WORK IN THE AGE OF DATA
ETHICAL LEADERSHIP: A NEW AGE OF WORK

1. TIMELESS ETHICAL PROBLEMS OF WORK
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   - Cheap labor

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Ethical Leadership in a New Age of Work

Joanne B. Ciulla

This chapter looks at the past as a means for understanding the future. While new technologies change the context of work, they do not always change the ethics of leaders who make decisions about business and what transpires in the workplace. By focusing on the ethical challenges of leadership that must be overcome to develop ethical leaders, it argues that a new age of work requires a new age in which leaders really are ethical and effective. The chapter begins by examining some of the recurring ethical problems with work. It then explores the ethical challenges of being a leader and concludes with a discussion of three essential qualities for ethical leadership.

What would it take to create a new age of work? For some, the first thing that comes to mind are machines—robots and computers that would serve our every need. We might imagine all sorts of wonderous inventions that make work easy and efficient. Moreover, we could also envision machines, like self-driving cars, which make life and death decisions for us. All devices and computer programs require a human touch, even if it is only from the fingers that create an algorithm. As artificial intelligence matures, the distance between the human touch and the activities of machines increases. Nonetheless, all work, like technology, requires someone to make final decisions, initiate processes, and organize people, and ponder what, why, and how things should be done. Herein lies the problem: technology changes but human nature stubbornly remains the same. We can still have leaders with medieval personalities and dispositions running workplaces in a high-tech future.

While the context of work and society may be different, the basic ethical and unethical behavior of leaders is often no different than it was in the past.

To comprehend the complexities of ethical leadership yesterday, today, or in the future, we must examine the relationship between leadership as a social construction, based on contextual factors such as history, culture, values, ethical norms, technology, and so on, and human nature. "Are leaders born or made?" is a fundamental question in leadership studies. In other words, do exceptional people step on to the stage of history and reshape it, or does history set the stage for someone to enter from behind the curtain and play the role of a leader? Like all such questions, the answer is usually a bit of both. Who becomes a leader, how they lead, and how others follow, is embedded in personality traits and shaped by the context in which a person lives and works. The new age of work may show progress in science and technology; however, will that progress extend to us as human beings? Are leaders and followers better today than in the past? In the Western world, the bright, promising eras of the Enlightenment and modernity have given way to a darker, post-modern world. Today, truth is a contested terrain and growing social and economic inequality and environmental destruction compel some people to long for the past rather than embrace the future. Not all people believe that a new age of work will be better than
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the old one. For some, the new age of work only looks like unemployment.

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The Ethical Problems of Control, Technology, and Economics

History tells us that new technologies in the workplace do not always live up to the hope of making work better for people. For example, Aristotle wistfully speculated about the potential of technology to eliminate the need for slaves and servants. He argued that we use everything we own, including tools or instruments, to maintain our lives. Slaves, he said, are the living instruments that people possess to work with material instruments. In other words, they are the instruments that use the instruments. That is why Aristotle and other ancient writers referred to slaves as *instrumentum vocale*, or talking tools. Aristotle speculated on what would happen if instruments did not need people to run them:

Suppose that every tool we had could perform its own work, obeying or anticipating the will of others... if the shuttle would weave and the plectrum touch the lyre, the chief workman would not want servants nor masters slaves.

While Aristotle was thrilled with the idea that people would not have to work, today we worry about the workers who are displaced by technology and wonder if work will become so scarce that there will not be enough jobs for those who want and need them. However, Aristotle’s comment raises a host of curious questions about the “chief workman” and “masters”—or the leaders of the workplace. Technologies, from computers to robots, to driverless cars, to public safety cameras, reduce or eliminate the need for workers; however, do they eradicatethe desire of people in positions of power and authority to want servants or slaves? Talking about slavery may seem like a rather dramatic way to ask a broader question about the inclination that some people in leadership roles have to control others—whether it is control over their work, their buying habits, or their privacy.

From slavery to the Industrial Revolution, making a profit rested on the assumption that one had to get the most labor out of workers for the least amount of money. One aspect of this was having control over employees, which usually meant control over productivity. There has always been a struggle for control in the workplace. In the eighteenth century, Jean-Jacques Rousseau observed that the human race fell from a golden age when they learned they could gain an advantage from the work of others. Often the greater the control over workers, the greater the advantage in terms of things like productivity, quality control, and labor costs.

