Beyond Analysis:
Moral Engagement, Case Studies and the Teaching of Business Ethics

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The end point of my talk today, in line with the conference theme, will be the case study, a genre to which I have contributed a fair amount over the years, both in strategic management and, more recently, in business ethics. I would like to get there, though, by addressing an issue that seems to me to be central both to the teaching and the practice of business ethics, which is the issue of moral engagement. And I would like to begin by taking a step back and asking three basic questions:

1. Why do we teach business ethics?
2. How do we teach it?
3. How relevant or appropriate is our teaching to our objectives?

The third question will lead me to the problem of moral engagement, and it is in the context of that problem that I shall be commenting on the role of the case study.

First, why do we teach business ethics? The answer varies, of course, from teacher to teacher and course to course, but I think there are some common elements. At one level, since all business and management actions impact in some way on people, they inevitably have a moral as well as an economic impact. It therefore makes sense to teach managers and would-be managers some of the tools and skills associated with this, in much the same way and for much the same reasons as we teach them the tools and skills associated with finance, marketing or operations. Beyond that, though, most of us also believe that morality matters, in a fundamental and essentially traditional way. We believe, in other words, that human beings have obligations to others, even though we may differ as to the precise nature and extent of those obligations. We consider it important that people should show some concern for those on whom their actions may impact. And we consider it especially important, given the powers that they wield and the scale of the damage that they can do, that the managers of business enterprises should show such a moral concern. Our teaching, I would suggest, is intended primarily to advance this objective, to increase the moral awareness of managers and their capacity for moral judgement, and so make businesses in some way more moral.

How do we do it? Again, the answer varies enormously from teacher to teacher, but there are I think two dominant approaches. One is to catalogue

and illustrate, through short vignettes or simple narrative, the range of ethical issues and problems that can arise in business, and to give our students checklists or other consultancy-style tools with which to identify and respond to these. The aims here are primarily to inform and to guide. The approach contains some analysis, but the cataloguing itself does much of the moral work, since anything that is covered is almost by definition wrong. The rules and procedures introduced are effectively there to help managers reach ethical decisions without any training in ethical analysis.

The other approach, in contrast, is to take a range of situations and analyse these – or ask the students to analyse them – using a variety of moral theories, so as to determine whether a particular actions or practice is or is not ethical. The aim here is to prepare students for a moral life by training them in the art of ethical analysis, and the central tool is the case study. Sometimes this might be a Harvard style case, where a real-life business problem is recreated in simplified but carefully contextualised form. More often, it is a case history, a simple recounting of the events of some more or less notorious episode.

How relevant and appropriate to our underlying objectives are these two approaches? The first, to my mind, has limited value. It can certainly be helpful to scope out the range of problems routinely encountered in a business setting, and tools that help people to identify who might be affected by a decision can also be useful. But teaching that consists primarily of the imparting of information is very quickly forgotten, and once divorced from the analysis that underlies them even the best of the ethical guidelines (I am thinking, for example, of de George's guidelines for multinationals in developing countries) quickly become sterile – a way of avoiding moral engagement rather than of applying it.

The second, case-based approach seems to me potentially more valuable. Providing that the students are required to do their own analysis of the cases, and to defend and debate their conclusions, it forces them to engage with moral issues in a way that is much more likely to leave a mark, and if carefully conducted it can also bring an element of intellectual rigour that is no longer present in the bulk of the business school curriculum. But does it help people to become more moral managers? Only, I would argue, if it can combine analysis with motivation, and set the moral in the context of the instrumental. Let me explain.

Even though we are going through a period of relative moral uncertainty – some people talk of a crisis of morality – traditional moral norms are still very deeply embedded in society. Most people, including managers, have a pretty good idea of whether something is right or wrong. Their initial responses to a situation are not always infallible; nor indeed are our own. Sometimes the implications of an action need carefully teasing out before we

can make a moral judgement. Occasionally a situation presents itself that is so new it needs analysing almost from scratch. But the moral departures of business do not on the whole come about because people lack training in ethical analysis. They come about because a few people allow their selfish interests to override their sense of moral obligation while many more, working under all sorts of performance pressures, simply fail to engage their moral faculties. Decent people, working in decent organisations, who would be perfectly able to identify and analyse moral problems in a classroom setting, do not engage with such problems in the real life setting of their work.

