Think locally, theorize globally: a call for case studies in business ethics

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With this issue of *Éthique-Économique* we will begin to publish what we hope will be a steady stream of case studies as well commentaries on these case studies. Three clarifications of this new mission are in order:

1. We *hope* this will be a steady and continues series of case studies and analyses. Whether it is in fact depends in large part on our readers and contributors. Consider this an invitation to send us case studies that you have written (typically for teaching purposes, or as student projects). Authors of cases are also invited to include their own short discussion of the issues in their case, or to seek out the analyses of colleagues. Readers are also encouraged to contribute their own short analyses of cases we have already published. These too will be considered for publication in future issues.

2. We are primarily interested in case studies in *business ethics*, in the broadest possible understanding of that somewhat unfortunate label. That is, we are looking for cases that raise issues about the evaluation of business practices, including activities of organizations (like NGOs or government agencies) that might not strictly speaking be considered businesses. I will discuss in a moment a typical range of normative issues for business.

3. We are especially keen to publish business ethics case studies *in French*. As anyone who has ever tried to teach business ethics in French knows all too well, almost all existing cases are currently available only in English. Nothing we can do here at *Éthique-Économique* will drastically alter this situation. But we may at least be able to provide francophone teachers and their classes with a few new cases that they can discuss in their mother tongue. (We will also consider publishing good cases in English or translating them.)

Case studies, of course, are primarily used as teaching materials. They are a common, if not ubiquitous, pedagogical tool in business and professional schools. At Harvard Business School – the institution and publishing empire that sets the standard for managerial case studies – they are used in every single class in every subject. This method of teaching is much less familiar, to say the least, in the arts, humanities and social sciences. I don't recall being assigned a single case study *per se* during my entire undergraduate education in philosophy; and I took just about every available course in ethics and political philosophy at the time. We discussed hypothetical "thought experiments" *ad nauseum*: from abstract choices of principles of justice behind John Rawls's famous veil of ignorance to bizarre scenarios involving orphans strapped to the outside of invading tanks (to test our intuitions about the morality of killing innocents in war), and famous violinists hooked up unwittingly to our internal organs (to test our intuitions about abortion). In general, hypothetical thought experiments are used to test theories or principles: the very best ones seem capable of refuting theories almost on their own. The pedagogical purpose of case studies is very different indeed. While they may come to influence how we think about various theories of business ethics, say, their main aim is not to test theories but to test and develop students' *judgment*: their ability to understanding the relevant details in a complex situation and to use these details in arguments for evaluations and recommendations. In short, rather than testing our principles directly, case studies help us to understand the problems for which we need principles and with which any relevant principles will have to be able to cope. In this sense, they can be, and have often been, important tools for scholars as well as theorists. Would anyone want to develop a normative theory of governance these days without a good understanding of the breakdown of governance at Enron?

This is not the place for a general meta-ethical or pedagogical theory of case studies in ethics – although if you have such a theory, you are invited to submit here for future publication. One of the documents included in this dossier in this issue is my « *Écrire une bonne étude de cas en éthique des affaires* » (also available in English upon request) which rather didactically advises novice case writers on how to bring their cases to life for pedagogical purposes.

For our purposes here at *Éthique-Économique*, I emphasize again, we are interested in business or organizational ethics cases in the broadest sense of this field; one that shades off into questions of moral psychology at one end and political economy and political philosophy at the other. I propose the following way of carving up the normative issues relevant to business and to economic life more generally. When we think that students should learn business ethics we may be thinking about helping

them to improve the sorts of skills, attitudes, or knowledge implicit in the following questions:[1]

1. How do you **recognise and describe** ethical issues in a business or organisational setting?
2. Once you recognise that there is an ethical issue at hand, what **motivates** you to want to do the right thing?
3. Once you are motivated to want to do the right thing, what **tools or theories** can you use to decide what is the right thing to do in this case?
4. How do we develop, select and **justify organisational policies** and decisions? How do we predict the consequences of business practices and what principles do we use to evaluate them? (This broad category includes most of the topics that would arise when we ask about the ethical issues in functional areas like marketing, accounting, finance, etc, or about ethical issues relevant to workplace safety, consumer protection, and so on.)
5. What kinds of **leadership** and **organisational structures and cultures** will best enable an organisation to avoid or deal with ethical issues? What ethical infrastructure (codes, training programs, etc) can best sustain these?
6. What are the appropriate **governance** structures and practices? To whom do senior managers owe fiduciary obligations, and how can we best ensure that they fulfill these responsibilities?
7. When are **external regulations** (by governments, professions, trade associations, international organisations, non-governmental organisations, etc) appropriate for dealing with certain kinds of ethical or social issues? (Similarly, when are government regulations *not* justified; in other words, what justifies open markets?)

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[1] The following list can be seen as expanding upon a analysis of four key components in ethical behaviour described by the psychologist James Rest in his *Moral Development: Advances in Research and Theory*. New York: Praeger Publishers, 1986.

- the ability to recognize a situation as having moral significance;

- the ability to make a judgment as to which action is right, fair, just and appropriate;

- a commitment to morally appropriate action; and

- possession of appropriate personal qualities (for example perseverance and courage) to carry out morally appropriate actions.

See Michael McDonald's "Ethical Integration," *CGA Magazine*, July-August (2003) for a practical discussion of how this scheme can guide the development of an ethics program in the education of professional accountants.

8. Over and above obeying the law and avoiding unethical behaviour and practices, when ought businesses to adopt more rigorous standards of "**corporate social responsibility**"? (And relatedly, how should such social and environmental performance be measured, verified, and reported?)

Again, I make no claim for such a list being definitive or complete. A good case study in business ethics – indeed, even a good course in business ethics – need not deal with all of these questions. Nevertheless, a quick survey of business ethics textbooks suggests that the typical issues will fit somewhere in these categories.

We begin our case study section this issue with a case about Reebok's sponsorship of increasingly young child-athletes. This case raises most directly questions from category 4, about the evaluation of organisational policies (in this case, the policy of offering sponsorship contracts to children and their parents). But as the two short accompanying analyses of this case make clear, it also raises questions from category 1 (about *recognising* moral concerns), category 3 (about the relevant tools available to Reebok's managers to evaluate their policy), category 5 (about the role of Reebok's codes of ethics in their organisational culture), category 7 (about whether government regulations might be necessary to protect children and their families from abuse at the hands of sponsoring firms) and category 8 (about whether Reebok has special obligations to its new category of stakeholders here).

Once again, we invite your reflections on this case and the subsequent analyses of it.