Slavery was the most extreme example of this advantage. In the nineteenth century, a North Carolina judge named Thomas Ruffin wrote that the end of slavery is the profit of the master. He said: “The power of the master must be absolute, to render the submission of the slave perfect.” At the time, some Southern slaveholders in the US maintained that their slaves were better off than the men, women, and children who worked in the Northern factories on the machines that were part of what was then a new age of work called the Industrial Revolution. As historian Eugene Genovese argues, while slaves did not get paid and were not free to leave their masters, their work did not require the tight oversight on the job that the Northern industrialist needed to have over workers to extract maximum profits. Friedrich Engels made a similar point about British industrial workers. These arguments are not meant to downplay the horrors of slavery but to illustrate the significance of control of production in the workplace. Today, new technologies allow employers to see, hear, and monitor what employees do at work and, if they want, at home. One might say that from the *instrumentum vocale* to the “hands” of the Industrial Revolution, what many employers have always really wanted were robots.

I raise the question of control because it encapsulates many of the ethical challenges for leaders in the workplace. Control over workers, the cost of workers, and the quality of working conditions are about employers’ respect for human rights and the dignity and autonomy of employees. The desire of employers to keep labor costs low raises questions about fair wages and what constitutes a living wage. All of these things are elements of the moral conditions of work. My point here is that if we really want to usher in a new age of work, the most radical change will require a different kind of leader who is capable of avoiding the worst instincts that come from both holding power over others and the pressures of having to make unlimited profits. I believe that developing leaders who are capable of taking on the ethical challenges of leadership is as important and perhaps more difficult in a new age of work than some of the most sophisticated technologies on the horizon. Before I get to what ethical leadership might look like, I turn now to some of the personal and social elements that have always made it difficult for leaders to be moral.

Ethics, Effectiveness, and Good Leadership

No matter how people become leaders, no one is a leader without willing followers. Tyrants, dictators, and bullies force their will on others—that is coercion, not leadership. The very idea of a leader is normative. We assume that leaders will take responsibility for and promote the well-being of their organizations or constituents. While not all leaders do this, it tends to be what we think of when we describe a leader’s job. For example, you would not write an ad for a senior manager this way: “Wanted: a manager who will pursue his or her interests at the expense of the employees and the organization.” Leadership is not a person or a position. It is a process and a complex moral relationship that ought to be based on trust, obligation, commitment, emotion, and a shared vision of the good. The central challenge of leading is discovering how to be highly effective in the role and ethical. As mentioned earlier, slave owners and manufacturers can be very effective at “gaining advantage” from their workers, but they traded the ethical treatment of their workers for profits. In all walks of life, some
leaders are effective at what they do, but not ethical, and others are ethical but not very effective. Hence, a straightforward definition of good leadership is leadership that is both ethical and effective. Some leaders equate effectiveness with efficiency, but it is only one aspect of effectiveness and efficiency alone can lead to very unethical behavior. To be both ethical and effective requires leaders who have the imagination and the will to reconceptualize what constitutes effective leadership. However, first, leaders have to come to grips with the challenges that they face as human beings in positions of power.

If a good leader is one who is both ethical and effective, we need to understand the relationship between the two. There are three facets to leadership that form the foundation of this relationship:

1. The ethics of leaders themselves—the intentions of leaders and the personal ethics of leaders;
2. The ethics of how a leader leads or the process of leadership. This includes the means that a leader uses to get things done. It also consists of the relationship between leaders and all those affected by their actions. How leaders do things is related to their competence and ethics;
3. The ethics of what a leader actually does or the ends of a leader’s actions.

Hence, ideally, a good leader is someone who does the right thing, the right way, and for the right reasons. By “right,” I mean that they do it ethically and competently. Some leaders get only two out of the three of these correct. For example, the legendary hero Robin Hood stole from the rich to give to the poor. He had good intentions and made life better for the poor, but his method of achieving his ends—stealing—is unethical. Some leaders attempt to achieve good ends in bad ways, either because they believe that the ends justify the means or because they are incompetent and do not know how to do something.

