Cases versus Theory in Business Ethics: A Pragmatic Reconciliation

“Cases” versus Teoria em Ética de Negócios: Uma Reconciliação Pragmática

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Abstract: Practitioners of business ethics usually fall into one of two categories: those who emphasize abstract ethical theories embodying universal principles and apply these theories and their resulting principles to specific cases, and those who emphasize studying cases without any extensive theoretical background. The problem with the former is a very sterile and abstract approach to ethics that does not connect with the dynamics of the real world and makes ethics seem irrelevant to the complexities of the decisions facing managers. The problem with the latter approach is that it results in a “my opinion versus your opinion” type of analysis that leaves management decision makers without any theoretical framework with which to approach ethical issues.

A way out of this dilemma is provided by classical American pragmatism, understood as a school of philosophical thought rather than the practical attitude said to be characteristic of American behavior. By rethinking the emergence of moral values and the nature of moral reasoning, pragmatism offers a theoretical framework which itself provides moral direction for the dynamics of case study approaches. Pragmatism emphasizes experimental inquiry and the use of moral imagination to resolve ethical issues. It also emphasizes concrete situations rather than abstract principles, and stresses the need for moral sensitivity to these situations. It does not involve an application of rules from “on high,” but focuses on the richness of unique situations and the need for moral attunement to a more fundamental level of human rapport.

Within this context, moral reasoning involves an enhancement of the capacity to perceive moral dimensions of situations rather than a way of simplifying what is perceived. The human capacities that must be developed are creative intelligence in restructuring problem situations, the imaginative grasp of authentic possibilities arising within the situation, and sensitivity to “the other” and to the value dimension that pervades the fullness of human existence – capacities that give rise to the balancing of and choice among moral rules as working hypotheses, and to their ongoing reconstruction when needed. Thus, the pragmatic approach lends itself to the use of cases, but case analysis is done within a theoretical framework that involves a dynamic, bottom-up approach.
**Key-words:** pragmatism; business ethics; theory; cases; moral imagination; sensitivity

**Resumo:** Praticantes de ética em negócios comumente se dividem em duas categorias: aqueles que enfatizam teorias éticas abstratas incorporando princípios universais, e que aplicam essas teorias e seus princípios resultantes a casos específicos, e aqueles que enfatizam o estudo dos casos sem qualquer experiência teórica extensiva. O problema com a primeira categoria é que se trata de uma abordagem muito estéril e abstrata da ética, desligada da dinâmica do mundo real, e que faz a ética parecer irrelevante em face das complexidades das decisões que encaram os administradores. O problema com a segunda abordagem é que ela resulta em um tipo de análise “a minha opinião versus a sua”, deixando aqueles que têm de tomar decisões administrativas sem nenhuma estrutura conceitual com a qual abordar questões éticas.

Uma maneira de sair desse dilema é dada pelo pragmatismo americano clássico, entendido mais como uma escola de pensamento filosófico do que como uma atitude prática, tida por característica do comportamento norte-americano. Ao repensar a emergência de valores morais e a natureza do raciocínio moral, o pragmatismo oferece um arcabouço teórico que fornece ele mesmo direção moral para a dinâmica da abordagem de estudos de caso. O pragmatismo enfatiza a inquirição experimental e o uso da imaginação moral para resolver questões éticas. Também enfatiza situações concretas em vez de princípios abstratos, e acentua a necessidade de sensitividade moral para tais situações. Não envolve uma aplicação de regras “do alto”, mas enfoca a riqueza de situações únicas e a necessidade de afinamento moral com um nível mais fundamental de relacionamento humano.

Nesse contexto, o raciocínio moral implica um melhoramento da capacidade de perceber dimensões morais de situações, em vez de um jeito de simplificar o que é percebido. As capacidades humanas que devem ser desenvolvidas são a inteligência criativa para reestruturar situações problemáticas, a compreensão criativa de possibilidades autênticas surgindo de dentro da situação e a sensitividade para “o outro” e para a dimensão valorativa que permeia a completude da existência humana – capacidades que originam o balanceamento e a escolha de regras morais como hipótese de trabalho, e também a sua reconstrução contínua, quando necessário. Assim, a abordagem pragmática emprega a si mesma ao uso de casos, mas a análise de casos é feita dentro de um arcabouço teórico que implica uma abordagem dinâmica e de baixo para cima.

