Ethics is a negotiation tool. Its how we arrive at ground rules we can all live with. I compare it to engineering, which is the know-how we need to make our physical infrastructure work. Ethics is the know-how we need to make our social infrastructure work. Like engineering, the purpose of ethics is to get things done, not to judge people.

A leader in the engineering field is someone who (a) knows the math and (b) has the maturity and judgment to apply it in practice and serve as an example for others. It is much the same with ethics. An ethical leader is someone who knows how to analyze ethical issues, and has the maturity and judgment to use this analysis to build consensus. Developing ethical leadership therefore poses two tasks: developing ethical competence, and developing ethical maturity.

**Ethical Competence**

It may seem unlikely that ethics has an intellectual basis like math, but believe me, it does. I work in both areas, and I can tell you in an instant which one is harder (it’s not the one that starts with “m”). While engineering is based on the laws of nature, ethics is based on the fact that the ground rules must seem reasonable to everyone. After all, if we can’t agree on the rules, we can’t get things done. You may think it’s tough to find rules everyone can agree on. Hey, you’re catching on already! It’s very tough. That’s why some of the smartest people in history have focused on the study of ethics.

Ethical thinkers have come up with a few principles that seem worthy of mutual agreement. One is called the generalization principle. It says that the reasons for my actions should be consistent with the assumption that everyone who has the same reasons will act the same way. This is why I shouldn’t lie merely to benefit myself, for example. If people always lied when it benefits them, no one would believe the lies, and they wouldn’t benefit anyone. The basic idea here is that we should all play by the same rules.

This doesn’t mean lying is always wrong. Life is much more complicated than that. To use a famous case, suppose I tell police I don’t know the whereabouts of Anne Frank, even though she is hiding from the Nazis in my Amsterdam office building. My reason for lying is to protect Anne and her family. If everyone lied to the police to protect innocent fugitives, the police wouldn’t believe the lies, but the lies would still accomplish their purpose. The police would be none the wiser about where people are hiding.

The same generalization principle can help us judge when it is ethical to break a promise, withhold information, accepts gifts from business partners, and so forth. Other principles tell us that we should consider the welfare of others and respect their autonomy. For example, failure...
to recall a defective product may be unethical even when the cost of doing so outweighs the benefit to all concerned. It may violate autonomy, because it may expose customers to a risk of injury without their informed or implied consent. I am glossing over the details, of course. None of the principles I have mentioned are easy to defend or apply, but neither are the laws of physics. If you want to stretch your brain, ask yourself what kind of posts a social media site should take down, or what kind of personal data it can ethically share with marketing firms. Then defend your answer.

Some kind of training is usually necessary to develop ethical competence. Maybe Newton could discover the laws of physics on his own, but most of us need help with both physics and ethics. Ideally, managers would learn this in professional school. They learn it in my course, but I’m not going to promise anything about other ethics courses. An alternative is to conduct training sessions for employees and managers. The training should be real training: participants should analyze dilemmas and have their analyses critiqued. It’s not enough to sit around and exchange opinions. Also, we must accept the fact that building competence takes time. Nobody can learn calculus in a week, or ethics.

Another approach is for ethically competent managers to use ethical reasoning in memos and meetings. This accomplishes several purposes. It signals that it’s OK to raise ethical issues. It provides staff with a vocabulary for discussing these issues. Best of all, it demonstrates some of the thought patterns that appear
in ethical reasoning. We naturally absorb the ideas that circulate around us.

**Ethical Maturity**

Developing ethical maturity is a much longer process, because it requires a lifetime. At least, this is what developmental psychologists tell us. Ethical competence is only part of ethical maturity, albeit an important part.

People tend to mature ethically in stages that parallel cognitive and social development. Ethical training can help nudge people into the next stage, but beyond this, there is not much an organization can do in the short term. A better strategy is to keep an eye out for managers who are already moving into maturity and provide them the opportunities and the intellectual toolkit they need for ethical leadership.

You can probably spot three broad stages of ethical maturity among your coworkers. In the first stage, people take their beliefs and values from others. In youth, norms are typically supplied by family and school. In adulthood, people absorb the values of the organization to which they belong, particularly when it advances their careers. It is for them that the organization’s ethical norms must be made as clear as possible.

In the second stage, people begin to do their own thinking but buy into a thought system that claims to have an answer for everything. One often finds this perspective among teens and young adults, but it can persist into later years. For example, one may reduce business ethics to maximizing shareholder value by any legal means. Managers in this stage may be persuasive or charismatic, but they are best passed over for top leadership responsibilities.

In the third stage, people acknowledge the validity of different points of view but strive toward a rational consensus. This occurs in mature adulthood, if at all. Employees and managers in this stage are ready for mature leadership. They will respond to ethical reasoning, can learn to apply it themselves, and are equipped to help others reach consensus.

In fact, there is some evidence that people who are more adept at ethical reasoning tend to be more successful leaders in general. This is not surprising, because leadership is essentially consensus building – which is exactly what ethics does.

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**John Hooker**, author of *Taking Ethics Seriously: Why Ethics Is An Essential Tool For The Modern Workplace*, is a T. Jerome Holleran Professor of Business Ethics and Social Responsibility, and Professor of Operations Research, at Carnegie Mellon University, Pittsburgh, Pennsylvania. He has also held visiting posts at several universities, most recently the London School of Economics and the State University of Campinas, Brazil. He brings his extensive background in philosophy and logic to the rigorous analysis of ethical dilemmas, and his background in management science to making sure the dilemmas are realistic. In addition to his online blog, Ethical Decisions (ethicaldecisions.net), he has published over 170 research articles, eight books, and five edited volumes on ethics, philosophy, operations research, and cross-cultural issues, including Business Ethics as Rational Choice and Working across Cultures. He is the founding editor-in-chief of the world’s only academic journal dedicated to teaching business ethics, and he developed the ethics program in the Tepper School of Business at Carnegie Mellon University.