Niccolò Machiavelli’s book The Prince (16th century) highlights the underlying tension between behaving ethically and achieving important goals. Machiavelli concedes that even when his Prince cannot be ethical, it is crucial for him to appear ethical so that he can be effective at doing the tasks at hand. He tells us that leaders have to learn how “not to be good.” Whether Machiavelli’s Prince is self-interested and power-hungry or selfless and caring, his actions affect the well-being of many people. When you are a leader, the stakes of achieving specific goals are often higher than those of ordinary people. Hence, what is called the “dirty hands” problem is a fundamental ethical problem for leaders. The dirty hands problem is when leaders have to do something bad to carry out their responsibilities to followers. As Michael Walzer notes, no leader leads innocently. It is difficult for leaders to adhere to some of the constraints of morality when, for example, the jobs of their employees are at stake. They may have to lay off employees to save the business; however, it is imperative that they do not take such an action lightly. They should feel bad about actions that harm others. Their conscience should bother them, so that this kind of behavior does not become a habit. Max Weber also acknowledges that leaders sometimes have to use “dubious morality” that has “evil ramifications.” He proposes an ethic of responsibility for leaders because there are situations where it is inappropriate and ineffective for them to act like saints. In some cases, acting ethically may save the leader’s soul but not serve the interests of followers. However, in these cases, Weber does not let the leader off the hook. He says that if anyone wants to be a leader, he “must know that he is responsible for what may become of himself under these paradoxes.”

Machiavelli, Walzer, and Weber realize that the actual job of a leader may require him or her to behave in ways that are harmful to their followers—for example, laying off some workers to save the jobs of others. Leaders might have the attitude of Weber: “I will go to hell because I do what is best for the organization;” or of Machiavelli: “I will not go to hell because I have done what is best for the organization;” or of Walzer: “I will go to hell when my hands stop feeling dirty or I stop feeling guilty about what I have done.” Hence, the paradox: we want leaders to be ethical, and we select or elect leaders to make difficult decisions that sometimes entail moral compromises. When leaders do bad things or make those moral compromises to do their jobs, they often disappoint their followers.

The Personal Challenges of Being a Leader

Leaders face several personal moral challenges that are based on factors such as pow-
er, success, privilege, and ego. How leaders get and use power is a key source of ethical problems in leaders. Leaders gain power and influence in many ways, such as their position, their ability to control resources and reward and punish, their expertise or ideas, their connections, and their charisma. It is usually the case that the higher the leadership position, the more power leaders have over others and the less power others have over them. In Plato’s *Republic*, the story of “The Ring of Gyges” literally and figuratively illustrates the problem of power and morality. It raises the questions: “Would you be moral if you had the power to be immoral?” and “Would you be moral if no one was watching?” Questions concerning power, accountability, and transparency apply as much to followers as they do to leaders, given that followers can enable leaders to misbehave. It is also useful to think about the extent to which institutions, organizations, and groups are responsible for how their leaders behave.

Success is a slightly different problem than power for leaders. When leaders are successful over time, they can become overly confident or inattentive to their duties. Such leaders can fall prey to what Dean Ludwig and Clinton Longenecker call the “Bathsheba syndrome.” The Bathsheba syndrome is named after the story of David and Bathsheba in the Bible (Samuel 2:11–12). In the story, King David, a moral and successful leader, seduces the wife of one of his generals and tries to cover it up by having the general killed. He gets caught and God punishes him. This story has been replayed throughout history and in the news media today. Successful leaders sometimes become isolated, lose perspective and focus on their jobs, overestimate their ability to control outcomes, and become reckless. When this happens, the result may be sex scandals, abuse of funds, or other forms of risky behavior.

Another ethical challenge for leaders is that they usually receive special treatment, which includes tangible privileges such as a luxurious office or intangible ones such as deferential treatment from those who want to curry favor. Research has found that when followers admire and trust leaders, they sometimes grant them “idiosyncrasy credits.” These credits signify that in their followers’ eyes leaders have earned their status and have their followers’ permission to innovate and deviate from some of the norms of the group or organization. Idiosyncrasy credits may lead them to make a variety of moral mistakes. When followers grant privileges and give idiosyncrasy credits to leaders, they make it easier for leaders to believe that they are special and do not have to follow the same rules as everyone else. Some people say that leaders should be held to a higher standard. However, that would imply that followers should be held to a lower standard, which is not true. Everyone should adhere to the same moral standards. If anything, leaders should be held to a higher standard of complying with the moral norms by which everyone is bound. Followers should not allow them to be exceptions to the rules because in leadership, morality and immorality are magnified. When leaders do something good or bad it has a far-reaching impact on others.

