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The potential use of sociological perspectives for business ethics teaching, *Journal of Business Ethics*, 2019, 156(1), 273-287

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# The potential use of sociological perspectives for business ethics teaching

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## **Abstract**

This paper investigates the potential contribution of sociological perspectives for business ethics teaching. After a brief and selective literature review, the paper suggests starting with sociological thinking and three aspects of it: sociological concepts, sociological imagination, and postponed judgment. After presenting two short case teaching stories (about speaking up or not) and three sociological concepts or frameworks (deviance, roles, and power), the potential inspiration value of a sociological checklist for analysing or diagnosing business ethics cases is tried out. As an open ending, some short final suggestions are made for further use of sociological perspectives in both business ethics teaching and research.

From its beginnings, business ethics as an academic field has liked to understand itself as *interdisciplinary* (see e.g. Michalos and Poff 2013, p.1). Put abstractly, one could think of interdisciplinarity as cooperation based on division of labor, where various participating disciplines try to turn complementary limitations into synergies. More concretely, interdisciplinary business ethics seems to combine a *supply side* of moral philosophy (at least earlier with a claimed status as a *primus inter pares*, cf. e.g. Goodpaster 1992, p. 111) and empirical disciplines such as psychology and sociology, with a *demand side* of traditional more professional disciplines such as business. More idealistically, business ethics could understand itself as an enlightenment project. One could distinguish between promoters, catalysts, and target groups of such enlightenment. More sceptically, if such disciplinary identities and boundaries within business ethics have become increasingly unclear, as a consequence of business ethics maturation to (or institutional pressure towards) publishable management research, one should perhaps relax and redefine business ethics and its mission as “critical thinking” (Seele 2016) in business and business school contexts.

This paper investigates sociology, one such supply side or catalyst discipline (or one among the ingredients of more or less critical management studies), with a focus on its potential use for business ethics teaching, as a source of inspiration and postponed judgment.<sup>1</sup> Rather than trying to accomplish in an article what would require at least an entire book, the ambition is to offer some appetizers of sociology, e.g., how case-based business ethics teaching could profit from elementary sociological<sup>2</sup> concepts, perspectives, and imagination.

As a point of departure, one could try a preliminary, lengthy one sentence answer to an imagined question about “the potential contribution of sociological perspectives for business ethics teaching”.<sup>3</sup> Increasing the holism and relevance of business ethics (and of teaching it), by introducing additional and unique productive questions, approaches, and answers, with its focus on trying to understand and influence actors and actions as social, i.e. as products and re-

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<sup>1</sup> In practice, such interdisciplinary, sociological etc understanding could be related or added explicitly to any written-down course objectives (such as reflection, holistic understanding) and/or communicated and rewarded in exam assignment texts.

<sup>2</sup> More precisely: *general*-sociological concepts and perspectives (i.e. in contrast to more domain-specific concepts within so-called *special sociologies*, such as economic sociology, or sociology of organizations, of finance, of consumption, of law, of education, etc.)

<sup>3</sup> Cf also note 7 below with a reference to Socratic dialogue design

producers of social relationships or contexts.

The paper starts, as an introduction, with a brief and selective review of a few articles published in this journal.<sup>4</sup> Then, sociological thinking is presented, pedagogically, as a function of three ingredients: sociological concepts, sociological imagination, and postponed judgment. In a following section, two short business ethical case examples are outlined, as a reference for trying out and demonstrating the potential use of sociological deviance, role, and power perspectives, in a teaching context.

### **A selective literature review**

Over the last 25 years, there have been only a few *Journal of Business Ethics* articles with a reference to sociology in their title. Departing from Berger and Luckmann's classical book (1967) and its conceptual framework, Phillips (1991) invites business ethical self-reflection, as inter-subjectively constructed and reproduced business ethical knowledge in everyday organizational life (but is rather sceptical when it comes to business ethics as business criticism). Fogarty (1995) addresses the bias of individualism and psychologism in established accountant ethics, and drafts an alternative sociological framework, with a focus on collective professionalism and enforcement, on the group and organization level, on occupational and peer socialization (see pp. 106-109), and recommends institutional theory. Hendry (2001) summarizes E. Durkheim's classical thoughts about how to prevent anomie when the business sector grows at the expense of others, and sociological approaches to business morality by sociological authors such as Jackall, Sennet, and Bellah, and proposes a Durkheim-inspired "research agenda" for the sociology of business ethics (see pp. 214-217). Brinkmann and Lentz (2006) market their article as a contribution to consumer ethics. Moral sociology (pp. 178-181) is first presented rather broadly and then by distinguishing macro-, micro-, and industry-level sociology, moral inequality, and deviance perspectives. Daub and Scherrer (2009) describe an educational *CSR action research* project, for investigating "possibilities of sociology in the fields of applied research and ... consulting" (p. 575). Case facts about core business-related CSR work (with vision impairment among the poor) are presented, but without referring to any relevant sociological theory or concepts. Inspired by N. Luhmann's sociology and his understanding of communication, Groddeck (2011) discusses the functionality of business organisations' value communication for

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<sup>4</sup> Instead of a more lengthy and less selective review, see instead review articles such as Stivers (1996), Hitlin and Vaisey (2013), also the first and the last chapter in Hitlin and Vaisey (2010).

coping with uncertainty, complexity and *fuzziness*. Her qualitative case study data show how “value semantics” are used for meeting unclear or contradictory expectations, for expressing multiple identities, and for describing strategies for uncertain futures. Segal and Lehrer (2013) propose R.K. Merton’s (and N.J. Smelser’s) theories of sociological ambivalence, for understanding how business professionals manage to live with their typical “contradictory ethical attitudes”, inter- and intra-role conflicts. And, as of December 2016, there is even a JBE “Virtual Special Issue” on “Sociology and Business Ethics”, consisting of eight recycled JBE articles that (according to the issue editor) “highlight the insights provided by the long tradition of sociological theorizing, which focus upon enduring social problems and which deal with particularly twenty-first century issues” (Burrell 2016).

To sum up: Given the lack of any clear common denominators (apart from a reference to sociology in their title, with or without an author definition of what sociology is about), it seems wisest to read these articles on their own terms. This means reading them, e.g., as appetizers of classical sociology (Hendry), of constructivist sociology (Phillips), of sociology in contrast to psychology (Fogarty), as sense-making of CSR rhetoric (Groddeck), as an explanation of how to manage contradictory roles (Segal and Lehrer) or how to understand insurance customer dishonesty (Brinkmann and Lentz), or as action research experience sharing (Daub and Scherrer). And if one wants additional samples of sociological thinking with potential relevance to business ethics, Burrell’s editorial (2016) offers one overlapping (Hendry 2001) and seven additional short JBE paper reviews.

### **Sociological thinking: concepts, imagination, postponing judgment**

Especially in a teaching situation, departing from a slide with one or a few definitions of what sociology is about can be a good idea,<sup>5</sup> such as the following ones:<sup>6</sup>

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<sup>5</sup> One can present classical and easy-to-understand definitions as the ones quoted here, or even better, ask the students to search the web for such definitions and then choose up to three “favorite” ones (sources such as <https://answers.yahoo.com/question/index?qid=20120920011203AAkLvkh> or online access encyclopedia entries such as [http://elibrary.bsu.az/books\\_163/N\\_117.pdf](http://elibrary.bsu.az/books_163/N_117.pdf) ; the result of such a search will most likely result in highly diverse definitions, illustrating the discipline’s diversity).

<sup>6</sup> These two definitions focus on the purpose of sociology and recommend implicitly to proceed from micro- to meso- to macro-level analyses rather than the opposite, for pedagogical reasons. An additional argument in a business ethics context could be, perhaps, that macro-level coverage should be left to complementary approaches by close relatives of business ethics (such as CSR, stakeholder management, Corporate citizenship), departing from macro-level issues, such as the role or societal or global responsibility of business in society.

Two candidates for additional definitions as additional food for thought could be the following ones: “Sociology is simply defined as the scientific study of human life, social groups, whole societies and

“Sociology ... is a science concerning itself with the interpretive understanding of social action and thereby with a causal explanation of its course and consequences... Action is "social" insofar as its subjective meaning takes account of the behavior of others and is thereby oriented in its course..., a particular actor, or ... a given plurality of actors, or...a hypothetical actor or actors...” (Weber 1978, p. 4), or

“In the broadest sense, sociology is the study of human interactions and interrelations, their conditions and consequences” (Ginsberg 1937, p. 7).

As illustrated in the previous section, a first way of presenting and investigating sociological contributions to business ethics could be to take a look at *Journal of Business Ethics* publications with sociology in their title, and then to ask e.g. what a text's or several texts' potential inspiration value is for their readers on the more or less diverse readers' terms, e.g. as instructors or as students (or as researchers), in other words assessing the “potential contribution” of sociology in a more or less traditional and critical review article. A second way could be to compare sociology systematically with moral philosophy (and perhaps also to some extent with moral psychology, perhaps even in addition law and/or normative business disciplines), elaborating the above-mentioned “complementary limitations” and expectable “synergies” once these single disciplines really and consciously choose to go interdisciplinary (departing perhaps from contributions such as Horkheimer 1959, Bauman and Tester 2001., pp 43-50, or even Höffding 1905). In addition to or instead of looking at such articles or comparisons, a third way could start by more abstractly asking (as typical beginner students would) “is there something unique or typical which defines or illustrates *sociological thinking*?” Such a third approach will be followed here (while we'll return briefly to the second approach at the end of this paper).<sup>7</sup>

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the human world as such... The scope of sociology is extremely wide... Sociology insists that we take a broader view in order to understand why we act in the ways we do... We ... discuss... sociology as *a way of thinking* about the world or as a different way of seeing which, once you have mastered it, becomes very difficult to avoid. In short, once a sociologist, always a sociologist... (...) Sociology has developed as a discipline in which we often set aside our personal view of the world in order to look more carefully at the influences that shape our lives and those of others...” (Giddens and Sutton 2013, pp. 4, 26) and/or “For sure, sociology is about society (the big picture) and about social relationships (even in small units). It is about what happens between human beings, about social interaction (...) I won't try to deliver any definition of sociology... Many will answer ... that we need to consider several traditions, several approaches which are based on different basic assumptions...” (Aubert 1979, pp 12, 17).

<sup>7</sup> A fourth approach, perhaps, could have been a review of e.g. Hitlin and Vaisey (2010), Abend (2014), and Godwyn (2015) with a focus on the texts' potential relevance for present-day business ethics. Or, ideally, one could as a fifth approach stage a “Socratic dialogue” (see Brinkmann 2015) among business ethics

### *Sociological terminology*

A first answer could equate sociological thinking with a necessary tool and with a competence in using it, with basic *terminology*, with “fundamental concepts of sociology” (Weber 1978/1964), that is with understanding and learning to apply the most important concepts which seem to represent a common denominator across introductory textbook chapters (Stromberger and Teichert 1992, Brinkmann 1994), and which are offered for discovering, describing, and understanding topics - sociologically.<sup>8</sup> The assumption is that sociological thinking presupposes a terminology, and that it is learned by learning the terminology and using it. Together with learning, for example, the term “social interaction” for describing and understanding how individuals influence one another, one learns to discover, describe, and understand such mutual influence - sociologically. Learning to “think sociologically” becomes even clearer once one learns how to *relate* sociological concepts and definitions to one another, combining them to typologies, models, and frames of reference useful for descriptions and analyses of more complex and abstract topics than single concepts (e.g. defining interaction as mutual influence by exchange and/or by expecting one another’s expectations; cf. also some of the exhibits and typologies below).

### *Sociological imagination*

A second and widely used introductory presentation of typical sociological thinking is a reference to the *Sociological imagination*, which has been described as “the application of imaginative thought (to the asking and answering of sociological questions)”... “learning to ‘think ourselves away’ from the familiar routines of our daily lives in order to look at them from a new point of view...” (Giddens and Sutton 2013, p. 5),<sup>9</sup> and as “the awareness of the relationship between personal experience

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colleagues with an academic primary socialization in sociology for sharing their reflections about the unique contribution of “their” sociology to “their” business ethics teaching and/or research.

<sup>8</sup> For sociology as a discipline without conceptual discipline, well-intended instructor presentations of a common conceptual core risk to be blamed for wishful thinking (and risk an anti-thesis that sociology in reality is a rather confusing market of competing, conflicting, complementary approaches, such as actor vs system, conflict vs consensus approaches - see e.g. Giddens and Sutton 2013, chs. 1 and 3, Collins 1994, O’Byrne 2011, Stromberger and Teichert 1992). A short list of such terms to learn, understand, and apply would most likely contain some ten to twenty of them, single ones or in pairs. Candidates in alphabetical order would be: actors and action, change, communication, conflict and consensus, control and sanctions, deviance, groups, *gemeinschaft* and *gesellschaft*, inequality, institutions, interaction, macro and microsociology, norms and expectations, organizations, power, roles, risk and uncertainty, socialization, society, systems.

<sup>9</sup> see also these authors’ well-known step-by-step *contextualizing* of drinking a cup of coffee; see also a few youtubes: <https://www.youtube.com/watch?v=dMR74ytkXKI> or <https://www.youtube.com/watch?v=4FduU3EokBY>



and the wider society" (Mills 1959). The latter, American sociologist C.W. Mills, is considered the primary promoter of this "mindset" in his book with this title (Mills 1959),<sup>10</sup> where he also equates the sociological imagination with the "vision" or "promise" of sociology (Mills 1959, ch. 1). For him and for his colleagues, such sociological imagination serves as a label for a way of thinking which first of all focuses on societal micro-macro interdependencies between "personal troubles" and "public issues" (ibid., pp. 12, 14-15), and which avoids and transcends the false alternative of "grand theory" versus "abstracted empiricism" (ibid., chs. 2 and 3).<sup>11</sup> In the business ethics community, Mills' vision of sociological uniqueness has not really been noticed.<sup>12</sup> But in its focus on individual self-enlightenment through holistic understanding (of what is and what is possible) and on sociological enlightenment of unaware, "indifferent" and "uneasy" individuals (see Mills 1959, pp 18, 20), the sociological imagination is clearly complementary to and overlapping with *moral imagination* as one of the most promising perspectives for teaching and practicing business ethics, i.e. "...the ability to discover and evaluate possibilities within a particular set of circumstances by questioning and expanding one's operative mental framework..." (see Werhane and Moriarty 2009, p. 4)<sup>13</sup>

### *Postponed judgment*

A third reference to the use of sociological thinking,<sup>14</sup> in particular in a business ethics context, could be *postponed judgment*. Several places in this paper claim that sociologists like to spend time and attention on description and understanding<sup>15</sup> "before" ethical judgment. Put simply, such an inclination has mainly to do with sociology as an empirical discipline, where the collecting, summarizing, analyzing,

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<sup>10</sup> The first user of the term was most likely Fuller 1936

<sup>11</sup> Cf for further reading C. Frade's article of 2009, The Sociological Imagination and its Promise Fifty Years Later..., with an investigation of the actuality of Mills' sociological imagination, accessible online here: <http://cosmosandhistory.org/index.php/journal/article/view/134/248>

<sup>12</sup> Surprisingly, the term "sociological imagination" has only been referred to once in the *Journal of Business Ethics* (by Whitaker 2009).

<sup>13</sup> Cf. ibid., the "characteristics" of moral imagination: "... 1. Beginning not with the general but with a particular situation; 2. Entailing the ability to disengage from one's primary framework or to extend or adapt that framework in a meaningful way; 3. Dealing not merely with fantasies but with possibilities or ideals that are viable and actualizable. Such possibilities have a normative or prescriptive character; they are concerned with what one *ought* to do..." (for further elaboration see Werhane 1999, esp. ch. 5, with a more length definition on p 93 and a conclusion on pp 107-108. In addition, see e.g. Ciulla 2004, Werhane 2002, Werhane 2008, Werhane 2014)

<sup>14</sup> Cf, however, once more note 8 above about sociology as an arena of "competing, conflicting, complementary" approaches.

<sup>15</sup> Or perhaps simply on "slow thinking", see Kahnemann 2011, <https://www.youtube.com/watch?v=yeNXWC30KIw>

interpreting of qualitative and/or quantitative data risks being biased or prejudiced by premature ethical or critical judgment.<sup>16</sup> The best illustration is rather shared (with social anthropology) than unique sociological: the tension between cultural and ethical relativism (which is highly relevant for many international business ethics issues). In this case, postponed judgment would recommend cultural relativism, that is assume the right of any culture or subculture and its members to be described and understood on their own terms *before* any ethical criticism (where a relativist or non-relativist justification is based on relevant and sound facts). Or in other words, postponed judgment exploits often that sociology, descriptive, and normative ethics are complementary, and that especially in an interdisciplinary setting postponed judgment implies an improvement rather than a refusal of judgment. In particular according to the Critical Theory tradition, sociological thinking contains a critical potential which is similar to normative business ethics and its implicit idealism, and which also would include a critical look at business ethics itself, both as a business, and as an idealistic project with a risk of self-betrayal (cf e.g. the classical distinction between technical, practical, and emancipatory research motives, *Erkenntnisinteressen*,<sup>17</sup> suggested by sociologist-philosopher J. Habermas 1971 or cf the similar self-understanding of the *Critical Management Studies* tradition, presented e.g. in Parker 2003 or in Jones et al. 2005).

After such rather general remarks, the rest of this paper will now ask, in a rather elementary and practical fashion, how sociological thinking (with its concepts, its imagination, its postponed judgment) and sociological perspectives could inspire business ethical teaching, in particular case-oriented teaching.

### **Two example stories as a reference**

Concrete example stories and sociological/ moral imagination (as described above) can inspire, express, reproduce one another (see e.g. once more Werhane 1999, pp 69-71, 84-88). This is also the underlying assumption for teaching business ethics, at least in part, through a so-called case approach. Before drafting how one could

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<sup>16</sup> Some classical pro & con positivism contributions in the German *Positivismusstreit* (positivism dispute) are collected, translated and published in Adorno et al. 1976 [1968]. As an additional and even more classical reference see still Horkheimer 1972 [1937]. About the positivism dispute's predecessor, the German *Werturteilsstreit* (value judgment dispute), see e.g. Weiss 2004, or Hart 1938. These two overlapping disputes seem to be less about how to conduct (e.g.) bias-free empirical research and analyse data in practice, than if and to what degree social science is and should feel responsible or co-responsible for the choice of its research topics and questions and the application of its research findings.

<sup>17</sup> As an easily accessible introduction to Habermas' work in English see the entry in the Stanford Encyclopedia, <http://plato.stanford.edu/entries/habermas/>

illustrate a sociological perspective (or more specifically deviance, roles, and power perspectives) in business ethics teaching, two brief and relatively simple example stories can be presented as a reference. The example stories' common denominator is the question of whether to "speak up" (e.g., for example, voice ones' concerns) about "illegal, immoral or illegitimate practices" (Near and Miceli 1985), or rather not.<sup>18</sup> The first story is Norwegian -playwright Henrik Ibsen's classical whistle-blower story where Tomas Stockmann becomes an *Enemy of the People*. The second one is a more everyday and real-life workplace situation in a financial institution.

### *First story: Speaking up*

"Tomas Stockmann is the father of a family and a doctor at a spa in a small Norwegian town. After a lengthy period of analysis he has discovered that the water of the spa that he himself had founded is polluted, and of great danger to the health of all its visitors. The spa is of great importance to the fame and prosperity of the town, but he is convinced that it must be closed until the fault is corrected. To begin with he is praised for his discovery, but when it becomes clear that the improvements will cost the town a great deal, both the press and the inhabitants turn against him. One of his most important opponents is his brother, who is mayor and chief of police, Peter Stockmann. From several quarters the doctor is asked to moderate his absolute demand that the spa be closed, but he calls a public meeting in order to present his case... The people present at the meeting brand him as an enemy of the people and a threat to the town, and he is forced to leave the meeting. The whole affair has dramatic consequences for his family and himself – his patients desert him, he is dismissed from the spa, his daughter Petra loses her job as a teacher and the family lose their home..."<sup>19</sup>

### *Second story: Rather not speaking up?*

A HR advisor in a large financial institution is supposed to help a colleague with finding a new job. The reason is that the colleague's superior is not satisfied with his attitude towards selling loan-based financial savings products. The HR person

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<sup>18</sup> For a review of the moral silence and whistleblowing literature see e.g. Brinkmann et al. 2015, De George 2010, De George 2015, MacGregor and Stuebs 2014, Miceli et al 2008

<sup>19</sup> H Ibsen, *An Enemy of the People*, cf <http://ibsen.nb.no/id/495.0>, transl. from M M Andersen, *Ibsenhåndboken*, Oslo: Gyldendal Norsk Forlag, 1995 (story slightly shortened). The full text is found here: <http://www.gutenberg.org/files/2446/2446-h/2446-h.htm> There is also a 2005 movie in Norwegian, rather close to Ibsen's plot, slightly updated as a case of marketing contaminated bottled water (with Norwegian West coast scenery as a backdrop and with subtitles in English), see <http://www.imdb.com/title/tt0447638/>

realizes that the colleague is acting out of professional integrity, but silenced rather than listened to. Such a response is rather usual than exceptional in the company culture: The colleague tried to address the issue with his superior, but felt that the superior did not understand the complexity and riskiness of the product. Other colleagues and superiors agree with him, but don't speak up and do as they are told. The HR person is primarily supposed to help colleagues in such a situation, but experiences a conflict between confidentiality obligations and speaking up internally about the organizational culture.<sup>20</sup>

In addition to and as an extension of such case stories, we as instructors (and as students, too) should always think critically of our *own* stories, of similar "critique-worthy" situations which we witness as business school and business ethics academics or students.<sup>21</sup>

#### *Follow-up questions*

In business ethics teaching (and in scenario-format business ethics research), after presenting one or several stories like these,<sup>22</sup> one often asks more or less open follow-up questions about which *ethical issues* the story contains and how such issues best could be handled? Or one asks for example what *advice* students or respondents would give Stockmann or the HR person (or a business school person), and (often most importantly) how they would *justify* such advice? Or one could ask which *typical justifications* one would expect from major moral philosophical schools such as deontology, utilitarianism, virtue ethics, or discourse ethics?

#### *Additional facts and relevant conditions*

Depending on the specific teaching situation, not least on the availability of time and resources for further information search, questions of additional *facts* and *relevant contextual conditions* can become more or less critical. The readers of the case story often don't (or claim they don't) "know" and/or "understand" enough for choosing and justifying their best decision, or advice, or strategy, since these seem to "depend" on the specific circumstances of the case. In such situations, sociological ways of

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<sup>20</sup> Unpublished EBEN conference presentation, somewhat modified for anonymity

<sup>21</sup> Such an "own" story could e.g. be about speaking up (or not) about academic dishonesty among colleagues and/or among students, in spite (or because) of reluctance to cast first stones against deviant sinners, of widespread role cynicism, of fears of harassment.

<sup>22</sup> As stories with a similar size format cf Heinz' dilemma (Kohlberg 1969, cf. also Rest et al. 1985), Sam's dilemma (Stratton et al. 1981), The Estate agent's dilemma (Brinkmann 2009b), Nora's dilemma (Brinkmann 2009a), The apprentice dilemma (Brinkmann and Henriksen 2007). About so-called scenario or moral conflict vignettes in business ethics teaching (and research) see e.g. Alexander 1978, Mudrack and Mason 2013a, Mudrack and Mason 2013b, Robertson 1993, Weber 1992

asking and answering questions can be helpful for business ethics teaching and case teaching, in particular with (additional) fact finding, with further case elaboration and with story contextualization. In line with what has been said above, a typical first reflex could be to *postpone* any ethical judgement until one has a rich enough description and an adequate understanding of the situation and its context, of any “troubles and issues”, micro-macro level interdependencies, etc. The next question, accordingly, is to find out if *additional information* and information of what kind and quality is needed for further story-elaboration, and if any sociological concepts or imagination could help with such work. Then, if relevant, one could try such *further story elaboration*, most likely by going back and forth between the concrete story (as the concrete reference which decides relevance) and the development of abstractions (since the story, triggered and supported by sociological concepts and perspectives, is not about itself only). In sum, sociological ways of asking and answering questions can further a deeper understanding or illumination, a more balanced judgement, and viable solutions or decisions given the ethical-issues in a case.

In the following sections we try to show, briefly and with pedagogical simplifications, how one could start and develop a sociological description and understanding of these and similar case-based stories, departing from a checklist inspired by (and extending) van Luijk’s checklist (1994), then presenting (briefly) three conceptual, in part overlapping sociological perspectives, one at a time or combined, in some kind of triangulation.

### **A sociological checklist for business ethical cases**

In his almost classical introduction chapter to a European casebook, Henk van Luijk (1994, pp. 8-9) suggests a checklist for a “basic” or “standard analysis” for business ethical cases. Since his checklist appears to work reasonably well in classroom business ethics case-teaching, it makes sense to develop a sociological checklist as a close analogy (see Exhibit #1; van Luijk’s abbreviated points included for comparison). Before drafting answers to the checklist questions in Exhibit #1, whenever possible with reference to the two case stories above, a really brief and general presentation of our three conceptual frameworks makes sense, as food for (instructor and student) thought (for a few recommendations of further textbook type readings for students see appendices I-III).

step	van Luijk's standard or basic analysis	Complementary (or corrective) sociological checklist
1.	Moral core issue	What is the <i>core issue</i> of the case or situation, in a sociological perspective (i.e. in what way would it profit from any of the mentioned ingredients of sociological thinking)?
2.	Stakeholders	Could one and how could one describe and understand any <i>stakeholders</i> sociologically (e.g. using sociological concepts and/or models)?
3.	Who is responsible?	Who <i>shares</i> (rather than has) moral responsibility and if so on what grounds (e.g. which actors, because of which relationships)?
4.	Information needs	Is there any <i>information</i> which sociology could help with (i.e. mainly as a typical research methodology, with a focus on typical sociological units and variables)?
5.	Arguments	Are there any and what would be any <i>sociological arguments</i> in this case (e.g. referring to groups and relationships rather than individuals)?
6.	Conclusion	What should be the relative weight of sociological arguments for a <i>conclusion</i> (e.g. combined/ compared with other non-ethical arguments, such as psychological ones)?
7.	Personal feelings	Does a sociological focus risk a sociological bias? Does a given conclusion <i>feel</i> reasonable in this and beyond this specific case?

*Exhibit #1 A standard vs a sociological checklist*

### **Three sociological concepts and perspectives: deviance, role, and power**

A few brief remarks about the choice of these three concepts and perspectives can be useful.<sup>23</sup> All three concepts are familiar and sufficiently understandable in everyday language, and since they all refer to both ubiquitous and complex “troubles and issues” (Mills), it is not a surprise that each of these concepts has inspired a range of different definitions and approaches. When it comes to pedagogy, at least when the objective is to offer appetizers, footnotes, and productive questions rather than quick answers or even deeper and broader presentations of sociological thinking, a simplification of such complexity and subtleties makes sense. (Also, one should consider starting with a focus on interpersonal or micro-level situations, before problematizing such micro phenomena in their wider societal or meso- and macro context, cf. still Aubert 1967 with a typical introduction going step by step “from micro to macro”).

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<sup>23</sup> Instead of deviance, role, and power one could have selected other, fewer, or (in a book without space limitations) even additional sociological concepts and frameworks, such as communication, conflict, socialization climate, and then related them to business ethics publications, see with such a potential Beschorner 2006, Bird 1996, Brinkmann 2015; Brinkmann and Ims 2004, Dahrendorf 1959, Dahrendorf 1988; Martin and Cullen 2006, Martin and Cullen 2009, Shafer 2015, all with further references.

## *Deviance*

“Deviance is defined as non-conformity to a given set of norms that are accepted by a significant number of people in a community or society. No society can be divided in a simple way between those who deviate from norms and those who conform to them...” (Giddens and Sutton 2013, p. 922). More generally, in introductions to sociology, social *deviance* denotes typically the opposite of normality or of conformity. In the first case, deviance refers to minorities who behave differently or who are different from most others. In the second case, deviance refers to a violation of social, moral, or legal norms, which are valid in a given socio-cultural context, e.g. an industry or business or business school context.<sup>24</sup> In other words and in line with postponed judgment reflexes, the general task is then *how* one best can describe and understand such deviance e.g. in business situations, non-judgmentally, both on the actors’ own terms and in its wider social and societal context, and to ask *how frequently* and *why* such deviance occurs. Next, depending on the specific business ethical issue which one wants to investigate, such as speaking up in our example stories above or in business school contexts, or e.g. corporate tax avoidance, a number of more specific follow-up questions may make sense. Such questions could for example address which norm *types* are violated – social-moral, legal, or ethical ones (cf e.g. Kvalnes 2015, pp 40-48). Or one could ask other questions such as how frequent or “*normal*” in a statistical sense such norm violations are in their relevant social context; or how any assumed “*deviants*” describe and understand their situation and behaviour *themselves* (e.g. as deviant or rather not, perhaps with some kind of moral neutralization); or if deviant actors think and behave rationally, and in case *end-rationally* rather than *value-rationally* (Weber 1978). Or in line with other approaches, one might ask to what degree norm *acceptance* and deviance *rejection* (or *stigmatization*) depends on the cultural and/or subcultural context, or e.g. if there are any *positive functions* of deviance, which possibly could explain it.<sup>25</sup>

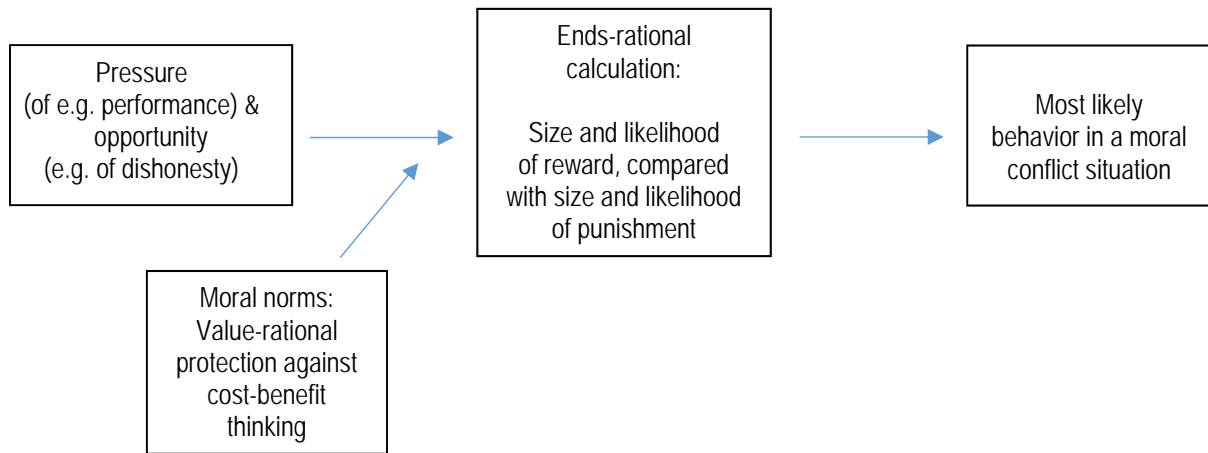
Instead of asking and answering a few or several follow-up questions one might also look for conceptual models, as visualizations of interdependencies between critical factors. As an example, one can refer to Exhibit #2, which is a modification and simplification of Goul Andersen’s model in 1998 (p. 64), and which could inspire an

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<sup>24</sup> Normality and conformity can be, but don’t need to be two sides of the same coin: Minorities are easier to blame for violations, too frequent violations are votes against norms. On the other hand, in a “deviant” subculture (e.g. a mafia economy) deviance from larger society norms would be normal, while conformity with such larger society norms would be deviant.