**Palavras-chave:** pragmatismo; ética dos negócios; teoria; casos; imaginação moral; sensitividade
conceptual framework with which to approach ethical issues. This problem of theory versus cases has been well stated in the following quote:

Ethics [...] is not and should not be so much theoretical reflection as it is a kind of “understanding,” grasping the values, the goals, the thinking, the dynamics embedded in [...] practice [...] The very idea of “applied philosophy,” the “applicatio” of high-flung, broadly general theories or principles to specific cases, has been recognized as problematic at least since Kant (if not since Cicero), but the alternative, often known by the derogatory name “casuistry,” remains in ill repute. And yet, we seem locked between these two general approaches, the broad principled “top-dow” “applied” philosophy approach and the casuistic “case study” method that, all too often, threatens to be merely ad hoc and devoid of any more general understanding or “application.”

Part of the problem in any attempt to apply theory to cases is that in spite of all the theories presented, the basis of moral decision making is ultimately ignored, and there is perhaps an implicit, unexpressed, but nonetheless pervasive and “common sense” perception by students and practitioners alike that this is in fact the case. The usual approach to applied ethics is to present either in cursory form or sometimes in greater detail the theory of utilitarianism based on the writings of Bentham and Mill as representative of a more general class of teleological ethics, and Kantian ethical theory related to the categorical imperative as representative of the deontological approach to ethical decision making. These texts then go on to present as well certain notions of justice, usually going into the egalitarianism of John Rawls and the opposing libertarianism of Robert Nozick. They also generally include a discussion of rights, and at times, some variation of virtue theory.

What we are left with in this approach is a kind of an ethical smorgasbord in which one has various theories from which to choose that will hopefully shed some light on the ethical problems under consideration and lead to a justifiable decision. But we are never told to any extent exactly how we are to decide which theory to apply in a given situation, what guidelines we are to use in applying these different theories, what criteria determine which theory is best for a given problem, and what to do if the application of different theories results in totally different courses of action. Further, what implications does switching back and forth between theories and their corresponding principles have for an ethical enterprise as a whole? This problem is reflected in one writer’s assertion that:

Our morality, therefore, contains three main kinds of moral considerations, each of which emphasizes certain morally important aspects of our behavior, but no one of which captures all the factors that must be taken into account in making moral judgments. Utilitarian standards consider only the aggregate social welfare but ignore the individual and how that welfare is distributed. Moral rights consider the individual but discount both aggregate well-being and distributive considerations. Standards of justice consider distributive issues but they ignore aggregate social welfare and the individual as such. These three kinds of moral considerations do not seem to be reducible to each other yet all

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three seem to be necessary parts of our morality. That is, there are some moral problems for which utilitarian considerations are decisive, while for other problems the decisive considerations are either the rights of individuals or the justice of the distributions involved […] We have at this time no comprehensive moral theory capable of determining precisely when utilitarian considerations become ‘sufficiently large’ to outweigh narrow infringements on a conflicting right or standard of justice, or when considerations of justice become ‘important enough’ to outweigh infringements on conflicting rights. Moral philosophers have been unable to agree on any absolute rules for making such judgments. There are, however, a number of rough criteria that can guide us in these matters […] But these criteria remain rough and intuitive. They lie at the edges of the light that ethics can shed on moral reasoning.

These statements appear to be making a virtue out of a necessity and really beg the questions posed earlier. This litany of conflicting theories and principles, each of which was initially meant as a universal approach to ethical problems, gives conflicting signals to people in positions of responsibility in organizations and can at times allow them to play fast and loose with ethical responsibility. For example, the application of a moral rule to a specific case can be used by ill-intentioned individuals to justify all sorts of behavior which common sense judges to be immoral. Moreover, actions done with the best of intentions by virtuous people may nonetheless be misguided and can only be so judged by something other than intentions. Rules seem to judge intentions, yet bad intentions can misuse rules.

Shifting between utilitarianism and Kant’s categorical imperative or between theories of justice and rights involves at best an unreflective or shallow commitment to ethics and to a moral point of view. These theories cannot be applied or not at will as the situation may seem to dictate, for each of them involves commitment to the philosophical framework on which it is based, and which provides for its richness and rationale. And these frameworks are often in conflict. To be Kantians at one time and Benthamites at another is to shift philosophical frameworks at will and results in which has been quite aptly called “metaphysical musical chairs.” What we are really dealing with in all the above instances is moral pluralism, and are hence involved in all the problems this poses for the field. Moral pluralism is the view that no single moral principle or overarching theory of what is right can be appropriately applied in all ethically problematic situations. There is no one unifying, monistic principle from which lesser principles can be derived. Different moral theories are possible depending upon which values or principles are included. According to moral pluralism, the right act is the one which is subsumed under the proper balance of rules or principles or theories, but in none of these theories can there be guidance in deciding when to use a particular theory, for each theory is self-enclosed or absolute; no principle or rule can provide any guidance for the moral reasoning that underlies the choice among the various principles or rules. The basis for this choice, which now becomes the heart of moral reasoning, the very foundation for moral decision making, remains mysterious and outside the realm of philosophical illumination.