What are the implications of this for the teacher? Employing the resources of cognitive psychology, Pat Werhane has recently argued that moral management requires not only moral reasoning – or the ability to analyse situations from a rational, impartial perspective – but also moral imagination – the ability to envisage different scenarios and reframe experience in different terms so as to anticipate the possible moral consequences of managerial actions and creatively explore solutions to them. This is a useful insight, with which I tend to agree, but it hides something still more basic. For neither moral reasoning nor moral imagination is of much use unless managers are somehow motivated to employ them. The core problem with which we are faced is, I suggest, not that managers can't reason or can't imagine, but that preoccupied with the instrumental aspects of their jobs, they either do not notice emerging moral problems, or if they do notice them, do not have sufficient motivation to attend to them.

Some writers, from both the critical European and the conservative American traditions, have attributed this to the demoralizing effects of bureaucracy. Others, and I include myself here, have attributed it to the pervading self-interest of market culture. I suspect both explanations have an element of truth. But the most striking message from the contemporary sociology of ethics is that moral motivation is rapidly become problematic for society at large, and not just for those working in a business context. Keith Tester, for example, locates contemporary moral culture in a monetarized and media-centered consumer society in which moral concerns have become consumer goods like any other which no longer impact emotionally on the individual: "The world stays", as he puts it "resolutely *out there* and never becomes compellingly in *here*."

In a similar vein, the Croatian sociologist Stepjan Meštrović writes of a "postemotional society", and Ralph Fevre chronicles the replacement of moral engagement by what he calls "common sense". This bears no relation to the common sense of moral philosophy. Common sense, in Fevre's definition, refers primarily to what we know "*about people*, about their thoughts and behavior", and it refers in particular to what we *all* know (or know in *common*), and to what we know through the experience of our *senses* – what we see

(directly or through television), what we hear (directly or through gossip), and what we read in the papers, the institutionalized gossip of the contemporary world, but *not* what we feel. Common sense reasoning has no place for feelings or emotional non-sense, and no place for belief, whether religious or humanistic.

As Fevre stresses, there is nothing inherently wrong in common-sense reasoning. It is essential to many aspects of day-to-day living, from shopping to politics. It has proven so successful, however, that it has come to be applied in areas where it is not appropriate, in particular to moral issues, where a type of sense making based upon feeling-based reasoning should properly hold sway. Morality, according to Fevre, has been hollowed out. Instead of engaging with situations by employing moral judgments based upon feelings and beliefs, we increasingly treat them as if they were merely issues of common sense: what is right is what is usual or, rather, what television and the papers treat as usual.

Though his own examples come from the realm of family relationships, Fevre's analysis describes rather well the moral departures discussed by sociologists of business such as Robert Jackall and Richard Sennett. Whatever morality may have meant to Jackall's managers at home and in their communities, in the business context it was strongly grounded in a common sense of organizational reality. Feelings still counted for something, but only within a very narrow compass. There was some kind of a felt duty to protect one's buddies, but no sense of a feeling-based moral responsibility to others, whether inside or outside the corporation. Fevre's account also meshes well with Sennett's recent study of the corrosion of character. In the post-bureaucratic context of this study, even a duty to one's buddies was out of place. The common sense of human behavior had become a sense of competitive self-interest and any expression of feeling or emotion by others was automatically suspect.

The growing dominance of common sense reasoning is such that even ethics teachers have begun to take it for granted. John Boatright has suggested that we should cease trying to educate moral managers and concentrate instead on the moral regulation of markets. In one of the most popular business ethics textbooks of recent years, *Managing Business Ethics*, Linda Treviño and Katherine Nelson barely touch on moral philosophy but effectively base their whole treatment on the question "Why bother?" In a vivid illustration of Fevre's thesis, however, they make no attempt to engage their readers' feelings, but address the question almost entirely from a common sense perspective, using sensation-based reasoning focused on issues such as media attention, the operational and (especially) the legal costs of immorality, the benefits for recruitment and reputation effects.

Trevino and Nelson use this kind of non-emotional and non-philosophical common sense reasoning because it is the kind of reasoning that has become dominant within the management and MBA communities with which they interact, and in one sense it evidently works: it makes morality seem relevant. It only does so, however, by hollowing it out, in Fevre's terms, by removing its specifically moral dimension and by removing, in the process, its imperative force. Morality is reduced to prudence, and wrongdoing to miscalculation.