<sup>25</sup> Cf. Merton’s typology of “*anomie*” (Merton 1968), where cultural pressure to become rich and successful explains illegal but successful (“*innovative*”) strategies for becoming rich.

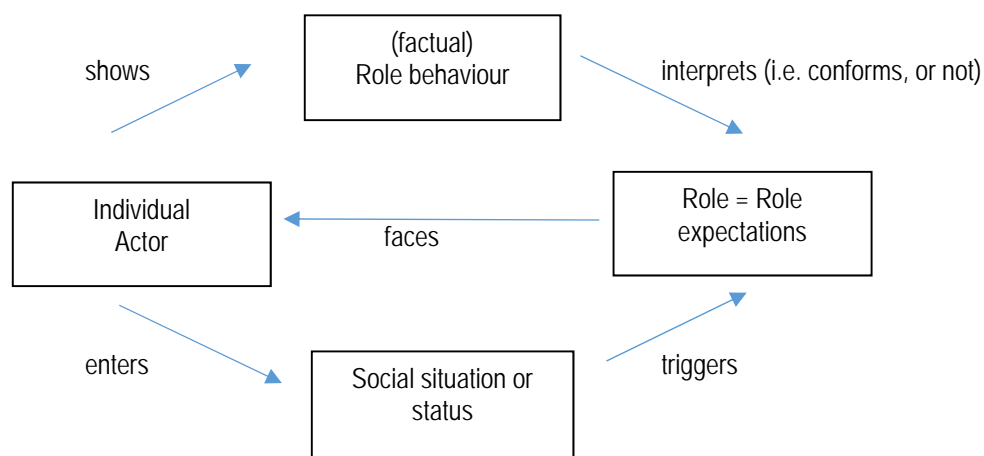
investigation of the difference between end- and value rationality mentioned above.



*Exhibit#2: Moral norms as as potential protection against rational deviance*

### *Social roles*

In textbook sociology, *social roles* are normally defined as sets of norms and expectations, rights and duties which are triggered and which face an individual when entering a social situation, e.g. in a business, business professional, or business school context. Such role expectations suggest a more or less conforming behaviour, “role behavior”, at least as a way of least resistance. There are two key dimensions in sociological role terminology which almost define it. First, there is the difference or dialectic between *ought* and *is*, between what is *expected* (role) versus what is *done* in practice (role behaviour), where the role behaviour either conforms with the role or deviates from it, and thereby reinforces or questions the role. Second, there is a difference or dialectic between a de facto *situation* (or status) versus a socio-cultural



*Exhibit#3: Individuals face social roles when entering situations*



*role* which is triggered or implied by the situation. One can try to visualize such distinctions in another a conceptual model (see Exhibit #3).

In other words and more concretely, the factual situation of becoming and being a business ethics professor (or a doctor, a HR person, a customer, etc.) needs to be distinguished from the expectations that come with it. Roles and role behaviour are often *habitual* and do not surface as long as they represent ways of least resistance. Role awareness increases once the role owner experiences conflicts in the interface between individual ethics and role ethics<sup>26</sup> or so-called social role conflicts (incompatibilities of norms and expectations) *within* one role or *between* two or more such roles, for example in relation to different role-norm-senders and to holders of complementary roles.

### *Power*

A really short conceptual clarification of *power* can be useful as a start.<sup>27</sup> As a preliminary working definition, power can be understood as the ability of an actor (or a system) to realize his/her/its own interests and to hinder others from realizing theirs, based on material or immaterial resources such as sanctioning power, legitimacy and ideologies. For sociologists it is a truism that “there is one word power, but there are many different concepts” (see e.g. Hernes 1975, p. 15).<sup>28</sup> Among “many” sociological concepts of power or approaches, three seem to make most sense in a business ethics teaching context. A first or *legitimacy* or power justification-and-acceptance approach focuses on how actors or systems with power *justify* themselves and their power towards weaker or powerless parties in power relationships, and to what extent such justifications are accepted by these (see Max Weber’s ideal typology of charismatic versus traditional versus legal-rational governance as the classical reference, 1978). A second or *least interest*-based power approach focuses on the net sum of two (or more) parties’ interdependent and

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<sup>26</sup> Cf as studies of conflicts between individual conscience and role expectations e.g. Chonko and Hunt 1985, Posner and Schmidt 1993; Brinkmann 2002.

<sup>27</sup> Selecting and presenting these concepts and perspectives one at a time does not mean that they can’t be combined: Being deviant can often be understood as an outsider or criminal or enemy role, and deviance can be deviance from role norms. Power can imply an ability to define norms, deviance and deviants, such as opponents or rebels (who typically try to develop counter-power). Also, there are ruler roles, and social roles can vary by power and self-determination, etc.

<sup>28</sup> Cf also Crozier and Friedberg: “The phenomenon of power is simple and universal, but the concept of power is elusive and complex” (1980, p. 30), or Lukes’ description of power as an “essentially contested and complex term” (quoted by Powell in Ritzer 2007, p. 3597, also by Giddens and Sutton 2014, p. 209). Then, it seems to be proper procedure to draft how power is approached quite differently by different sociologists, see references under Appendix III below, in addition Sadan’s overview (2004) which is accessible online: [http://www.mpow.org/elisheva\\_sadan\\_empowerment\\_chapter1.pdf](http://www.mpow.org/elisheva_sadan_empowerment_chapter1.pdf)

*complementary strengths and vulnerabilities*, i.e. controlled own versus counterpart resources and interests, for example material ones (money, resilience, etc.) in negotiation situations. A third or *model power* approach focuses on actor power as *influence*, where e.g. experts or advisors can “help” more or less helpless non-experts or clients with “their” decision, but often on the model owner’s and advice-giver’s terms rather than the client’s (cf Brinkmann 1994 for an elaboration of these approaches and further references). The pedagogical advantage of such a choice is that these three approaches can be translated into one another, or combined. Legitimacy, trust, reputation, information can be “controlled” or “needed”, simplification “models” can count as non-material resources or potential vulnerabilities, or short expertise in demand can serve as a base of power as authority. Exhibit #4 is an attempt to visualize how these three power concepts or power approaches can be combined.

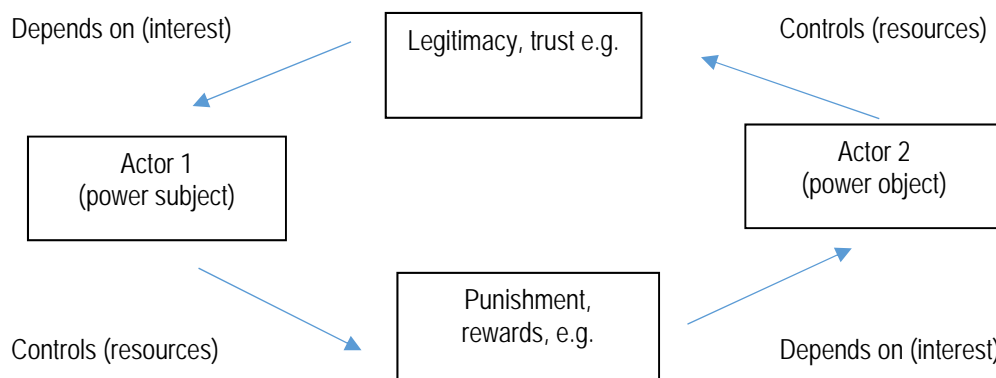


Exhibit #4: Power, trying to combine W. Waller’s (least principle) and M. Weber’s concepts

### Points of departure for a sociological analysis of the two stories

After this brief and general presentation of the proposed three concepts or frameworks we can now draft some answers to the checklist questions in Exhibit #1 above.

*What is the core issue of the case or situation, in a sociological perspective?*

Stockmann’s local community and the HR person’s organizational culture are more interesting, sociologically, than the (replacable) individual main characters. The two individuals are actual or potential *deviants* in their community, interpersonal, organizational context, and receive *role-expectations* offering ways of least resistance, with real or potential sanctioning *power* behind them. Such cultures reproduce

themselves, as long as most individuals (i.e. a big enough and silent enough majority) don't voice or don't exit but stay loyal, while deviant, courageous, oppositional role behaviour eventually has a chance of triggering change, at least when it becomes contagious.

*Could one and how could one describe and understand any stakeholders sociologically?*

In the Ibsen-case, the spa town community and its citizens and their representatives, especially Tomas' brother Peter, are the primary stakeholders, while Tomas' own family members become secondary stakeholders, as victims of the community ostracism. In the HR advisor case, the primary stakeholders are the closer and more distant colleagues and superiors, as it seems with different role ethics. The most legitimate stakeholders in both stories (as typically in whistleblower cases) are the far-away, potentially vulnerable spa and bank customers without a fair chance of knowing, unless someone speaks up and takes responsibility on their behalf. When it comes to the introduced concepts, stakeholders are mainly interesting, sociologically, as sources of deviance definitions, of stigmatization (as "enemies of the people") and of harassment, as more or less silent role-norm senders, with more or less relative power.<sup>29</sup>

*Who shares (rather than has) moral responsibility and if so on what grounds?*

Stockmann stands more or less alone, and "a few other scattered individuals" cannot be easily reached for joint action and "responsibility sharing",<sup>30</sup> while the HR person experiences a "shared" rather than an "individual" responsibility as a member of a HR team of colleagues who by definition (of roles and function) carry a shared responsibility for their organization's ethical climate. While responsibility sharing (e.g. among colleagues) has a positive potential of improving the ethical climate of an organisation, it can also increase a risk of moral neutralization for "why me and not someone else" reasoning and create bystander-effects.

*Is there any information which sociology could help with (i.e. mainly as a typical research methodology, with a focus on typical sociological units and variables)?*

While further work with our two example stories doesn't seem to require

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<sup>29</sup> On a micro-level one could wonder if stakeholders have been "invented" years earlier by sociologists, as role norm senders and as normative reference groups (see Rommetveit 1953)

<sup>30</sup> Cf. "The majority never has right on its side... That is one of these social lies against which an independent, intelligent man must wage war... The majority has might on its side—unfortunately; but right it has not. I am in the right—I and a few other scattered individuals. The minority is always in the right..." (*Enemy of the People*, act 4, <http://www.gutenberg.org/files/2446/2446-h/2446-h.htm>)

additional contextual and/or empirical information, such a question (and answering it tentatively) can often be of primary importance in many real-life business ethical cases. The first reflex would be most likely once more “postponed judgment” - as long as we cannot be sure that our knowledge about the contextual (social) circumstances is reliable, relevant, and sufficient or if additional verification or information is needed, through the use of available data or sometimes own data-collection. In other words, the access to reliable, relevant, and sufficient organizational-level or subculture-level information is often crucial as a basis for non-superficial business ethical case work, both in case-pedagogy and even more so in case research (just think of the recent VW or *Deutsche Bank* cases and similar size and complexity cases).

*Are there any and what would be any sociological arguments in this case?*

Typical sociological arguments would be constructive-critical recommendations of addressing and improving the interpersonal-, organizational- or institutional-level *ethical climate* (Martin and Cullen 2006), based on “sociological” data of sufficient quality. In addition, especially when it comes to “speaking up” (or whistle-blowing) cases such as here, sociologists tend to be more interested in thinking ahead, of *risks* and of risk management or risk governance, rather than in blaming and shaming, with the wisdom of hindsight. In other words, another sociological type of argument and advice for an organization would be *risk management*, in cases as these inviting wise and constructive internal speaking up.

*What should be the relative weight of sociological arguments for a conclusion (e.g. combined/ compared with other non-ethical arguments, such as psychological ones)?*

This depends on the case, of course. In both our two example cases, arguments relate to the risk of discovery (without whistle-blowing) and to the size of the risked consequences (likelihood x cost). Also, the more a case focus is on social or societal contextual conditions (community climate, organization climate) and/or outcomes (collective and member suffering) rather than an individual decision-maker’s moral conflict (and his/her risk of being blamed afterwards), the higher the potential weight of arguments referring to such contexts. But eventually, the challenge is wise “weighing” of different types of arguments – normative, sociological, and other ones, ideally in by sharing responsibility (and risks) among individual or group decision-makers and the decision’s stakeholders, ideally in a good enough dialogue setting, where sociological and other arguments would compete, freely and fairly.

*Does a sociological focus risk a sociological bias? Does a conclusion feel reasonable in this and beyond this specific case?*

In both example cases, a sociological perspective could risk to underestimate individual action possibilities under and in spite of the given circumstances. Similarly, the individual main characters could or do blame group pressure or at least expected expectations from others, their community, their family, their organizations, their loyalty and confidentiality duties for avoiding an individual responsibility, in this case to speak up. Since a collection and weighing of perspectives and arguments as drafted above can have its shortcomings, such a final checklist question is an invitation to self-critical reflection and humbleness, to accept a risk of sociologism, one-sidedness and narrowness, whenever one goes single-disciplinary rather than interdisciplinary. And as above, a similar risk management, in this case "bias risk" management, can be considered: an interdisciplinary dialogue which furthers humbleness and self-criticism, rather than single-disciplinary hubris.

### **Beyond short stories, concept clarification, and checklists**

In a context other than this article with its space limitations, the three *concepts* which have been presented above and then applied to two short example stories could be elaborated further, almost by re-presenting business ethics as critical sociologies of deviance, or roles, or power in business contexts, e.g. in one dedicated article each. Such an imagined critical sociology of business deviance could then more deeply investigate the potential relevance of deviance theorizing for business ethics teaching and research in applications such as: white collar crime, anomie, delinquent subcultures, neutralization, labelling, and rational choice research traditions (see for suggestions Heath 2008). Or, the more business ethics is concerned with understanding inter-personal behaviour and small group conflict situations,<sup>31</sup> the more it might become some kind of critical sociology of business roles (see e.g. Boulouta 2013, Brown and Treviño 2014, Hoyt and Price 2015).<sup>32</sup> Finally, since many or most business ethical issues have a power ingredient or a power context, imply power abuse, power differences or powerlessness etc., the task would be to

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<sup>31</sup> Most interpersonal moral conflict situations (dilemmas, temptations, obedience situations) can be described and understood convincingly as intra- and inter-role conflicts. Either one uses role terminology or other concepts and frameworks such as social interaction, the main point is that unique individuals are less interesting than exchangeable individuals, e.g. as role owners and role players.

<sup>32</sup> In addition, see Adobor 2006, Applbaum 1999, Brinkmann 2002, Brinkmann 2009b, Grover and Chun 1994, Hung 2011, Valentine et al . 2010.

reconstruct a critical sociology of power in business contexts from many publications that are out there already.<sup>33</sup>

The *stories* used above function well in the context of this article and in certain teaching situations, as other stories with similar size and complexity. The sociological concepts and checklist presented above would also work well with more lengthy and complex, real-life business cases, and not least in *business school cases*, i.e. our own work situation as business school and business ethics academics (and students).<sup>34</sup>

### **Some final remarks**

As mentioned above, one can't offer in an article what would require a book, or at least several articles, each with a different focus. With this in mind, we can briefly outline three areas where one could consider such future work on the further development of sociological thinking as a useful ingredient of interdisciplinary business ethics.

#### *Teaching*

First, when it comes to teaching business ethics, for developing good case stories on the students' own terms in the first place, one could consider using *Socratic dialogue design* (originally developed by Leonard Nelson in the 1920s) where some 7-15 (or so) participants under the cautious guidance of a facilitator recall and share self-experienced stories which illustrate a given dialogue question, then select and investigate one of these stories (Brinkmann 2015, Kessels et al 2009, pp 47-54).<sup>35</sup> The purpose of such a dialogue is learning philosophical investigation by doing it, aiming at a joint understanding or consensus, for example a joint answer to the dialogue question. The three sociological concepts which have been suggested and presented

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<sup>33</sup> A quick EBSCO search (as of Dec 2016) identifies 42 JBE-articles with power as an author supplied keyword, 40 articles where power appears in the title, and 299 articles where power is mentioned in the abstract

<sup>34</sup> Such a sociologically inspired self-reflection could ask to what extent business ethics is a business school deviant, as a different, strange, peripheral subject, which risks being stigmatised as redundant (or as hopelessly idealistic) by colleagues and students, as useful for AACSB recognition only. Or, we could wonder how our business school colleagues define the role of business ethics faculty at a business school and in the business community: as clerics, critics, conscientious objectors, cynics, or as clowns? Or, one could try to map and discuss the relative power (or powerlessness) of business ethics at a specific business school, as a function of internally or externally justified legitimacy, least interest, or moral model power.

<sup>35</sup> Cf also as a short presentation online

<https://sites.google.com/site/entelequiafilosofiapratica/aconselhamento-filosofico-1/the-structure-and-function-of-a-socratic-dialogue-by-lou-marinoff>

above are good candidates for a number of productive dialogue questions, such as the following ones referring to deviance, roles, or power respectively:<sup>36</sup> In which situations is it justified to break the law? In which situations is it morally right not to follow the majority? Can a social or professional role justify what otherwise would be wrong? In which situations can ethics create power? When is there a need of power for defending and enforcing ethics? When does an ethical end justify the use of power as a means?

#### *Theory development*

Second, when it comes to business ethics theory development (or to teaching on a PhD level), one could try to start with investigating how the concepts suggested here and a claimed sociological postponed judgment reflex could be related to Habermas' distinction (mentioned above) between technical, practical, and emancipatory research motives (1971).<sup>37</sup> Or, following the implicit suggestion of Seele (2016), one could start with investigating the potential synergies of a closer collaboration between business ethics and Critical Management Studies (see e.g. Parker 2003, Jones et al. 2005, Prasad and Mills 2010, Godwyn 2015).

#### *Descriptive (empirical) business ethics*

Third, descriptive business ethics is in practice applied, interdisciplinary, empirical social science already. In line with what has been suggested in this article, sociology<sup>38</sup> could and should make itself more visible by focusing more explicitly on typical sociological concepts (such as deviance, roles, or power and others) when referring to key variables in descriptive business ethical research questions, or in decision process models, or in scenario based research design.

#### *Sociology and ethics*

This paper started with a reference to sociology as an ingredient of interdisciplinary

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<sup>36</sup> If there is time enough and if the participants know the methodology, one could even consider a preparatory dialogue, about "What are fruitful Socratic dialogue questions for investigating deviance, social roles, or power, in a business ethical context?"

<sup>37</sup> When it comes to Habermas' research motive types these can either be understood as principal, mutually exclusive alternatives, almost for research strategy positioning, or rather pragmatically, as complementary and mixable, depending on what a given situation and a given disciplinary division of labour requires. While some sociologists seem to define themselves by "useful" empirical research (in contrast to grand theorists), others prefer what they consider good theory (with open boundaries towards enlightenment and moral philosophy, e.g. in the *Critical Theory* or Frankfurt School tradition) to theoryless empiricism. Still other sociologists (and most likely the silent majority) take a pragmatic and intermediate position, where theoretical and empirical work are complementary and only legitimate, eventually, when combined.

<sup>38</sup> Ideally and eventually, sociological research means theory-based empirical research. On the other hand, empirical research methodology is rather shared with other social sciences than unique for sociology.

business ethics. After offering examples of *how* sociological concepts and sociological thinking could enrich business ethics teaching, we can now return to such references and formulate a few theses, as an open ending to this paper, theses about some main messages which one should strive to get across to the students, about the potential relevance of sociology for business ethics.

1. The more business ethics aims at *holistic* understanding and at *relevance* (for preventing and handling moral conflict situations in business and business schools), the more it needs to exploit its potential interdisciplinary *synergies* (e.g., integrating knowledge and modes of thinking from various disciplines including the potential contribution of sociology).
2. Ideal-typical distinctions of single-disciplinary (e.g. sociological) questions and answers can clarify the need and the potential of a *division of labor and responsibility*, based on (inter-disciplinary) differences and complementarity.<sup>39</sup>
3. A common past and/or hybrids can blur *single-disciplinary boundaries and identities*. Both sociology and psychology – and other business ethics sub-disciplines – can consider themselves as legitimate and liberated children of philosophy (to what degree varies typically by schools of thought); and there are hybrids, too, such as social philosophy, social psychology, critical theory, critical management studies etc.
4. The potential *relevance of sociological thinking* for business ethics, especially to the extent business ethics has holism and relevance ambitions and really looks for synergies, consists in its focus on
  - a. *Other people* (stakeholders) as conditions and consequences, on the input and outcome side of individual or inter-individual decision-making;
  - b. *Individual-group* interdependencies (or dialectics);
  - c. *Micro-macro* that is individual-context interdependencies (cf the *Sociological imagination*);
  - d. The fact or the risk that decisions or actions are co-determined by *social structures* and tend to reproduce social structures;<sup>40</sup>
  - e. Varying, more or less complex, uncertain or risky *empirical* conditions and consequences of ethical decision-making (and there again with a focus on

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<sup>39</sup> Ideal-typical, i.e. artificially clear and sometimes simplified distinctions, see the text table in appendix iv, prepared as an assumed teacher's answer to an assumed student assignment, to compare moral sociology to moral philosophy on the one hand and moral psychology on the other.

<sup>40</sup> Cf A Giddens' concept of *structuration*, developed e.g. in his book of 1984, *The constitution of society*, esp chs 1 and 6



typical sociological units and variables).<sup>41</sup>

As an additional or alternative open ending, not least in a teaching situation, one could return to the students' (and instructors') question how "sociological thinking" could enrich the analysis, prevention, and handling of business ethical conflict cases. After first returning the question to the students (or instructors, or readers of this paper), if possible, one could offer another repetition of some main points as a tentative answer (that is as food for thought and further reflection). Normative business ethics tends to focus on convincing justifications of assumed best choices. As an extension and questioning of such a perspective, sociological thinking means asking "doesn't it depend?", and then problematizing any limiting or empowering relevant circumstances which such normative justifications and best choices might depend on, and/or any relevant wider consequences of such choices for closer or wider social contexts. Such sociological thinking or problematizing means several things at the same time: looking for contexts, interdependencies and additional alternatives ("sociological imagination"), takes additional time and attention ("postpones" or delays judgment), and requires suitable lenses ("concepts", models, a language). And as a PS or still another open ending one might consider adding that this paper has promised an appetizer rather than a main course, where it is up to the guest how to continue the meal.

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<sup>41</sup> I.e. units such as roles, groups, situations, organizations, societies and their environments, deviance, and variables such as deviance, status, membership, power.

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<https://ia800305.us.archive.org/25/items/MaxWeberEconomyAndSociety/MaxWeberEconomyAndSociety.pdf>
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## **Appendix: Further readings and resources for students (and instructors)**

### *I Deviance*

Giddens and Sutton (2014, 175-178)

Free online resources:

- Ritzer 2007 (1075-1082, 1135-1140 - E. Goode's and P. Rock's & D. Downes' entries).
- [http://freesociologybooks.com/Introduction To Sociology/08 Deviance and Crime.php](http://freesociologybooks.com/Introduction%20To%20Sociology/08%20Deviance%20and%20Crime.php)
- <http://www.ssnpstudents.com/wp/wp-content/uploads/2015/02/Sociology-of-Deviant-Behavior-14th.pdf>
- <https://opentextbc.ca/introductiontosociology/chapter/chapter7-deviance-crime-and-social-control/>

## II Social roles

Aubert (1967, ch. III); Dahrendorf (1968)<sup>42</sup>

Free online resources:

- Ritzer 2007 (3953-3956, 3959-3962 – D.D. Franks' and M.J. Hindin's entries)
- [https://en.wikibooks.org/wiki/Sociological\\_Theory/Role\\_Theory](https://en.wikibooks.org/wiki/Sociological_Theory/Role_Theory)

## III Power

Engelstad (2012), Crozier and Friedberg (1980, 30-44), Giddens and Sutton (2014, 209-212)

Free online resources:

- Ritzer 2007 (3597-3598, 3603-3606 – J.L. Powell's and S. Thye's entries)
- [http://scholar.harvard.edu/files/cwinship/files/moral\\_power--final\\_1.pdf](http://scholar.harvard.edu/files/cwinship/files/moral_power--final_1.pdf)
- Castells 2016

## IV Draft of an ideal-typological comparison with moral philosophy and moral psychology

Moral philosophy	Moral sociology	Moral psychology
Normative ethics (study of morality)	Descriptive ethics (study of relational morality)	Descriptive ethics (study of individual morality)
Ought: investigates good principles, reasons and justifications (why something is right or wrong)	Is: investigates social/ shared norms, roles, situations, ideologies, social and group behaviors	Is: Investigates individual attitudes, values, conscience, behaviors, decisions (less or more socially influenced)
Questioned and reflected and perhaps agreed-on morality	Unquestioned and more or less shared morality	Internalized morality (or not)
Universalist, intercultural (mainstream)	Particularist, subcultural (mainstream)	Universalist, intercultural (mainstream)
Assumption of indeterminism/ autonomy and responsibility, free will. Moral luck as an issue.	Heteronomy/ limits to autonomy, conventional morality is most interesting	Heteronomy/ limits to autonomy, pre- and post-conventional (mature) morality most interesting
Individual choices, dilemmas more interesting than temptations and obedience	Inter-individual moral conflicts, role conflict handling, legitimacy/ obedience to power most interesting	Individual choices, individual handling of temptations and obedience most interesting
Ethics is potentially furthering conflict resolution/ consensus	Moral contents are potentially furthering interpersonal conflict	Moral contents are potentially furthering intrapersonal conflict
Moral judgment (focus on good criteria/ reasons, reflective equilibrium, coherence of arguments) <sup>43</sup>	Description and understanding of social/ societal complexity take time and delay judgment	Description and understanding of intra- and inter-individual complexity take time and delay judgment
Good dialogue can produce convincing/ shared justifications	Repetition and habitualization can create moral normalization	Desire for positive self-conception furthers dubious justification: moral neutralization

<sup>42</sup> See in addition Turner 1956, Merton 1957, Brinkmann 1994

<sup>43</sup> Cf. By the way, for further reading see skeptic philosopher Sextus Empiricus who suggests similarly a "suspension of judgment" (epoché, furthering ataraxia), see <https://plato.stanford.edu/entries/sextus-empiricus/>, or much more recently see e.g. Næss (1968) Bostad (2011).



## Teaching how to think business ethics<sup>237</sup>

The primary business of business ethics is teaching business ethics to target groups who seem to need it. When it comes to most of us business ethics academics, our business is publishable business ethics research (now and then less sure for which target groups who need what). There are potential role conflicts. Teaching can take time at the expense of research, and research can take time at the expense of teaching (preparation, classroom time, supervision, grading). There are potential synergies, too. We can do or at least label our teaching «research-based», use our teaching as research dissemination, conduct research on our students. And we can publish about teaching experience or teaching advice in good enough journals which in a way upgrades teaching to research (since its publishable).

This essay is about my own way of trying to exploit such synergies and to minimize role conflict, in a book project in progress (Brinkmann 2017b), about how one can disseminate published research among students and other target groups, by popularizing it and making it understandable, but on joint

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<sup>237</sup> This text is the original English version of the introductory chapter to the present book (J. Brinkmann, *Ubehagelig Næringslivsetikk II*, Oslo, Gyldendal 2018). An earlier version of this text was presented at the EBEN Annual Conference June 2017 in Jyväskylä, for sharing ideas and inviting a dialogue about my essay collection project in progress.

terms, e.g. without making it «relevant» by making it less «critical».<sup>238</sup> More specifically, the book drafts several approaches to business ethics teaching (and research) which can be read and taught one at a time or combined, independently or in a self-selected order. Even more specifically, this essay which has been written after the completion of the book, presents and reflects about the core ideas in each of the essays (and will in this way make it suitable, eventually, as an introductory essay to the book).

If one wants to, the book idea itself, as a collection of essays about approaches to learning how to think business ethics, can be rationalised as triangulation as the term is used in social science methodology (borrowing from trigonometry, navigation, land surveying) for getting a better understanding of a study object by looking at it from different and hence complementary angles. The rationalizing is *ex post*, where an author asks himself if there are any common threads or denominators across what to begin with were different papers, not even understanding themselves «as» approaches, that is getting «closer» to a study object for trying to see it and understand it and evaluate it better, but with an attitude of scepticism, modesty, humbleness.

In the order of the essay collection, these more or less complementary and overlapping approaches are sceptical and student-centred, focus on conflict cases and dialogue potentials, on relationships and risks, on benefits of industry and professional «level» ethics, and on theory criticism. The rest of this paper is about returning to the pieces, about reviewing the contribution or core idea of one essay at a time.