Needless to say, because leaders are usually treated with deference and given privileges and perks, their egos are bound to swell, especially when they are successful. We have long understood the dangers of people with inflated egos. The Chinese philosopher Lao Tzu put it succinctly: “He who stands on tiptoe is not steady.” Another ancient writer, Tertullian, captures this problem of power, success, and ego when he describes the Roman practice of having a slave stand at the back of a general’s chariot when the general makes a triumphant entrance into the city before a cheering crowd.

Demonstrators greet Swedish climate activist Greta Thunberg as she arrives in New York after crossing the Atlantic in the Malizia II. The high-speed yacht allowed Thunberg to travel without flying to the Climate Action Summit in September 2019.
Even when triumphing in that most lofty chariot, he [the general] is warned that he is a man, for he is prompted from behind. “Look behind thee—remember that thou art a man.” And, in truth, his joy is on this very account the greater, for he glistereth with so much glory, as to need reminding of his proper nature.¹⁸

Tertullian is skeptical about how effective this is at keeping a successful, powerful leader’s ego in check. Cultures vary in terms of how people regard their leaders and expect them to behave. For example, the Globe Project on cross-cultural leadership in sixty countries found that in highly egalitarian cultures, such as Denmark, it is unseemly for a leader to flaunt power and appear special. Whereas in cultures where unequal power is acceptable, such as China, leaders are supposed to appear distant and above everyone else.²⁰

Three Qualities of Ethical and Effective Leaders

As we have seen, there are fundamental ethical problems that have plagued the workplace and its leaders throughout human history. Some of these problems are the psychological ones that come with power and greed, others stem from the responsibilities of being a leader. Let us now look at three qualities that leaders need to develop to overcome some of the ethical challenges of leadership. These qualities are not new, but they are ones that leaders have often failed to acquire. The qualities are perspective on themselves and the world, a rich understanding of people, and moral imagination.

While we cannot expect business leaders to foresee the future, it is their job to at least try to anticipate it. Management writer Chester Barnard once said: “Leadership is the art of sensing the whole.”²¹ Being a leader requires the ability to look at the big picture and how all of its pieces interact; whereas a manager concerns the functional elements of an organization. Perspective is, perhaps, the foundational element of leadership. Perspective applies to the ability to understand complex systems and it also facilitates self-reflection and self-knowledge. The new age of work will take place in the context of highly complex social, political, economic, technological, and environmental systems. Despite the inflated claims of business schools that they are educating leaders, most of them train managers and specialists. The focus of business education is on competency in various aspects of a business. Becoming competent in areas such as finance or marketing may be part of leadership in some organizations; however, work in these areas is often done by specialists, not leaders. So, it is ironic that in an era of complexity, business schools seem determined to churn out narrow specialists. Students are more likely to develop a perspective about themselves, their ethical obligations to others, and the way the world works, through the liberal arts and, in particular, the humanities, than business courses. As Aristotle once noted, the liberal arts teach people how to make good choices in a free society.²² It is extraordinary how many MBA students have not formally studied history, religion, literature, and the arts. All of these areas of inquiry tell us about where we stand in relation to the rest of the world. The humanities comprise the study of the human condition and the values, emotions, and aspirations of people. They tell us about the basic similarities of all human beings and the ways that family, personality, and culture shape them into unique individuals. This knowledge is the basis of a foundational principle of ethics—respect for the dignity of all human beings. Moreover, the humanities remind us of human frailty and the mistakes that people have made time and time again. Ancient Chinese and Greek philosophers believed that reverence was the most important virtue for a leader because it made them act as if they were part of some larger whole and, hence, kept them from acting like gods.²²

Shaped by factors such as immigration, the environment, technology, and political change, the material conditions of the world create a new context for work. Ethical leaders in a new age of work have an obligation to consider how these factors affect people from all walks of life. So, along with perspective, leaders need to understand people and have empathy. While management courses teach students something about human behavior, they often mostly focus on how to motivate workers to be productive. Since leadership is a specific kind of moral relationship between people and all living things, leaders need to apprehend how to treat employees and other stakeholders as

Leaders should not be allowed to be exceptions to the rules, because both morality and immorality are magnified in leadership.

