The words that sealed the terrible fate of the Challenger crew might seem innocuous: “Take off your engineer’s hat and put on your manager’s hat.”

NASA was working with a contracted engineering firm on the 1986 space shuttle launch. The contractor’s engineers had been warning managers that if the temperature became too cold, O-rings that joined the shuttle to its rocket boosters would fail.

But NASA wanted to launch as soon as possible. That’s when the contractor’s general manager told his fellow executives to consider the issue as managers, not engineers. The conversation instantly shifted from one about design and safety to one about budgets and deadlines.

And so the mission went forward as scheduled. Seventy-three seconds after it launched, the O-rings did come undone, and the shuttle broke into pieces. Two minutes later, as their cabin hit the water, all aboard were killed.

“People think that they’re acting according to their values, but in fact they’re not,” Tenbrunsel says. “We find this across the spectrum of people. Situational influences and psychological processes contribute to us not living up to even our own standards. We all fall prey to this.”

The lesson of the Challenger explosion—and of the unheeded warnings leading up to it—is not just to listen to engineers. It’s also to make sure we approach important issues through more than one prism, University of Notre Dame ethics researcher Ann Tenbrunsel says.

Separating what an engineer would recommend from what a manager would—rather than examining the whole picture—is compartmentalizing. And that leads to what Tenbrunsel and her colleague Max Bazerman call “ethical fading.”

The prism through which a dilemma is viewed, the researchers find, can affect the
Acknowledge ethical illusions
The first step employees, leaders, and organizations need to take is acknowledging that they most likely hold some illusions about their own ethical behavior. As the great ethicist and philosopher Sissela Bok pointed out in her book, Lying: Moral Choice in Public and Private Life, “If we could rid ourselves of self-deceit, we’d be capable of making more a moral decision.”

Be conscious of language
In one study of ethical behavior within law firms, Tenbrunsel found that attorneys were more likely to use the term “judgment call” when describing an ethically dubious decision. The lesson is to take a hard look at what euphemisms are being used at an organization. Is it cooking the books or “creative accounting?” Firing or “right-sizing?”

Don’t compartmentalize ethics
We tend to divide business from personal life. And with the rise of corporate compliance officers, that’s become even easier. Employees and managers can cast ethical decisions as the compliance department’s decision, not theirs. Remind all employees that ethics are everyone’s responsibility.

Examine both formal and informal systems
Over and above hotlines, codes of conduct, and ethics trainings, informal forces such as pressure from coworkers, supervisors, and top management can make a huge difference. In Tenbrunsel’s studies, these informal systems explain 10 times as much of the observed misconduct in an organization as formal ones. The takeaway: examine both, paying particularly close attention to departments that are isolated, bread-winning, or perceived as untouchable.