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In spite of the seemingly radical difference between the monistic theories of Bentham and Kant there is a striking similarity that is relevant here. For Kant and Bentham alike, the value of an act is to be found solely in its exemplification of a rule, be it the categorical imperative or the greatest happiness for the greatest number. And on further reflection, it becomes evident that not only is there no mechanical way to decide the proper balance among principles for moral pluralism, but for neither moral pluralism nor monism is there a mechanical way to decide if a particular act falls under a rule in a given situation. When one has to deal with a radically new kind of situation, where one cannot call on old decisions, this problem is even more pronounced. The end result of moral pluralism which lacks philosophical underpinnings and moral learning which is not learning to deal with the novel in situations is moral sterility. Not surprisingly then, a broad study of the field concludes that there is “a persistent unwillingness to grapple with tensions between theories of ethical reasoning”, and that this in turn hampers an understanding of ethical decision making. A deeper, unifying level must be reached to explain why and how we reconstruct rules and traditions and choose among various principles in an ongoing process of dealing with change and novelty.

Classical American Pragmatism

An adequate moral pluralism, like any adequate moral theory, requires a solid philosophical grounding, but it requires a philosophical grounding that is itself inherently pluralistic. With such a pluralism there must conjointly be a radically new understanding of what it is to think morally. Classical American Pragmatism offers a unique philosophical framework that provides a new grounding for moral pluralism and a new understanding of moral reasoning. At the same time this pragmatic theory cannot be set over against the case approach to applied ethics, for it is a theory that demands the return to situations in their concrete fullness and richness as the very foundation for the development of moral decision making as inherently contextual and situational and for the emergence of moral “rules” as tentative working hypotheses abstracted from the fullness of concrete decision making. Humans have a plurality of values emerging from their common embeddedness in a natural world. The experience of value emerges as both shared and unique, as all experience is both shared and unique. The adjustment between these two aspects, the shared and the unique, gives rise to the novel and creative aspects within moral community. And, value situations, like all situations as understood within the pragmatic context, are open to inquiry and require the general method of scientific experimentalism by which a progressive movement from a problematic situation to a meaningfully resolved or secure situation takes place. This method involves creatively organizing experience through meanings, directing one’s activity in light of that creative organization, and testing for truth in terms of consequences: does the organization work in bringing about the intended result? In the case of value inquiry as the embodiment of experimental method, this involves moving from a situation filled with problematic or conflicting valuings to a resolved or meaningfully organized experience of the valuable.

When we slide over the complexities of a problem, we can be easily be convinced that categorical moral issues are at stake. And, the complexities of a problem are always context dependent. Moral decision making is influenced by all sorts of conflicting principles and guidelines, and such decision making cannot be simplified to accord with any single one of these principles or guidelines. Taken together traditional theories are contradictory, because they are attempting to substitute for a concrete, rich moral sense operative in decision making some one consideration which is found operating there in various degrees at various times and in various situations, turning it into a moral absolute to determine what is the moral course to follow at all times and in all situations. Any rule, any principle, any model, is an attempt to make precise and abstract some consideration which seems to be operative in actual moral experience. But this experience is ultimately too rich and complex to be adequately captured in that manner. The past, and the principles and moral guidelines that have emerged from the past, are of course, not to be ignored. We make decisions and evaluations within the context of a moral heritage that gives us a somewhat general though vague, elusive consensus from which to begin our decisions and actions. For example, in our society we tend to agree to a certain extent and in a rough, general fashion that lying, cruelty, stealing, killing, selfishness, etc., are to be avoided in favor of fairness, kindness, concern for others, etc. But these can serve only as guidelines whose contours are shaped and reshaped by ongoing experience and the conflicting values that must be integrated. Guidelines such as these are in some sense working hypotheses, to use a scientific term, that have emerged from past experience and are held so strongly because they continue to work well in new situations.