A *skeptical approach* (essay 1) claims that business ethics should promise critical *questions* rather than comfortable answers, start *criticism* with inviting self-criticism, be *inconvenient* and honest (rather than the opposite). For further elaboration of such thoughts, the introductory essay takes a self-critical look

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238 Such a formulation raises a question of one's understanding of the purpose of business ethics in the first place. For me, business ethics is essentially about criticism and self-criticism, of business and business schools. The long-term objective of such a project is not really controversial (e.g. being as critical as constructive), but perhaps its point of departure – with inconvenient, simple and radical, often system-critical questions, *or* rather with convenient promises of looking responsible and of win-win outcomes.

at ambiguities and potential blind spots in the self-conception of business ethics and of CSR. A first suggestion is to pay relatively more attention to morality (at the expense of ethics) and to moral conflict (at the expense of ethical consensus). In a second step, inconvenient (as the attribute of business ethics) is tentatively translated and explained – as non-profitable, annoying, ambiguous, and sceptical.<sup>239</sup>

A *student-centered approach* (essays 2 and 3). Business ethics is not about itself, but about triggering constructive self-criticism on its target groups' terms, that is in practice mostly full-time or part-time business students, preparing for business practitioner roles or facing practitioner roles already. Business students (of these different kinds) enter and attend business school programs with individual values and attitudes and moralities in their luggage. «Student-centred» means that business ethics teaching needs to refer wisely and critically to such individual and group-level conditions as its raw material. With or without reference to classical «know thyself» ideals, it is a good idea to invite business students to critical self-investigation and self-criticism, asking themselves questions such as: Who am I, what am I a product of, what are my visions and ambitions for my life in general and my work life career in particular, what are my priorities, not least and eventually: what would be ethics teaching «on my own terms»?

Business practitioners, in part-time student roles or e.g. as seminar or dialogue participants, can relate such an invitation to self-reflection to their own practical work-life experience, with its typical conflicts and synergies between one's own attitudes and values and expected expectations as part of one's professional roles. Many full-time business students, especially young undergraduates, have only very limited if any work-life experience. For this reason, a reference to their experience as consumer participants in our economic system makes sense as an alternative when trying to meet these target groups «where they are». An essay which invites to self-critical reflection about one's consumer ethics is written with such a consideration in mind.

<sup>239</sup> Instead of ambiguous one could have used dialectical. And sceptical is inspired primarily by the not really well-known German philosopher Weischedel who likes to use *Fraglichkeit*, questionability, as first and simple catchword for his skepticism.

The essay's four subtopics are: disputable consumer behaviour (consumers as potentially bad guys), responsible consumer behaviour (consumers as potentially good guys), consumer behaviour in a shared responsibility perspective, and finally consumer behaviour in a decision-making and life-style perspective.

A *conflict approach* (essay 4) assumes more or less explicitly that business ethics is most relevant as moral conflict management. Accordingly, conflict cases and case-oriented formats are a more or less dominating ingredient in business ethics teaching and learning. One departs from more or less complex narratives, where an individual or collective decision-maker is expected to handle a dilemma (or temptation, or power abuse) situation, and to justify a choice, in line with ethical quality criteria (as opposed to moral neutralization). As elsewhere in introductory texts, a few example conflict cases are presented first, together with examples of «checklists». Then, some useful distinctions and questions from social science conflict research are offered, for enriching case analysis as (moral) conflict analysis, such as: Are there any primary types of conflict in general and moral conflict in particular?<sup>240</sup> What are the typical differences between non-moral and moral conflicts? Is it fruitful to use an ideal-typical distinction of moral conflicts, between dilemmas, temptations and power-abuse situations? Are there any inspiring rules of thumb for how to handle moral conflict in organizations? What are the risks and opportunities of casuistry as «classical» case-analysis?

A *dialogue approach* (essay 5). Business ethics teaching stresses (or should stress) learning how to think and investigate philosophically. Rather than overloading students with too much generic information about more or less classical moral philosophy names and approaches, one should use a Socratic dialogue design. In this essay, Socratic dialogue refers to a specific small group conversation process design suggested by the German philosophers Leonard Nelson and Gustav Heckmann (inspired by Plato's classical dialogues with

<sup>240</sup> Cf the headlines in the essay: understanding conflicts as units vs conflict as a variable, conflicts within and between individuals and groups, conflict attitudes, behaviours, contents, conflict of interest vs conflict of values, conflict management styles (reward, persuade, coerce), types of conflict outcomes and management.

Socrates as the ever-questioning main person, or communication «mid-wife»). Also, the business ethics community with its discourse ethics and stakeholder-dialogue tradition should consider and try out this design for how to walk the talk, offering the dialogue participants a learning by doing experience of what an ideal moral conversation could look like, not least for transcending moral muteness (cf Fred Bird's work). A third type of argument in favor of this approach is its complementary fit with a conflict approach (see essay 4) – as a productive way of addressing and handling conflict cases, where the conflict parties involved take a joint responsibility for producing a good enough consensus.

A *relationship (or sociological) approach* (essay 6) emphasises that business and business ethics are not about individuals only, but also (or even rather) about interpersonal, social, societal relationships, asking typically how one could create or further an organization and industry climate where members dare to voice moral concerns, or how competitors could share responsibility for the ethical climate in their own market and environment. Beyond presenting a few definitions of sociology or reviewing (the few) published business ethics articles with a promise of some sociology in their title, one can investigate basic sociological concepts and assess their use value for business ethics teaching and research, or hope for sociological imagination as an extension of moral imagination, or market sociological thinking by its habit of postponed judgment. The main contributions of this essay consist in presenting business ethical case examples in a sociological deviance, role, and power perspective respectively, a sociologically enlightened checklist for case analysis, and not least a systematic comparison of moral sociology with moral philosophy and moral psychology.

A *risk (and risk management) approach* (essay 7). Rather than blaming and shaming business ethical sinners «ex post» as the media like to do it, business ethics should focus on responsibility «ex ante» for *future* events and situations, before it's too late, or in other words, focus on responsibility for risks. Risk and responsibility are treated as highly interdependent – risk-taking triggers responsibility issues, taking responsibility risks being asked critical questions. The essay elaborates why these two perspectives should be combined, and

how, both conceptually, when it comes to procedures and checklists, using five «illustrations» (referring to two case stories, to leadership, to the COSO-checklist, and not least to insurance as a construction of risk and responsibility sharing). In some concluding remarks next steps are drafted: empirical and practical ones, and not least arguments for a positioning of risk perspectives within our field.

*A meso-level (or industry and professional ethics) approach* (essay 8). There is a risk that business ethics and CSR become too general, deal with everything and nothing. For this reason, one should narrow business ethics to industry ethics and to professional ethics for business specialties, rather analyze critically and constructively specific markets for goods, services, labour, and identifiable professions as institutions, with regard to their specific ethical challenges. Not least, industry and professional organizations are potential allies when it comes to ethics work and ethical climate work (such organizations are after all expected to further their members' common interest, sufficient professional and ethical competency, quality assurance, and education). Departing from examples such as the arms industry, funeral service industry, as well as advertising, PR and real estate agency as business professions and brief conceptual clarifications, a main focus of the essay is on how one can study the moral climates of industries and professions, empirically.

*A theory criticism approach* (essay 9). Dedicated courses in business ethics as parts of business administration curricula have become more and more common, mainly for fulfilling accreditation requirements. The ideal, however, is to integrate business ethics as self-critical reflection of business school core subjects from within, such as accounting and auditing, marketing, management, or strategy. The assumption is that without such integration one can't obtain a critical consciousness and understanding of these subjects' practice and not least their theoretical premises for such practice. Or in still other words, it is not the ethics professors, but the marketing, strategy and accounting professors who teach business ethics, on the connotation level so to speak. With such thoughts in mind, the essay presents my own experience with ethics guest-lecturing as an ingredient of introductory courses in strategy and marketing respectively.

## *Nathan the Wise*: Addressing Enlightenment, Wisdom, and Tolerance

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### **Abstract**

The paper starts with a brief introduction, about teaching business ethics, by using theatre plays and literature in general, and about the selection of this play by Lessing in particular (published in German 1779; first performed 1783). Next follows a summary presentation of the play, its most critical scenes, roles and ingredients. As an open ending to this presentation (which includes further references to available texts and videos in English, German, and other languages), a number of questions are formulated which can be used for triggering and structuring student discussion and student papers (e.g. about lowering inter-religious and inter-cultural prejudice, and/or about putting enlightenment, wisdom and tolerance on the business ethics teaching agenda). Then the paper offers short answers to each of these questions (e.g. as a preparation for potential instructors).

### **Teaching business ethics, using plays and literature**

This paper departs from three assumptions. Well-selected pieces from novels or theater plays can enrich business ethics teaching, in particular for furthering objectives such as reflection and moral imagination. Second, such well-written literature pieces are mainly interesting as means towards pedagogical ends, so relating them to legitimate topics in a business ethics teaching context is crucial (cf. e.g. Brinkmann and Sims 2011). Third, the choice of the play should meet its target groups “where they are”, for reflection and dialogue on their own terms.

In a situation where anti-Islamic and anti-Jewish conflict and prejudice seem to grow in Europe, the idealistic play *Nathan the Wise* is a good candidate,<sup>1</sup> with its positive message about wise and tolerant interaction between non-representative representatives of potentially intolerant religions, authored by G.E. Lessing, a German Enlightenment playwright who lived 1729-81 (i.e. about the same time as I. Kant, who lived 1724-1804).

Two work pieces of two well-known philosophers have served as primary sources of inspiration, authored by Richard Rorty (2006) and Peter Singer respectively (see Singer and Singer 2005). Rorty's main proposal is that business ethics teaching eventually should contribute to world and business world improvement, by developing attitudes and skills such as moral imagination, empathy, convincing justification (2006).<sup>2</sup> For such a strategy, paradigmatic conflict cases (narratives) seem to work best. "The more it is concerned with moral reflection and moral imagination as a primary objective, the more business ethics teaching should look for suitable literature pieces ... and hope that such an approach almost sufficiently will further goal achievement, i.e. moral imagination and empathy development, since the important medium, telling good stories well, is left to the experts: novelists and playwrights..." (Brinkmann 2009, p. 16; see also *ibid.*, appendix 2). Similar thoughts are expressed by Singer and Singer: "...Philosophical examples in ethics usually lack depth, the characters in them are ciphers, and the context is absent or at best, briefly sketched... Novels, short stories, plays, and poems shed different kinds of light on ethical questions. Some have thought that great literature should be edifying and provide models of good behavior... It is surely true that the detailed and creative exploration of a situation that can emerge from a good novel can help us to understand more about ourselves, and how we ought to live. In contrast to the examples discussed in works of philosophy, discussions of ethical issues in fiction tend to be concrete..., and to give a rich context for the distinctive moral views or choices that are portrayed. Literature therefore often presents a more nuanced view of character and circumstances than is to be found in the works of philosophers..." (Singer and Singer 2005, pp. x-xi).

The use of novels and plays for teaching ethics, applied ethics, or in particular business ethics, at least as a point of departure in addition to or instead of more or less real life business cases is nothing new. A few sources can be mentioned briefly. Kennedy and Lawton (1992) propose the use of fiction and try to apply Ross' Prima Facie framework, Garret's proportionality framework, and Rawls' justice framework to Miller's *All my Sons*, Melville's *Bartleby*, Wilson's *The Man in the Gray Flannel Suit*, Heller's *Catch 22*, and Auchincloss' *The Senior Partner's Ethics*. Garaventa (1998) analyzes the teaching potential of Ibsen's *An Enemy of the People*, Mamet's *Glengarry Glen Ross*, and Miller's *Death of a Salesman*. There is much more: The Singer and Singer anthology contains 79 (!) more or less world literature examples, stretching from Shakespeare to Shaw, Dostoyevsky to Defoe, Ishiguro to Ibsen. Ghesquire and Ims (2010) use Leadership ethics as a common denominator for 14 chapters about Goethe, Schiller, Ibsen, Mann, Saint-Exupéry, Camus, and others. Another author (Brinkmann 2009, 2011a, 2011b) presents Ibsen's *A Doll's House*, Brecht's *He Who Says Yes/ He Who Says No*, and Schiller's *The Parasite* – as points of departure for individual and joint reflection about male versus female ethics, reproducing versus challenging established morale by saying yes versus no, or career strategies respectively.



## The play *Nathan the Wise*

### *The plot*<sup>3</sup>

Between the 2<sup>nd</sup> and 3<sup>rd</sup> crusade, in Jerusalem, *Nathan*, a rich Jew, learns that during his business trip his daughter Recha 's life has been saved by a brave Christian *Templar* knight, from a burning house.<sup>4</sup> (The knight owes his own life to Muslim sultan *Saladin* who had pardoned him from execution since he looked similar to his late brother). In a conversation (which is difficult to get started, because the Templar to begin with does not want to interact with Jews), Nathan persuades the Templar to see his daughter for receiving her thanks.

In a subsequent core scene of the play, sultan Saladin tests Nathan's generosity and wisdom by asking him which of the three religions Islam, Christianity, and Judaism he thinks is true and superior. Nathan responds by referring to the *Ring parable*:<sup>5</sup>

This *parable* or metaphoric narrative is about a tradition where a magic family ring has been given from the father to his favorite son, since several generations. Then, one father, who loves all his three sons equally, for that reason makes two identical copies of the ring. After their father's death, the sons want to know which of the three rings is the original one and which two are the copies. They contact a judge, who tells them that their question is wrong, for two reasons. Since the copies are identical, it is impossible to distinguish the rings and to identify any *true* owner of an original. And even if that were possible, any difference would be irrelevant, because the moral behavior of the ring carrier decides who is the *worthy* ring owner (for the original Lessing text, see Appendix 2b below).

Meanwhile, after meeting her once again, the Templar has fallen in love with Nathan's daughter Recha. Nathan, however, is strongly in doubt about such a proposal. When the Templar learns that Recha is an adopted Christian girl, he turns to his highest superior (the patriarch) for advice. Such a question makes the patriarch suspicious. He considers staging an intrigue against Nathan and sends a monk for further investigation (as it turns out, the same monk who years ago found Nathan as a warden for Recha). Nathan's hunch becomes confirmed, when he realizes that the Templar is the nephew of Saladin and the brother of Recha. In other words, as a happy end, all main characters turn out to be related (with Nathan included as a caring father).

### *Core scenes*

If one prefers, one can select and focus on single scenes, with the original text in German or in the translation to English (or to most other languages which one might want to use), as long as one stays aware of the play as a whole, as the context story:<sup>6</sup>

- Nathan and the Templar talk and eventually agree that being human is more important than being born and labelled as a member of a religious community (and then they make friends across such faith boundaries – see appendix 1 for the original scene text, II5).

- Saladin challenges Nathan’s wisdom, by asking him which of the Abrahamic religions is most true and right, and Nathan uses the ring parable as a reply. Saladin is impressed by Nathan’s wise reply, and asks him to make friends (see appendices 2a and 2b for the original scene text, III5&6, III7).

*Presenting and comparing three main roles*

Another way of presenting the play is by a more or less systematic comparison of its three primary roles or characters (see table 1).

<b>Main characters</b>	<b>Nathan the Wise</b>	<b>Sultan Saladin</b>	<b>Templar knight</b>
Religion	Jewish	Muslim	Christian
Religion’s status there and then	Minority religion	Ruler’s religion	Crusader/ Invader religion
Religion’s self-conception	Superiority: God’s chosen people	Superiority justifies conversion of non-believers	Superiority: Crusade as a holy duty
Power base	Successful business, wealth, reputation	Ruler’s power, as a sultan	Order membership (Knights Templar) and personal courage
Good deeds (competitive goodness)	Raised a Christian orphan (even after Christians had murdered his own family)	Spared the Templar’s life (out of intuition)	Courageous rescue of Nathan’s (adopted) daughter
Enlightenment and tolerance	Convincing role model for independent thinking and tolerance	Enlightened, open-minded ruler who listens	Initial prejudice is overcome by enlightenment as the play unfolds
Wisdom	His reputation (for wisdom) is tested and verified	Ruler who tests and listens to wisdom	Quick learner of listening & open-mindedness

Table 1: Three primary roles compared by seven criteria

Or with a repetition of the table content in prose: At first sight, each of the three main characters is labeled and presented as a member and representative of one of the three Abrahamic religions. At least on a connotative level, both the specific time and place of the

play matter (for each religion's function), and each of the religion's self-conception. More importantly, and in contrast to expectable expectations or prejudice towards these religious groups, the play shows that each of the three characters has individual power or freedom and uses it to perform good deeds, as a successful business man, a merciful ruler, a knight with ideal obligations. Then, one can take the comparison even further and see the characters as personifications of virtues, such as enlightenment as a necessary property (in this case among business men and/or rulers) or as a necessary learning process (liberating oneself from interreligious prejudice) for becoming tolerant. Nathan's reputation of being wise, announced in the title of the play, is tested and verified during the play across different scenes (mainly, but not only, by selecting and retelling the ring parable with convincing wisdom in it). The enlightened Saladin demonstrates wisdom, too (by asking wise questions and by listening well), and even the Templar does, as a (double loop?) learner.

### **A wide follow-up question?**

If one intends to go any further than offering the play or parts of it on its own terms to one's target groups - such as full-time or part-time business students or business workshop participants, the challenge is to develop and to ask good follow-up questions. The rest of the paper is about identifying such possible follow-up questions and about drafting preliminary answers to them.

Before presenting the play or parts of it to a given audience and before asking any follow-up questions, one should find out if any person in the audience perhaps even has seen the play and could share any personal impressions, as a start. Additionally or instead, one should also make sure that everyone in the audience has understood the story of the play sufficiently, or any selected scenes and contents, such as the ring parable, or the character typology, if it has been presented.

Then, depending on the context, one has to decide if one wants to follow up with a wide opening question and take the classroom dialogue from there, or if one narrower follow-up question fits better with the context, for example inviting bridge-building to virtue ethics or to basic virtues in international business interactions or regarding leadership (one could then always finish up with inviting wider questions and further reflections).

Here it is suggested to go from a widest possible way of asking questions to more narrow ones, and then to leave it to the participants which way to go from there, to propose their own follow-up questions, before considering to suggest narrower ones as an instructor or dialogue facilitator.<sup>7</sup> Essentially, such a first question asks for more questions, for narrower and more specific questions. In this paper, such narrower questions with preliminary drafts of answers are offered below as a possible answer to such a first question, and of course in addition to any question suggestions that might turn up in the audience. The suggestion of such a first question (or perhaps rather a question "zero") would be:

*After exposure to the play (to its plot summary, to one or several of the scenes, and/or to the typology of its three most important character roles): Where do you see the play's potential inspiration value, for which business ethical themes and issues, practical and/or theoretical ones?*

Distinguishing between “more practical or more theoretical” themes and issues contradicts perhaps what has been said above, since the openness of the question is reduced. Such a distinction is intended to help with sorting the more specific questions that follow. More practical or *relevance* questions could for example address conflicts and try to resolve them, try to transfer elements and thoughts from the play to other cases or to other practical examples. More theoretical or *reflection* questions would rather look for concepts, frameworks, or theory that abstract from the play and its content, which after all is not about itself.

In the next section, possible examples of such narrower follow up questions are listed (and an additional one, which is inviting to widen the perspective, once more, as an open ending, if desirable).

#### **Questions for further elaboration through reflection and dialogue**

1. Does the play have a message for the present European debates about lower and upper limits to religious tolerance?
2. Successful intercultural business interactions require intercultural competencies and intercultural communication competencies. Could one learn something from the play and if yes, what?
3. The play refers to three religions. Does its message change (or not) if a non-religious fourth position is introduced?
4. Which of the three main character roles would you prefer to play (or which one rather not), and why? Could the main characters serve as role models, in business contexts and beyond, and why?
5. The main message of the play is idealistic. For not becoming unrealistic, how could one identify and then analyze, accept, and address, and eventually overcome any “real world obstacles” to increasing or even implementing interreligious tolerance?
6. Could the play and its characters serve as an introduction to virtue ethics as a business ethical approach? Could one market the potential importance of such virtues in business contexts?
7. With Lessing as one among the leading German enlightenment thinkers, can one use the play as an introduction to enlightenment philosophy? Why and how could an enlightenment perspective be relevant in business and in business ethics (teaching) contexts?
8. How would you clarify and deepen the three main conceptual references in the play: Enlightenment, tolerance, wisdom?

9. Are there additional interesting and fruitful questions one could raise related to the play (closely related or more indirectly)?

In a next step then, each of these questions can be elaborated further, by drafting how it could be answered.

**Preliminary remarks about narrower questions and drafts of answers to them**

*Does the play have a message for the present European debates about lower and upper limits to religious tolerance?*

Yes – think (e.g.) of *the January 2015 attack against the French satirical magazine Charlie Hebdo* (killing ten staff members),<sup>8</sup> and of the smaller size February 2015 attack in Copenhagen a month later, against the *public event Art, Blasphemy and Freedom of Expression*<sup>9</sup> (and of the following rather islamism-inspired than faith-focused terror incidents in Paris, Brussels, Nice and Berlin,<sup>10</sup> but which most likely have furthered anti-Muslim and anti-Islam prejudice and stereotyping, and support for politician populism among large groups in Europe and North America). One argument for such relevance could be that positive, idealistic examples, in plays or in real life, can help with questioning and transcending self-reinforcing prejudice and stereotypes, trying to change vicious to virtuous cycles. Also, the core message of the play in the Ring parable suggests that not any religion is right a priori, and that its followers' good practice counts the most, of doing good towards God and/or humanity. (If one considers it fruitful, one could try to supplement the message of the play with references to demonstrations that happened across Europe after the Charlie Hebdo massacre,<sup>11</sup> or similar positive real life examples, such as the young muslim initiative in Oslo to form a 1500 person "ring of peace" and solidarity after the Copenhagen event where a Jew was shot in front of a synagogue.<sup>12</sup>)

*Successful intercultural business interactions require intercultural competencies and intercultural communication competencies. Could one learn something from the play and if yes, what?*

Intercultural and interreligious communication are not the same, but they are interrelated. Religion and religiousness, within *one* or several religions, can be typical and constitutive for some cultures and subcultures, while other cultures appear to be typically secular, for example with religion and religiousness as a private matter rather than a public and shared one, and with more or less religion-based business ethical norms (see for a discussion of the overlap between intercultural communication and business ethics, and the tensions between desirable cultural relativism and disputable ethical relativism Brinkmann 2002). Even if the play *Nathan the Wise* is placed in Middle Age Jerusalem, its core messages and several of the dialogue scenes can serve as examples of individual level intercultural (and inter-religious) tolerance, communication, and learning skills: try to describe, listen, investigate and understand individuals with other religions on their own terms first, before (and if at all) judging morally.

*The play refers to three religions. Does its message change (or not) if a non-religious fourth position is introduced?*

Religious “fundamentalists” – that is groups such as the Religious Right in the US, Islamists, conservative Jews – tend to use one another, that is other religions with their members, and attributed properties, as a primary reference and often as scapegoats. Much of the present European debate (and similar debates in North America and in countries with Muslim majorities), however, seems to be rather between secular, liberal-religious, perhaps anti-religious positions on the one hand and religious positions or movements on the other, which work for either defending or for increasing the societal influence and visibility of religion, at the expense of non-believers.<sup>13</sup> *Charlie Hebdo* should be understood as rather anti-religious than as anti-Islamic or anti-Islamist, for example. While the Lessing play is constructed as a triangle of the Abrahamic religions with potential conflict and possibilities of peaceful co-existence, its more or less explicit message is that humanism and enlightenment go first and religious affiliations go second.

*Which of the three main character roles would you prefer to play (or which one rather not), and why? Could the main characters serve as role models, in business contexts and beyond, and why?*

Especially if there is a multicultural audience, a first interesting follow-up question could be if the roles’ respective religion could be in the way of identification with them, or if some participants perhaps tend to identify with the roles representing their own religion. Lessing used his good friend Mendelssohn, the Jewish enlightenment philosopher, as a model for his Nathan, but also and not the least for showing that assumed Christian virtues such as wisdom could be practiced by non-Christians. All the three main roles are portrayed as sympathetic (in contrast to the secondary roles of the Patriarch and to some extent the role of Darya), as a potential surprise to any negative prejudices which might be expected. When it comes to potential business role models, Nathan is presented as a successful business man who is and who can afford to be generous. Saladin appears to be generous, too (but is vulnerable, as long as his “tax income from Egypt” has not arrived).<sup>14</sup>

*The main message of the play is idealistic. For not becoming unrealistic, how could one identify and then analyze, accept, and address, and eventually overcome any “real world obstacles” to increasing or even implementing interreligious tolerance?*

The play’s idealistic message risks a similar response as business ethics teaching in general, that preaching to the choir is easier than reaching and convincing the cynics. But, the more intolerant the international and national opinion climate, after complex and vicious cycles of terrorism and counter-terrorism, Islamist IS progress and Muslim refugee crises, trying to help such refugees and populist politicians’ exploitation of fears and prejudice, the higher the need to develop realistic strategies for stopping and overcoming such vicious cycles. Another skeptical response could be that talking (about intolerance) doesn’t hurt, but walking decides (or that philosophers, or playwrights, or educators can interpret the world,

but the point is to change it, as Marx and Rorty would have said). In a practical teaching situation, one would most likely invite examples of “real world” or “real business world” obstacles and dilemmas, and of strategies for how to overcome them, perhaps with a wise and suitable mix of consensus-building dialogue and practical action (and, in addition to all kinds of perceptual and attitudinal prejudice, stereotyping, lacking self-criticism, expect behavioral examples of lack of contact experience, discrimination, harassment, power abuse, false conflicts, and counter measure examples such as staging positive counter-examples, exposure, dialogue, positive discrimination, or as a minimum some mutual agreement to respect and live with some remaining disagreement).

*Could the play and its characters serve as an introduction to virtue ethics as a business ethical approach? Could one market the potential importance of such virtues in business contexts?*

Such a first one out of three more theoretical follow-up questions could consider the play as a potential introduction to a lecture or course unit about virtue ethics. As a first reflex, one could ask the students to search critically for good enough sources and to summarize them briefly.<sup>15</sup> Already in the title of the play, but also in the role constructions, typical characters are presented, with potential role model functions when it comes to wisdom and generosity (Nathan and Saladin), or to courage (Templar). Also, the play in its idealism shows the development potential of individuals and inter-individual relations – when it comes to reduced judgementalism, or in other words, to enlightenment processes and states. And obviously, both wisdom, generosity, courage, and enlightenment are potentially important in business contexts.

*With Lessing as one among the leading German enlightenment thinkers, could one use the play as an introduction to enlightenment philosophy? Why and how could an enlightenment perspective be relevant in business and in business ethics (teaching) contexts?*

As with the other more theoretical follow-up questions, one could ask the students as a start to search critically for good enough sources and to summarize them briefly.<sup>16</sup> Another possibility could be to offer a handout with an introductory quotation from the classical Kant essay of 1784 about *What is enlightenment*: “Enlightenment is man's release from his self-incurred tutelage. Tutelage is man's inability to make use of his understanding without direction from another. Self-incurred is this tutelage when its cause lies not in lack of reason but in lack of resolution and courage to use it without direction from another. *Sapere aude!* 'Have courage to use your own reason!'- that is the motto of enlightenment” (<http://www.columbia.edu/acis/ets/CCREAD/etscc/kant.html>).<sup>17</sup> Still another possibility could be to consider *enlightened* self-interest as a point of departure for trying to understand what enlightenment is about.

*How would you clarify and deepen the three main conceptual references in the play: Enlightenment, tolerance, wisdom?*

Similarly as in the draft for the last question, one could, of course, once more consider a rather conventional assignment, and ask the students, individually or in small groups, to search critically for good enough sources, such as the *Stanford Encyclopedia of Philosophy* or others,<sup>18</sup> and then perhaps to summarize what one has found. A more rewarding but also more demanding alternative could be to investigate these concepts “bottom-up”, more or less interactively in class. If the number of participants and available time permits, one could and should consider a Socratic dialogue design for such an investigation (see Boers 2010, Brinkmann 2015, Brinkmann et al. 2016, Brune et al 2010, Kessels et al. 2009, van Rossem n.d.).<sup>19</sup>

With or without an interactive classroom investigation, with or without Socratic dialogue design, a preliminary conceptual clarification can be helpful, e.g. for instructor preparation before starting.

### *Enlightenment*

Essentially, enlightenment seems to refer to independent, ideology-critical thinking, in particular to skeptical opposition against traditional authorities and widespread prejudice, in society and its subcultures, often in particular against religious thinking.<sup>20</sup> Or, put positively, enlightenment means the same as a conviction of universal values and basic human rights, such as liberty, equality, solidarity (as in the French revolution), as a strong belief in progress, rationalization, modern science, liberation, individually and (to lesser extent) collectively. Among the best candidates for trying out such independent, ideology-critical thinking, or anti-dogmatic thinking within business ethics, one could think of a critique of established mainstream thinking and theory, such as of economism or of neo-classical economic theory (cf once more Ulrich 2002, 2008a, 2008b, or e.g. Huehn 2008).

