas designed to house detained migrant children.⁵ Google employees, meanwhile, have organized several public demonstrations to protest executives receiving large severance packages after being accused of sexual harassment. They've also spoken out against Google's use of confidential, mandatory arbitration.⁶ The press has uncovered a "private" Facebook group where 18,000-strong Amazon employees unhappy with their pay and workload routinely air their complaints.⁷

Broadening support

Smart leaders in many fields, including tech, are seeing these public protests by employees and realizing it's important for company leaders to think more deeply about ethics and integrity and what their companies stand for. For example, LinkedIn cofounder and now venture capitalist Reid Hoffman and I met when I was working at eBay and he was COO at PayPal. You won't find a more vocal tech advocate than Reid, but he and I spoke recently about narcissistic CEOs fueling the techlash with their "I'll worry about ethics later" attitude. Instead, he says, "Integrity is a mantle that companies need to take up. People are yearning for companies to take on a broader purpose than just short-term profit."

In April 2019, the *Wall Street Journal* wrote a story about how the outdoor products company Patagonia had disallowed customization of its vests with the logos of corporate customers who are not "mission-driven co that prioritize the planet."⁸ The popular fleece vests had become a Wall Street fashion staple in recent years

tone of the story was wry, but the idea of a company literally “disqualifying” customers anxious to purchase their products or service over a fundamental values and integrity issue once would have seemed radical, but we’re seeing more and more companies do just that. It’s grounded in a desire to project to customers and employees that a brand is aligned with its most aspirational values even at the expense of revenues and profits. As you’ll read, we’ve made some decisions like this at Airbnb as well.

Recently, 181 members of Business Roundtable, all CEOs of the nation’s largest companies, took a courageous step in asserting that companies must embrace a more stakeholder-oriented corporate governance posture rather than simply making shareholder return their sole focus. The BRT drew fire from some investor groups, but a wide variety of other organizations, including the U.S. Chamber of Commerce, endorsed its position. The fact that 181 of the top CEOs in the country could agree on such a dramatic departure from the historic purpose of corporations is a sign of how ready the world is for companies to step up to the challenge.⁹

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I do want to be clear on one point, however. I am not suggesting that most people or companies used to have integrity at one point and now they don’t. Both heroes and hypocrites have always walked among us. I am also not suggesting that most companies have not cared about integrity in the past or don’t care about it today. I would argue instead that we are at a moment when we clearly need companies to lead the way on integrity, because it’s the right thing to do and it makes sense from a business standpoint for them to do so. That said, I perceive a real nervousness among companies and other institutions in talking about the importance of integrity and grappling with what it means. That’s what I want to change.

Integrity is a superpower

At Airbnb, the founders of the company realized from the beginning that integrity had to be the foundation of a business based on hosting complete strangers in your home. For one thing, we have data about some of our customers’ most personal activities—where and how they live and where they travel. Beyond that, our Airbnb hosts welcome strangers into their homes; our business model relies on our customers’ basic trust that this will be a safe, pleasant, as-advertised experience where both parties benefit. The damage to our reputation can be swift and severe if any of us—the hosts, the guests, or Airbnb as the facilitator—do not act with integrity. As you’ll read, in some instances we’ve learned that lesson the hard way.

We’ve also evolved to advocate that companies adopting an attitude of Intentional Integrity can lead a broader embrace of it across society, even around the world. We will always need governments to manage defense, infrastructure, social services, law enforcement, and other basic functions of a society. But the private sector has opportunities to take on a much more active role as an engine for social good. Think about it. Companies must use sensitivity and flexibility, not bluster and military threats, to succeed in the myriad cultures and political complexity of global markets. Unencumbered by national boundaries, fractious party polarization, and deadlocked legislative branches, company employees can be united by a common belief that their company’s work has purpose,

they can react more quickly and creatively to customer needs and concerns. And if something doesn't work, companies are better able to shift and try something else.