Furthermore, traditional moral theories can be useful in shedding light on moral situations and evaluating the moral aspects of different courses of action. It is not that traditional moral theories do not get hold of something operative in our moral decisions, but that in lifting out one aspect, they ignore others, reducing moral action to some fixed scheme. Utilitarian theories, rights theories, virtue theories, etc. all get at something important, but they each leave out the important considerations highlighted by the other theories. And the relative weight given to any of these, as well as to a host of other considerations in coming to a decision as to what ought to be done, will depend on the novel and complexly rich features of the actual situation in which the need for the decision arises. There is no formula for making a moral decision in the midst of this complexity, and the search for simple rules or guidelines to resolve the situation usually proves futile.

At this point, some managers might view virtue ethics with its concern for character development as a pragmatically acceptable alternative to rule application. However, the turn to an exclusive concern with being a virtuous person again oversimplifies, in its own way, the richness of moral decision making. In moral decision making we are, and should be, concerned with the kind of character we are developing. But the decision cannot be reduced to what kind of character one should develop. This can be a very important concern, but some moral decisions are less relevant than others as regards their role in forming good habits, but they are of intense moral concern nonetheless.

Moreover, the demands of actual moral situations may lead to morally responsible decisions which go against character traits we have cultivated as important. For example, even thought we may think honesty is a most important trait to uphold in all of our dealings, some situations may make us think that the prudent thing to do is to shade the truth a bit, that being completely forthright is going to cause more problems than it is...
worth. What is needed, then, is not rigid adherence to what we consider good character traits, but the intelligence, sensitivity, and flexibility to deal with concrete situations in an ongoing context of moral growth. The exclusive focus on character is an abstraction from contextual richness of moral decision making and the evaluation of consequences.

Understanding moral action as adherence to preestablished rules encourages rigidity and lack of moral sensitivity. Understanding moral action as the development of a good character or a good will encourages the self-engrossed concern with meaning well or of having good intentions. Each of these provides a comfortable substitute for the difficult task of bringing about good consequences in the uniqueness of varied situations. Morality is more than following rules and more than manifesting a set of inculcated virtues. The most important habits managers can develop are habits of sensitivity to moral issues and intelligence applied to moral dilemmas, for neither following rules nor meaning well can suffice. Morality is not postulated in abstract rules to be followed or virtues to be inculcated but is discovered in actual situational experience. Humans cannot assign priority to any one basic value, nor can their values be arranged in any rigid hierarchy, but they must live with the consequences of their actions. The philosophical grounding of the normative in the domain in the diversity of emergent valuings by its very nature demands moral pluralism. The very framework of pragmatic ethics demands irreducible pluralism of different contexts or situations, different kinds of goods, etc.

In this process, we are often reconstructing moral rules. Principles are not directives to action but are rather suggestive of actions. Just as hypotheses in the technical experimental sciences are modified through ongoing testing, moral principles are hypotheses which require ongoing testing and allow for qualification and reconstruction. As Dewey states, the “Choice is not between throwing away rules, previously developed and sticking obstinately by them. The intelligent alternative is to revise, adapt, expand and alter them. The problem is one of continuous, vital readaptation.”

Our moral claims are about something that requires experimental integration, the emergence of concrete value experiences of humans in their specific situational concrete interaction with their world. We create and utilize norms or ideals in the moral situation as working hypotheses by which to organize and integrate the diversity of concrete valuings. This pluralistic process of course rules out absolutism in ethics. But what must be stressed is that it equally rules out subjectivism and relativism, for it is rooted in the conditions and demands of human living and the desire for meaningful, enriching lives. While the experience of value arises from specific, concrete contexts shaped by a particular tradition, this is not mere inculcation, for the deepening process in getting beneath rules or principles offers the openness for breaking through inculcated tradition and evaluating one’s own stance. In this way we are operating in open rather than closed perspectives.

This openness of perspectives is frequently denied. In the area of moral value, such a denial leads, on the one hand, to the false assumption that the individual is operating in the value situation from a personal perspective closed to others and to objective evaluation. It leads, on the other hand, to the false assumption that one should

be acting from an absence of any perspective and thus achieving a common and ultimate agreement with all others. The assumption of a closed perspective results in moral relativism, while the assumption of the absence of perspective leads to moral absolutism. In the latter case, one is not claiming to be acting from a perspective or viewpoint as such, but rather claims to have a grasp of absolute truth. Moral relativism results in the extreme of irresponsible tolerance, while moral absolutism results in the extreme of dogmatic imposition of one's own principles or framework on others.