### *Tolerance*

Tolerance typically denotes an open and permissive *attitude* of putting up with (i.e. tolerating) people with opinions, faith and convictions, practices, moral norms (etc) that *differ* from one’s own or that one even *disapproves* of (such attitudinal tolerance is now and then distinguished from “toleration” which is not so much an attitude, but rather a *permission* of disapproved differences).<sup>21</sup> Forst (2012) for example has suggested that tolerance/ toleration<sup>22</sup> needs to be “practiced voluntarily and is not compelled”, and then to distinguish three components of toleration as a *concept*: objection (of beliefs, rather than indifference towards them), acceptance (beliefs are wrong, but tolerably so, within reasonable limits), and rejection (once such beliefs exceed reasonable limits).<sup>23</sup> Among various approaches, Forst himself sympathizes with a “discursive” justification of the respect conception (where all affected parties have a “basic right” of justification).<sup>24</sup>

### *Wisdom*

Wisdom refers to a knowledge-based *holistic understanding* as a basis of *good judgment* in given specific *situations*, with regard to challenges, possibilities, and necessities of *action*



(and acting accordingly). If one considers it fruitful, one can follow Aristotle's classical distinction between "theoretical" versus "practical" wisdom, i.e. some kind of integrated and holistic theoretical knowledge (across different fields) versus knowing *how to live well*. After a review of different philosophical positions regarding wisdom, such as "humility, accuracy, knowledge, and hybrid theories" of wisdom, Sharon Ryan (2014) concludes in her *Stanford Encyclopedia of Philosophy* entry that "... a theory of wisdom that focuses on having ... justified beliefs ... would be more promising" and recommends, eventually, *deep rationality theory*.<sup>25</sup>

*Are there any additional interesting and fruitful questions one could raise related to the play (closely related or more indirectly)?*

This final question should be read in the same way as question "zero" above - according to qualitative research methodology it is always a good idea to fish for additional thoughts and reflections which might have developed during the above questions asked and the answers suggested.

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**Appendix 1**<sup>26</sup>

**Nathan and Templar knight agree eventually that being human counts more than ascribed membership in a religious community (Act II, Scene 5)**

After Nathan's apologizing for trying to get in touch, and presenting himself as the father of the rescued daughter, the Templar remarks that helping in emergencies is a Templar role duty even when it comes to Jewish lives. Nathan's good listening and wise replies changes the initial reluctance of the Templar to interact with Nathan. The Templar acknowledges Nathan's way of reasoning and communicating).

TEMPLAR.

I confess,  
You know how templars ought to think.

NATHAN.

Still templars—  
And only ought to think—and all because  
The rules and vows enjoin it to the order—  
I know how good men think—know that all lands  
Produce good men.

TEMPLAR.

But not without distinction.

NATHAN.

In colour, dress, and shape, perhaps, distinguished.

TEMPLAR.

Here more, there fewer sure?

NATHAN.

That boots not much,  
The great man everywhere has need of room.  
Too many set together only serve  
To crush each others' branches. Middling good,  
As we are, spring up everywhere in plenty.  
Only let one not scar and bruise the other;  
Let not the gnarl be angry with the stump;  
Let not the upper branch alone pretend  
Not to have started from the common earth.

TEMPLAR.

Well said: and yet, I trust, you know the nation,  
That first began to strike at fellow men,  
That first baptised itself the chosen people—  
How now if I were—not to hate this people,  
Yet for its pride could not forbear to scorn it,  
The pride which it to Mussulman and Christian  
Bequeathed, as were its God alone the true one,  
You start, that I, a Christian and a templar,  
Talk thus. Where, when, has e'er the pious rage  
To own the better god—on the whole world  
To force this better, as the best of all—  
Shown itself more, and in a blacker form,  
Than here, than now? To him, whom, here and now,  
The film is not removing from his eye—  
But be he blind that wills! Forget my speeches  
And leave me.

NATHAN.

Ah! indeed you do not know  
How closer I shall cling to you henceforth.  
We must, we will be friends. Despise my nation—  
We did not choose a nation for ourselves.  
Are we our nations? What's a nation then?  
Were Jews and Christians such, e'er they were men?  
And have I found in thee one more, to whom  
It is enough to be a man?

TEMPLAR.

That hast thou.  
Nathan, by God, thou hast. Thy hand. I blush  
To have mistaken thee a single instant.

NATHAN.

And I am proud of it. Only common souls  
We seldom err in.

TEMPLAR.

And uncommon ones  
Seldom forget. Yes, Nathan, yes we must,  
We will be friends.

## Appendix 2a

### **Saladin introduces his test of Nathan's wisdom (Act III, scenes 5&6)**

Scene 5

SALADIN.

To gain instruction quite on other points.  
Since you are a man so wise, tell me which law,  
Which faith appears to you the better?

NATHAN.

Sultan, I am a Jew.

SALADIN.

And I a Mussulman:  
The Christian stands between us. Of these three  
Religions only one came be the true.  
A man, like you, remains not just where birth  
Has chanced to cast him, or, if he remains there,  
Does it from insight, choice, from grounds of  
preference.  
Share then with me your insight—let me hear  
The grounds of preference, which I have wanted  
The leisure to examine—learn the choice,  
These grounds have motivated, that it may be mine.  
In confidence I ask it. How you startle,  
And weigh me with your eye! It may well be  
I'm the first sultan to whom this caprice,  
Methinks not quite unworthy of a sultan,  
Has yet occurred. Am I not? Speak then—Speak.  
Or do you, to collect yourself, desire  
Some moments of delay—I give them you—  
(Whether she's listening?—I must know of her  
if I've done right.) Reflect—I'll soon return—

Scene 6

NATHAN.

Strange! how is this? what wills the sultan of me?  
I came prepared with cash—he asks truth. Truth?  
As if truth too were cash—a coin disused  
That goes by weight—indeed 'tis some such thing—  
But a new coin, known by the stamp at once,  
To be flung down and told upon the counter,  
It is not that. Like gold in bags tied up,  
So truth lies hoarded in the wise man's head  
To be brought out.—Which now in this transaction

Which of us plays the Jew; he asks for truth,  
Is truth what he requires, his aim, his end?  
That this is but the glue to lime a snare  
Ought not to be suspected, 'twere too little,  
Yet what is found too little for the great—  
In fact, through hedge and pale to stalk at once  
Into one's field beseems not—friends look round,  
Seek for the path, ask leave to pass the gate—  
I must be cautious. Yet to damp him back,  
And be the stubborn Jew is not the thing;  
And wholly to throw off the Jew, still less.  
For if no Jew he might with right inquire—  
Why not a Mussulman—Yes—that may serve me.  
Not children only can be quieted  
With stories...

## Appendix 2b

### **Ring parable (Act III, scene 7)**

NATHAN:

In days of yore, there dwelt in east a man  
Who from a valued hand received a ring  
Of endless worth: the stone of it an opal,  
That shot an ever-changing tint: moreover,  
It had the hidden virtue him to render  
Of God and man beloved, who in this view,  
And this persuasion, wore it. Was it strange  
The eastern man ne'er drew it off his finger,  
And studiously provided to secure it  
For ever to his house. Thus—He bequeathed it;  
First, to the *most beloved* of his sons,  
Ordained that he again should leave the ring  
To the *most dear* among his children—and  
That without heeding birth, the *favourite* son,  
In virtue of the ring alone, should always  
Remain the lord o' th' house—You hear me, Sultan?

(...)

From son to son,  
At length this ring descended to a father,  
Who had three sons, alike obedient to him;  
Whom therefore he could not but love alike.  
At times seemed this, now that, at times the third,  
(Accordingly as each apart received  
The overflowings of his heart) most worthy  
To heir the ring, which with good-natured weakness  
He privately to each in turn had promised.  
This went on for a while. But death approached,  
And the good father grew embarrassed. So  
To disappoint two sons, who trust his promise,  
He could not bear. What's to be done. He sends  
In secret to a jeweller, of whom,  
Upon the model of the real ring,  
He might bespeak two others, and commanded

To spare nor cost nor pains to make them like,  
Quite like the true one. This the artist managed.  
The rings were brought, and e'en the father's eye  
Could not distinguish which had been the model.  
Quite overjoyed he summons all his sons,  
Takes leave of each apart, on each bestows  
His blessing and his ring, and dies—Thou hearest  
me?

(...)

It is ended, Sultan,  
For all that follows may be guessed of course.  
Scarce is the father dead, each with his ring  
Appears, and claims to be the lord o' th' house.  
Comes question, strife, complaint—all to no end;  
For the true ring could no more be distinguished  
Than now can—the true faith.

SALADIN:

How, how, is that  
To be the answer to my query?

NATHAN:

No,  
But it may serve as my apology;  
If I can't venture to decide between  
Rings, which the father got expressly made,  
That they might not be known from one another.

SALADIN:

The rings—don't trifle with me; I must think  
That the religions which I named can be  
Distinguished, e'en to raiment, drink and food,

NATHAN:

And only not as to their grounds of proof.  
Are not all built alike on history,  
Traditional, or written. History  
Must be received on trust—is it not so?  
In whom now are we likeliest to put trust?  
In our own people surely, in those men  
Whose blood we are, in them, who from our  
childhood  
Have given us proofs of love, who ne'er deceived us,  
Unless 'twere wholesomer to be deceived.  
How can I less believe in my forefathers  
Than thou in thine. How can I ask of thee  
To own that thy forefathers falsified  
In order to yield mine the praise of truth.  
The like of Christians.

(...)

Now let us to our rings return once more.  
As said, the sons complained. Each to the judge

Swore from his father's hand immediately  
To have received the ring, as was the case;  
After he had long obtained the father's promise,  
One day to have the ring, as also was.  
The father, each asserted, could to him  
Not have been false, rather than so suspect  
Of such a father, willing as he might be  
With charity to judge his brethren, he  
Of treacherous forgery was bold t' accuse them.

SALADIN:

Well, and the judge, I'm eager now to hear  
What thou wilt make him say. Go on, go on.

NATHAN:

The judge said, If ye summon not the father  
Before my seat, I cannot give a sentence.  
Am I to guess enigmas? Or expect ye  
That the true ring should here unseal its lips?  
But hold—you tell me that the real ring  
Enjoys the hidden power to make the wearer  
Of God and man beloved; let that decide.  
Which of you do two brothers love the best?  
You're silent. Do these love-exciting rings  
Act inward only, not without? Does each  
Love but himself? Ye're all deceived deceivers,  
None of your rings is true. The real ring  
Perhaps is gone. To hide or to supply  
Its loss, your father ordered three for one.

(...)

And (the judge continued)  
If you will take advice in lieu of sentence,  
This is my counsel to you, to take up  
The matter where it stands. If each of you  
Has had a ring presented by his father,  
Let each believe his own the real ring.  
'Tis possible the father chose no longer  
To tolerate the one ring's tyranny;  
And certainly, as he much loved you all,  
And loved you all alike, it could not please him  
By favouring one to be of two the oppressor.  
Let each feel honoured by this free affection.  
Unwarped of prejudice; let each endeavour  
To vie with both his brothers in displaying  
The virtue of his ring; assist its might  
With gentleness, benevolence, forbearance,  
With inward resignation to the godhead,  
And if the virtues of the ring continue  
To show themselves among your children's children,  
After a thousand thousand years, appear  
Before this judgment-seat—a greater one  
Than I shall sit upon it, and decide.  
So spake the modest judge.

### Appendix 3

#### **In spite of the Christians' murder of his family, Nathan accepts taking care of a Christian girl as if she were his own daughter (Act IV, scene 7)**

NATHAN.

'Twas at Darun you met me with the child;  
But you will not have known that a few days  
Before, the Christians murdered every Jew in Gath,  
Woman and child; that among these, my wife  
With seven hopeful sons were found, who all  
Beneath my brother's roof which they had fled to,  
Were burnt alive.

FRIAR.

Just God!

NATHAN.

And when you came,  
Three nights had I in dust and ashes lain  
Before my God and wept—aye, and at times  
Arraigned my maker, raged, and cursed myself  
And the whole world, and to Christianity  
Swore unrelenting hate.

FRIAR.

Ah, I believe you.

NATHAN.

But by degrees returning reason came,  
She spake with gentle voice—And yet God is,  
And this was his decree—now exercise  
What thou hast long imagined, and what surely  
Is not more difficult to exercise  
Than to imagine—if thou will it once.  
I rose and called out—God, I will—I will,  
So thou but aid my purpose—And behold  
You was just then dismounted, and presented  
To me the child wrapt in your mantle. What  
You said, or I, occurs not to me now—  
Thus much I recollect—I took the child,  
I bore it to my couch, I kissed it, flung  
Myself upon my knees and sobbed—my God,  
Now have I one out of the seven again!

FRIAR.

Nathan, you are a Christian! Yes, by God  
You are a Christian—never was a better.

NATHAN.

Heaven bless us! What makes me to you a Christian  
Makes you to me a Jew...

### **Endnotes**

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<sup>1</sup> For a positive presentation of the play see here: "The (Lessing) play is a plea for religious tolerance. Nathan's response to the Sultan implies that the moral value of religion is more important than its claim to truth. The play's ending shows people of different faiths to be part of a greater family, thus expressing the hope that one day all of humanity will be equal..."

(<https://sites.google.com/site/germanliterature/18th-century/lessing/nathan-der-weise-nathan-the-wise>) Under the same web-address there is also a short summary of the play. For performance videos and audio-books in German see e.g. <https://www.youtube.com/watch?v=L-kaJNCwOW4>, <https://www.youtube.com/watch?v=of6sF3UI3pE>, <http://www.swr.de/swr2/programm/sendungen/hoerspiele/swr2-hoerspiel-am-sonntag-nathan-der-weise/-/id=660014/did=14529718/nid=660014/1rqpip7/index.html>, <https://www.youtube.com/watch?v=jTp6wq0LYns>

<sup>2</sup> For philosopher defenses and objections to such criticism cf. De George's, Koehn's and Werhane's responses in the same *Business Ethics Quarterly*-issue (vol. 16, #3).



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<sup>3</sup> This summary is in part based on and translated from the plot summary in <http://www.xlibris.de/Autoren/Lessing/Kurzinhalt/Nathan%20der%20Weise> . For a good plot summary see also Lessing and Schechter 2004, pp. 10-12.

<sup>4</sup> DAYA tells NATHAN the story as follows (act I, scene 1):

He came, he went, we know not whence, or whither.  
Quite unacquainted with the house, unguided  
But by his ear, he prest through smoke and flame,  
His mantle spread before him, to the room  
Whence pierced the shrieks for help; and we began  
To think him lost—and her; when, all at once,  
Bursting from flame and smoke, he stood before us,  
She in his arm upheld. Cold and unmoved  
By our loud warmth of thanks, he left his booty,  
Struggled into the crowd, and disappeared.

<sup>5</sup> For the ring parable in different sources and translations see <http://www.lessing-akademie.de/ringparabel/ringparabel.html> . In the Lessing piece, the parable is told by Nathan (see appendix 2b). Lessing by the way re-used the story from Boccaccio's Decameron: [http://en.wikisource.org/wiki/The\\_Decameron/Novel\\_1,\\_3](http://en.wikisource.org/wiki/The_Decameron/Novel_1,_3) See for further readings in German e.g. Kuschel 2009 or Tück's presentation of a University of Vienna symposium about Lessing's ring parable <https://medienportal.univie.ac.at/uniview/veranstaltungen/detailansicht/artikel/lessings-ringparabel-und-die-verstaendigung-zwischen-den-religionen/> (which later resulted in an edited volume, see Tück and Langthaler 2016). For still another presentation see still S. Horsch (2004), Lessing, der Islam und die Toleranz, [http://www.al-sakina.de/inhalt/artikel/lessing\\_islam/lessing\\_islam.html](http://www.al-sakina.de/inhalt/artikel/lessing_islam/lessing_islam.html)

<sup>6</sup> In another and additional candidate scene the long-term pre-history of the play surfaces, towards the end of the play, where Nathan talks about taking responsibility for (the Christian girl) Recha as his own daughter, in spite of the crusaders' preceding assassination of his own family, see appendix 3 for the text in English.

<sup>7</sup> Cf. qualitative research methodology which recommends for individual interviews or focus groups, wide and general follow-up questions as the ideal and worth trying out first, rather than asking narrower follow-up questions right away. This meta-communicates, not least, that the respondent or in our case the learner is the main person in the situation, rather than the researcher or the instructor.

<sup>8</sup> See e.g. <http://www.telegraph.co.uk/news/worldnews/europe/france/11331902/Charlie-Hebdo-attack-Frances-worst-terrorist-attack-in-a-generation-leaves-12-dead.html>, or with a focus on its prehistory <http://www.telegraph.co.uk/news/worldnews/europe/france/11341599/Prophet-Muhammad-cartoons-controversy-timeline.html> (the Muhammad cartoons controversy triggered by the *Jyllandsposten* publication of "the face of Muhammad" September 2005), or about the understandability (and misunderstandability) of such humor see e.g. <http://www.france24.com/en/20160801-charlie-hebdo-humour-satire-controversy-religion-secularism-islam-je-suis-charlie-culture>

<sup>9</sup> See e.g. [http://en.wikipedia.org/wiki/2015\\_Copenhagen\\_shootings](http://en.wikipedia.org/wiki/2015_Copenhagen_shootings)

<sup>10</sup> See e.g. [https://en.wikipedia.org/wiki/November\\_2015\\_Paris\\_attacks](https://en.wikipedia.org/wiki/November_2015_Paris_attacks), [https://en.wikipedia.org/wiki/2016\\_Brussels\\_bombings](https://en.wikipedia.org/wiki/2016_Brussels_bombings), [https://en.wikipedia.org/wiki/2016\\_Nice\\_attack](https://en.wikipedia.org/wiki/2016_Nice_attack) and [https://en.wikipedia.org/wiki/2016\\_Berlin\\_attack](https://en.wikipedia.org/wiki/2016_Berlin_attack)

<sup>11</sup> <https://www.youtube.com/watch?v=co2DfhiSs8>

<sup>12</sup> <http://www.nrk.no/norge/1.300-people-formed-ring-of-peace-outside-oslo-synagogue-after-young-muslims-initiative-1.12222956> .

<sup>13</sup> See e.g. M. Haus and P. Singer in their 2005 memo about “Morality without religion” [http://www.qcc.cuny.edu/SocialSciences/ppecorino/INTRO\\_TEXT/Chapter%208%20Ethics/Reading-Morality-without-Religion.htm](http://www.qcc.cuny.edu/SocialSciences/ppecorino/INTRO_TEXT/Chapter%208%20Ethics/Reading-Morality-without-Religion.htm) and cf as a concrete example the debate about young female Muslims’ right to live religious-free in a short video (in German) : <http://www.zdf.de/ZDFmediathek/hauptnavigation/sendung-verpasst#/beitrag/einzelsendung/2364364/Morgenmagazin-vom-18-M%C3%A4rz-2015>

<sup>14</sup> Another aspect is that Saladin seems to be good at delegating responsibility (to his sister, “for negotiating”).

<sup>15</sup> As an easily accessible start, see the SEP articles about virtue ethics <http://plato.stanford.edu/entries/ethics-virtue/> and/or about moral character <http://plato.stanford.edu/entries/moral-character/> . In addition to standard chapters and chapter sections in most Business ethics introductory texts, there are numerous JBE, BEQ, and EJBO articles about virtue ethical business ethics in general (such as Dobson 2007, Fontrodona et al. 2003, Hartman 1998, Sison et al. 2002, Solomon 1992, 2000, 2003). About virtue ethics in business education and business ethics teaching see e.g. Wittmer and O’Brien 2014 or Mintz 1996.

<sup>16</sup> One could also here begin with sources such as [http://en.wikipedia.org/wiki/Age\\_of\\_Enlightenment](http://en.wikipedia.org/wiki/Age_of_Enlightenment), or rather <https://de.wikipedia.org/wiki/Aufkl%C3%A4rung> or much better perhaps <http://plato.stanford.edu/entries/enlightenment/>. Compared to virtue ethics, there is not much written about business ethics as enlightenment. As an exception, mostly in German, see Swiss Peter Ulrich’s (and followers’) writings, e.g. Ulrich 2002, Ulrich 2008a, 2008b

<sup>17</sup> See the Kant text in English here [http://www.germanhistorydocs.gi-dc.org/pdf/eng/12\\_EnlightPhilos\\_Doc.2\\_English.pdf](http://www.germanhistorydocs.gi-dc.org/pdf/eng/12_EnlightPhilos_Doc.2_English.pdf) and in German e.g. here: <http://gutenberg.spiegel.de/buch/-3505/1> . Cf also the essay (about the same topic) by Mendelssohn (Lessing’s real life model for Nathan the Wise): [https://de.wikisource.org/wiki/Ueber\\_die\\_Frage:\\_was\\_hei%C3%9Ft\\_aufkl%C3%A4rung%3F](https://de.wikisource.org/wiki/Ueber_die_Frage:_was_hei%C3%9Ft_aufkl%C3%A4rung%3F) , and with various additional references and links [http://en.wikipedia.org/wiki/Answering\\_the\\_Question:\\_What\\_is\\_Enlightenment%3F](http://en.wikipedia.org/wiki/Answering_the_Question:_What_is_Enlightenment%3F) or [https://de.wikipedia.org/wiki/Beantwortung\\_der\\_Frage:\\_Was\\_ist\\_Aufkl%C3%A4rung%3F](https://de.wikipedia.org/wiki/Beantwortung_der_Frage:_Was_ist_Aufkl%C3%A4rung%3F)

<sup>18</sup> See e.g. <http://plato.stanford.edu/entries/wisdom/> , <http://plato.stanford.edu/entries/tolerantion/> , or on a lower level of ambition <http://en.wikipedia.org/wiki/Wisdom> , <http://en.wikipedia.org/wiki/Tolerance> and the references under note 14 above about enlightenment

<sup>19</sup> A quick search suggests that e.g. “tolerance” has been investigated in at least two of the regular dialogues staged by the British and German Socratic dialogue societies, one with Hodgson as a facilitator in 2013 and one with Malmquist in 2004.

<sup>20</sup> See once more <http://plato.stanford.edu/entries/enlightenment/> and the other references under notes 16 and 17 above about enlightenment

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<sup>21</sup> Such a “permission” element presupposes a position to permit, e.g. being a majority or having sufficient power for other reasons. While there is only one verb in English, to tolerate, there are two nouns derived from it (or the other way around?). The use of tolerance seems to be “wider” and more everyday than toleration, while toleration seems to be “older”- see perhaps <http://grammarist.com/usage/tolerance-toleration/> . See about tolerance/toleration both the SEP entry <http://plato.stanford.edu/entries/toleration/> and various wiki-sources for further references, especially <http://en.wikiversity.org/wiki/Virtues/Tolerance> . About the intolerance of intolerance, the so-called “tolerance paradox” see e.g. Walzer 1997, pp. 80-81 (who asks if one should “tolerate the intolerant” and who states that tolerated minority groups often are intolerant of the tolerant majority). For a classroom discussion one could also consider the “ten truths of tolerance” (Stetson and Conti 2005) as a handout (for an easily accessible – longer - version see also <http://en.wikiversity.org/wiki/Virtues/Tolerance>):

1. Tolerance is a patience toward a practice or opinion you disapprove of
2. Tolerance has limits
3. Tolerance allows for spirited and principled debate
4. Non-tolerance is essential and distinct from intolerance
5. Tolerance is the virtue that makes peace possible
6. Respect the person as you disagree with their ideas
7. Tolerance is not philosophical indifference
8. Tolerance is consistent with your own well-founded convictions about truth and moral behavior
9. Vigorous deliberation of disagreement and moral evaluation is promoted by tolerance and moves us toward a common understanding of the good
10. Tolerance respects context

<sup>22</sup> In his publications in English Forst tends to use “toleration”, in his publications in German “Toleranz” (tolerance).

<sup>23</sup> In two next steps, Forst 2012 derives first three “paradoxes” of toleration, each from its above mentioned component and suggests then a distinction between four approaches (or “conceptions”) of toleration: “relations of toleration are hierarchically ordered according to the first conception, quite unstable according to the conception of ‘coexistence’, while the ‘esteem conception’ is the most demanding in terms of the kind of mutual appreciation between the tolerating parties... (...) Accordingly..., the ‘respect conception’ is often seen as the most appropriate and promising...”

<sup>24</sup> “...Toleration consists of the insight that reasons of ethical *objection*, even if deeply held, cannot be valid as general reasons of *rejection* so long as they are reciprocally rejectable as belonging to a conception of the good or true way of life that is not and need not be shareable... Might there be the possibility ... of a ‘tolerant’ theory of toleration that is at the same time substantive enough to ground and limit toleration?”

<sup>25</sup> According to what Ryan calls *deep rationality theory* a person S “is wise if

1. S has a wide variety of epistemically justified beliefs on a wide variety of valuable academic subjects.
2. S has a wide variety of justified beliefs on how to live rationally (epistemically, morally, and practically).
3. S is committed to living rationally.

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4. S has very few unjustified beliefs and is sensitive to her limitations...”

Or in prose, *ibid.*: “The Deep Rationality Theory rules out all of the unwise poets, politicians, and craftsmen that were ruled out by Socrates. Wise people do not think they know when they lack sufficient evidence. Moreover, wise people are not epistemically arrogant. The Deep Rationality Theory does not require knowledge or perfection. But it does require rationality, and it accommodates degrees of wisdom...”

Cf in addition to Ryan’s (2014) SEP entry <http://plato.stanford.edu/entries/wisdom/> the following quotation which could be considered as a handout for discussion (Nozick 1989, p. 269): “Wisdom is not just one type of knowledge, but diverse. What a wise person needs to know and understand constitutes a varied list: the most important goals and values of life – the ultimate goal, if there is one; what means will reach these goals without too great a cost; what kinds of dangers threaten the achieving of these goals; how to recognize and avoid or minimize these dangers; what different types of human beings are like in their actions and motives (as this presents dangers or opportunities); what is not possible or feasible to achieve (or avoid); how to tell what is appropriate when; knowing when certain goals are sufficiently achieved; what limitations are unavoidable and how to accept them; how to improve oneself and one’s relationships with others or society; knowing what the true and unapparent value of various things is; when to take a long-term view; knowing the variety and obduracy of facts, institutions, and human nature; understanding what one’s real motives are; how to cope and deal with the major tragedies and dilemmas of life, and with the major good things too...”

<sup>26</sup> Appendices 1-3 are taken from the full text of *Nathan the Wise: a dramatic poem in five acts* (transl. W. Taylor) which is available online here: <http://www.gutenberg.org/files/3820/3820-h/3820-h.htm>. There are at least another 11 translations to English, see [https://en.wikipedia.org/wiki/Nathan\\_the\\_Wise](https://en.wikipedia.org/wiki/Nathan_the_Wise) with a list. The original text in German is found here: <http://lessing-portal.hab.de/uploads/media/Nathan.pdf>.

Johannes Brinkmann

## Socratic Dialogue (in the Nelson-Heckmann Tradition): A Catalyst for Reducing the Theory – Practice Divide in Business Ethics?

ms. Oslo 2014, printed 2015 in:

K.J. Ims and L.J.T. Pedersen (eds.), *Business and the Greater Good: Rethinking Business Ethics in an Age of Crisis*. Cheltenham, UK: Edward Elgar Publishing, 240-261.

### 12.1 Introduction

The present paper is about *Socratic dialogue* as a specific small group conversation process design suggested by the German philosophers Leonard Nelson and Gustav Heckmann (inspired by Plato's classical dialogues with Socrates as the ever-questioning main person, or communication "midwife"). This specific design is presented first, more or less as a short guided tour through some recommended literature. Then, three dialogue examples are presented and discussed. The paper suggests that the business ethics community with its discourse ethics and stakeholder-dialogue tradition should consider and try out this design for how to walk the talk, offering the dialogue participants a learning by doing experience of what an ideal moral conversation could look like.<sup>1</sup>

### 12.2 Socratic dialogue

Socratic dialogue (subsequently: SD) refers to a specific small group discussion process, following the design suggested by the German philosophers Leonard Nelson and Gustav Heckmann (inspired by Plato's classical dialogues with Socrates as the ever-questioning main person, or communication "midwife"). On one of more and more Socratic dialogue "facilitator" websites, this design is presented as follows:

"... Socratic Dialogue is practiced in small groups with the help of a facilitator, so that self-confidence in one's own thinking is enhanced and the search for truth in answer to a particular question is undertaken in common. No prior philosophical training is needed, provided participants are motivated to try the method, are willing to contribute their honest thoughts and to listen to those of others. The questions, drawn mainly from ethics, politics, epistemology, mathematics and psychology, are of a general and fundamental nature. The endeavour of the group is to reach consensus, not as an aim in itself, but as a means to deepen the investigation..."

<http://www.sfc.org.uk/> [accessed 28 May 2014].<sup>2</sup>

In addition to the classical texts by Leonard Nelson (1922/1949) and Gustav Heckmann (e.g. 1981) there are a number of short and useful introductions to the SD methodology (such as Kessels 1996; Krohn 1998 or Birnbacher 2010). In this paper a few

fragments from these sources can be presented, as guide to further reading and a frame of reference for the dialogue examples.

### ***12.2.1 “Indispensable features”***

A first useful reference is Dieter Krohn’s distinction of **four “indispensable features” of SD** in the Nelson-Heckmann tradition, “meant to promote autonomy in thinking: philosophical insights [which] may be gained only by those who engage in the process of knowing in their own mind. External influences should only stimulate such independent thinking...” (Krohn 1998, pp.131-132; for an English translation, see e.g. <http://www.sfcg.org.uk/socratic-dialogue-2/> [accessed 28 May 2014]; italics added by present author)

1. *Starting with the concrete and remaining in contact with concrete experience*: Insight is gained only when in all phases of a Socratic Dialogue the link between any statement made and personal experience is explicit. This means that a Socratic Dialogue is a process which concerns the whole person.
2. *Full understanding between participants*: This involves much more than verbal agreement. Everyone has to be clear about the meaning of what has just been said by testing it against her or his own concrete experience. The limitations of individual personal experience which stand in the way of full understanding should be made conscious and thereby transcended.
3. *Adherence to a subsidiary question until it is answered*: in order to achieve this, the group is required to bring great commitment to their work and to gain self-confidence in the power of reason. This means on the one hand, not giving up when the work is difficult, but on the other, to be calm enough to accept, for a time, a different course in the dialogue in order then to return to the subsidiary question.
4. *Striving for consensus*: This requires an honest examination of the thoughts of others and being honest in ones own statements. When such honesty and openness towards ones own and other participants’ feelings and thinking are present, then the striving for consensus will emerge, not necessarily the consensus itself.

