Teaching without Preaching: a Pragmatic Approach to Ethics Cases

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**Abstract**

A distinctive approach to analyzing ethics cases is described. It uses a modified version of a framework for inquiry into the strategy ~ ethics relationship. Analysts and students are steered towards adopting two different perspectives: business-as-usual (“strategy”) and the moral point of view (“ethics”). They are also encouraged to exercise moral imagination in crafting a synthesis. Whilst this is intended to foster intellectual development and dual-vision, the approach particularly enables lecturers to maintain ideological neutrality. In addition, it helps students to structure and expand their analysis with careful references to ethical theory.

**Author’s Biography**

Alan E. Singer is the James Holshouser Distinguished Professor of Ethics at the Walker College of Business, Appalachian State University. Previously, he was the John Aram Professor of Business Ethics at Gonzaga University and Reader in Strategic Management at the University of Canterbury, New Zealand. He is the author of *Integrating Ethics & Strategy* (World Scientific) and *Strategy as Rationality* (Avebury series in philosophy), editor of *Business Ethics & Strategy* (Ashgate series in public & private ethics) and co-editor with Pat Werhane of *Business Ethics in Theory and Practice* (Kluwer). Alan’s academic background is in mathematics and education (Oxford University), psychology (London University) and management theory (Canterbury, NZ). He worked in the private sector in insurance and accountancy education (Emile Woolf & Associates) in London in the 1970’s and since then he has published many articles in business journals, such as *Strategic Management Journal, Business Ethics Quarterly, Journal of Business Ethics, Journal of Psychology, Omega, Small Business Economics, Systems Practice, Human Systems Management, Decision Sciences* and many others*.*  His most recent paper in *JBE* is “Integrating strategy and ethics: a pragmatic approach” (2009). He has been listed in *Who’s Who in Finance and Industry* and *Who’s Who in the World.* Website: geocities.com/Alan.Singer.

***Case 3: Foreign Assignment***

This final case tells of Sara, a female executive of a U.S. bank who voluntarily transferred to a branch in Mexico. She became uncomfortable about the perceived gender-related attitudes there. Her line manager in Mexico, Mr. Vitam, seemed reasonably empathic and supportive. Should she stay or should she go? A right-leaning (socially and economically conservative) group might argue that Sara should just play along and use her common sense, as Vitam has suggested. With reference to the framework they might argue in more detail as follows:

A decision to quit would be *inefficient.* It would be costly to Sara, due to loss of income, but also to the bank, due to the need to recruit a replacement. Morally, she would be selfishly putting her own *individual* sensibilities ahead of her *fiduciary duty* and her responsibility to help other managers of the bank. This gives some force to the comment in the case about her displaying the “beginnings of a negative attitude towards the bank”.

Sara should take into consideration the dynamic game-like nature of careers in a market-based system. Her freely choice of banking does not give her license to express all her other *values* in the work context, or to become a self-appointed role-model standing against gender-bias in general. In any case, Mexico is not the most obvious place to make a *political* issue out of this, when compared with, say, Saudi Arabia. If Sara then turns to the *language* of Capitalism, she would see herself as a human-resource, voluntarily and freely subordinated to the corporate objective. She says her treatment is “demeaning”, yet very many jobs in a modern industrial economy answer to that description, at least some of the time (e.g. Sennett, 2000), whilst unemployment can be worse. Sara should consider this alongside the principle that “if you can’t stand the heat, get out of the kitchen”.

The phenomenon of alienation, viewed as a *limitation* of market based systems, is also very relevant to her situation. Sara should not expect US-legislated gender roles to be upheld in an institution that strongly expresses Global Capitalism, a system that stands in considerable tension with Feminism. In any case, it is not a banks’ role to export or impose a *culture* on its clients. The bank simply wants to facilitate *exchanges*, it does not want to signal disrespect for other norms. With regard to *timing*, this is surely a case of “ethics *later*”. That is, Sara should acts prudently and not quit, at least until she has another job lined up. She could consciously re-frame it as a learning opportunity. Learning to live with the current situation in this way might be *character*-building. She also has an opportunity to become more empathic towards Vitam (and perhaps even care more for him). He is obviously in a difficult position and seems to have quite good *intentions*. Finally, in the long run, the Mexican attitudes and business practices are quite likely to *trend* towards the US model anyway, probably as a result of wider political action.