The present view attempts to combine the commonness of humans qua human with the uniqueness of each human qua human in a way which allows for a value situation of intelligently grounded diversity accompanied by an ongoing process of evaluation and continual testing. This understanding of value leads neither to a relativism of arbitrary choice nor to an absolutism of no true choice in shaping values; it involves neither nihilistic despair nor utopian wholesale optimism. Rather, it is a meliorism which holds, in Dewey's words, that "the specific conditions which exist at one moment, be they comparatively bad or comparatively good, in any event may be bettered...it arouses confidence and reasonable hopefulness as (wholesale) optimism does not." Though moral diversity, just as diversity in general, can flourish within a community, when such diversity becomes irreconcilable conflict, intelligence must offer growing, reconstructed contexts which can provide a workable solution.

The Importance of Cases

It is difficult to determine on an abstract level what is right, good, just, or fair in all times and places. While one of the ten commandments may say "Thou shalt not kill," this commandment doesn't prevent many if not most Jews and Christians from supporting efforts of the U.S. Government to kill the Taliban rulers who have provided shelter for Osama bin Laden and other terrorists. Many others support the death penalty for certain convicted criminals. So is killing justified under certain circumstances? And if so, how can it be morally justified? What criteria are to be used in deciding when killing people is appropriate and where do these criteria come from?

Because of these difficulties, the approach to moral reasoning advocated in American Pragmatism starts with actual situations rather than with abstract theories or principles. This approach does not involve an abstract reasoning process that attempts to locate morality in the realm of pure thought divorced from the interests, emotions, and desires that are part of the human experience. Morality is to be discovered in human experience where conflicting interests and desires need to be resolved rather than conflicting moral principles or rights that are debated in the abstract. Such abstractions do not make contact with the way people actually behave and the way they go about making decisions.

People have been known, for example, to adamantly oppose abortion in principle and advocate the right to life in discussions where they have no particular interests at

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stake. Yet when it comes to a concrete situation where a family member is pregnant and is thinking about an abortion, people who have previously opposed abortion often allow for a choice on the part of that family member. To give another example of this phenomenon, surveys have shown that people oppose government regulation in general, that in principle they believe that government ought not to intervene in business activities. Yet when asked whether they oppose specific regulations that affect their lives as employees or consumers, they often change their tune and support particular regulations related to job safety and health or consumer protection.

Moral decision making thus begins with actual cases where conflicting interests are integrated into a specific course of action that can be morally justified. It is these specific situations that are interesting, and provide the context for moral decision making. Cases can thus be used to illustrate how moral decision takes place and to show where the moral dimension comes into play in specific situations. These cases will not be used to illustrate the application of moral principles, but rather will be used to highlight the moral issues present in these situations and what managers need to take into account in making moral decisions. As Patricia Werhane, the Peter and Adele Ruffin Professor of Business Ethics at the Darden Graduate School of Business Administration at the University of Virginia has pointed out:

Moral decision making should begin with particular real cases and scenarios, because that is what engages our interest, emotions, and moral sentiments. I would argue that the subject matter of morality is the real – particular actual cases, characters, events, situations, and dilemmas – the “thick” of human experience. Moral theory is about cases. To begin with abstract moral theory separates that theory from the particular in such a way as to create two apparently separate realms of discourse. The disconnect between theory and practice is created in part because moral theory is formal or general, not contextual. 7

Moral reasoning does not involve working downward from rules to their application, but working upward from the full richness of moral experience and decision making toward guiding moral hypotheses. The resolution of conflicting moral perceptions cannot be accomplished by appeal to abstract principles but through a deepening sensitivity to the demands and needs of human beings in their commonness and diversity. Such a process opens up intelligent inquiry, frees it from rigidities and abstractions, and focuses it on moral experience as it emerges within human existence. This allows us to grasp different contexts, to take the perspective of the “other,” to participate in dialogue with “the other” to determine a course of action that is morally acceptable. Moral reasoning as concrete rather than abstract incorporates in its very dynamics moral sensitivity and moral imagination.

There is no substitute for moral sensitivity, the ability to perceive and treat as legitimate the interests and concerns of all stakeholders affected by managerial decisions. This sensitivity can come from many different sources such as one’s religion, family, friends, education, etc., but moral sensitivity must continually be cultivated and developed by whatever means the manager finds useful. Absolutes, whether moral, economic, or

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political, must not get in the way of being sensitive to the moral demands of each situation a manager faces. These demands constantly change and must continue to be evaluated by deepening one’s knowledge and involvement in the situation. This task cannot be delegated to some ethics officer who is in charge of ethics for the organization, it is the responsibility of every manager who makes decisions.