### ***12.2.2 Rules***

Another useful way of understanding and presenting SD is by its **rules**, for the facilitator, the participants and for the procedure (Birnbacher 2010, pp.223-230; table 1 construction and transl. from German by present author).<sup>3</sup>

Facilitator role (rights& duties) <sup>4</sup>	Participant role (rights& duties)	Rules of procedure
<ol style="list-style-type: none"> <li>1. Restrained and cautious</li> <li>2. Neutral and protecting the slow thinkers</li> <li>3. Further mutual understanding</li> <li>4. Stay with the question</li> <li>5. Aim at a consensus</li> </ol>	<ol style="list-style-type: none"> <li>1. Talk understandably</li> <li>2. Try to understand one another</li> <li>3. Stick to one's own experience</li> <li>4. Voice uneasiness</li> </ol>	<ol style="list-style-type: none"> <li>1. Topic develops within the group</li> <li>2. Dialogue departs from own experience</li> <li>3. All important mentioned thoughts are written down</li> <li>4. Substantial and meta dialogue are kept apart</li> </ol>

**Table 1: Roles and Rules**

### **12.2.3 Dialogue process design**

At least if there are newcomer participants, a Socratic Dialogue typically starts with an **introduction** by the facilitator, in his/her own words, about the dialogue process, about the distinction between substantial dialogue vs. meta and strategic dialogue,<sup>5</sup> and the rules of the game and not least about the facilitator role (cf Heckmann in Birnbacher and Krohn 2002, pp.73-91). The theme or **topic of the dialogue**, often in a question sentence, can be given in the invitation or as part of the introduction. Theoretically, one can also start with first agreeing on a topic as a first dialogue stage. Once the topic is given and clear, the next step consists in inviting **participant stories**, that is the participants are asked to share self-experienced stories which in their opinion best illustrate the dialogue topic (if one wants to or needs to save time, one can also ask the participants to identify, write down and bring suitable, relevant stories to the dialogue). These stories, or at least short forms of them, are then written down on posters, for example using a flip-over device. Out of these stories, **one story has to be chosen** by consensus, as the best illustration of the theme and by assumed productivity for the following dialogue<sup>6</sup> (Sometimes, one can reduce the number of stories in two steps. First, they could be discussed in small breakout groups of 2-3 participants who have to select "theirs", then *the* story would be selected from the pre-selected set.)

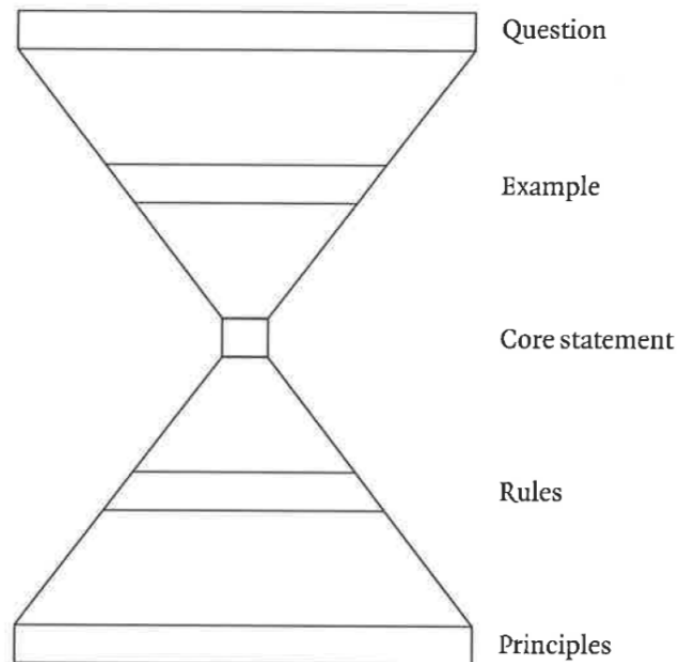
In the next step which one can call **preliminary story examination**, the story and its author are asked questions for a better and deeper and more common understanding of his or her story. From its start to its end, the whole dialogue process is **documented** on a growing number of numbered, hand-written poster sheets, which in turn are posted on the walls, present and accessible to the dialogue participants.

The rest of the dialogue can be summarized under the headline of **regressive abstraction**, or with a quotation from Jos Kessels (1996, p. 61):

"... to generate ... insight through the analysis of a single, realistic example. This method is called regressive abstraction. It implies that, starting from a concrete

example, the questioner asks ‘backward’, investigating the presuppositions that the example is based upon (regression). By making these explicit ... we discover the foundations on which these judgments are based. This makes it possible to examine them, sharpen or justify them, and hold them to scrutiny. Thus we may develop general insights (abstraction)...”<sup>7</sup>

Now and then this methodology is visualized as an hour glass (see e.g. Kessels et al. 2009, p. 40):



**Figure 1: The Hour Glass Model (source: Kessels et al. 2009)**

### 12.3 Published descriptions of dialogues<sup>8</sup>

A truly empathetic description of a SD related to a business ethical topic is **Stan van Hooft's protocol** of a three day dialogue in Melbourne (1999), about the topic “*What can philosophy offer enterprise?*” On eight pages (out of 11) the he author tells the story as a story, without too many abstractions and evaluations inserted (the introductory two pages present the methodology and a one page author's reflection section conclude the paper). The selected example story refers to the story-teller's experience of marriage counseling as avoiding ethical questions related to power, responsibility and right-wrong issues, and that philosophy was underexploited in such value-free, relativist approaches (p. 115), in a next step elaborated a bit further using seven specifications (p. 116). The group then develops formulations about “what philosophy is”, referring to the example, in nine points (pp. 116-120). Then, on day three, the group feels “ready to approach the dialogue's central question”, and brainstorming results in six tentative answers (pp. 120-122). Then, in a final “attempt”, six suggestions came up for formulating “an answer to the dialogue question”, for example (e): “establishing a continuing ‘space’ within the enterprise, and ‘owned’ by it,



for this discourse...” (p. 123). And, as the author observes, a “non-consensual outcome was appropriate to the varied nature of philosophy itself...” (ibid.)

Similarly thorough and empathetic is **Ute Siebert’s description** of a six-day (!) dialogue, facilitated by herself, about “*How free is a human being when making a decision?*”, found in the appendix of her published Ph.D. thesis (2001, in German, pp. 285-296, now and then referring to 11 posters (texts on pp. 297-299). The selected story is about a participant’s decision to give up her plan to become a school teacher, as a consequence of becoming increasingly uncertain, i.e. questioning her motives and identity during her trainee stage after college (see e.g. p. 297).

A much shorter (half-day) dialogue is summarized by **Rene Saran**, taking place at Hampstead school, with 10 Students from Years 8 and 9 and the Tamsyn Imison Headteacher, trying to address and answer the question “*Is bullying a fact of life?*”(the description is accessible online, see <http://www.sfcp.org.uk/an-example-socratic-dialogue/> [accessed 28 May 2014]). The SD description is nicely organized with a left column where a SD structure in general terms is elaborated a bit further in prose (this structure is then illustrated by quotations from the specific SD, in a right column):

- Examining the question
- Suggesting Examples from personal experience
- Selecting an example to focus on
- Questions
- Response from Example Giver
- Generalizing from the Example
- Evaluation

After some adequate preparation, the following story was selected “as an example to focus on”:

“Some students got hold of a photo of me. They photocopied it. They wrote nasty comments on some of the copies (slag, bitch). Some were stuck up in the corridor of the English block. A boy told me: “These are being handed round school”. I and my sister threw a lot of them away. The action made me feel small, I had done nothing to the bullies. This time the bullying was the last straw and I had to tell the teachers again, this time saying something had to be done because I could not handle it anymore. Meanwhile I have learnt to cope, but I don’t like the way the bullies get at my friends in order to get at me. The bullies are always in a group, which is threatening...” (ibid.).

#### **12.4 Three self-experienced examples**

Reading more or less empathetic descriptions of dialogues is clearly the second best alternative, compared to experiencing a dialogue oneself as a participant, at least once, but rather twice or even more often. Not quite consistently with that, perhaps, three dialogues (which the author participated in) are summarized in a text table format, on the following pages, (see table 2). The two first ones took place in the context of gatherings in Springe and

**Table 2: Three self-experienced examples**

	August 2011	February 2012	July 2012
Dialogue Question/ Topic	<b>What is a just decision? (I)</b>	<b>What does it mean to work on oneself? (II)</b>	<b>Taking risks responsibly (III)</b>
Experience: shared stories (short forms)	<ul style="list-style-type: none"> <li>• Just grading, general (stakeholder) and specific considerations</li> <li>• Poor country student doesn't pay college fee</li> <li>• Student grade decision</li> <li>• Working in father's firm</li> <li>• Failing a dissertation</li> <li>• Handling plagiarism</li> </ul>	<ul style="list-style-type: none"> <li>• Stress reduction course</li> <li>• Morning exercises</li> <li>• Weight loss</li> <li>• Mindfulness</li> <li>• Becoming better at taking and implementing decisions</li> <li>• Bracelet</li> <li>• Forgiveness</li> </ul>	<ul style="list-style-type: none"> <li>• Going off with a stranger</li> <li>• Mexican guys</li> <li>• Trust my intuition</li> <li>• Becoming a farmer without experience</li> <li>• Giving up everything to go to university</li> <li>• Travel logistics stress</li> <li>• Rescue line</li> </ul>
Experience: selected story	<p>It was a just decision to give NN a 2<sup>nd</sup> chance in respect of an assessed essay for his degree. His 1<sup>st</sup> attempt had been totally plagiarized and was a fail. The tutor X concerned spoke to me, I was K's personal tutor. I asked X if she would agree to my having a talk with NN about the plagiarism &amp; what had motivated NN. in doing this, i.e. what had been the reason as NN was perfectly able to write his own essay. X agreed. In the conversation NN never denied that he had copied, but could see no wrong in this. NN&amp; I then discussed the academic conventions for authors citing precise references when quoting other people's work. I said, at the extreme his action could be seen as stealing other people's intellectual property. This would be dishonest. In the end he saw the point.</p>	<p>(Confidential nuclear family story, about how to handle it wisely): Working on myself is walking through significant life situations towards unconditional love</p>	<p>NN went from living a very secure life with a secure home and a supportive community to living without this security in order to study. NN was aware that NN was giving up a great deal and wasn't certain what the outcome would be but it was worth the risk. When NN weighed up making this move against keeping this security it felt like the better thing to do. As NN felt driven towards achieving greater financial independence an to be a better role model for NN's son, then aged 7. It felt like a risk to give up the security NN had, but NN believed at to be the more responsible thing to do to pursue the aim going to university.</p>

**Table 2: Three self-experienced examples**

Dialogue Question/ Topic	<b>What is a just decision? (I)</b>	<b>What does it mean to work on oneself? (II)</b>	<b>Taking risks responsibly (III)</b>
<p>Questions examining the selected story and author's responses</p>	<p>Why was it a just decision to give NN a 2<sup>nd</sup> chance by writing a new essay on another subject?</p> <p><b>Reasons:</b></p> <ul style="list-style-type: none"> <li>a) 1<sup>st</sup> generation student in the late 70ies</li> <li>b) At first did not understand why plagiarism was wrong</li> <li>c) Teasing out why authors cite references</li> <li>d) I knew that NN was honest</li> <li>e) Knew that NN had some personal problems</li> <li>f) NN did not deserve to his final grade prejudiced by a failed essay</li> </ul>	<p>Focusing on what is the meaning of walking/ working and of unconditional love (examples)</p> <ul style="list-style-type: none"> <li>a) How does it work on a daily basis?</li> <li>b) Does the presented problem really express unconditional love?</li> <li>c) How does the story owner change in the process?</li> <li>d) Which further steps seem necessary?</li> <li>e) How much support from others is needed/wished/refused when it comes to working on oneself?</li> </ul>	<p><b>What is the risk for NN?</b></p> <p>NN: moving to a flat that we couldn't have for long was a big risk because we could end up homeless. There was also a risk to my son's well-being if we didn't move... I saw my personal risk in failure if I did not get my degree and secure a good job. I felt that achieving the above was an important part of being a responsible parent.</p> <p>1: Risk and responsibility in this case are tightly interconnected because of NN's role as a single mother</p> <p>NN: I was aware that reports had shown life outcomes of lone parents' families were ... more negative and therefor I saw it as part of my responsibility ... to improve life chances. I felt that it was my responsibility to make that choice</p> <p>2: NN thought that she didn't want to be labeled as a bad parent</p> <p>3: Everyone has to take responsibility for [one's] own choices</p> <p>2: How did you weigh up?</p> <p>NN: Part of the decision was wanting to be in charge of my own future and not wanting to rely on luck, other people or faith.</p>

**Table 2: Three self-experienced examples**

Dialogue Question/ Topic	What is a just decision? (I)	What does it mean to work on oneself? (II)	Taking risks responsibly (III)
Abstractions developed	<p>Examining reasons</p> <ul style="list-style-type: none"> <li>• Follow rules&amp; procedures vs focus on the unique aspects of the case</li> <li>• Personal tutor's advocacy</li> </ul>	<p>What are the criteria/indicators of working on oneself in the example?</p> <ol style="list-style-type: none"> <li>a) The aim is attainable and profitable</li> <li>b) That the story owner changes</li> <li>c) That the story owner decided to change</li> <li>d) Reaching inner peace</li> <li>e) Distinguish between working on oneself and the result</li> <li>f) Discipline</li> <li>g) Noticing milestones on this path is helpful</li> </ol>	<p>The important aspects NN weighed up at that time included</p> <ul style="list-style-type: none"> <li>• Doing nothing</li> <li>• Relying on others</li> <li>• Wanting to achieve a good life for me and my son</li> <li>• Wanting to be a responsible ... person</li> <li>• Not being responsible for an undesirable future</li> <li>• Doing all I could for realizing an alternative, desirable future</li> <li>• Loose a good community I was part of</li> <li>• To loose a secure home, permanently</li> <li>• Being a good role-model for [the] son</li> <li>• Improving [NN's] economy</li> </ul> <p>Group's/ group members' definitions:</p> <ul style="list-style-type: none"> <li>• 1/2: Taking a risk responsibly means minimizing the likelihood of something bad happening</li> <li>• 4: Is the possibility of a huge loss included in (implied by) risk taking?</li> <li>• NN: Taking risk involves making a choice (group consents: <b>C</b>)</li> <li>• NN: Risk is taking a chance on the outcome of our action being either positive or negative. Taking risk responsibly is understanding and weighing up these possibilities in order to make an informed choice</li> </ul>

**Table 2: Three self-experienced examples**

Dialogue Question/ Topic	<b>What is a just decision? (I)</b>	<b>What does it mean to work on oneself? (II)</b>	<b>Taking risks responsibly (III)</b>
As long as we got	<p>The participants' answers to their reading of the story ("reasons for calling a decision just"; selection):</p> <ul style="list-style-type: none"> <li>• The action implied in the decision resolves the existing problem; the decision takes into account both individuals involved and present practice and regulations; the decision does not unduly harm other people</li> <li>• Uses proper process for maximizing god consequences, minimizing harm/criticism</li> </ul> <p>The participants' view of the essence of the topic</p> <ul style="list-style-type: none"> <li>• A judgment that entails action, which takes into account particular circumstances and can be justified in accordance with recognized norms</li> <li>• Is a responsible decision that takes into account its consequences after having considered the situation and the people in it</li> <li>• Is a decision which has to be based on particulars of the case and a decision maker's concept of justice</li> <li>• Balances wisely relevant criteria, esp. case particulars against impartiality and reference to past/present/future aspects, ideally reached by dialogue rather than individually</li> </ul>	<p>There are three elements in working on oneself:</p> <ol style="list-style-type: none"> <li>a) Understanding, reflection, awareness, mindfulness</li> <li>b) Skills to live, how-to techniques</li> <li>c) Control, adapt, master, responding</li> </ol> <p>Conclusions:</p> <ol style="list-style-type: none"> <li>1) To work on oneself means to consciously learn new patterns of adaptive behavior</li> <li>2) Working on oneself is obtaining skills in order to attain an intended outcome</li> <li>3) Choosing to do the <u>right</u> thing with deep empathy towards oneself and others. In the process, it is possible to let go of patterns or find new ones. It is a learning process that happens on a daily basis. It is going towards a goal and there are tools available to support this work.</li> </ol>	<p>Acting responsibly (individual silent brainstorming), mentioned by all (by all but one:*):</p> <ul style="list-style-type: none"> <li>• Weighing, balancing pros&amp; cons</li> <li>• Risk conscious</li> <li>• Take action</li> <li>• Competence</li> <li>• Ability</li> <li>• Decision making</li> <li>• Be prepared to be brave</li> <li>• Be prepared to sacrifice</li> <li>• Reflecting*</li> <li>• Value others*</li> <li>• Thinking about all possible outcomes*</li> </ul> <p>Taking risk involves making a choice, and to do so responsibly, means to collect as much available information as possible. Then evaluate it based on the consequences of (for?) all those affected by [the] decision and its outcomes, <b>C</b></p>

Würzburg respectively, arranged by the German *Gesellschaft für sokratisches Philosophieren* (<http://www.philosophisch-politische-akademie.de/gsp.html>) [accessed 28 May 2014]. The third dialogue took place in my private home south of Oslo, in Norway. All these three dialogues were conducted in English.

In addition to these simplified descriptive summaries one can briefly address how one could try to understand and to evaluate such dialogues, both on their own terms and by external criteria, in hindsight.

First of all, the most important understanding and evaluation is supposed to be addressed and agreed on by the dialogue participants themselves as assumed owners of the dialogue process, as a **meta-dialogue** about the respective substantive dialogue in progress. One could say that there is an idealistic assumption of shared responsibility for voicing (and not voicing) any concerns about the dialogue process. Such meta-dialogues took place in all three dialogues, but were (wondering in hindsight) perhaps now and then underexploited, since voicing uneasiness can feel uneasy in itself, especially if the dialogue might have reached a point of no (easy) return (the author's own meta-dialogue II notes suggest that some principal objections related to the group dynamics and the acceptability of the chosen story were not mentioned during the dialogue, only off-record to the facilitator).

The responsibility for understanding and evaluating the dialogue process continuously is not only shared among the participants (in the meta-dialogue), but also between the meta-dialogue (or the participants) and the **facilitator**, who by definition has the responsibility for facilitating the substantive dialogue. In the three sample dialogues the same person facilitated dialogues I and III, and played the role perhaps somewhat more self-confidently (or actively), than the dialogue II-facilitator did (who could for example, theoretically, have stopped the choice of the story).

Most likely, one sees some avoidable traps and unexploited opportunities better **in hindsight** than when one is still in the dialogue, and as an experienced facilitator more likely than for example as a newcomer participant. Such reflections in hindsight (and for learning for the future) can be either an additional or even a better understanding and evaluation on the dialogue's own terms, of the assumed unique key success factor type (or the contrary), or more or less inspired by criteria such as the ones presented earlier in this paper: "Krohn's four indispensable features", facilitator and participant role performance, following or deviating from the proper rules of procedure, advantages and disadvantages of the chosen story, speed and quality of the story examination and elaboration, and not least speed, quality and conclusion of the of the regressive abstraction process. Rather for illustrating the last mentioned thoughts about wise evaluations in hindsight than for claiming wise evaluations in hindsight of the referred-to dialogues another text table can be used (see Table 3).

Criteria	Dialogue I	Dialogue II	Dialogue III
Dialogue on its own terms	Homogeneity of participants' professional backgrounds makes consensus-building almost too easy	Psychological dialogues can be more risky than ethical ones?	Private home context and ambiente matters
Krohn's features		Barriers to full understanding among participants	
Facilitator role	Experience and self-confidence matter	Too cautious?	Experience and self-confidence matter
Participant roles		Voice uneasiness can sometimes be difficult	Host role and responsibility for choice of topic could interfere
Procedure	Fully exploited meta-dialogue is perhaps unrealistic	Fully exploited meta-dialogue is perhaps unrealistic	Fully exploited meta-dialogue is perhaps unrealistic
Topic	Easy to relate to for most participants	Touchy and therefore confidential	
Story	Productive	Story is a good illustration of the topic, but group co-ownership more or less impossible	Productive
Story examination and elaboration	Ok	Subjective experience doesn't easily become inter-subjective	Ok
Regressive abstraction	Short but ok	Inspiring and interesting, strongest part of the dialogue	Good at developing relevant aspects
Conclusion	Interesting range of (compatible) participant views	Explicit, perhaps under-communicating that abstractions can conceal disagreement	A rather long list of 9-11 common denominators

**Table 3: Three Dialogues Compared by Criteria**

## 12.5 The use of Socratic dialogue for business ethics teaching and research

During many years of *business ethics teaching*, I have used SD several times as an element in my introductory business ethics courses,<sup>9</sup> inspired by the founder Nelson's statements such as this one: "The Socratic method, ... is the art of teaching not philosophy but philosophizing, the art not of teaching about philosophers but of making philosophers of the students..." (1949, p. 1). Not the least, SD was presented to the students as an operationalization of discourse ethics, with stakeholders rather than professional philosophers as the sources and owners of "their" ethics, understood as a well-founded consensus about potentially controversial issues.<sup>10</sup>

Another field of application could be *business ethics research*, in particular action research. In such a context, it makes sense to try out SD as an arrangement which would combine mainly three aspects: (1) the well-known advantages of focus groups when it comes to small group brainstorming, (2) discourse ethical and moral conversation ideals, and (3) rewarding the individuals and their organization for their participation with a positive experience of individual and organizational learning (cf Kessels 1996).

Still another self-experienced example can help as an illustration. In the context of a pilot study with the working title "Listening to the ones not blowing the whistle"<sup>11</sup> it was decided to focus on the following **theme**: "wise reactions to disputable practices" (as a working translation of the Norwegian legal language term, *kritikkverdige forhold*, critique-worthy circumstances). Because of the research function, an independent facilitator was used, with significant experience with this technique, so that the researchers could concentrate on observation of the process. The dialogue lasted for approximately four hours, as a trade-off between the ideal 8-12 hrs and the need of recruiting the participants in their paid working hours (cf Herestad 2002). Because of the pilot function of this Socratic short-dialogue the participants were invited to share any reflections after the dialogue by email, and in addition a short qualitative follow-up questionnaire was e-mailed to the participants some four weeks after the session, asking them for their thoughts and reflections after the dialogue, both about moral muteness and about the assumed strengths and weaknesses of Socratic dialogue as a potential best practice model for moral conversations, roughly structured by a rough interview guide.

## 12.6 Socratic dialogue as a catalyst<sup>12</sup> for reducing the theory-practice divide in business ethics?

Business ethics is an example of applied ethics, theory and reflection *about* a field of practice, such as business (or medicine etc). An easy approach could be to equal applied ethics with this and only this, being "about" a field or a study object (which it is applied to). More ambitiously, could for example demand *that* such ethics (or rather: a specified piece of it) is both applicable and really applied, more or less successfully. In a next step one could then ask *if* business ethics is applicable or applied (or relevant, if one prefers). If this is *not* the case, one could ask whose fault and responsibility the lacking use of academic business ethics is, if business ethics (as theory for a practice) is a *Bringschuld* or a *Holschuld*. Or in



short, one could understand practical relevance of business ethics as theory as a productive question (and as an unproductive assumption), referring to the subheading for this paper as such a constructive-critical (or productive) question, instead of postulating that we as theorists by and large can be content with trying to reach rather than actually reaching our practitioner target groups. Or with still less words: Business ethics as theory, or as a discipline, is not (or should not be) about itself, only.

Three references can serve as illustrations. First, one could refer to **Richard Rorty's** advice to the business ethics community (2006), e.g. in teaching contexts. Especially within teaching one can try to concentrate Rorty's reasoning, about our co-responsibility as business ethicists for improving the world, into a number of pieces or theses (cf. Brinkmann 2009, p. 22). In the context of the present paper the following pieces fit nicely: "Business ethicists might do better to think of themselves as social engineers working on site-specific projects. The two most useful tools for such work... are narratives, whether historical or fictional, and what Laura Nash calls 'context-specific guidelines'..." (Rorty 2006, p. 377) ... Whether a narrative is historical or fictional does not matter as much as whether it enables the reader to put herself in the shoes both of those making difficult business decisions and of those affected by such decisions..." (p. 378). As described above, SD asks for and focuses on the participants' self-experienced narratives as raw material for developing and agreeing on context-specific guidelines. Also, one learns typically to put oneself in the shoes of the story-owner and the other participants as story-co-owners as the process unfolds (while it depends on the topic and situation to what extent external stakeholders are addressed during the dialogue).

A second reference could be two thought-provoking papers which address the theory-practice divide can be mentioned briefly, written by **Georges Enderle**. According to him, "thinking" and "speaking" about business ethics have or should have an ambition of inspiring and influencing "acting" ethically in business (cf. his distinction, developed for comparing North American and European Business ethics, across three system levels, in Enderle 1996a, e.g. p. 34). In another article, he outlines what he calls "problem- and action oriented" business ethics and his thoughts about the "priority of practice over theory" (Enderle 1996b, e.g. pp. 46-50).

For following up the subheading of this paper, a modest but realistic ambition of reducing the theory-practice divide could be to inspire our target groups, such as business people, business organization members and (if they count) business faculty and students, to "talk" and "think" about their "acting", by entering, trying out and learning "moral conversations" on their own terms, in controlled situations such as Socratic dialogue in the design presented in this paper. The label (and desirability) of such "moral conversations" has been suggested and elaborated by a third author worthwhile referring to in the context of this paper: **Frederick B. Bird** (1996, see esp. pp. 191-250). Bird develops this best remedy against moral muteness, moral silence, moral deafness, and moral blindness in a few steps. "Good moral communications"<sup>13</sup> are constructive. They help to clarify and do not obscure issues. They elicit and foster ongoing participation, helping people to overcome their

shyness and reticence to speak and to attend to the concerns of others. They occasion and do not stifle interactions. They assume the form of good conversations.” (p. 205). Good conversations are characterized by seven features, they are “recognizable; speakers are attentive; conversations move forward reciprocally; communications are rational (i.e. intelligible, reasonable, thought-provoking) and honest; speakers keep the promises they make; the exchanges remain civil...” (p. 207). If this is so, good conversations can help with overcoming moral silence, deafness, and blindness, by productive features and communicative functions (p. 226; cf. table 4). Eventually, Bird suggests a wide range of organizational-ethical climate development measures (see Bird’s text table on p. 239 about five “general” and five “organizational ways of cultivating good conversations”).

**How Do Good Conversations Help to Overcome Moral Silence, Deafness, and Blindness?**

Features of Good Conversations	Communicative Functions
Occur over time	Allow time for reconsidering and for negotiating
Cultivate the sense of partnership	Develop as part of the process
Educational	Allow for imagination, learning, mutually instructing
Foster trust	Encourage people to take more risks, to collaborate
Strengthen conscience	Help in the forming of conscience, in decentering and recentering
Occasion gracious initiatives	Occasion acts of forgiveness, humor, wit, face-saving, and "reckoning without sharing"

**Table 4: Good Conversations, Features and Functions (source: Bird 1996)**

In the context of this paper, the question is if, to what extent and perhaps under which conditions SD could fit in as a catalyst for improving the ethical climate in business contexts, at least as a good way to start, since SD represents a well-tested design, after all. Not surprisingly perhaps, the SD community has had a dialogue about the threats and opportunities of going practical, including its potential moral obligation to do so – during a dedicated conference in Loccum Germany in 2000 (see Brune and Krohn 2005, esp. the lectures, pp. 15-60). The most convincing or at least inspiring arguments can be documented here in the format of selective quotations:

“...‘Ethics’ requires us to extend conducting Socratic Dialogues from the customary contexts to business organizations and to adjust the method to these specific circumstances...” (Boers, 2005, p. 15) Even if there might be some potential risks of being “instrumentalised” and “corrupted”, it is “...both possible and advisable to conduct a Socratic

Dialogue in business organizations. In practice, of course, all kinds of tensions appear..." (ibid., p. 20). Different contexts of use require of course "adjustments" of the method, but since there is no "standard practice", "protecting the method" would be "inappropriate" (p. 21).

Another Dutch business philosopher, J. Kessels, claims that Socrates himself would have been pragmatic when it comes to reaching business target groups: "... If Socrates wants to talk with them, get them to investigate themselves and inquire into virtue, the first thing he must do is speak their language. To link up with their concerns he will take over their terminology, avoid big words and ask questions that do not seem to have any ethical relevance, even though his final aim and focus is always the same: truth, goodness, virtue, or whatever you name it..." (Kessels 2005, p. 41).

Two of the German contributors are more concerned with defining and protecting the identity boundaries of SD than testing and stretching them. For H. Gronke, SD is not only a "method but also an attitude - and a principle", and in the Nelson-Heckmann tradition, inspired by and bound to the post-Kantian "Critical Philosophy"-tradition. It is *not* a "pragmatic means to help people and organizations to reach their several aims" (Gronke 2005, p. 25), but introduced "to clarify people's claims in matters of truth and justice in a radically critical manner, (as a) court of reason... In short: Socrates may *go on* the market, but he must *not become part of* the market... (p. 26). For preventing irresponsible use or abuse of the SD approach, by e.g. consultants, Gronke suggests then to distinguish between a narrow sense or idealistic SD, carefully kept in the Critical Philosophy tradition, and admittedly pragmatic or golden mean "*Socratic-Oriented Dialogues*", so to speak responsibly marketed and conducted SDs, e.g. in business contexts, which are as close as possible to the narrow sense SD<sup>CP</sup> but which do not pretend to practice them as if context didn't matter. Both such legitimate dialogue forms need to be distinguished from what is clearly irresponsible and illegitimate: *Para-Socratic Dialogues*.