More and more companies accept that a commitment to diversity and inclusion, a preference for less environmental impact, and a promise to avoid suppliers with offensive labor practices and even customers who exhibit behavior inconsistent with their values are positions they should embrace publicly. These companies are well positioned to lead broader progress in each of these areas—if they act with integrity.

It's also true, by the way, that forging a better relationship with stakeholders will give them insights that support every facet of their business. For example, you will later meet an Airbnb employee named Srin Madipalli, who helped open our eyes to a very important set of stakeholders in our guest community: individuals with physical disabilities. Put simply, these guests need more information about listings than we used to provide. Srin has a medical condition that requires him to use a powered wheelchair, which he has done for his entire life. He also loves to travel, but travel becomes challenging when accommodations are not as described, or when listings lack the details he needs to determine if they will work for him.

After Srin came to work at Airbnb, he not only helped improve how we help hosts be specific about access issues—in fact we've added 27 different measures to our host profile forms—but he also helped us make sure our own activities and facilities don't unintentionally exclude employees with physical challenges. Seeing the world through the eyes of a single stakeholder acting on authentic concerns and issues can help a company create a more inclusive corporate culture, and in this case it literally made the world easier to navigate for millions of other people with physical challenges. To me, that's a bold endorsement of Intentional Integrity.

Myths of millennialism

Occasionally when I talk about our commitment to integrity with friends or folks outside work, I hear: Doesn't this take a lot of time? Do employees actually care? There is a lingering myth that the hottest companies are propelled by young hipster employees' hard-partying, sexually free-wheeling, self-indulgent energy.

Well, a few companies have tried that bro culture thing. And we've seen where that leads. And more importantly, myths like these sell talented, principled young workers short.

Intentional Integrity is compatible with an intense, high-pressure workplace. And specifying what a company stands for is not a preachy, smug exercise. It's about providing guidance to encourage lawful, respectful behavior and to prevent and fix, not cover up, mistakes. It's an approach that's as relevant to a start-up catering to vegans as it is to a 75-year-old processed-meat company. It's as relevant to a tech company as it is to a bank or a grocery chain. It's agnostic toward religious beliefs and conservative or liberal politics.

Intentional Integrity means stating clearly and with specificity: here are *our* values. While not every employee agree philosophically with every rule, the rules are a reflection of the company's mission and culture, and e

employee agrees to abide by every rule in the workplace during their employment.

Intentional Integrity does not have to be a cultural buzzkill. At Airbnb, our employees can bring their dogs to work and enjoy a draft beer in the company breakroom. Even the legal department has happy hours. We have not declared war on fun. What we have done is make clear that the workplace, like every other aspect of life, must have boundaries. As long as those boundaries are set mindfully, based on the given company's own circumstances, and not arbitrarily, and as long as they're followed by everyone from the CEO on down, they create a workplace where people can feel respected, do rewarding work, and, yes, have some fun in the process. And the feedback I get from employees of every age is that they appreciate, even enjoy, engaging with fellow workers about integrity, about where and how to set these boundaries. They're proud to have their personal brand associated with a company that makes a conscious effort to do the right thing. So Intentional Integrity, done right, can play a big part in attracting and retaining talent.

Who's watching?

On a global basis, transparency is a powerful behavior modifier that supports Intentional Integrity. To be clear, integrity is about your personal choices, not about whether anyone is watching or knows what you did. But we all have to accept that something has changed: in the twenty-first century, *somebody is always watching*.

Even in theoretically private corporate spaces, it doesn't matter if you're the CEO or if you work in building maintenance, your badge system and your company's parking lot security video can record exactly when you come and go. And your head of IT can monitor exactly what websites you visit. A friend who works for a global IT consulting firm tells me it's become a running joke for members of her project team to say out loud, "There he goes again," referring to an executive at their client company who makes multiple visits to a porn site each day—easily visible to team members monitoring the network as part of their job.