Moral sensitivity involves an enrichment of the capacity to perceive the complex moral aspects of situations rather than looking for a way of simplifying how to deal with what one does perceive. It involves sensitivity to the rich, complex value ladenness of a situation, and to its interwoven and conflicting dimensions, the ability to utilize creative intelligence geared to the actual situation, and an ongoing evaluation of the resolution. Moral sensitivity involves being responsive to the possibilities that experience presents to us and taking responsibility for the decisions we make and the consequences they produce. And decisions which change a situation will give rise to new problems requiring new integrative solutions. One cannot just “put the problem to bed” and forget about it for all intents and purposes.

Several years ago, Nestle Corporation became embroiled in a controversy involving the marketing of infant formula in Third World countries. As the market for infant formula in developed countries became saturated, Nestle turned to developing countries because it saw an opportunity to tap a new market for its infant formula product. Since it had been successful in selling infant formula in a number of markets throughout the world, it seemed reasonable to take the same product, the same marketing plans, and the same communication techniques to market its product in new countries. The result was the death of hundreds of thousands of infants that were weaned off breast milk and onto infant formula.

When Nestle turned to developing countries for a new market, it failed to take into account a new contextual situation, a situation where most customers lacked the ability to read the directions on labels, where clean water to mix with the formula did not exist, and where the poverty level was so high that mothers diluted the formula to make it last longer and thus starved their children to the point of malnutrition. Ignoring this new context, Nestle’s marketing practices included extensive mass media advertising, large quantities of free promotional samples to doctors and maternity wards, and the use of company representatives in white coats, called “milk nurses,” whose jobs entailed promoting and explaining formula feeding to new mothers. Billboards and posters prominently displayed pictures of fat, rosy cheeked babies, subtly suggesting that the healthiest babies were fed infant formula. Because of these techniques, mothers in developing nations thought it was their duty to feed their children infant formula.

Nestle was highly criticized for these practices by interest groups, some of which, such as the Infant Formula Action Coalition, were formed specifically to deal with this issue. Pressure from health, citizen, and church groups became intense. Hundreds of academics wrote papers on how the company had ignored the moral implications of its actions and violated human rights thus giving the issue even wider exposure. Nestle apparently had done little or no research into the way its product would be used and the

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nature of its customer in developing nations, and never seemed to understand the moral implications of its actions.

Only when a boycott of its food products produced a 40 percent decline in its U.S. market share, did the company begin to reform its marketing practices in developing nations. Moral issues were finally translated into a language Nestle could understand, but not before considerable damage had been done to its reputation, to say nothing of the damage done to people in developing nations. Eventually, the marketing of infant formula became the subject of international regulation, and Nestle and other infant formula companies selling their product in developing nations had to engage in demarketing activities.

Contrast this situation with the story about Merck pharmaceutical company.9 In the late 1970s, the company developed a highly successful antiparasitic drug called ivermectin that was used for attacking worms and other parasites in animals. One of its researchers thought a version of the drug might also be successful in combating a disease called “river blindness,” a disease spread by black flies that breed near rivers. Worms that multiply under the skin and cause terrible itching and eventually blind its human victims come from bites by these flies. About 18 million people had the disease and about 100 million were in danger of becoming infected. Almost all of these people lived in very poor countries. Thus potential customers for this drug had no income to pay for the drug and lived in countries that could not afford to buy it for them. Since it takes about ten years and $350 million to develop and perfect a drug for humans, Merck did not ordinarily proceed with a drug that did not have a customer base with sufficient income to buy the drug and allow the company to recover its costs and make a profit.

The company went ahead, however, hoping some global relief agency would help fund the development and subsequent manufacture of the drug if it was successful. After almost ten years, a successful version of ivermectin for humans, called Mectizan, was developed and proved to be successful in arresting the growth of river blindness. When no agency came forward to help Merck in funding the drug, Merck decided to give the drug away. With the help of international organizations, Merck even instigated a 12 year program to distribute the drug, since the governments where people were infected were incapable of this activity. At the end of 1995, Merck had succeeded in giving away over 19 million doses of Mectizan and had plans to continue the project indefinitely.

While we don’t know exactly went on and what factors were considered in the decision making process at Merck, it does appear that the company was sensitive to the moral implications of its actions. Once the drug proved to be successful in curing and preventing river blindness, how would it have looked if the company had simply put the drug on the shelf because people affected by river blindness could not afford it and no other institution had come forward to help cover the costs of the drug and its distribution? Eventually, information that the company had this drug would be discovered, and it would be all over the press. Interests groups would take up the issue, and academics would do research in the reasons the company had chosen to put the drug into cold storage. The company would be condemned for its moral insensitivity, and governments would act to “force” the drug to be produced and distributed.