H. Gronke's key argument is in favour of boundaries and clarity (SD-trademark protection is mentioned explicitly, by the way). His academic colleague G. Raupach-Strey focuses on the core of the issue more abstractly, as a question of distinguishability between theory and practice. After examining the unity of theory and practice from an epistemological and an ethical perspective she concludes: "... The presupposition of self-sufficiency of theory is not legitimate concerning Socratic Dialogues: searching for truth serves practical application, whereas focusing practice illustrates abstract notions and theoretical sentences, and both are ending in practical engagement..." (Raupach-Strey 2005, p. 58). She then suggests to distinguish between dialogues "without purpose" and dialogues "under given conditions and serving certain purposes, especially as an instrument for making decisions" (which risk instrumentalization), and to use the relation between the intention of searching the truth and other intentions, as the key criterion. "Other" intentions must neither contradict nor compromise the intention of searching the truth, and any avoidance of critical reflection about the social and political conditions under which SD is offered is unacceptable. Or with another quotation (which can serve as a repetition and summary of

the preceding paragraphs): “Socratic Dialogue can well be used in all aspects of life; in the tradition of critical philosophy it is even a duty to do so. But we have to be aware that the aim can be displaced or even falsified. Whenever and wherever we are practicing Socratic method, we have to listen to the warnings of Socrates. Philosophizing is not a matter of convenience... The more you are paid, the more you have to consider the interests at stake, rather than the reasons...” (ibid., p. 60).

### 12.7 Three final remarks

As communicated in the subheading of this paper, it is suggested to use or at least to try out Socratic dialogue design for offering present and future business professionals help with, a catalyst for practical organizational development and learning (cf. Kessels 1996, or once more Boer 2005, Gronke 2005 and Kessels 2005), for learning consensus-development, in practice. If one wants to or needs to, one argument in favor of Socratic dialogue could be that it represents a possible operationalization of discourse or dialogue ethics (cf e.g. Raupach-Strey in Birnbacher and Krohn 2002, pp. 106-139), as theory going practical. An opposite line of influence is another argument: taking practitioner participants’ experience and reflections back to theory, as a potentially legitimate way of theory development, bottom-up, listening critically and carefully to “practice”. Obviously, one could also consider a dialogue across the theory-practice divide, about such dialogue experience as a way of reducing the theory-practice divide.

When it comes to future work (beyond learning Socratic dialogue by doing it rather than talking about it) one can note at least three topics for a continued discussion or dialogue:

How can one develop fruitful and productive **dialogue themes**, fitting well with life and business work life (or business school life) situations of the participants and in line with the initiator’s *Erkenntnisinteressen* (knowledge-for-what interests)? Should one consider spending the time and effort to experiment with a dialogue stage 0, letting the participants themselves agree on the topic they find fruitful to have a dialogue about, on their own terms (and why, of course)?

If one hopes that Socratic dialogue can help with reducing the theory-practice divide, how far can one and how far should one go in compromising with the prospective business participants’ tight schedules? Is there some acceptable **minimum time**, or in other words, is such minimum time better than no time at all, or is it compromising the very core thought that true consensus-building requires time and taking time off for that purpose is a key point of the whole project? (Cf. Kessels et al 2009, p 57, Boers 2005 or Gronke 2005, who, as mentioned above, suggests to market such stretching of boundaries as Socratic-Oriented Dialogue, rather than SD in a narrow sense).

How necessary is the requirement of participant experience-sharing as a key definition criterion of Socratic dialogue, e.g. “wise responses to wrongdoing”, or “what is moral wrongdoing”? Could (not or not-yet experienced) **future scenarios** become acceptable within the design, where the participants would be a decision-maker or among the decision-makers and share imagined options and contexts? Would this represent an interesting

design for collective moral imagination development, a legitimate or illegitimate extension of the Nelson-Heckmann design (a Socratic-Oriented or Para-Socratic Dialogue, if one used Gronke's labels, 2005)?

As the reader might have learned by now: one could stage a Socratic dialogue for patiently reaching a well-justified consensus about these (and other) issues, for reducing the theory-practice divide.

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## Notes

<sup>1</sup> This article was presented in 2012 at the 7<sup>th</sup> Trans-Atlantic Business Ethics Conference (TABEC) in Bergen and at the 19<sup>th</sup> Annual International Conference Promoting Business Ethics, in Buffalo NY. It summarizes what I have learned from participating in a number of Socratic Dialogues, and out of reading much of the English and German literature written in the mentioned tradition. I also reuse fragments of two conference papers, presented together with colleague Kristian Alm, in Trento (2010) and in Antwerp (2011), respectively. A next paper (co-authored with Kristian), about Using Socratic Dialogue for teaching business ethics, is planned as an extension of this one.

<sup>2</sup> See *ibid* for further elaboration. For a more thorough presentation of a typical Socratic dialogue process see also a paper by the above mentioned “inventor”, German Leonard Nelson, see e.g. <http://www.friesian.com/method.htm> [accessed 28 May 2014] or van Rossem’s presentation, [http://www.dialogism.org/socratic\\_dialogue\\_KvRossem.pdf](http://www.dialogism.org/socratic_dialogue_KvRossem.pdf) [accessed 28 May 2014].

<sup>3</sup> Cf also Birnbachers arguments in favour of some flexibility, *ibid.*, pp.231-232. For longer lists of rules for procedures, participants, and facilitators see e.g. Krohn in Brune and Krohn, 2005, pp 9-10, or more generally Raupach-Strey in Brune and Krohn, 2005, pp.150-152. Cf. most clearly in a hands on cook book format Kessels et al., 2009, pp 36-45

<sup>4</sup> Cf esp. Heckmann in Birnbacher and Krohn, 2002 and even more detailed Heckmann, 1981 (esp pp.14-15, 18, 35f, 79-86)

<sup>5</sup> **Content or substantial dialogue**: question and example inquiry (if you don’t understand, urgent to stop content); **meta dialogue**: how we are investigating (behavioural areas to work out) and **strategic dialogue**: group decides where to go (different possibilities are offered, cf. Krohn, 1998

<sup>6</sup> For a list with five criteria for assumed productive stories see Krohn in Brune and Krohn 2005, p.10.

<sup>7</sup> Cf also Leonard Nelson’s description: “By analyzing conceded judgments we go back to their presuppositions. We operate regressively from the consequences to the reason. In this regression we eliminate the accidental facts to which the particular judgment relates and by this separation bring into relief the originally obscure assumption that lies at the bottom of the judgment on the concrete instance. The regressive method of abstraction, which serves to disclose philosophical principles, produces no new knowledge either of facts or of laws. It merely utilizes reflection to transform into clear concepts what reposed in our reason as an original possession and made itself obscurely heard in every individual judgment...” (1949, p. 10). See also Heckmann, 1981, pp.59 ff, or not least Kopfwerk Berlin in Brune and Krohn, 2005, pp.88 ff, esp. pp 96-110.

<sup>8</sup> For additional examples of Socratic dialogues see e.g. Kessels, 1998 (*Dismissal ethics*), Heckmann, 1981, pp. 12-21 (*Über das Wollen*, intention) and pp. 46-52 (*Freedom*, with many meta-level reflections by the author), R. Saran in Brune and Krohn 2004, pp. 199-203 (When is unequal treatment acceptable?), Brinkmann and Lindemann, 2014 (voicing of moral concerns), Knezic et al., 2010, pp. 1107-1110, for listings of topics see e.g. Krohn, 1998, pp 122-123 (translated in Saran and Neisser, 2004, pp. 17-18), Krohn and Walter, 1996, or e.g. <http://www.philosophisch-politische-akademie.de/sgarchiv.html> [accessed 28 May 2014]

<sup>9</sup> These dialogues were facilitated by Norwegian colleague Pia Axell, about topics such as “integrity”, “trust”, or “moral intuition”.



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<sup>10</sup> Various examples of Socratic dialogues can also be found e.g. in Krohn, 1998, pp 122-123 with further references or simply by a web-search.

<sup>11</sup> See two EBEN conference papers where the present author and a colleague presented this design as a best practice reference for what has been recommended as a “moral conversation” alternative to moral muteness (cf Bird, 1996). This source (in particular chapter 7) can be recommended as a popularized and easy to read alternative to Habermas’ discourse ethics design, or with a few quotes as appetizers (Bird, 1996, pp 204-205): “Our concern is to limit, reduce and overcome moral silence, deafness, and blindness... by finding ways (that) ... are interactive and take place over time, help individuals address and master their moral reluctance, inarticulateness, inattentiveness, and blurred visions... Good moral communications are constructive. They help to clarify and do not obscure issues. They elicit and foster ongoing participation, helping people to overcome their shyness and reticence to speak and to attend to the concerns of others...” Cf also Bird’s seven “marks of good conversations” (p 207, elaborated on the following pages), as well as his text tables about “communicative functions” (p 226) and “ways of cultivating good conversations” (p 239).

<sup>12</sup> For avoiding even slight suspicions of instrumentalization of Socratic Dialogue, the word catalyst has replaced word tool which was used in previous versions of this paper. The risk of such instrumentalization of SD for other purposes, good ones or not so good ones, is discussed briefly below, and more thoroughly in Brune and Krohn, 2005, pp. 15-60

<sup>13</sup> For Bird, moral communication is one of five social communication “types”, typically “seeking voluntary cooperation by establishing, maintaining, and interpreting normative agreements” (p. 196), or in other words, “not only do people attempt to establish, modify, and sustain agreed-upon understandings that set forth normative standards about how they are expected to act but they also seek to gain the consent of others to these arguments by providing intelligible arguments...” (p. 199).

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Combining Risk and Responsibility Perspectives: First Steps (last manuscript)

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# Combining Risk and Responsibility Perspectives: First Steps

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## **Abstract**

Business activity can be analyzed through a “risk awareness” perspective and a “responsibility awareness” perspective. However, risk and responsibility are actually interdependent. Risk-taking triggers responsibility issues and taking responsibility means risking being asked critical questions. This paper suggests some first steps for combining these two perspectives conceptually. After several introductory illustrations showing how risk *and* responsibility issues are intertwined, the paper looks separately each at risk and at responsibility. Then the argument that such perspectives could be usefully combined is elaborated further from a theoretical angle and from a practical angle, by looking at various ethical issues and by presenting paradigmatic examples of balancing or sharing risk and responsibility related to leadership, to ERM and to insurance.

## **KEY WORDS:**

Risk, risk perception, risk management, responsibility, responsibility ethics, leadership

This paper is about risk *and* responsibility, that is, risky responsibilities and responsible risks. In everyday language, both words are used frequently and are sufficiently clear to most of us, at least as long as we are not asked for very precise definitions. If there is a need for clarification, one can always ask experts on risk (such as engineers or doctors) or experts on responsibility (such as lawyers or moral philosophers) for their definitions and for references to well-respected theories (of course there is always a risk of competition among definitions, theories, and experts).

This paper suggests we need reflection and dialogue, among lay persons and experts, not so much about risk on the one hand and responsibility on the other, but about the *interdependencies* of risk and responsibility questions.<sup>1</sup> In the professional worlds of insurance actuaries and insurance lawyers there is a unique mix of thinking about risk and responsibility, where risk and responsibility sometimes trigger, and sometimes disturb, but mostly support and balance, one another. Ideally, at least, insurance represents a “technology” (Ewald, 1991) that is a construction of sustainable risk and responsibility sharing in well-designed pools, within clear and well-known limits to coverage, maximizing the greatest economic security and care, for the greatest number, at the best possible prices. This paper suggests the ideal of risk and responsibility sharing in insurance could be used as an inspiration for similar fruitful combinations of risk and responsibility thinking elsewhere in business life. That is, we could widen the perspective from legal to moral responsibility, from more to less and much less predictable and quantifiable risks, and from pricing to additional codes and currencies, in order to consider risk-and-responsibility sharing as a new way of thinking about business ethics and corporate responsibility.

After two introductory illustrations, the key concepts of risk and responsibility and their dimensions are elaborated, followed by a presentation of procedures and frameworks and finally of selected normative approaches. This elaboration is accompanied by another three concrete illustrations, in the realms of leadership, enterprise risk management, and finally insurance. Since this paper aims to provide first steps towards creating this combined perspective, the final section points to where the next steps might go.

### **Risk and Responsibility: Illustrations I and II<sup>2</sup>**

#### *The cave rescue exercise.*

“A pot holing expedition has been trapped in an underground cave by a rock fall. The expedition leader has reported by field telephone that the cave is flooding at a rate which suggests that the cave will be completely flooded within 60-80 minutes, or possibly at any time sooner. It will be 20 minutes before the rescue equipment arrives and can be set up. Even then it will only be possible to bring out one person every 10 minutes. You are

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<sup>1</sup> Cf. with a focus on such interdependencies Giddens 1999, Kaufmann 1992 and 1995, Leiss and Chociolko 1994

<sup>2</sup> The author has used both stories when teaching business ethics. Other good illustrations are easy to find in the intersections of business and environmental ethics or of business ethics and finance.

the rescue team and you therefore have 20 minutes in which to decide the order in which the (eight) expedition members will be brought to the surface...”  
([www.lsbu.ac.uk/careers/mfe/lec-7/grpexe.html](http://www.lsbu.ac.uk/careers/mfe/lec-7/grpexe.html)).<sup>3</sup>

In this first illustration, the best possible order is sought in which to evacuate the expedition members, each of whom comes with a short profile. The best case scenario is that six out of eight individuals can be rescued; in the worst case perhaps only two can be saved. There are risk issues and responsibility issues. Two or more individuals have a strong risk of dying, but even more individuals than necessary risk dying if the decision-makers cannot agree on the criteria for ranking the individuals. The ethical responsibility issue involves ranking individuals of equal human worth and dignity. Whatever ranking is chosen will mean sentencing some individuals to die, while rescuing some others. This introductory example shows that responsibility and risk handling issues can be highly interdependent and hard to distinguish clearly from each other, for example, proper risk assessment and management on the one hand and fair and responsible decisions about risk distribution on the other.

#### *Indecent Proposal?*

In the 1993 movie *Indecent Proposal*, “... childhood sweethearts David and Diana Murphy (played by Woody Harrelson and Demi Moore) are a married couple that travel to Las Vegas, hoping they can win enough money to finance David's fantasy real estate project. After gambling away all of their savings, they encounter billionaire John Gage (played by Robert Redford). John becomes enamoured with Diana...” (source: [http://en.wikipedia.org/wiki/Indecent\\_Proposal](http://en.wikipedia.org/wiki/Indecent_Proposal)).

The most important scene can be quoted:

David: [while playing pool] ... *I guess there's limits to what money can buy.*  
 John: *Not many.*  
 Diana: *Well some things aren't for sale.*  
 John: *Such as?*  
 Diana: *Well you can't buy people.*  
 John: *That's naive, Diana. I buy people every day.*  
 Diana: *In business, maybe, but you can't buy people, not when real emotions are involved.*  
 John: *So you're saying you can't buy love? That's a bit of a cliché don't you think?*  
 Diana: *It's absolutely true.*  
 John: *Is it? What do you think?*  
 David: *I agree with Diana.*  
 John: *You do? Well let's test the cliché. Suppose... I were to offer you one million dollars for one night with your wife.*  
 David: *I'd assume you're kidding.*

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<sup>3</sup> As original sources see e.g. M. Woodcock, 1979, *Team Development Manual*, Gower, Aldershot or D. Francis and D. Young, 1979, *Improving Work Groups...* University Associates, San Diego.

John: *Let's pretend I'm not. What would you say?*  
 Diana: *He'd tell you to go to hell.*  
 John: *I didn't hear him.*  
 David: *I'd tell you to go to hell.*  
 John: *That's a reflex answer because you view the question as hypothetical. But let's say that there was real money backing it up. I'm not kidding. A million dollars. The night would come and go but the money could last a lifetime. Think of it. A million dollars. A lifetime of security... for one night. Don't answer right away. Just consider it seriously.*  
 David: *We're positive, okay?*  
 John: *Well then you've proved your point. There are limits to what money can buy...*  
 (source: <http://www.imdb.com/title/tt0107211/quotes> ).<sup>4</sup>

In this second illustration, responsibility and risk approaches are less interdependent, at least at first sight. Use of the word “indecent” in the movie title suggests an approach in which the responsibility is clear, at least to start with. A hypothetical best friend of the couple, asked by them for best advice in such a situation of moral temptation, would probably look for a good moral principle as a premise or justification to give responsible advice on responsible behavior. Some advisors, or even many, however, might prefer “it depends” as an answer. The most likely focus of such a non-principled answer would then be not on moral responsibility but on the more pragmatic question of the risk of damage versus the opportunity provided by the proposal. In this way of thinking, one would, for example, weigh the risk of damaging a good relationship as a consequence of such a deal against a risk of marital failure due to money trouble. Of course it is hard to give good advice because one cannot possibly know for sure the final outcome beforehand, so the choice is between risks that have hopefully been well assessed.<sup>5</sup>

Both illustrations suggest that moral dilemmas (such as the cave rescue) and temptations (such as the “indecent proposal”) can be phrased in moral responsibility terminology, in risk terminology, or in both. Phrasing the questions either in terms of risk or responsibility seems straightforward, at least at first, since talk about responsibility and risk is familiar from everyday language. At second sight, however, risk and responsibility are abstract and complex phenomena; clear definitions are necessary but difficult to achieve. One’s primary demand would be for proper procedures in order to determine fair responsibility and risk sharing. In order to examine such challenges, the paper reviews available concepts and procedures. Then it goes on to outline the need for selected normative criteria when working with risk and responsibility, theoretically or practically.

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4 The story continues as follows: After a difficult night, David and Diana decide to accept the offer, and a contract is signed the next day... Although he had hoped to forget the whole incident, David grows increasingly insecure about his relationship with Diana, consumed with a fear that she remains involved with Gage (ibid.). After this prophecy fulfils itself for a while, some 60 or so movie minutes later, Diana returns to David.

5 One could quote Diana once more, who declares later in the movie, with the wisdom of hindsight: “If you ever want something badly, let it go. If it comes back to you, then it's yours forever. If it doesn't, then it was never yours to begin with...” (ibid.).

### **Risk and Responsibility: Concepts and Dimensions**

In everyday language most people would associate risks with possibilities or even likelihoods of loss or harm. Instead of simply listing a set of synonyms for risk, as one finds in dictionaries,<sup>6</sup> it may be more fruitful to look for relevant conceptual dimensions or *aspects* of risk which have been emphasized by various authors, often when contrasting risk with various antonyms:

- *Measurability* of risk (versus non-measurable uncertainty, see Knight, 1921; note that risk for this author is not narrowed to negative events, but denotes a chance of both winning and losing)
- *Manageability* of risk (as possible negative events, which can be managed, i.e. prevented, corrected, compensated, versus non-manageable or not-yet-manageable dangers, see Evers and Nowotny, 1987)
- *Insurability* of risk (versus non-insurability of dangers which are too serious or not sufficiently predictable, see Beck, 1993)<sup>7</sup>
- *Attributability* of risk (i.e. risks equal possible losses which can be attributed to a decision. These are different from dangers understood as losses which are attributed to a system environment, see for such terminology Luhmann, 1993a, pp. 21-22)<sup>8</sup>
- *Voluntariness* of a risk (i.e. whether a stakeholder's exposure to a given risk is chosen by free will and with sufficient knowledge, or assumed involuntarily, or somewhere in-between.)
- *Moral responsibility* in relation to a risk (versus irresponsibility) ie if risk-taking or risk exposure is justified or justifiable because there is informed consent from all exposed parties as a result of proper risk dialogue procedures<sup>9</sup>)

The paper will return to most of these questions in the following sections, especially the final one, if and how it is possible to take moral responsibility for a risk,<sup>10</sup> and under what circumstances. A quick reference to insurance might be helpful at this point. If a risk is deemed insurable, this means that an insurance company accepts a transfer of both risk and responsibility for compensation for losses. The development of an

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<sup>6</sup> The Merriam Webster Dictionary provides the following *synonyms* of risk:

"... possibility of loss or injury, peril; someone or something that creates or suggests a hazard; the chance of loss or the perils to the subject matter of an insurance contract; also: the degree of probability of such loss; a person or thing that is a specified hazard to an insurer; an insurance hazard from a specified cause or source; the chance that an investment ... will lose value..." (<http://www.merriam-webster.com/dictionary/Risk> )

<sup>7</sup> Beck uses as a metaphor the inadequacy of bike brakes for stopping intercontinental jet planes (1993, p. 915). As a newer source in English see e.g. Beck 2006.

<sup>8</sup> Another and perhaps more fruitful terminological distinction could be between an actor's or one-decision or micro-level risks, and systemic or macro-level risks, cf. e.g. Renn, 2008, pp. 61-66 et passim.

<sup>9</sup> Cf e.g. the work of the Swiss risk dialogue foundation, <http://www.risiko-dialog.ch/Overview%20in%20English>

<sup>10</sup> Note for readers with a sense of linguistic subtleties: The German term *Verantwortbarkeit* refers literally to a possibility or ability for something to be taken responsibility for, and implies an upper limit to which one can or should take responsibility for a risk. This subtlety is not easy to translate into English, even if the idea seems to involve an understanding of responsibility as an ability to respond (no ability, no responses, no responsibility, no *Verantwortbarkeit*).

insurance product typically presupposes measurability of covered risks, while other aspects of the risks are evaluated depending on the insurance type, such as attributability or involuntariness of risks and damages. With this in mind, we can now take a look at various meanings and aspects of responsibility.

In everyday language, responsibility is something nice as long as it is kept vague, and something potentially threatening once it is clarified and in the format of falsifiable expectations. If one wants to clarify what we mean by “responsibility” by presenting a number of synonyms, one realizes that responsibility can denote an actor *obligation*, such as “moral, legal, or mental *accountability*”, and a *positive property* of actors such as “*reliability* or *trustworthiness*”, but also a *reference*, that is “something for which one is responsible: *burden...*” (inspired by <http://www.merriam-webster.com/dictionary/responsibility>). And one can, as in the paragraphs about risk above, look at various aspects of responsibility (see Brinkmann, 2007, pp. 89-91), such as:

- *Initiative*: Taken versus ascribed responsibility (i.e. self-obligation versus attribution of responsibility by external norm systems or subjects)
- *Time focus*: Ex-ante versus ex-post responsibility (i.e. proactiveness versus potential blaming afterwards)<sup>11</sup>
- *Specification*: Vague versus specified responsibility (i.e. non-programmable versus limited and clearly role-bound responsibility)
- *System level*: Insider-view versus outsider-view responsibility (i.e. defined internally, e.g. in a system, versus looking from outside)<sup>12</sup>
- *Subject number*: Sole versus shared responsibility (i.e. number of responsible subjects).

Also this list can be extended in accordance with the focus of the present article, by adding a sixth aspect of responsibility, namely:

- *Riskiness*: Possibility times seriousness of responsibility, equal to the possibility times seriousness of accountability and liability claims faced, as a consequence of taken or ascribed responsibility.

In the context of this article, the last mentioned aspect of responsibility is of primary interest, sometimes in combination with other aspects of responsibility. After all, responsibility denotes a risk of owing answers to questions, where questions and answers may vary - by difficulty, avoidability, forwardability, rewards and punishments and so on. For an illustration one can think once more of risky and hopefully responsible decisions about whom to rescue, or of responsible advice as an outsider to couples considering indecent or risky proposals. In the context of a business ethics paper, another thought-provoking example could be limited liability corporations, where such limiting of responsibility represents a necessary condition for risk taking, while

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<sup>11</sup> Add. 2012: Cf also Enderle 2006, referring to W. Schulz' *Philosophie in ver veränderten Welt*, Pfullingen 1972

<sup>12</sup> Cf also the initiative dimension mentioned above; cf for the source Brinkmann, 2007, p. 89, summarising points made by Bierhoff in Bayertz' anthology, 1995.



irresponsible risk taking can be reduced by increasing responsibility in terms of legal liability for the consequences of such risk taking.<sup>13</sup> Still another illustration is the historical development of liability insurance and liability law, with similar business-enabling effects, as coverage for risky responsibility and responsibility risks, normally with fine print provisions about irresponsible, unacceptable risks (see Munich Re, 2007).

### **Risk and Responsibility: Procedures and Frameworks**

In the tradition of empirical research tied to consultancy, operational definitions, procedures and checklists are of primary interest, as opposed to a slow and in-depth examination of theoretical concepts. Understanding the world seems less interesting than changing it, concept clarification (assuming that concept clarity is satisfactory) seems less interesting than the questions of what one should do, and which questions one should ask and address in which order (often not independently of how interesting the questions and answers are to a client).<sup>14</sup> However, as long as one sees the danger of conceptual shallowness, even rather simple checklists for risk and responsibility handling can be useful, legitimate or at least inspiring for project planning.

Given the potential demand for business risk management help and checklists, the overwhelming supply of such checklists and models is not a surprise. There are a number of largely self-explanatory options (eg <http://www.fda.gov/ucm/groups/fdagov-public/documents/image/ucm128056.jpg> or <http://www.demc.nsw.gov.au/images/Monito7.gif>)<sup>15</sup>. See also the widely quoted consultancy leaflet which presents the COSO 2004 framework, with its eight steps or “components” to be checked (COSO, 2004, p. 10, shortened by present author):

- *Internal Environment* (organizational risk perception climate)
- *Objective Setting*
- *Event Identification* (Internal and external events which affect objective achievement, as risks and opportunities).
- *Risk Assessment* (by likelihood and impact)
- *Risk Response* (such as avoiding, accepting, reducing, or sharing risk, in accordance with the entity’s risk tolerances and risk appetite).
- *Control Activities* (procedures for ensuring effective risk response implementation)
- *Information and Communication* (relevant information is communicated for enabling target groups to carry out their responsibilities).

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<sup>13</sup> See in particular what lawyers in different jurisdictions call risk liability, no-fault or strict liability, or in German *Gefährdungshaftung*, liability for damages occurring as an extension of permitted risk taking and risk exposure, independently of fault ([http://home.iprimus.com.au/than/toby/Risk\\_Liability.pdf](http://home.iprimus.com.au/than/toby/Risk_Liability.pdf), <http://de.wikipedia.org/wiki/Gef%C3%A4hrdungshaftung>, <http://legal-dictionary.thefreedictionary.com/No-fault+liability>, [http://en.wikipedia.org/wiki/No-fault\\_insurance](http://en.wikipedia.org/wiki/No-fault_insurance))

<sup>14</sup> See e.g. as one example among many: <http://www.risk-management-basics.com/risk-management-risk-question.shtml> or see simply the results of a quick google image search: [http://images.google.no/images?hl=en&rlz=1T4GPEA\\_enNO295NO295&um=1&sa=1&q=risk+management+process&btnG=Search&aq=f&oq=&start=0](http://images.google.no/images?hl=en&rlz=1T4GPEA_enNO295NO295&um=1&sa=1&q=risk+management+process&btnG=Search&aq=f&oq=&start=0)

<sup>15</sup> For many more visualizations see [http://images.google.no/images?um=1&hl=en&rlz=1T4GPEA\\_enNO295NO295&q=risk+management+model&btnG=Search+Images](http://images.google.no/images?um=1&hl=en&rlz=1T4GPEA_enNO295NO295&q=risk+management+model&btnG=Search+Images)

- *Monitoring* (so that the entire enterprise risk management can be modified as necessary).

In the context of this paper, a basic delineation of four risk management steps or presented in a table format is most suitable (see exhibit #1). This serves as a contrast to the more complex framework for more complex contexts by O. Renn presented below.<sup>16</sup>

Risk-related task <sup>17</sup>	Task description	Increasing an awareness of ethical responsibility <sup>18</sup> (and inviting people to take it)
Risk definition	Identification of risk sources, threats, possible events	<i>Moral intensity of risk definitions</i> , i.e. sources, threats, events; moral and reputational vulnerability; specific stakeholders as source of potential moral criticism.
Risk evaluation	Evaluating risk as severity of loss times likelihood of occurrence, for proper prioritizing	Make sure to include ethical acceptability as an evaluation criterion, as well as specific <i>moral and reputational risks</i> by likelihood and seriousness, both as interesting in themselves and as a reflex of other risks
Risk control and financing	Select and perhaps mix alternatives such as tolerate-treat-terminate-transfer (or accept-control-avoid-transfer; or avoidance-reduction-retention-transfer)	Moral and reputational risk control as an end in itself and as insurance for other kinds of crises. Prevention of and preparation for routine and for worst case scenarios by <i>ethical climate development</i> , ethical codes, training and other tools.
Risk-related decision-making	Formulation, implementation and evaluation of a risk management plan, decision monitoring and control	<i>Explicit inclusion</i> of moral risk aspects, moral and reputational risk, both as a primary and as a secondary risk. Consider developing relevant tools.

**Exhibit #1: Risk management as management of risk-related tasks**

Exhibit #1 is constructed and filled in with a risk manager or lecturer in risk management in mind. The main point is an invitation to widen standard procedure, that is, to include an ethics and responsibility dimension in each of the stages. The “ethical

<sup>16</sup> On a very general and abstract level, many risk management schemes look like the one presented in exhibit #1. Cf most generally [http://en.wikipedia.org/wiki/risk\\_management](http://en.wikipedia.org/wiki/risk_management) or more specifically, e.g. from a consultancy angle, both as one of the most general USPs and promises

<http://www.pwc.com/gx/en/risk-management/index.jhtml> or [http://www.dnv.com/focus/risk\\_management/](http://www.dnv.com/focus/risk_management/)

<sup>17</sup> This exhibit re-uses more general standard terminology, but a quick translation to Renn’s terminology in exhibit #2 below is possible if desirable, from risk definition to his pre-assessment and appraisal, from risk evaluation to his mix of risk characterization and evaluation, from risk control and financing to Renn’s somewhat narrow option identification, assessment, evaluation and selection and of risk-related decision-making to his implementation with sub-processes

<sup>18</sup> Surprisingly, neither risk-related activities nor HSE-risks are normally dealt with in business ethics textbooks. See as an exception DeGeorge, 2006, pp. 279-282, but confined to HSE risks.

awareness” column in the exhibit includes examples of additional points to consider, perhaps additional tasks to be carried out. Inspired by an article by Jones (1991), one can think of “moral intensity” as an aspect when defining risk as a potential “moral issue”.<sup>19</sup> In a risk management perspective many, perhaps most, ethical issues present themselves as reputational risks,<sup>20</sup> that is, they represent, the possibility of a seriously worsened public reputation, which needs to be addressed in the evaluation, control and decision making stages.