This level of monitoring makes everyone, me included, uneasy. It feels like an intrusion, and I'm not advocating for more of it. But it is the new normal. Today, any lapse in judgment can become public at the speed of Wi-Fi. An executive who has too much to drink at the Christmas party may find his karaoke rendition of "Hiccup Sanna Claus" has gone viral by midnight. If you're in retail or the hospitality industry, good luck if you insult a customer or fail to return a call: Yelp and Facebook offer real-time megaphones for your customers' anger and frustration. In the twenty-first century, George Washington might not have had the chance to confess to chopping down the famous cherry tree ... he would have been caught, ax in hand, on a security camera and outed on YouTube before he could utter his famous line.

What used to be personal is now public. The person you're competing with for a promotion may have a copy of a text you sent that ridiculed a board member—or the hiring manager. The sheer number of watching eyes ratchets up the need for our deeds to match our words and our commitments. If they don't, we're going to hear about it.

There is no going backward on this. NBA commissioner Adam Silver told me that he constantly advocates

importance of transparency when ethical dilemmas arise, and he believes leaders must model the highest possible ethical standards. “In part, the Internet is driving this. There is always a camera, always a microphone holding you accountable. In the past, training [about ethical conduct] has focused on liability and the law, but going forward it needs to be about doing what’s right, and as leaders we need to be specific about core values and speak openly about, and engage on, these subjects.”

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Without question, Airbnb has had its own challenging ethical issues: our business model is changing the face of travel, and of course this means that there are economic winners and losers. Neighbors are concerned about impacts on housing prices and neighborhoods. Tensions arise among our guests and hosts. The same folks who love to stay in our variety of accommodations, ranging from remote yurts to urban apartments, do not love dealing with loud parties in an Airbnb rental next door to their home.

Employees expect us to address those issues head on and creatively, and we have. For example, we have launched a \$25 million initiative in different regions of the country where affordable housing is scarce. We have a division that is looking to create small pop-up cottages that can be assembled in the backyards of suburban homes, which can support the Airbnb model of leveraging existing properties to rent to guests without taking longer-term rental properties off the market. And we’re exploring ways that we can help reduce friction points between hosts, guests, and communities.

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One irony is that in tech companies, which are drawing so much fire, employees can actually risk making their concerns over ethical matters public. This is because, in part, highly coveted technical talent cannot be easily replaced. If company leaders don’t listen and respond to concerns in a respectful way, they risk alienating employees who will take their talent elsewhere. They may even take customers, who also want to work with partners who are aligned in their values, with them. I suspect that valued and influential employees in any industry will notice this and feel empowered to become more vocal with their concerns.

After analyzing the results of his company’s trust survey, Richard Edelman concluded that employers have a unique opportunity to attract and keep employees, and capitalizing on it requires four things: establishing an audacious goal consistent with the company’s business (for example, increasing revenues while reducing carbon output); supplementing mainstream and social media with presentations about current events presented on company channels; supporting local communities and encouraging employees to give back through volunteering; and requiring the CEO to take a prominent role in speaking up in support of values such as diversity, inclusion, and social issues like immigration or homelessness.

All good ideas. But I would add that each of these steps is doomed unless it occurs as part of a larger commitment to integrity. If the CEO is seen as cynical or opportunistic about initiatives with a social-good component, it

worse than doing nothing.

* * *

Even when they find the “why” of Intentional Integrity pretty clear—attracting and retaining top talent; forging trust with customers; and, of course, avoiding scandals—many leaders today find it a daunting subject to take on. My goal is to convince every business leader, using the stories and experiences that have shaped my views, that it’s worth it to get practical and tactical. It’s not difficult to make ethics part of a company’s cultural DNA, and I will discuss the most important risks companies must address in a code of ethics. But also, very critically, I will cover how leaders can engage and empower employees to recognize and tackle integrity dilemmas as they would other business challenges, by considering both short- and long-term consequences. I think you’ll find it more interesting, and fun, than you might have imagined.

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