9 WERHANE. Moral Imagination. p. 89-90.
As it was the company has received no end of accolades for its actions, and is continued to be held up as a moral example. And the company has continued to be quite profitable and competitive in its industry. In this case, good strategy and good moral thinking were not separate considerations, as good strategy that works well for the company involves envisioning the moral consequences of actions the company takes with respect to this situation. The moral implications of these actions influence how stakeholders will react towards the corporation and how the issue will eventually play out in the public arena.

The managers at Merck apparently were able to use their imagination to envision the different possibilities inherent in this situation. But many people lack a sense of the variety of possibilities inherent in an actual situation and of the moral consequences of their decisions. Managers of corporations in particular can become trapped in the framework of organizational history, culture, and tradition that often shapes their decision-making to preclude taking into account moral concerns. There often is an organizational way of doing things that determines how managers think about decision situations that the factors that are taken into account in making decisions. Managers may also become so focused on their roles and responsibilities to a particular organization that they fail to consider moral issues that go beyond these roles and responsibilities.

The goal of moral reasoning is not to make the most unequivocal decision, but to provide the richest existence for those involved. Moral maturity in fact thus increases rather than decreases moral problems to be considered, for it brings to awareness the pervasiveness of the moral dimension involved in decision making. These problems require imagination and creativity, for imagination provides the capability of understanding what can be done in light of what is possible to create, of seeing conflicts as leading to a creative synthesis. Moral reasoning is not the inculcation of a past, either in terms of rules or dispositions, but it involves a creative reorientation of the present. It involves dealing with a changing world that provides limits on what can be done and yet contains new possibilities to be utilized. It does not ignore the lessons of the past, but reinterprets, reappropriates them in light of an imaginative grasp of what might be based on possibilities operative in the present.

Moral imagination and moral sensitivity are in some sense two sides of the same coin. Moral imagination has been described as that quality which allows us to become sensitive to the dimensions of an actual situation that are likely to lead to the harming of human welfare. It has also been argued that literature, art, and film might help us in learning to develop a sense of moral imagination. Through these means people might be able to see things from a different perspective and regard events from a different point of view and so expand the number of factors to be taken into consideration. They might also be helped to project themselves into another person's experience to understand what that person is feeling and what interest they have in particular outcomes.

Moral imagination refers to the ability to perceive that a web of competing economic relationships, at the same time, is a web of moral relationships.

Developing moral imagination means becoming sensitive to ethical issues in business decision making, but it also means searching out places where people are likely to be hurt by decision making or the behavior of managers. This moral imagination is a necessary first step, but because of prevailing methods of evaluating managers on bottom-line results, it is extremely challenging. It is essential, however, before anything else can happen.  

**Growth and Workability**

Here something should be said about “growth” and about “workability”, for both of these terms have been subject to great distortion. First, growth cannot be understood only in terms of one’s own interests alone. The growth of the self or person is a process by which one achieves fuller, richer, more inclusive, and more complex interactions with one’s environment. Thus, workable solutions cannot be understood just in terms of the artificiality of oneself in isolation, but rather they must be workable for all those whose interests are there to be adjudicated. Because the very sense of self is a sense of “being with,” Mead can hold that the process of recognizing the interests of others does not require that one become a sacrificed self, but rather that one becomes a larger self.  

The process of recognizing the interests of others does not require that a manager sacrifice his or her own interests, but rather that a manager becomes a better manager by recognizing these interests. Growth should not be interpreted as mere accumulation of something such as market share, profits, or gross national product. While these are measures of economic growth either at the corporate level or at the level of the nation as a whole, economic growth is not the whole story. Growth also involves an expansion of one’s horizons, an attunement to the needs and interests of others, a concern that an organization provide opportunities for growth, and a concern that the corporation fulfill a meaningful role in society in making a contribution that positively enriches the lives of people in that society. Finally, growth is best understood as a dynamic embedded in the ongoing process of life, as a dynamic embedded in the ongoing course of human experience. 

This leads directly to the issue of workability. First, workability cannot be taken in the sense of workable for oneself only, for the entire discussion has stressed that oneself is inextricably tied to the community of which it is a part. Secondly, workability cannot be taken in terms of the short range expedient, for actions and their consequences extend into a indefinite future and determine the possibilities available in that future. Finally, workability in the moral situation cannot be taken in terms of some abstract aspect of life such as economic workability, etc. For moral situations are concrete, and workability in the moral situation must concern the ongoing development of the concrete richness of human experience in its entirety. The full significance of the consequences

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of choice among values is found in Dewey’s assertion that: “The thing actually at stake in any serious deliberation is not a difference of quantity, but what kind of person one is to become, what sort of self is in the making, what kind of a world is in the making.”