Ortwin Renn’s book *Risk Governance* (2008) presents a systematic framework which because of its broad theory-base is legitimate in the world of interdisciplinary academic risk research. It is also used in the world of consulting and policy planning, by the International Risk Governance Council (IRGC) of which Renn is a council member. According to its website, the IRGC

“... is an independent organisation whose purpose is to help the understanding and management of emerging global risks that have impacts on human health and safety, the environment, the economy and society at large. IRGC’s work includes *developing concepts of risk governance, anticipating major risk issues and providing risk governance policy recommendations for key decision makers.*”

IRGC focuses on emerging, systemic risks for which governance deficits exist and aims to provide recommendations for how policy makers can correct them... Many of these risks are complex, uncertain, or even ambiguous. In most cases, the potential benefits and negative side-effects interconnect...”

Like the analogous term “corporate governance”, the key term of “risk governance” has a connotation of holistic and participatory decision-making about risks.<sup>21</sup> Exhibit #2 (source: Renn, 2008, p. 365)<sup>22</sup> is at the same time intended as a summary of the author’s whole book and as a model of a process with “four consecutive phases called pre-assessment, appraisal, characterization/evaluation and management. In addition, risk communication accompanies all four phases.” Renn’s ambition is to include traditional risk analysis and risk management but also to move it into “matters of institutional design... on the part of public bodies... and private enterprises” (p. 364). Even if there is

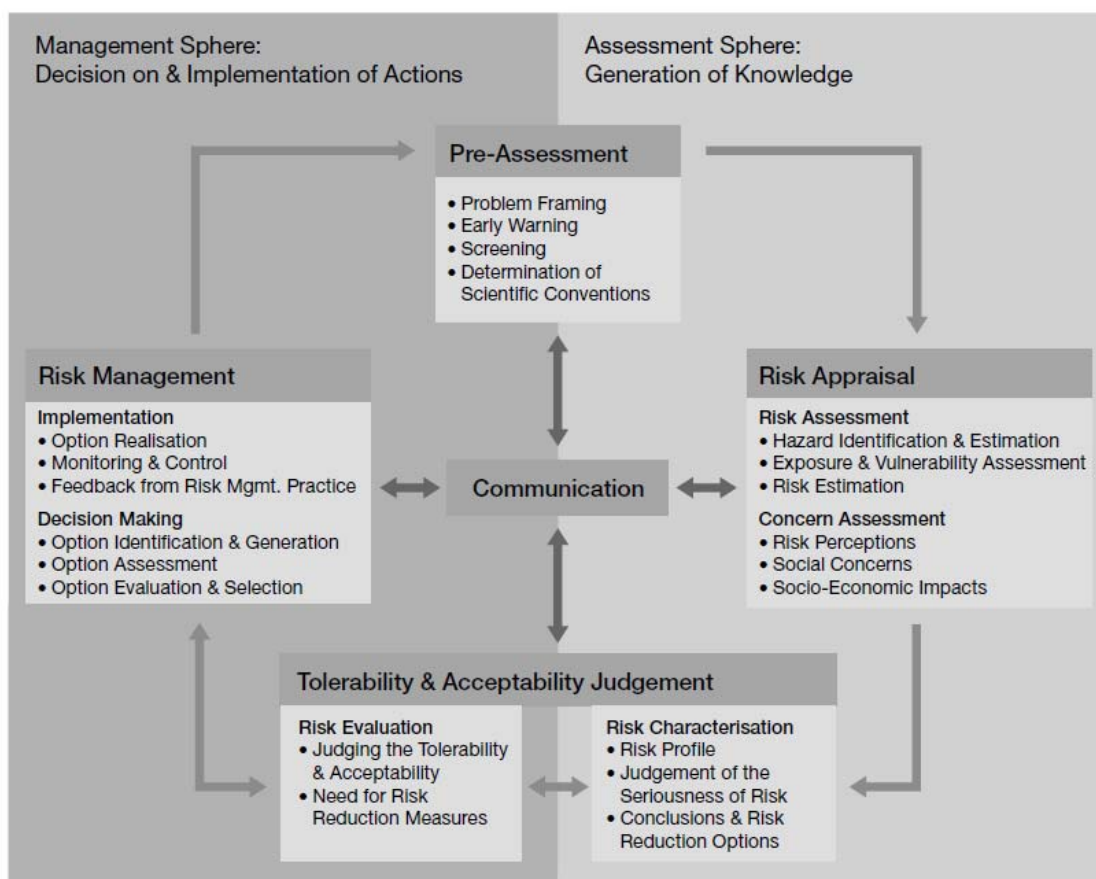
<sup>19</sup> Jones’ (descriptive) points of departure are indicators or “components” of moral intensity: magnitude of consequences, social consensus, probability of effect, temporal immediacy, proximity and concentration of effect, which alone and jointly increase the likelihood of an issue being recognized as a moral issue (see 1991, pp. 374-378, 380-383).

<sup>20</sup> Cf. Rossouw and van Vuuren, 2004, with an emphasis of the reputation risk aspect of ethical risks (in fact understood as a threat-opportunity range rather than as negative risk only), see especially their table on p. 203 (using various stakeholders as sources of potentially risky reputation relationships). Cf also as an academic paper Fombrun et al, 2000 and the inspiring *Economist*-report about “reputation as the risk of risks”, [http://www.acelimited.com/NR/rdonlyres/2B964DD5-F93E-47C3-BA44-999A0BAEAD40/0/RISK\\_REPUTATION\\_REPORT.pdf](http://www.acelimited.com/NR/rdonlyres/2B964DD5-F93E-47C3-BA44-999A0BAEAD40/0/RISK_REPUTATION_REPORT.pdf)

<sup>21</sup> For a presentation see the same website: “Risk governance applies the principles of good governance to the identification, assessment, management and communication of risks in a broad sense. It incorporates such criteria as accountability, participation and transparency within the procedures and structures by which risk-related decisions are made and implemented. Risk governance includes the totality of actors, rules, conventions, processes and mechanisms and is concerned with how relevant risk information is collected, analysed and communicated, and how management decisions are taken. Global risks are not confined to national borders; they cannot be managed through the actions of a single sector. The governance of global, systemic risks requires cohesion between countries and the inclusion within the process of government, industry, academia and civil society...” (source: <http://www.irgc.org/>)

<sup>22</sup> Renn’s figure 10.1 in Renn, 2008; cf. also e.g. the same figure in a simplified format as figure 2.1, also figures 5.4 and 9.1

no explicit reference to “responsibility” or to “ethics” in the index of Renn’s book, several components of his risk governance framework do address the responsibility issue implicitly. Renn’s *problem framing* could easily be extended to include what has been called “moral intensity” (Jones, 1991).<sup>23</sup> *Risk perception* implies various intervening factors such as value commitments (p. 119 f.), cultural-ethical elements (see e.g. p. 122) and not least trust and credibility (p. 123 f.). *Risk tolerability* and *acceptability* judgements as well as option evaluation under risk management use obviously ethical criteria (such as fairness, ethical acceptability, accountability, cf. pp. 147 ff, 177, 223). *Risk communication* has credibility as a key component (cf. p. 226), while *risk participation* can be seen as a way of responsibility sharing among all stakeholders. Most clearly, however, the responsibility and ethics dimension is represented in the *risk characterization and evaluation* stage or framework component, especially if and when the evaluation of risk “tolerability” and “acceptability” is “disputed” (Renn’s label for such a situation is “normative ambiguity”, see esp. p. 153).



**Exhibit #2 (IRGC, 2007, p. 13; also used in Renn, 2008, p. 365).**  
Used with IRGC’s permission.

<sup>23</sup> Jones’ definition of moral intensity: “A construct that captures the extent of issue-related moral imperative in a situation. It is multidimensional, and its component parts are characteristics of the moral issue such as *magnitude of consequences*, social consensus, *probability of effect*, temporal immediacy, proximity, and concentration of effect...” (1991, p. 372, present author’s italics).

A similar checklist for analyzing relationships of responsibility can also be developed from a “relational” definition of responsibility formulated by Lenk and Maring (1993), who look at responsibility as a mixture of interdependent components:

“*Someone* (a subject with or bearer of responsibility) is responsible *for* something (actions, action consequences, states, tasks etc.) *in relation* to an addressee and *towards* a (sanctioning, judging) institution, *according to* a (prescriptive, normative) criterion, in the *context* of a given responsibility and action domain...” (1993, p. 229, present author’s translation).<sup>24</sup>

If one tries to rephrase the authors’ responsibility components into a sequence of sub-questions and then tries to elaborate these further, one ends up with a table such as exhibit #3. This exhibit is constructed and filled in in a similar fashion as exhibit #1, but this time with a business ethics or corporate responsibility practitioner or teacher in mind, inviting her or him to include and to address risks and riskiness explicitly.

One can try to explain exhibit #3 in prose: The “risk awareness” column includes risks to consider, as additional points, when examining an organisation’s or an individual’s responsibility. It is important to make sure that one does not overlook risk-related tasks of the kind described above. In line with what has been said earlier: bearing responsibility as an individual or as an organization (*who*), by voluntary choice or by ascription, can be more risky than one is aware of. There is often a risk of unintended negative consequences of good intentions - such as disappointment of unrealistic expectations after one has volunteered to take the industry lead in corporate societal responsibility; in other words, responsibility-taking can imply risk-taking, and should in such a case include some risk management. Once one accepts such advice, other risk-related tasks follow, almost automatically. And there can be a responsibility *for* risks, more specifically for risk acceptability and for risk management. Furthermore, responsibility is always a question of creating and communicating expectations, i.e. meeting and frustrating, negotiating and modifying risky and perhaps conflicting expectations, rights and duties *towards* stakeholders and reference groups. In this respect, processes of risk analysis and risk management need to look at and listen to questions from these actors and understand their expectations and frustrations, being aware there are varying degrees of likelihood, seriousness, realism and so on. In a risk management perspective it is also important to clarify the *norms* and norm types which

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<sup>24</sup> Cf. also in a more ordinary sentence format: “*Responsibility* is to start with a concept which is expressed in a relational ascription norm by an evaluation of a controlled action expectation” (ibid.). Cf. also a similar definition of Lenk, quoted in Bayertz, 1995, p. 217, similarly Nunner-Winkler (1993) or as a “visualized” checklist Ulrich and Thielemann, 1992, p. 18.

Responsibility aspects	Extended description, some abstract examples	Increasing risk awareness and considering risk-related questions and tasks
<i>Who</i> has responsibility (is ascribed and/or takes responsibility)?	Individuals, groups, whole organizations, analyzed as subjects or actors with roles, functions, power (alone or shared or sharable, cf below)	Is the status of being the responsible subject generally risky? Is the responsible subject always per se a potential risk-taker and risk-manager?
Responsibility <i>for what</i> : which events, states, actions, decisions, past and/or future ones, and their foreseeable/ non-foreseeable consequences?	Responsibility for producing desirable and avoiding harmful consequences (by performing main functions)	Is there a responsibility “for risks” and for “risk acceptability” as well as for sufficient “risk management”?
<i>Responsibility towards whom</i> : which stakeholders, observers, judges?	Responsibility typically refers to a relation between actors with complementary rights and duties	Responsibility towards someone means risking to be asked questions by this someone: Which questions, expectations and frustrations are most risky, from which stakeholders and judges, with how risky reactions when being disappointed?
Responsibility <i>according to which norms</i> ?	Relevant legal, soft-law and moral norms, vague trust and expectations	Which norms or norm types define one’s responsibility? How likely are sanctions and how serious are the sanctions? Are there any modifying conditions such as burden of proof issues and/or potential excuses?
Is there any <i>shared</i> or <i>sharable</i> responsibility?	E.g. by democratic participation, both through formal bodies and via informal channels	Is there a best way, a golden mean of sharing responsibility for risks, where sharing neither reduces responsibility nor increases risks?

### Exhibit #3: Probing for responsibility aspects

constitute one’s responsibility. Norms are usually defined by reactions to breaches, reactions that are both relatively likely to occur and relatively serious. Among the whole range of norm types, positive law norms, risks and sanctions are typically more codified, specified and predictable, not least because there are professional norm specialists. On the other side of an assumed continuum one finds less institutionalised norm types, such as normative expectations which are defined by a risk of disappointment, e.g. stakeholder or market trust, and perhaps by risks of economic punishment. Unless responsibility is shared already, responsibility *sharing* with others can represent a good reflex after being ascribed or after taking responsibility. The important follow-up question before or after such sharing is of course whether it is productive or risky if risk or responsibility increase or decrease.

The common denominator of exhibits #1 and #3 (and to some extent #2) is to show how easily and almost unavoidably risk management triggers responsibility issues and to show how risky responsibility relations are, whether one's point of departure is the responsible subject, the responsibility domain, the affected parties, any constitutive norms or unintended effects of responsibility sharing. Rather than adding another checklist or table on top of the previous ones, references to leadership texts and theories will now be used for suggesting next steps in trying out syntheses of risk and responsibility.

### **Risk and responsibility: Illustration III**

More or less widely used definitions of *leadership* focus on core criteria such as influence towards followers qua role modeling, inspiration, the formulation, sharing and realization of visions, and expectation conflict management.<sup>25</sup> Hopefully, such leadership is *responsible* (cf. Maak and Pless, 2006) and *ethical* (cf. Ciulla, 2004 or Wicks et al., 2010, pp. 149-154),<sup>26</sup> for example in the meaning of accountability to the whole range of affected stakeholders, and in the meaning of reliability, as a positive personality trait that in turn creates trustworthiness. In accordance with the title of this paper, it feels tempting to suggest willingness and ability to take, to share and perhaps to balance *risk and responsibility* as a key defining criterion of leadership (in line with Huntsman's three Rs of leadership: *risk, responsibility and reliability*, see Huntsman 2005, p. 47):<sup>27</sup>

"Leadership is about taking risks. If your life is free of failure, you aren't much of a leader. Take no risks and you risk more than ever. Leaders are called on to enter areas where success isn't covered by the warranty, where public failure is a real possibility. It's a scary scenario... The chance of making mistakes increases dramatically with leadership..., never having failed is never having led. To succeed, we must attempt new things... Mistakes are not the problem. How one identifies and corrects errors, how one turns failure into a new opportunity, determines the quality and durability of leadership... Mistakes and miscues are often transformed into meaningful, successful experiences... ' Good judgment comes from experience, and experience comes from poor judgment...' (ibid., pp. 53-55).

<sup>25</sup> Cf e.g. In its essence, leadership in an organizational role involves (1) establishing a clear vision, (2) sharing (communicating) that vision with others so that they will follow willingly, (3) providing the information, knowledge, and methods to realize that vision, and (4) coordinating and balancing the conflicting interests of all members or stakeholders. A leader comes to the forefront in case of crisis, and is able to think and act in creative ways in difficult situations. Unlike management, leadership flows from the core of a personality and cannot be taught, although it may be learned and may be enhanced through coaching or mentoring (source: <http://www.businessdictionary.com/definition/leadership.html>) or as the "process of social influence in which one person can enlist the aid and support of others in the accomplishment of a common task", or as "creating a way for people to contribute to making something extraordinary happen." (<http://en.wikipedia.org/wiki/Leadership>).

<sup>26</sup> Cf. also Sims and Brinkmann (2002 and 2003) who use Schein's focus on leadership as a critical component of the organization's culture, by in fact creating, maintaining, or changing it, including its ethicalness, in accordance with for example Ch. I. Barnard's executive role description as the creator of "morals for others" (1938, quoted by Sims and Brinkmann, 2002). More specifically, Schein looks at various mechanisms or ingredients of leadership styles which do or which can influence an organization's ethical climate, such as attention focus, reaction to crises and role modeling (cf. ibid.).

<sup>27</sup> There exists also a textbook by C.L. Brungardt, 1999, *Risk leadership - the courage to confront & challenge*, Rocky Mountain Press, Longmont, Co.

As a more classical source one can refer briefly to sociologist Max Weber's widely referenced formulations about responsibility ethics.<sup>28</sup> Even if Weber does not address risk explicitly, his thoughts can inspire further reflection about the riskiness of responsibility and about responsibility for risk-taking. Weber's point of departure is, on the one hand, the question of legitimacy of power, or more specifically of a powerful decision-maker (Weber, 1994),<sup>29</sup> and, on the other hand, his constructive criticism of voluntarist ethics from a consequentialist position.<sup>30</sup> Risk awareness and responsible risk handling are the implicit core of Weber's so-called ethic of responsibility, mainly addressing the question of risking unwilling and morally disputable side-effects.<sup>31</sup> For Weber, a good politician (or better, one might add, any leader or powerful decision-maker) has involvement, responsibility awareness, and judgement, or in Weber's own words, *Verantwortungsethik* as a frame of reference rather than *Gesinnungsethik*. Wise and detached analysis of consequences should always come first, "as a duty", and include an analysis of possible unintended side-effects.

### **Risk and Responsibility: Risk Ethical Perspectives**

Similar to shadows, responsibility questions and issues in relation to risks are almost impossible to avoid. Not surprisingly, such responsibility connotations of risks have been ubiquitous on the previous pages, implicitly and now and then explicitly. This section takes a closer and more systematic look at the core criteria of such normative connotations of risk, of attributions and evaluations (and at their risks, too).<sup>32</sup> In terms of

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28 Max Weber's classical essay *Politik als Beruf* (1919, English translation 1994) can be read in various ways: as a criticism of voluntarism, as a criticism of emphasizing good or evil intentions at the expense of good or evil consequences, as a practical elaboration of consequentialism and as a kind of virtue ethics, elaborating positive personal properties of good decision-makers in political (and similar) contexts.

29 Cf at least a few quotations: "The question facing such a person ... is which qualities will enable him to do justice to this power ... and thus to the responsibility it imposes on him... Three qualities are pre-eminently decisive for a politician: passion, a sense of responsibility, judgement (Weber clarifies these properties also by their contrary: vanity, power focus, lack of distance, *ibid.*).

<sup>30</sup> Cf. *ibid.* "... Ethically oriented activity can follow two fundamentally different, irreconcilably opposed maxims. It can follow the 'ethic of principled conviction' (*Gesinnungsethik*) or the 'ethic of responsibility' (*Verantwortungsethik*, author's add.). It is not that the ethic of conviction is identical with irresponsibility, nor that the ethic of responsibility means the absence of principled conviction... But there is a profound opposition between acting by the maxim of the ethic of conviction ... and acting by the maxim of the ethic of responsibility, which means that one must answer for the (foreseeable) *consequences* of one's actions..." (pp. 359-360)

<sup>31</sup> Cf.: "A man who subscribes to the ethic of responsibility... will make allowances for ... everyday shortcomings in people... He does not feel that he can shuffle off the consequences of his own actions, as far as he could foresee them, and place the burden on the shoulders of others. He will say, 'These consequences are to attributed to my actions' ... No ethics in the world can get around the fact that the achievement of 'good' ends is in many cases tied to the necessity of employing morally suspect or at least morally dangerous means, and that one must reckon with the possibility or even likelihood of evil side-effects.'" (p. 360).

<sup>32</sup> For sceptical remarks cf Luhmann, 1993a and 1993b, with the advice that one should make sure that a normative focus on risk issues does not further prejudice instead of good judgment, and also make sure that such a focus does not replace humbleness and good questions with premature answers.



the previous procedures and frameworks section, one could say that such risk ethics<sup>33</sup> refers to the risk evaluation task or “stage” within risk management (cf exhibit #2 above) or that risk ethics represents a ubiquitous core of “holistic” risk governance, together with risk communication (cf exhibit #1 above). Independently of such practical placement in checklists, risk ethics reproduces the general choice of typical primary evaluation criteria as one finds them in the most prominent moral philosophical approaches<sup>34</sup> and then applies these criteria to risk issues.

### *Principles as criteria*

The first intuitive reflex answer for most lay judges of risky situations is perhaps a negative version of the key utilitarian criterion: minimizing the (net) harm for the greatest number of potential victims. The risk experts’ standard definition of risk equal frequency times seriousness of consequences suggests a similar reflex, with some kind of utilitarianism either as the premise of such a definition or as a natural next step. In spite of such a prima facie fit, the well-known weaknesses of utilitarianism apply, together with its equally well-known strengths. Some kind of rule-utilitarianism<sup>35</sup> or some adjustments<sup>36</sup> can counter a criticism of its weaknesses, but also weaken its main strengths, not least its closeness to engineering and economics risk experts’ preferences for being able to compute most acceptable or most tolerable solutions, rather than being forced to justify them in prose.

Criteria such as societal inequality of risk exposure, risks of irreversible risk misjudgement, or transparency of risks to potential victims can be used for a constructive criticism of problematic utilitarian assumptions, either for rejecting them or for softening them. The *maximin* criterion for example suggests an over-proportionate effort to avoid low likelihood catastrophes. The *difference principle* supports positive discrimination towards the poorest and most vulnerable populations (Rawls, 1971, pp. 302-303).<sup>37</sup> The *precautionary principle* (which is widely used in environmental politics<sup>38</sup>) suggests risking the pessimists’ error I rather than the optimists’ error II. In other words, when it comes to environmental risks (and similar size other risks), the

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33 Including ethics of/and risk as alternative labels and keywords. Cf e.g. Hansson, 2003, Nida-Rümelin, 2005; Rath, 2008, and in addition J. E. J. Altham, Ethics of Risk, *Proceedings of the Aristotelian Society*, New Series, Vol. 84, (1983 - 1984), pp. 15-29, <http://kenan.ethics.duke.edu/the-ethics-of-risk/>

34 Cf e.g. as one example among many the distinctions of approaches used in the Crane and Matten (2010) textbook (chs 3 and 4) which could serve as a fruitful preliminary content organizer for both business and risk ethical approaches.

35 See various widely-quoted articles of J.C. Harsanyi, such as ‘Rule utilitarianism and decision theory’ (*Erkenntnis*, 1977) or ‘Bayesian decision theory and utilitarian ethics’ (*The American Economic Review*, 1978), or as secondary literature Shrader-Frechette, 1991, esp. chapter 8, Hansson, 2004, Rath, 2008, pp 63-88, Nida-Rümelin’s contribution in Pieper, 1992, esp. pp. 160-163

36 Cf the Hurwitz criterion where best case and worst case scenarios are weighed, cf. Elemente..., 2006, note 9.

37 Cf in addition to Rawls, 1971, Rawls, 1974, Harsanyi, 1975 Rath, 2008, pp 88-112

38 Cf the Rio summit principle #15 <http://www.un.org/documents/ga/conf151/aconf15126-1annex1.htm>): “In order to protect the environment, the precautionary approach shall be widely applied by states according to their capabilities. Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation...” About what could call “future ethics” cf e.g. Ott 2003 with further references.

burden of scientific proof rests with the party suggesting taking a risky action.<sup>39</sup> As a fourth example, the principle of *informed consent* is mainly used in medical and psychological treatment and research contexts.<sup>40</sup> This criterion can be generalized, too, arguing that potential risk victims have a right to know, to be informed, to say no or to accept a risk, voluntarily, and by such consent, to make it acceptable.<sup>41</sup>

Such principles as criteria can be inspiring and useful as shorthand formulations, especially as long as a “satisfactory solution” is still missing (Hansson, 2007). After examining utilitarian, rights-, duty- and contract-based moral theories, Hansson concludes with the following skeptical but constructive remarks (quotation shortened by present author):

“In summary, the problem of appraising risks from a moral point of view does not seem to have any satisfactory solution in established moral theories. The following are three possible elements of a solution: 1) It may be useful to shift the focus from risks... to actions of risk-taking and risk-imposing... 2) ... (Let us assume) that each person has a *prima facie* moral right not to be exposed to risk of negative impact... through the actions of others... that has to be overridden in quite a few cases, in order to make social life at all possible... (and that) gives rise to what can be called an *exemption problem*, namely the problem of determining when it is rightfully overridden... 3) Part of the solution to the exemption problem may be obtained by allowing for reciprocal exchanges of risks and benefits. Exposure of a person to a risk can then be regarded as acceptable if it is part of an equitable social system of risk-taking that works to her advantage...” (Hansson, 2007)

In addition to Hansson’s suggestion to focus on risky actions, on justified unavoidability and on benefits of risks, one could also try the two positions which are presented in the following two paragraphs, which suggest focusing on good communication and on good characters respectively.

#### *Good information and good communication as criteria*

The criterion of informed consent which was mentioned briefly above automatically raises further questions about what is reliable, relevant and understandable information about given risks. Still another question that follows is the availability of such information to parties who need it, because they are exposed to a risk or because they are considering taking a risk (such as taking medication with the risk of possible side effects or buying financial products that involve risk). A final question, perhaps the most important, is then whose responsibility it is to provide or discern such information, that is, if there is a duty to search for such information oneself or if there exists a right to be provided such information. In summary, the ethical acceptability of risk taking or risk exposure depends on good answers to such questions. The most promising response is to

<sup>39</sup> See for a further elaboration Rath, 2008, pp 112-141

<sup>40</sup> Cf as an explanation: “...informed consent is a legal procedure to ensure that a patient or client knows all of the risks and costs involved in a treatment. The elements of informed consent include informing the client of the nature of the treatment, possible alternative treatments, and the potential risks and benefits of the treatment. In order for informed consent to be considered valid, the client must be competent and the consent should be given voluntarily...” ([http://psychology.about.com/od/iindex/g/def\\_informedcon.htm](http://psychology.about.com/od/iindex/g/def_informedcon.htm)).

<sup>41</sup> Cf as an example from the business ethics textbook literature DeGeorge, 2006, with a four-step risk information checklist on p. 280

use these questions as an agenda for risk communication, that is transferring, exchanging and sharing risk related information among all parties involved. In a risk ethical perspective, discourse ethics and risk dialogue among stakeholders represent a promising framework for both using and integrating the criteria and elements mentioned so far, not least if facts and/or criteria are controversial (cf Renn, 2008, pp. 151-154).

The philosophical basis of discourse ethics is usually identified with the work of Jürgen Habermas,<sup>42</sup> and with ethical judgements and standpoints as products of a discourse procedure guided by idealistic assumptions and rules, such as *publicity* (openness to all parties affected), *equality* (all participants have a potential to contribute to a good solution), *sincerity* (no strategic use of arguments), *freedom* (no internal nor external coercion) and not least that *the best argument wins* (i.e. the best for reaching a truly common-interest consensus, cf. Nyeng, 1999, p.100). As a theory, discourse ethics can build on and transcend other more or less classical ethical approaches, such as deontology, utilitarianism, justice, care and virtue ethics, by inviting these approaches to share and test their key arguments in a discourse setting where affected parties examine their own cases and look for the deepest possible consensus or at least for a sufficient consensus. In practice, discourse ethics as an ideal can inspire moral conflict management and consensus-building, for example among real business life parties and decision makers.<sup>43</sup> The suggestion is that it is not any ethical authorities or experts, but the affected stakeholders themselves in a moral conflict situation, who should work out, develop and own the rightness of a moral standpoint and of a solution to a conflict. Or, in still other words, the rightness of a standpoint and a solution to a moral conflict is a function of the quality of the consensus brought about by good communication processes. Obviously, such stakeholders and such discourses can put moral conflicts about risk definition, risk evaluation, risk acceptability and tolerability or risk sharing on the agenda for open and fair consensus-building (cf. Renn, 2008, esp. pp. 201-271, Jungermann et al., 1990, or in an applied perspective <http://www.risiko-dialog.ch/Overview%20in%20English> ).

#### *Risk and responsibility awareness as a character trait*

Decision-making in risky *situations* where responsibility (as a relation and as an obligation) is tested can be seen as a function of good ethical criteria or of good communication among affected parties or stakeholders (such as in the introductory cave rescue or in indecent proposal situations). However, instead of focusing on decisions in risky situations one can look at *actors* across risky situations and at responsibility as a positive personal trait (cf the reliability and trustworthiness synonyms of responsibility mentioned above, also the remarks about leadership and about Max Weber's responsible politicians). Inspired by a virtue ethical perspective and in the context of this paper one

<sup>42</sup> See as the primary source still Habermas, 1983, pp. 53-125 (Engl. translation 1991, Moral Consciousness and Communicative Action, MIT Press) and perhaps J. Habermas, 1990. Among many secondary sources cf e.g. Stansbury, 2009, Beschoner, 2006, Steinmann and Löhr, 1994, pp 76-93, D. Matten, Moral im Unternehmen: Philosophische Zierleiste oder knappe Resorce?, in Haupt and Lachmann, 1998, pp 11-33

<sup>43</sup> See e.g. Noland and Phillips, 2010 or in German for a nice overview Matten, 1998, e.g. p. 17 or, widely quoted, Steinmann and Löhr, 1994.

could suggest as an ideal criterion an ethical *character* that integrates risk and responsibility awareness. In other words, such integration could be something like a wise *balance* between taking too much and too little risk,<sup>44</sup> between taking too much and too little responsibility, and perhaps also between taking and sharing responsibility.<sup>45</sup>

*Postscript: Balancing normative and descriptive risk ethics?*

In the beginning of this section a remark was made about potential risks related to normative connotations of risk, of attributions and evaluations. What if one wanted to accept the importance and legitimacy of a moral *question*, but without necessarily being sure that there is, can be or should be a normative, general or even rational *answer*? An example of such sceptical risk ethical<sup>46</sup> questioning can be found in a paper by the late German sociologist Niklas Luhmann, about "the morality of risk and the risk of morality".<sup>47</sup> Luhmann's main advice seems to be that one should make sure that a normative focus on risk issues does not further prejudice instead of good judgment. Also, one should make sure that such a focus does not replace humbleness and good questions with premature answers. A constructive way of listening to Luhmann's scepticism towards too much normative ethics too early could involve an equal interdisciplinary partnership of normative and descriptive ethics,<sup>48</sup> of philosophy, critical-empirical social science, and technological risk research. Hopefully, such partnerships invite and deliver careful listening to one another and learning from one another, and further a more holistic understanding which internalizes legitimate stakeholder criticism as an essential ingredient of risk governance.

