There’s No Such Thing as “Business” Ethics
by John C. Maxwell

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John C. Maxwell has built a large and apparently influential movement around his messages on leadership. At least one of his books, The 21 Irrefutable Laws of Leadership, has been a bestseller. His book jackets proclaim him “America’s expert on leadership” and say that he speaks “in person” to more than 250,000 people each year. I have never met or heard him but I am impressed with the row of books he has managed to get on the shelves at Barnes & Noble. That is certainly some kind of accomplishment.

Unfortunately, I cannot be so positive in my review of Maxwell’s latest little book: There’s No Such Thing as “Business” Ethics. It cannot simply be ignored as a harmless, lightweight opinion piece. This book is both misleading and dangerous in our era of widespread corruption and ethical lapse in business. We can usually ignore dangerous books that have a tiny readership—and superficial fluff that has a huge readership. But a dangerous book with a large readership cannot be given a critical pass. Maxwell has a big following and this book will undoubtedly (and regretfully) be read by thousands of people.

Maxwell’s book is full of lists and brief anecdotes (though often with little logical connection to each other) and some readers will no doubt be edified by this folksy counsel. But woven through the book are two major points that must be challenged.

First, he boldly insists that there is no such thing as business ethics. What he means is that there is no such thing as a separate realm of ethics for business. Our values and ethics at home must be the same as at the club, in politics, in church, and in business. Too bad Maxwell didn’t limit himself to the non-controversial admonition that our core values and principles should be consistent throughout all areas of our life. Where he goes wrong is to rule out any specialized focus on business ethics and to mis-characterize business ethics as an enterprise inherently bent on justifying behavior we would not tolerate in our personal lives. Not so.

Second, Maxwell insists that there is one and only one principle of sound ethics: do unto others what you would want them to do unto you. He shows how some version of this principle is important in most of the world’s religions. Too bad he didn’t limit himself to a brief, positive reflection on what the Golden Rule can contribute to our ethics. Where he goes wrong is to declare illegitimate and unnecessary all moral guidance beyond the Golden Rule—and then to provide a careless, sloppy interpretation of that same Golden Rule. Simplistic, wrong, harmful.

There Is Such a Thing as “Business Ethics”

“Business ethics” means something like “serious ethical reflection on matters of right and wrong, good and bad, in the business context.” There is nothing about this business ethics enterprise that requires a contradiction between personal ethics and business ethics.

Just the contrary, such a contradiction between personal values and business ethics has always received its strongest support from those who say that “business ethics is an oxymoron” . . . or that “business operates like a game with its own unique rules” . . . or that “the market is an amoral, impersonal entity governed by an invisible hand, not by people’s personal moral values.”

Business ethicists are usually people who work hard to bring serious moral reflection into our work, our commerce, our business organizations, and our economic life. Criticizing that effort, as Maxwell has done, is exactly the wrong thing to do in the age of Enron.
Maxwell defines an “ethical dilemma” as “an undesirable or unpleasant choice relating to a moral principle or practice. . . . Do we do the easy thing or the right thing?” (p. 5). Again, a very naïve and misleading position to take. Most ethical dilemmas are such not because of “easy versus right” but because of the difficulty of figuring out the right thing to do. Should we lay off these loyal workers, getting close to retirement, and move their jobs offshore in order to increase profits, and possibly lower costs to customers? Should we share our research on this pharmaceutical project with our competitors to advance the pace of discovering a cure for this disease? Such dilemmas are constituted by serious conflicts of values and by complex circumstances requiring careful, focused attention and analysis, not a simplistic dismissal.

One thing a good course in business ethics could do for Maxwell is teach him the differences between such things as corporate culture, organizational structure and policy, personal character, and decision-making. He writes about the importance of character, for example, but offers no real insight into just what character is, how it is formed, or how it relates to decision-making, community, or diversity. Nor does Maxwell show any awareness of how structures and policies are laden with values and why, thus, it is critical not just to call for more ethical individuals but for procedural and organizational reforms.

There is an astonishing naivete in Maxwell’s discussions of both business and ethics. The following (“always/never”) overstatement is typical (and a truly foolish assertion): “One of our problems is that ethics is never a business issue or a social issue or a political issue. It is always a personal issue” (p. 13). Another example, this time of his reductionism (“only”): “There are really only two important points when it comes to ethics. The first is a standard to follow. The second is the will to follow it” (p. 23). Only these two points are important in ethics? Uh, how about the challenge of “interpreting and applying the standard in this or that circumstance or context”? This is every bit as important as the other two points.

There Is Not Just One Rule For Making Ethical Decisions

Maxwell’s second message is that “there’s only one rule for making decisions”---the Golden Rule. Now there is no doubt about the broad applicability and general helpfulness of the Golden Rule. Maxwell has some occasionally helpful comments about how this rule might be deployed, though he is far from precise in defining, explaining, or applying it. It is not so simple or self-evident as he wishes.

On the surface at least, the Golden Rule says to “do unto others what you would have others do to you.” Question: What should I do? Answer: Whatever I would want done to me. It is a self-referential process. Would I want to be treated fairly? Yes. Therefore I should treat others fairly. But it is not quite so simple all the time. I, personally, like people to confront me with their brutal, unvarnished opinions, no holds barred. Should I then speak equally brutally and frankly to all others? Not necessarily. It is not always enough simply to generalize based on my personal preferences and impute them to others. It is one good test question, but not sufficient by itself. The Golden Rule can be corrupted into a self-centered imperialism, generalizing about others based on ME---on my wishes, tastes, and preferences. Isn’t it important also to make a place for “Do unto others as they want you to do to them” as another test question?