That said, one can also give many counter-arguments from the left, to the effect that Sara should quit the bank immediately. For example:

This episode exposes a fundamental conflict between the *value-*priorities of Capitalism and Feminism, viewed as ideologies. The former allows for a substantial level of *exploitation* and predation, compensated by *efficient* production and capital formation; whereas the latter extols an ethic of care, *justice* and holism. Sara ought to treat herself authentically, as a *whole* person practicing role-integration. With regard to alienation and expressive forms of *rationality*, she should consider the daily conduct of her career as an explication of her authentic values and sense of self. Like any well developed person, she should place identity and dignity above monetary wealth or utility. By doing this most of the time, she will ultimately flourish. The alternative is to remain subservient to a system of property-rights that frankly “makes us stupid” (according to Marx), in that we are induced to act against our true best interests. With regard to *timing,* Sara’s continual suppression of her authentic values will eventually damage her psychologically. In practice, if she stays in the job she might miss a chance to identify and grasp better opportunities or alternative life-directions (everyone faces this dilemma at all times; it is the *dialectic* of being and becoming). However it might be more *prudent* to quietly apply for other jobs, whilst avoiding argument and maintaining an outwardly pleasant manner. This is another balancing act for Sara.

At the same time, the bank should reconsider its culture and policies. According to normative *stakeholder* theory, Sara’s integrity should be *deliberately* fostered by the bank’s policies and practices, as an end-in-itself. She should be given equal rights. Viewing the bank as a *moral agent,* one cansee that it ought to have internal procedures that confer respect and rights upon all its employees. Finally, several affirmative-action arguments can also be applied to Sara’s situation. For example, the bank arguably has a duty to *compensate* for any past discrimination against women, not to mention the various other harms attributed to the limitations of the wider market based system that it strongly upholds.

***2.1 The spanning phase***

All such case analyses can be developed further by making selective references to the spanning themes in the framework, including character, intention, macro-trends and persuasion. As illustrated above, a “red group” might refer to the *virtue* of care, or the effect of habit on *character* formation, and so on. These themes can be invoked on either side of any case analysis, as depicted in Figures 1 & 2 and presented in summary form in Tables 2 & 3.

 **Table 2. Spanning themes applied to cases: left-span**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **CASE** | **Character** | **Intention** | **Macro-Trends** | **Persuasion** |
| ***Plasma International*** | Levin should realise That it is likely to be harmful to his character in the long run if he develops *habits* of *exploiting* the needy, or evasiveness to the point where he earns a reputation for dishonesty.  | According to theHippocratic oath, medical services ought to be provided with the *intention* of helping the sick, while avoiding harm. They ought not to be regarded as opportunities for material gain. | The macro-*trend* is towards more government funding of health services (e.g. extension of Medicare in the US). Plasma should go along with this and develop services based on medical needs.  | All thearguments from the right are attempts to *persuade* people that capitalism works, when it’s obvious to the protestors that what Plasma is doing goes against community and is is morally wrong. |
| ***Global profits*** | If the controlling family members passively permit the poor working conditions in the subcontracted entities, this is likely to have a corrosive effect on their *character.* | The *motive* of the working group is altruistic and praiseworthy, because the profit- sharing plan will immediately improve the lives of the workers involved.  | There is a worldwide *trend* towards improved labour standards and forms of employee-ownership (ESOPs). The company should go along with this. | The company should set another example of ‘business partner engagement” like the well-publicized Levi-Strauss case. |
| ***Foreign Assignment*** | Sara should quit immediately in order to help develop a trait of independence and *authenticity* (in line with the expressive or non-utility or aspects of ethical *egoism*) Developing this trait would serve her well in the long run.  | Sara’s *intention* is to escape from an affectively-negative and humiliating situation. She might also be trying to set an example. Thus her goals are a mixture of egoism and altruism. | The *trend* towards empowerment of women in the workplace, as entrepreneurs, or at the polls **[f trend]** is encountering resistance in male-dominated societies, so now is the time to stand up and be counted.  | The arguments for staying all serve as excuses to perpetuate the injustices of capitalism. |