So what is the alternative? Traditional moral analysis of case studies is a good starting point. Even the more outspoken critics of Kantian and utilitarian claims to absolute moral objectivity are agreed on the need for some kind of rationalizing process within moral reasoning, incorporating some notion, albeit limited, of moral objectivity. Whether or not they need other faculties, such as moral imagination, deciding a difficult moral issue, judging between rival moral claims, and working out how to apply agreed moral standards to new or complex situations, all need rational argument, and to that extent training in moral analysis is surely appropriate. In my own experience of the classroom, business ethics students routinely report that the resources of traditional moral philosophy *do* help them to identify, clarify and resolve the moral issues of business. They also report, however, that this moral philosophy leaves them cold. What motivates them to take morality seriously in the classroom, and learn how to reason about it, is either religious belief, or an emotional reaction to cases of perceived injustice or immorality, or a deep-felt concern for their fellow humans. And if their learning is to be carried into their work, so must be that motivation. Even if we set aside the familiar problem of whether or not rational moral judgments are sufficient to motivate moral actions, people also need some reason to engage their rational or imaginative faculties in the first place, some ground for moral engagement. Of course, belief is no guarantee of goodness. Feelings and emotions can be harmful as well as beneficial and are notoriously unreliable as a foundation for morality. Indeed, the analytical philosophies we use explicitly deny a role for feeling: from a traditional philosophical perspective, just as much as from the perspective of common sense reasoning, "the emotions are un-reasonable, so reason", to quote Zygmunt Bauman, "has to be un-emotional." Feelings do, however, provide the ground for moral engagement. In a typical business ethics case study, the students' feelings are engaged by an outcome that is known in advance, leaving them free to concentrate on reasoned analysis, but in real life the outcomes are not known in advance, and in order to act morally people must somehow keep both their feelings and their reason in play.

It is a sad fact that case study analysis can never match the real thing. The best way to teach people business ethics would surely be to work with

them in real time, on the basis of the complex, messy, ambiguous and confusing experiences that constitute the reality of working life. Unable to do that we resort, in business ethics as in general management, to the case study as the next best thing. If it is to be at all effective, however, it must really be the next best thing, and this means that it must place the student as far as possible in a real-life setting. Of course, the very fact that we are teaching courses on business ethics means that our students will be primed to look for the moral dimension of a case in a way in which they will not be in real life. Though this is a very severe limitation, it may be unavoidable. But we can at least ensure that we do not create a totally artificial situation in the students have only to think about the moral dimension, as if nothing else mattered. A good case study should therefore, in my view, give full weight to the performance pressures and other instrumental demands that weigh upon a manager. The question should not be "what is the moral course of action?" but "what would you do as a manager, in this position, in this particular company, facing these pressures, and under these constraints?" As part of this, a whole range of practical questions should be raised, in addition to those underlying a traditional moral analysis. "What feelings and concerns might awaken you, in practice, to the moral dimension of this situation, and at what stage of its development?" "How would you decide whether it was worth diverting time and effort to a more careful analysis?" How, if you found moral arguments for a particular course of action, would you balance those against the economic arguments for an alternative course?" "How might you promote a moral line within the organization, not just as a potential whistleblower in the face of out and out immorality, but in the more realistic scenario of a not yet fateful devaluing of the moral realm?"

Questions like these cannot be answered by a philosopher sitting in an armchair. They need discussion and debate, wherever possible with a role-play element so that the instrumental demands of work can be given the same kind of forceful presence that they receive in reality. And to generate this kind of discussion we need a kind of case study that is still all too rare – a case study in the Harvard tradition, designed to form a basis of discussion and not, as the standard blurb goes, to illustrate effective or ineffective management practices; a case study that is contextually rich enough to represent, however imperfectly, a real management situation; a case study that places the student within the situation described, and not as an external observer; and a case study written by someone with a deep and sympathetic understanding of business, its pressures and its rewards. There are a few cases around that begin to fill this need, and a few more that can be adapted to the purpose, but they are precious few. Writing them is not easy, and the time and energy invested will earn you few Brownie points in the academic promotion stakes. But then the same could be said of morality itself: I urge

you to go out and try. Even if you only educate yourself it will be well worth the effort.