One irony of Maxwell’s argument is that he attacks Joseph Fletcher’s famous “situation ethics” as a source of today’s moral relativism. He characterizes Fletcher’s position as “If it’s good for me, then it’s good” (p. 9). Consider this, however: just like Maxwell, Fletcher has one rule for ethics. Fletcher picked “love your neighbor.” Yes, this can be relativistic and situational but note that it focused (naively but honestly) not on “what I would want” (Golden Rule) but on “what would be loving for my neighbor?” Taken by itself, Maxwell’s one rule is actually more egoistic than Fletcher’s one rule (and equally situational and relativistic).

Both attempts to propose one single, stand-alone rule of ethics are simplistic and fundamentally wrong. As a pastor for many years, Maxwell ought to remember that there are at least two important qualifications of the Golden Rule provided by Jesus in the Sermon on the Mount.
First, the Golden Rule is *given to a band of disciples*, not to a Lone Ranger decision-maker. Character formation and ethical decision-making are a “team sport,” a community enterprise, not a matter entrusted to American-style “rugged individualists.” The safeguards lie in discussing “what would WE want done to US”—rather than “what would I want done to ME.” The Golden Rule is not being taught accurately and faithfully if it is submitted in any way to the runaway individualism and narcissism of our era. Although he makes a brief and undeveloped pitch for “accountability,” Maxwell dismisses the general, positive potential of community and teamwork in ethics: “The more people involved, the greater the pressure for conformity” (p. 61). If Maxwell had explored the potential uses of the Golden Rule by business teams in today’s environment (electronically-connected, culturally-diverse, globally-extended, blistering pace, rapid employee turnover, etc.) he might have made a valuable contribution, faithful to the sources as well as practical and relevant in its interpretation and application. Instead he reads it through the tired lenses of Modernity and American Individualism.

Second, *the Golden Rule is not the only rule for making decisions---not in business ethics, and not in Christian ethics.* It is a great summary rule but it is most emphatically not the only one. Jesus also taught the Love Commandments (Love God, Love your neighbor as yourself) and a whole lot more. Jesus taught the *generality* of the Golden Rule; he did not teach the *exclusivity* of the Golden Rule. Generality; not exclusivity.

Furthermore, Jesus didn’t just teach principles and rules of decision-making (Maxwell wrongly presents ethics as exclusively a matter of decision-making by individuals), he taught people about the traits of good, healthy character (Maxwell uses the term “character” but then treats character only in terms of ethical decision-making, a very thin brew) and community, and he taught people to reflect on the larger life purposes which alone can motivate and leverage behavioral change. What Jesus taught was a richly textured approach to the moral life. Jesus had more to say, by the way, about money, property, and wealth (business ethics!) than about heaven and hell or lots of other religious topics. Jesus and Christian ethics should not be blamed for the misrepresentations of Maxwell’s book.

“HNN vs. NPR”

John Maxwell could be thought of as providing a sort of “Headline News Network” or “USA Today” level of teaching, especially in this ethics book: brief bits and pieces in simple language, seeking to capture a momentary glance in our frantic, distracted age. No big concern for depth or continuity. Ken Blanchard and Michael O’Conner’s little book *Managing by Values* (Berrett-Koehler, 1997) and Max DePree’s *Leadership is an Art* (Doubleday, 1989) are two examples of how to do this well. I am certainly not interested in defending the boring, irrelevant mountains of words written by many of us in business ethics. My objection to Maxwell’s book is not to its genre or to his basic project.

The problem is two-fold. First, the “HNN” version ought to be true as far as it goes. It may be short and simplified but it ought to be right. Maxwell’s book offers some advice here and there that may be helpful to some readers but its overall thesis, its definitions, its representations of business ethics and of the Golden Rule are badly flawed if not flat-out wrong much of the time.

Second, the HNN approach may have a legitimate place in the sun but its devotees must not say that that place is the *only* legitimate one. The HNN producers and consumers must not say that there is no place for the deeper approaches provided by NPR (National Public Radio), Frontline, Bill Moyers, the Jim Lehrer Newshour, Ted Koppel’s Nightline, and Sixty Minutes. In effect this is what Maxwell is saying: there is no such thing as business ethics---there is just his sad little set of inadequate slogans and platitudes about the Golden Rule.

Over my morning coffee on the day I drafted this review, I read that Tyco crooks Dennis Kozlowski and Mark Swartz were finally being taken to court, that Pipevine was now exposed as owing more than $18 million to charities it defrauded while collecting donations, that Franklin Resources will now be investigated for possible illegal trading practices, and that Frank Quattrone was making excuses in court. And that was just the stuff on page one in the business section.
These are not isolated incidents. They are part of an epidemic of unethical business leadership. I am sorry to have to be so hard on John Maxwell but unethical behavior in today’s business causes serious harm and hurt to vast numbers of people around the world and we cannot remain silent. This is no time to undercut efforts to focus attention on business ethics. I am sure that John Maxwell is a very nice man who means well and he must know a lot about some topics (leadership?). But There’s No Such Thing as ‘Business Ethics’ is a misleading essay that he should never have written. We do not need “no business ethics”---we need much more and much better business ethics.