It should be noted here that what is being made is not only self but world. Our moral choices affect not only our developing selves, but the concrete contexts in which the decision arises in all their richness and interrelationships. What the entire above discussion has attempted to show is that thinking morally is not merely applying rules of community interest, self-interest, universalizability and so on, to some specific act, nor is it acting according to some ultimate value, or to some set of ultimate values within which all others can be seen as subsets. Indeed, the application of a moral rule to a specific case can be used by ill-intentioned individuals to justify all sorts of behavior which common sense judges to be immoral. Nor are virtuous persons those who act merely from good intentions or through the inculcation of tradition. Neither good will nor inculcated habit is enough. For actions done with the best of intentions by virtuous people may nonetheless be misguided, and can only be so judged by something other than intentions. And, inculcated traditions themselves require ongoing evaluation and reshaping.

Though moral diversity can flourish within a community, when such diversity becomes irreconcilable conflict, social change must lead to the development of new ways of dealing with conflicting demands if community is to be maintained. And, because shared demands of humans qua humans occur at the very roots of experience, the resolution of conflicting moral claims cannot be resolved by appeal to abstract principles but through a deepening attunement to the demands of human valuing in their commonness and diversity. Such a deepening may change conflict into harmonious diversity, or it may lead to an emerging consensus of the wrongness of one of the conflicting positions. Such a deepening of course does not negate the use of intelligent inquiry, but rather opens it up, frees it from the products of its past in terms of rigidities and abstractions, and focuses it on the dynamics of concrete human existence and the direct sense of value as it emerges from the very core of human existence. The vital, growing sense of moral rightness comes not from the indoctrination of abstract principles but from attunement to the way in which moral beliefs and practices must be rooted naturally in the very conditions of human existence.

Within this context, moral reasoning involves an enhancement of the capacity to perceive moral dimensions of situations rather than a way of simplifying what is perceived. This view cannot tell us what position to take on specific issues, but then no theory can supply to ordinary people unambiguous, practical prescriptions in all situations where moral choices must be made. It does, however, clarify what is at issue in moral decisions and gives a directive for making intelligent choices and for engaging in reasoned debate on the issues. What must be mediated is not a conflict among abstract moral principles; rather, a plurality of conflicting interests must be integrated, and that can only be done by the morally perceptive, creative, individual operating in a specific context in response

to specific conflicts, and the way of creatively integrating these is a manifestation of one’s moral character. Moreover, while it cannot make people act morally — indeed no moral theory can do that — it can clarify what human capacities must be cultivated if one does want to act morally.

What must be developed is not abstract top down reasoning or rule application ability. Rather, what is needed is the development of the reorganizing and ordering capabilities of creative intelligence in restructuring concrete situations, the imaginative grasp of authentic possibilities arising within situations, the vitality of motivation, and a deepened attunement to “the other” and to the value dimension that pervades concrete human existence in its richness, diversity, and complexity. The importance of this attunement cannot be overstressed. In Dewey’s words, “A problem must be felt before it can be stated. If the unique quality of the situation is had (experienced) immediately, then there is something that regulates the selection and the weighing of observed facts and their conceptual ordering.”

Any moral community incorporating the dynamic pluralism sketched above is far from immune to hazardous pitfalls and wrenching clashes. When there is lacking the reorganizing and ordering capabilities of intelligence, the imaginative grasp of authentic possibilities, the vitality of motivation, or sensitivity to the “felt” dimensions of human existence, all of which are needed for ongoing constructive growth, then conflicting demands lead to irreconcilable factionalism. But, ideally, these conflicts can be utilized to provide the material for further growth through expansion and reconstruction of context. What will solve present problems and provide the means for ongoing growth is human intelligence with its creativity, sensitivity, imagination, and moral awareness geared to the human conditions in all of its qualitative fullness and the possibilities contained therein for betterment. It is these capacities that give rise to the balancing of and choice among moral rules as working hypotheses, and to their ongoing reconstruction when needed. In focusing on the development of these capacities, the pragmatic approach lends itself to the use of cases, but case analysis is done within a theoretical framework that involves a dynamic, bottom-up approach. It is the promotion of qualities inherent in the concrete richness of human existence which will lead to the thriving of corporations, communities, and citizens alike through the process of ongoing, self-directed growth.