 **Table 3. Spanning themes: right span**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **CASE** | **Character** | **Intention** | **Macro-Trends** | **Persuasion** |
| ***Plasma International*** | Levin should nurture his *entrepreneurial talent,* as this will enable him to live a more independent and satisfying life, whilst serving society.On average, new ventures return a below average income, so the “Plasma” business is probably a rare chance for getting his due financial compensation.  | The *intention* to help other people directly and altruistically leads to inefficiency, as indicated by the history of communist societies. Plasma International might eventually *emerge* as valued player in an efficient profit-driven global supply chain for blood-related products. | The motive of the group is to protect reputation, preserve privilege and sooth consciences. It’s a form of vanity. The road to hell is paved with good intentions and in this case the profit-sharing plan will ultimately harm the workers.  | The arguments from the left are simply trying to *persuade* people to vote for socialised medicine. |
| ***Global profits*** | A strong *character* would publically declare the “truth” that the conditions are a necessary phase of economic development in the interests of all. Giving in to the seemingly-benevolent sentiments would be a *weakness of will* (a form of *irrationality*).  | The motive of the working group is to protect reputation, preserve privilege and sooth consciences. It’s all vanity. The road to hell is paved with good intentions and in this case the profit-sharing plan will ultimately harm the workers.  | Labour standards and ownership plans are *inefficient* and are often abused. The company should learn from that and speak the “truth” about them.  | The company has a duty to persuade others that the best cure for the ills of ISS’s is more ISS’s. |
| ***Foreign Assignment*** | Sara should develop a general ability to be *compliant* or subservient; that is, to be a ‘good’ soldier and valued teamplayer, serving clients and the financial system*.* This is a virtue.  | Sara should realise that the “escape” and “example” goals are long-shots. Unemployment is likely to be more demeaning or *alienating* than her present position. Other workers might admire her, but they will not follow. | In the long run, Mexican attitudes and business practices are likely to *trend* towards copying the US, probably as a result of wider political action. Sara can simply wait for this trend to catch up to her own situation.  | Arguments for quitting are basically attempts to rally the forces of Feminism. |

***2.2 The synthesis phase***

When the framework is used in the above way, it usually becomes quite apparent to students that the bi-polar components and spanning themes often (but not always) allude to false choices (e.g. Kuttner, 1984). Indeed, any intelligent person (or agent[f]) with language capability can quite easily generate the arguments on either side, whilst seeing that each has some persuasive power. Discussion of the “ethics” cases can then turn towards a more pragmatic (non-ideological, non-preaching) exercise of creative moral imagination. Indeed, it has been suggested (Von Weltzein-Hoivik, 2004) that this “finding ways forward” phase of case analysis is “the main inspiration for writing and using case histories” in the first place. The task might be assigned to a separate group in a classroom, or else as a follow-up exercise for everyone. Brief illustrations follow:

***Plasma International:*** There are some specific aspects of this business that ought to be changed to make it more ethical, such as:

(i) Make the costs clear and transparent (i.e. open book accounting), (ii) Pay more to the blood donors, (iii) Price at a level that gives a reasonable and politically-acceptable profit margin, (iv) Donate carefully to existing local community groups, in all geographic locations along the value-chain (i.e. in Africa, USA and Honduras), (iv) Actively seek to partner with NGO’s that are involved in international medical services, disaster relief and the construction of community projects, (v) With these partners, contribute to the development of clinics and try to achieve a wider medical role for the business, beyond blood donation and testing (i.e. related diversification, social business, etc.).

***Global Profits:*** The working-group might recommend several possible ways forward, including:

(i) Arrange visits to all suppliers and subcontractors to try to persuade them (with words and money) to adopt some form of “business partner terms of engagement”, as in the *Levi Strauss* case, (ii) Work with other companies, industry associations, governments and NGO’s to encourage the adoption and enforcement of International Labour Standards (i.e. locally calibrated minimum wages, safe and healthy conditions, etc.), (iii) Make arrangements to encourage customers and other stakeholders to contribute directly to ISS workers, or to regional development, through appropriate and secure channels (e.g. arrange for POS collection of customers’ donations, or invite customers to “pay $2 extra if you want us to contribute directly to this,” etc.).

***Foreign Assignment:*** Some pragmatic steps for Sara might include the following:

(i) Continue to play the game, so to speak, but try to change the players: especially the bank’s Mexican business clients. For example, Sara might be able to demonstrate some special business skills (like risk assessment) that Vitam would probably mention to his local clients in good faith, (ii) Continue a dialogue with Vitam and the other branch managers, (iii) Use her time in Mexico to learn other skills and perhaps a foreign language, such as Spanish. In other words, Sara can make some inner changes now (accumulating human capital) and push for outer-directed changes later, (iv) She can obtain some designs for new attractive outfits for the bank’s receptionists, that seem less “sexy” (as this was one of her concerns), (v) In due course, she can apply through normal channels for transfer to other locations, which she should carefully study in advance.