The three qualities that leaders need to develop to overcome some of the ethical challenges of leadership are: perspective on themselves and the world, a rich understanding of people, and moral imagination.
Business ethics courses offered by business schools are the obvious places to develop ethical leaders. However, relatively few schools in the world are willing to make business ethics a full course in the curriculum or to hire well-trained, full-time faculty to teach them.

Perspective and an understanding of people also need to be paired with the last quality of ethical leadership, moral imagination, which is part of problem-solving. There are two parts to moral imagination, imagining how and imagining that. Imagining “how” is practical. It concerns devising new ways to think about and do things. It entails both ethical and effective problem-solving. Imagining “that” is cultivating the ability to see and anticipate ethical issues inside and outside of the workplace. Literature, history, philosophy, and the arts help foster both kinds of moral imagination.

Many business schools have business ethics courses. These are the obvious places to develop ethical leaders. However, relatively few schools in the world are willing to make business ethics a full course in the curriculum or hire well-trained full-time faculty to teach them. A good business ethics course should be somewhat like a humanities course that focuses on business. It has to be much more than a series of cases about companies that did bad things. Such cases help students learn to analyze situations and some problem-solving, but they do not give them the other skills they need to be ethical leaders. Most cases do not lead to self-reflection or offer different ways of seeing business, society, and the world. Studying ethics is an excellent way to learn about leadership because leadership consists of taking responsibility and caring for an organization and its stakeholders. A good business ethics course can, at a minimum, warn students about the personal ethical challenges of leadership.

MBA programs are becoming increasingly compact and the so-called “soft” courses like business ethics are often made shorter or eliminated. Most business schools, and by extension their students, tend to overvalue quantitative skills and undervalue people skills. Since business education is big business, it is unlikely that they will change on their own, unless the business world presses them to do so. The more technical the work-
place becomes, the more we need leaders who are humanists, who can anticipate the unintended consequences of technology, and think critically about the impact of economic disruptions on employees and society. Technically trained business leaders are often not prepared to think about these big picture questions.

It would be naive to assume that education alone would produce ethical leaders who could usher in a new and morally better age of work for everyone, but it is a start. Other changes might include new forms of corporate governance that help leaders overcome some of the personal ethical challenges of leadership. However, as we have seen, boards of directors often fail to prevent CEOs from engaging in unethical behavior. Perhaps this is partly because members of these boards are too much like the leaders they are supposed to oversee—wealthy (usually white) men. Some of the ethical problems with leaders today also stem from their dogmatic adherence to certain economic assumptions. A question that most business leaders either cannot answer or do not want to answer is: how much profit is enough? Corporate leaders who believe that their primary obligation is to create shareholder value think they should not answer it; whereas other business leaders do not want to. Hence, the idea of potentially unlimited profits creates an ethical challenge to business leaders since one way to squeeze out more profits is to become more efficient, which sometimes harms employees as well as other stakeholders. Getting around these entrenched economic beliefs about cheap and controllable labor that have been around since the time Machiavelli, philosophers come down from the clouds in this practical age insist that the philosopher should be found. And the philosopher has functioned in the past, and can still contribute his share, by directing human efforts through the channels that a useful memory and a far-reaching imagination alone can discover or construct. And when we in this practical age insist that the philosopher come down from the clouds and the mountaintops, it is not necessary that he lose his sense of direction in the marketplace.

The world is in need of two types of men that it does not have in great abundance: those who are experts in technique, who contribute the ninety-five percent of perspiration necessary to carry on well the world’s work, and the inspired five percent who are possessed of broad enough vision to see what there is to do. It is the latter who anticipate most of the possibilities and troubles of humanity, and in this group the philosopher should be found. And the philosopher has functioned in the past, and can still contribute his share, by directing human efforts through the channels that a useful memory and a far-reaching imagination alone can discover or construct. And when we in this practical age insist that the philosopher come down from the clouds and the mountaintops, it is not necessary that he lose his sense of direction in the marketplace.

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Notes


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