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Gauging Ethics in an Organization

Carly Fiorina, *Former CEO, HP*

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Carly Fiorina, former CEO of HP, describes simple guidelines to gauge ethics in an organization. She asks entrepreneurs to answer key questions about promotion and performance within the organization. The answers to these questions, she says, will reveal the organization's view towards ethics.



Transcript

So the question is: how do you deal with ethics in an organization? Because it's intangible, it's not profit, it's not products. And it's a really important question. So the thing that I would say about values of any kind, but particularly the values of integrity, respect, trust, things that are very core to human beings but very insubstantial in terms of both income statement or balance sheet, is you've got to walk the walk. Nobody cares about the talk. You can put a hundred value statements on the wall, it doesn't matter. And there are two things that people watch for when they see if you're walking the walk. The first thing people watch for is who gets promoted. Who gets promoted? The truth is, everybody knows in an organization who has a lot of integrity and who doesn't. People know who's kind of walking on the edge to produce results. And if those are the people that get promoted, then people get the message.

One of the hardest things I ever had to do in my career was fire somebody, fire a particular person. He had incredible potential. He was incredibly smart. He got great results. But he was doing things that we would fire an employee for. He was an executive, he reported to me. He was doing things we would fire an employee for. He was not truthful. He was abusing the resources of the company. Now, people said to me, "You know what, you don't have to fire him." But I did, because had he stayed - by the way, everybody knew what he was doing - had he stayed, everyone would have gotten the message.

In the press, I was blamed for his departure. "She's such a terrible person, he can work work." It's okay. It's not about getting credit on the outside. But people on the inside knew what that meant. So who gets promoted? The second thing is, you have to be up front with people that this is what you expect. You have to tell them that. And so if you're going to go through performance evaluations, that has to be part of the performance evaluation. It can't just be the numbers. The values are going to matter. If you, for example, believe that collaboration is an important skill, then you have to coach, develop, people on the basis of their collaboration skills.

You have to measure their performance based on their ability to collaborate. So how do you measure performance? What kind of coaching and development do you give people? Who gets promoted? Those are all the things that matter.