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<sup>44</sup> Cf the Aristotelian virtue of courage between the extremes or vices of rashness and cowardice. As good overviews cf. e.g. the *Stanford Encyclopedia* article <http://plato.stanford.edu/entries/ethics-virtue/> by R. Hursthouse or the virtue ethics article by N. Athanassoulis in *The Internet Encyclopedia of Philosophy*, <http://www.utm.edu/research/iep/v/virtue.htm> In the business ethics tradition see various works of R.C. Solomon and e.g. Dobson, 2007.

<sup>45</sup> There is only space here to mention interesting next steps, in particular perhaps drafting a virtue ethical approach to risk and responsibility (cf Athanassoulis and Ross, 2010, esp. pp. 222-224) and developing instruments for empirical attitude measurement, of risk awareness, responsibility awareness, risk seeking, risk aversion etc and then developing typologies of attitudes towards *both* risk and responsibility (see Brinkmann and Aarset, 2012). A more qualitative way of researching in the overlap between discourse and virtue ethics could be staging a Socratic dialogue, using the design suggested by the practical philosopher's movement (see e.g. [http://www.sfcg.org.uk/socratic\\_dialogue.htm](http://www.sfcg.org.uk/socratic_dialogue.htm); see also Brinkmann, 2012, with a summary of a Socratic dialogue about "Taking risks responsibly").

<sup>46</sup> Sceptical ethics is meant as a wider alternative label instead of e.g. postmodern ethics, see e.g. Gustafson, 2000. About moral skepticism cf. also Baggini and Fosl, 2007, pp. 235-237, with further references.

<sup>47</sup> Cf. as "authentic" raw material for a discussion of Luhmann's way of reasoning esp. Luhmann, 1993b, pp. 330-336: "If risks of some kind are ubiquitous and unavoidable, then one could postulate that the problem is not taking responsibility for risks but the likelihood of avoidable mistakes when deciding about risks..." or "Because morality can't deal properly with risk as a problem it behaves risky itself" (by increasing the insult level of political communication, p. 332).

<sup>48</sup> Cf once more Crane and Matten, 2010, chapters 3 and 4 for a simple but pedagogically convincing presentation of normative and descriptive ethics as more equal partners than in most other introductory textbooks.

### **Risk and Responsibility: Illustration IV**

The COSO checklist which was briefly referred to above represents the essential “components” of enterprise risk management (ERM) which in the same source is defined as follows, as a:

“... process, effected by an entity’s board of directors, management and other personnel, applied in strategy setting and across the enterprise, designed to identify potential events that may affect the entity, and manage risk to be within its risk appetite, to provide reasonable assurance regarding the achievement of entity objectives...” (COSO, 2004, p. 8)<sup>49</sup>

Consistently with our reasoning above, it looks as if an ERM design takes responsibility, at least ideally, *by* identifying, addressing and managing business risk and addresses responsibility *as* risk.<sup>50</sup> In practice, ERM often boils down to rules of thumb such as “never take more risk than what you can take responsibility for” (e.g. equal equity for compensating any harmed stakeholders), or “limit your financial-legal responsibility to a low enough ceiling for encouraging entrepreneurial risk-taking.” Or skeptically one can ask to what extent risk management has a built-in self-destroying prophecy, and is risky in itself by pushing the limits for risk taking - either risks are larger and less predictable and less manageable than they look or management behaves rather riskily than carefully or responsibly and thus increases than decreases risk (and responsibility).

Michael Power has raised questions of the third type and drafted answers to them (Power, 2004, cf. also Power, 2007), quoting Douglas and Wildavsky as a point of departure: “Can we know the risks we face, now or in the future? No, we cannot, but yes, we must act as if we do...” (2004, p. 9). Power’s diagnosis:

“Risk management organises what cannot be organised, because individuals, corporations and governments have little choice but to do so. The risk management of everything holds out the promise of manageability in new areas. But it also implies a new way of allocating responsibility for decisions which must be made in potentially undecidable situations... The risk management of everything is characterised by the growth of risk management strategies that displace valuable – but vulnerable – professional judgement in favour of defensible process... (pp. 10-11). As a consequence, “experts who are being made increasingly accountable for what they do are now becoming more preoccupied with managing their own risks...” (p. 14), or in other words, “...expert judgement shrinks to an empty form of defensible compliance...” (p. 42).<sup>51</sup>

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<sup>49</sup> Cf. the following additional clarification (ibid.): “Enterprise risk management is:

- A process, ongoing and flowing through an entity
- Effected by people at every level of an organization
- Applied in strategy setting
- Applied across the enterprise, at every level and unit, and includes taking an entity level portfolio view of risk
- Designed to identify potential events that, if they occur, will affect the entity and to manage risk within its risk appetite
- Able to provide reasonable assurance to an entity’s management and board of directors
- Geared to achievement of objectives in one or more separate but overlapping categories

<sup>50</sup> As a test one could try to replace risk with responsibility in quotations, or with risk-and-responsibility.

<sup>51</sup> Cf also John Boatright’s two papers (2010, 2011) which both use Power’s thoughts (2004) as a point of departure for examining financial risk management ethics and the underexploited potential synergies between ERM and CSR.

Power's suggested therapy reads like this: "... [The] ... challenge is to ... create a legitimate, 'safe haven' for the judgement of the individual within an 'intelligent' risk management capable of confronting complex systems which may be out of control..." (p. 50). Such *intelligent risk management* is then formulated in three points: "(1) "...[it] would not allow control systems, and their advocates, to swamp managerial attention and independent critical imagination", (2) "... a greater degree of disorganisation and ambiguity would be acceptable in risk management processes... [which instead, present author's add.] ... would be characterized more by learning and experiment, rather than rule-based processes", but (3) "intelligent risk management will not throw the baby out with the bath water; not all process and internal control is bad. To the extent that process represents the codification of accumulated wisdom, it should be sustained subject to the possibility of constant challenge." (p. 61).

A parallel therapy consists in the limiting of what Power calls *secondary risk* management (perhaps the most thought-provoking concept in the source, with derived and compensatory reputational risk as the primary example):<sup>52</sup>

(1) "...explicitly acknowledge that risks are 'selected' by institutions for a mixture of cultural and economic reasons", (2) "... generate legitimacy for the possibility of failure", (3) "...imagine and create 'safe havens' for professional and expert judgement", (4) "... challenge the 'small print' or disclaimer society... In the interests of transparency, small print should be made large and ruled out as a secondary risk management ploy" (pp. 62-64).<sup>53</sup>

### **Risk and Responsibility: (A Final) Illustration V**

In the introduction to this paper, insurance was mentioned as an inspiring ideal-typical construction of sustainable risk and responsibility sharing in well-designed pools, within clear and well-known limits to coverage, maximizing the greatest economic security and care, for the greatest number, at the best possible prices. So far the relationship between risk and responsibility has been addressed as a *theoretical* challenge - for conceptual clarification, for development of appropriate procedures with more or less grounding in normative (or descriptive) ethics research. For the insurance business, risk and responsibility represent a *practical* challenge - given insurance systems are risk transfer and mitigation systems which need to be responsible by being sustainable, which need protection against self-destruction from inside or outside, from what one could call irresponsible risks and risks of irresponsibility (or moral hazard, more usually).<sup>54</sup> In

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<sup>52</sup> In his 2004 book, Power offers two illuminating examples related to secondary risk which is essentially responsibility aversion rather than risk aversion (cf. p. 45): insignificant CEO parking fines are paid as reputational risk management (p. 32) or school trips are evaluated in terms of liability risks (pp. 42, 45)

<sup>53</sup> A fifth kind of solution formulated by Power is the following (abbreviated): "given the significance of large organisations in economic and public life, the elements of a new politics of uncertainty could be assembled at this level of society and filter 'upwards' into the political domain, just as other ideas have done..." (2004, p. 65)

<sup>54</sup> About moral hazard equal insurance abuse among consumers see e.g. Brinkmann and Lentz, 2006 or Lesch and Brinkmann, 2011, with further references.

other words, it is suggested here that insurance arrangements represent an almost ideal combination of risk and responsibility (BI forsikring, 2005, p. 17, author's translation): Insurance is an arrangement for compensation of economic losses suffered by an individual, where the losses are a consequence of random and unforeseen events. Insurance functions as a safety net for each of us where losses hitting a few only are shared among a large number of individuals in a group... An insurance arrangement is built on a number of basic principles:

- A group joins
- Losses must be unforeseen
- The risk threatens all group members
- The group needs to have a certain minimum size and a loss must be able to reach a significant size
- The insurance customers can't produce a covered loss themselves
- The loss risk must be measurable (likelihood and size)
- The loss can be expressed in terms of money..." (ibid., p. 23)

A short reference to liability insurance for car owners can serve as an example.<sup>55</sup> The risk pool (or 'group' in the above quote) consists of a sufficient number of car-owners facing the same type of risk and being covered by the same insurance, for future unforeseen but measurable losses, expressed and compensated in money terms. The fine print of the insurance contract informs us, however, that rather than risky car use as such, only risky *and* responsible car use is covered (while irresponsible car use risks the insurance coverage). There are often various legal limitations, such as responsibility for outdated and under-specified events, judged by lawyers rather than laypersons, perhaps with equal responsibility and guilt sharing among drivers and their insurance and with deductibles as a design for risk and responsibility sharing.<sup>56</sup>

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<sup>55</sup> Cf Brinkmann and Aarset, 2012, with a discussion of findings from a survey among Norwegian car liability insurance customers. A less familiar but better illustration than liability insurance for car owners would have been so-called microinsurance. Cf. for an introductory presentation <http://en.wikipedia.org/wiki/Microinsurance> (abridged by by present author): "Micro-insurance is insurance with low premiums and low caps / coverage..., a financial arrangement to protect low-income people against specific perils in exchange for regular premium payments proportionate to the likelihood and cost of the risk involved..., (often) synonymous to community-based financing arrangements..., the use of insurance as an economic instrument at (the smaller than national) level of society..." For a much broader and deeper presentation see two microinsurance compendia (Churchill, 2006; Churchill and Matula, 2012). In his introductory chapter, Churchill describes *seven key characteristics* of microinsurance for the poor which make it typically different from "conventional insurance" and from "mainstream social-protection programmes": 1) *Relevant to the risks of low-income households*, 2) *As inclusive as possible*, 3) *Affordable premiums*, 4) *Grouping for efficiencies*, 5) *Clearly defined and simple rules and restrictions*, 6) *Easily accessible claims documentation requirements* and 7) *Strategies to overcome the wariness of customers*: "...Microinsurance can be described as an insurance 'back to basics' campaign, to focus on the risk-management needs of vulnerable people, and to help them manage those risks through the solidarity of risk pooling..." (pp. 22-24). In addition see not least SwissRe, 2010 or e.g. Brinkmann and Tak (2011), or Radermacher and Brinkmann, 2011, more specifically addressing the microinsurance business ethics

<sup>56</sup> See also Munich Re, 2007. Insurance arrangements and insurance as a societal institution are principally interesting, beyond such examples, as a mix of complementary and in part contradictory elements, such as cognitive and normative expectations, between actuarial and legal paradigms - cf. Brinkmann and Lentz,

For more development of these themes, the reader might examine Francois Ewald's (1991) description of insurance as a *technology of risk*<sup>57</sup> and two of Tom Baker's works (2000, 2002). In his article about "Insuring Morality" (2000) Baker presents a *responsibility versus a risk paradigm* for how the insurance business can handle its heterogeneous customers, the "good" ones and the "bad" ones (2000).<sup>58</sup> The second article discusses insurance as an institutionalized combination of risk and responsibility, as an organizer of responsibility for risk in society. It feels tempting to use Baker's formulations for concluding this section (2002, pp. 47-48):

"... Insurance is a form of social responsibility and ... insurance institutions shape responsibility in five analytically distinct senses of that term – accountability, trustworthiness, causation, freedom, and solidarity. Insurance shapes accountability through decisions about premiums and benefits, through subrogation and coordination of benefits, and through risk-management techniques designed to reduce the exposure of insurance institutions to loss. Insurance shapes trustworthiness through decisions about whom to insure, what premiums to charge, and whose claims to pay, as well as through risk-management techniques designed to foster responsible behavior. Insurance shapes causation through decisions about whose claims to pay and what kinds of benefits will be offered to cover what kinds of events, and, once again, through risk-management techniques that identify who or what causes loss in order to minimize losses in the future. Insurance shapes freedom through many of the efforts to control moral hazard. Finally, insurance shapes solidarity through decisions about risk classification and underwriting, and through risk-management techniques that alter the structure of organizations. Seen in this way, insurance institutions cease to play only a passive, loss-spreading role and, instead, actively construct (and are constructed by) the world they inhabit..."

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2006, using cognitive versus normative expectations as elements for a micro-sociological understanding (p. 179), and for a meso-level understanding of the insurance business, as a mix of paradigms, referring extensively to Baker's literature review article *Insuring morality* (2000). Cf. also the anthology of Ericson and Doyle, 2003, with various articles addressing the same topic. As a point of departure for a risk and responsibility sharing perspective cf. Brinkmann 2007, pp. 96-10, where responsibility sharing in insurance contexts is illustrated and discussed from three angles – as pseudo-sharing, as a question of relative sovereignty of the parties and as conditional responsibility sharing.

<sup>57</sup> Ewald's thoughts and formulations can be put into a thesis format:

- "The term 'risk'... has no precise meaning other than as a category of (insurance) technology..." (p. 198)
- In insurance contexts, risk "designates... a specific mode of treatment of certain events capable of happening to a group of individuals..." (p. 199)
- Risk in the meaning of insurance has three great characteristics: it is calculable, it is collective, and it is capital..." (p. 201)
- Insurance (can be defined as) "the compensation of effects of chance through mutuality organised according to laws of statistics..." (p. 205)
- Insurance is "an economic and financial technique, a moral technology, a technique of reparation and indemnification of damages..." (pp. 206-207)
- "Societies enter modernity once insurance becomes societal and once the societal contract takes the shape of an insurance contract. Insurance constitutes the very core of modern societies" (p. 288)

"In reality, there are no risks, but everything can become a risk, depending on how dangers are analysed and events are observed..." (p. 295)

<sup>58</sup> The more old-fashioned responsibility paradigm focuses on "moralized personal attributes and pressures like 'temptation' and 'character'" while the more modern one focuses on 'system efficiency'" (Baker, 2000, p. 559).



### An Open Ending: Next Steps?

In its title, this paper promised to suggest *first* steps. To fulfill this promise, the paper has offered conceptual clarification, checklists and risk ethical perspectives as these first steps, together with illustrations. It makes sense to conclude the paper with an open ending, with some suggestions of possible *next* steps.<sup>59</sup>

#### *Next step: Going empirical?*

Risk and responsibility awareness have been presented and discussed above as desirable character traits of a decision-maker, with virtue ethics as a primary reference. But one could also take the step from normative to descriptive risk ethics and look for good qualitative or standardized ways of mapping such awareness,<sup>60</sup> and then even ask how risk and responsibility (as awarenesses) are combined empirically – for example, if and how they are correlated, if they represent one common or two distinct dimensions, and in the latter case, if a simple typology could be helpful, as in the following matrix table:

	Responsibility avoidance	Responsibility acceptance
Risk acceptance	Carelessness	Courage
Risk avoidance	Cowardice	Cautiousness

**Exhibit #4: Four types of risk and responsibility awareness**

#### *Next step: Going practical?*

Health, Safety and Environment (HSE)-related risks are among the primary “practical” responsibilities of business, towards employees and towards the natural environment. In Scandinavia (and in many other countries, but not in all countries across the globe), HSE-responsibilities are highly regulated by legal norms, which typically ascribe both ex ante and ex post responsibilities and which typically focus on specified responsibilities at the expense of vague responsibility (cf <http://www.arbeidstilsynet.no/binfil/download2.php?tid=77839> ). Even if employers are legally responsible for developing a risk management routine, so-called “internal control” systems, a next step could be to ask more or less critically and more or less empirically if such a legal compliance focus can have unintended and undesirable side

<sup>59</sup> Obviously, in addition to a possible extension and further elaboration of illustrations III to V above

<sup>60</sup> Cf once more Brinkmann and Aarset, 2012. As a pretest for this study (and as an introduction to our course in risk management and governance) a few instruments were tried out among the course participants. Risk awareness was measured with B. Rohrman’s tools (RSQ, RPQ, ROQ, see <http://www.rohrmannresearch.net/pdfs/rohrmann-racreport.pdf> ), while responsibility for the time being was measured with Rokeach’s terminal and instrumental values lists (see: [http://www.google.no/search?sourceid=navclient&aq=0&oq=rokea&ie=UTF-8&rlz=1T4SKPB\\_enNO380NO380&q=rokeach+value+survey](http://www.google.no/search?sourceid=navclient&aq=0&oq=rokea&ie=UTF-8&rlz=1T4SKPB_enNO380NO380&q=rokeach+value+survey)). After some major revision a survey among insurance customers is planned, most likely for using different combinations of risk and responsibility awareness as point of departure for a cluster analysis.

effects of responsibility avoidance, of furthering secondary rather than primary risk awareness and risk management (cf. once more Power, 2004, pp. 62-64, also pp. 24-28).<sup>61</sup>

*Next step: Financial risk management?*

A few months after an earlier version of this manuscript had been used for a lecture, the financial crisis developed as the global financial markets became self-destructive (as a consequence of bad housing loan risks which increasingly infected the whole investment banking system which had traded and transferred these bad risks as CDOs and CDSs).<sup>62</sup> This served as a reminder that crises often are signs, of interacting systemic risks rather than independent risks, and of missing or falsified risk management.<sup>63</sup> Meanwhile, John Boatright has in two papers examined and discussed the limitations to and the ethics of financial risk management, which neither predicted nor prevented such extra large financial system risks but instead had a primary co-responsibility for the crisis by creating a false sense of security (2010, 2011).

*Next step: Positioning within our discipline?*

Sooner or later, one should also discuss how to position risk and responsibility perspectives within business ethics as a research and teaching discipline (including its close academic relatives). Schwartz and Carroll have tried to “integrate and unify competing and complementary frameworks” for the “proper role of business in society” and to search for a “common core” (2008). As part of such a project, the authors suggest combining three “core concepts”, value, balance and accountability, to a “VBA-model”, as a common denominator across CSR, business ethics, stakeholder management, sustainability and corporate citizenship “frameworks” (cf as a summary visualization their figure on p. 149). If one’s intention is to examine the potential of a risk and responsibility perspective as an indispensable dimension across the research territory of business and society one should at least try to relate it to the Schwartz and Carroll proposal. A risk-and-responsibility perspective could inspire “value creation” (as risky), “accountability” (as both a consequence and as a source of risk) and “balancing” (especially between risk and responsibility). Furthermore one could discuss if the very core reference, the “proper role of business in society”, would be better understood if one emphasized the risky nature of business and its societal role, and to what extent such risks are inherited from or interacting with society as risk society in the sense of Beck and Giddens.

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<sup>61</sup> An example could be properly collected and analyzed burnout risk data among university teaching and research faculty, with coaching, sabbatical and early retirement schemes as main risk control mechanisms. Even with a legal HSE-responsibility, of management together with employee representatives, to prevent burnout there exists a complex sharing of organizational culture level and individual level risks and responsibilities, with golden means of leadership, faculty self-management, work flexibility (cf. Sennett, 1998), eventually work-life balance.

<sup>62</sup> Collateralized debt obligations (i.e. bundled loan risks) and credit default swaps (i.e. insured then against bankruptcy).

<sup>63</sup> Cf two inspiring references instead of many, a Caux round table comment and a NYT article about risk mismanagement: <http://cauxroundtable.blogspot.com/2008/10/global-prosperity-at-risk-current.html> and [http://www.nytimes.com/2009/01/04/magazine/04risk-t.html?\\_r=3&scp=1&sq=nocera%20risk&st=cse](http://www.nytimes.com/2009/01/04/magazine/04risk-t.html?_r=3&scp=1&sq=nocera%20risk&st=cse) )

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Inconvenient business ethics

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### **Abstract**

Business ethics has at least two faces. There is an extrovert, positive, business rhetoric face, with positive slide shows which are both easy to understand and easy to agree with. And there is a more introvert, idealistic, business criticism face, which communicates in a more traditional academic language, which is full of controversies and which often is not at all easy to understand. This paper tries to defend the more critical face as at least as necessary and legitimate, under the working title of *inconvenient business ethics*.

For elaborating such thoughts further, this essay takes a look at ambiguities and potential blind spots in the self-conception of CSR and of business ethics. The suggestion is to pay relatively more attention to morality (at the expense of ethics), and to moral conflict (at the expense of consensus). Then inconvenient business ethics is tentatively translated and explained - as non- profitable, annoying and ambiguous.

The paper concludes with an open question: whether and when honest inconvenient questions and honestly uneasy feelings about the state of the business world can be more productive than dishonest convenience and easiness.



## **Introduction**

There is no shortage of positive coverage of CSR in business brochures, in media coverage and not least on websites. There seems to be a broad consensus about the desirability of sustainable development and of being a responsible corporate citizen. It is both understandable and acceptable that the good forces in the business world celebrate themselves, and focus on the positive. The choice is only superficially a question of communication *style* and taste, between joining the consultants and not-really-academic colleagues and learning how to run entertaining power-point slide shows versus continuing with writing less entertaining critical journal and monograph texts with lots of impressing footnotes. The choice is eventually regarding the identity and integrity of our business ethics business when communicating with our primary target groups in the business world, about the legitimacy of intellectual scepticism and idealistic criticism, of inconvenient business ethics versus the growing tradition of uncontroversial CSR, with a thoroughly positive rhetoric, where ethics and consensus so to speak define one another (i.e. a consensus which refers to basic and non-controversial values).

This paper tries to take a step back for getting further, and takes a closer look at theoretical bases, on pairs of concepts such as taking versus denying responsibility,<sup>2</sup> morality versus ethics and conflict versus consensus. After that one can formulate as a next question if and why business ethics as an academic discipline perhaps betrays itself by choosing not to look at inconvenient conflict topics and other critical and self-critical questions.

### **Morality versus ethics?**

One could simply use everyday language as a model for academic language – where morality (and morals) and ethics are used interchangeably, since both have obviously to do with distinctions between right and wrong. If one in an academic context distinguishes clearly between morality and ethics one can more easily catch and address a number of interesting tensions, by using morality and ethics almost as headlines for a range of counter-poles.<sup>3</sup> Quite simply and a bit unprecisely one can say that ethics is reflection about morality and that ethics for that reason can develop into a discipline. Morality on the other side are individual or shared attitudes, shaped by tradition and group membership, about what is right and wrong behavior. Morality refers also to the frequency of such right or wrong behaviors. If such moral attitudes and actions are inconsistent, if there is a difference or contradiction between talking and walking, then one often talks of hypocrisy. Most important in this distinction is the suggestion to understand morality as an empirical phenomenon and ethics as a normative one.

The distinction also suggests a division of responsibility for academic quality control. Social science (sociology, social anthropology, psychology) would become responsible for evaluating proper descriptions and proper understanding, while philosophers would be in charge of evaluating proper criticism and proper justifications. The unity of and the interdependencies between morality and ethics become quite clear in such simple formulations such as ethics is about morality, that is ethics problematizes, criticizes and justifies morality.<sup>4</sup> One can also focus on morality as a neutral intermediate position on an imagined continuum with (self-critical) ethics as a counter-pole to (uncritical) moralism, perhaps also on an additional continuum between public-shared and private-individual norm systems, almost as somewhere between positive law and private conscience (cf. Brinkmann, 2001).

There can be various reasons, trivial ones and less trivial ones, for why ethics dominates at the expense of morality, already in the very label.

*#1 While business ethics teaching emphasizes (normative) ethics and moral philosophy as its primary discipline, most business ethics research seems to be about morality (or descriptive ethics if you prefer) and to be more interdisciplinary.*

If the students are looking for guidance and advice a normative discipline with recommendations meets such needs much better than an empirical discipline which dislikes recommendations and which prefers asking questions to giving answers. Eventually, however:

*#2 If the main issue is how to improve morality in practice, ethics might often be less interesting than morality – morality is the focused end, while ethics is the means, normally with some assistance from empirical social science.*

Ethics as moral philosophy is oldest, but sociology of morality is clearly older than business ethics, and has addressed some of the important issues a hundred years ago already. The terminology can be different – one talks of social norms instead of moral standards, about role duties and role conflict instead of moral obligations and moral dilemmas, about norm senders and reference groups instead of stakeholders etc. Sociology classics were interested long time ago already in mores and folkways (W.G. Sumner), moral integration and disintegration (E. Durkheim), responsibility and protestant ethics (M. Weber) and last not least in anomie (E. Durkheim, R.K. Merton). Independently of seniority the social sciences are superior when it comes to design, implementation and reporting of interesting, theory-based empirical studies.<sup>5</sup> Topics such as how to influence morality through communication or how to improve the moral climate of an organization ask for empirical social science. More theoretical social science research questions could be which social functions morality has and

what morality is a function of,<sup>6</sup> or subsystem-typical dysfunctions of business or anomie in the business world, in a risky, global, ecological and socio-cultural environment (cf. Beck, 1992; Luhmann, 1991), or in a thesis format:

*#3 When issues are put on the agenda as moral issues this can have both intended positive functions and non-intended negative ones. Perhaps ethics should specialize on warning against moralism.*<sup>7</sup>

In a next step can one then depart from the most widely used basic sociological terms (such as social role, deviance, power, reference group, communication), perhaps combine them to typologies or taxonomies, or let them be basic elements of sociological research questions about morality as a question of definition or about moral heterogeneity.<sup>8</sup>

The following thesis seems important and worth further discussion:

*#4 Business morality as an empirical phenomenon is at least as interesting as business ethics, but most interesting is the dialectic interaction of morality with ethics. Morality delivers the topics to be addressed and perhaps to be changed, while ethics is about critical problematization of them and about giving well-justified advice.*<sup>9</sup>

The strongest argument in favour of morality in its interdependence with ethics is related to a similar argument put forward in the next section. There is a need for a realistic focus on real morality, not least when moral becomes a manifest issue because there is a moral conflict.

*#5 A relatively stronger focus on morality can also serve as an insurance against too much idealism, against emotional or rational wishful thinking, against overlooking conflict or against falsely claiming, believing in and hoping for a moral or value consensus, without having sufficient knowledge about the conditions for such a consensus.*<sup>10</sup>

### **Conflict versus consensus?**

As a first point of departure one can think of four assumptions about moral conflict in business organizations: “(1) Conflict is normal rather than exceptional in organizations. Moral conflict can often be a sign of cultural and moral diversity. (2) Conflict and conflict cases, moral ones or not, should be dealt with constructively, as long as such conflict management is not biased and respects the given conflict(s) on their own premises. (3) Moral conflict can represent a (productive) test of principles and identity, i.e. it can provoke and engages often more than non-moral conflict (for a similar reason, moral blaming and moralizing can create conflict escalation and often function destructively). (4) Ethics represents a chance to handle intra- and inter organizational, moral and non-moral conflict ... in a civilized and constructive

manner...” (Brinkmann & Ims, 2004, p. 127-128;<sup>11</sup> quotation slightly shortened and modified).

Conflict in this context can be defined somewhat generally as ”any relationship between elements which can be characterized as an objective (latent) or subjective (manifest) antagonism or tension. Such a relationship between elements can be conscious or just postulated, intended or just determined by a given ...” (freely translated from Dahrendorf, 1972, s. 23).<sup>12</sup> Unless one wants to define consensus negatively as the absence of conflict, one could translate consensus as sharing of values or as agreement.<sup>13</sup> While conflicts often create attention and have a lower risk of being overlooked the opposite seems to be the case with consensus. Consensus as shared values and agreement is often assumed tacitly, as self-understood. Silence is often read as agreement and questioning a given consensus in an organization can turn easily into a burden for the one questioning. As discourse ethics claims, both in business context and in social life consensus is mainly interesting as a good reference for procedures, because consensus can produce and guarantee consensus by preventing unnecessary unproductive conflict, both looking ahead and backwards (in the latter case by looking at what has lead to a given consensus).<sup>14</sup>

*#6 In a similar way as morality and ethics, conflict and consensus are less interesting one at a time but as a pair of concepts of dialectic counter-poles, where conflict and consensus define one another, test and transcend one another, contain critical criteria for evaluating one another.*<sup>15</sup>

The main point is that different (sub-)cultural moralities can coexist in loose societies with value pluralism and moral heterogeneity, as long as morality is introvert, that is limits its validity to the particular (sub-)culture and to its particular inner conflicts instead of taking over other (sub-) cultures or whole societies. But since morality often has to do with building and defending one’s self-conception, one’s identity and one’s honour, it can easily lead to increased involvement and hence potentially to conflict escalation. Especially in such situations there is a need for ethics as a minimal meta-morality and for a consensus about a procedure for peaceful coexistence in spite of cultural or sub-cultural moral differences.

*#7 The argument is that ethics is needed because a consensus is needed when and because morality easily produces conflict.*

The condition is that ethics is defined as a procedure, as some kind of discourse ethics and on the condition that the quarrelling moralities accept that such a kind of ethics could be useful.<sup>16</sup>

## Inconvenient business ethics

We can now return to the headline of this paper and its promise – to take a look at inconvenient business ethics. Even if working on achieving a value consensus in moral conflict situations is among the main functions of business ethics, this shouldn't lead to falsely and too quickly assuming a consensus and to deny conflicts. One could almost say that *#8 Moral and other conflicts and some conflict acceptance is needed for preventing the business ethics discipline from turning into an uncontroversial and unrealistic belief in consensus and win-win situations.*

Conflict-conscious business ethics can then either mean focusing on discourse ethical handling of particular conflicts or on conflict orientation in a more radical sense, as a question of putting the basic conflicts within economic theory and practice on the agenda.<sup>17</sup> This section is written with such a standpoint in mind.<sup>18</sup>

### *Inconvenient=non-profitable business ethics*

The conflict potential in private business life which is related to the principle of profit-maximization is now and then presented in the business ethical literature as a (quite) simple matrix (see figure #1)

	Ethically disputable	Ethically acceptable
Profits	Profits at the expense of ethics	Convenient business ethics
Losses	Neither ethical nor profitable	Inconvenient business ethics (ethics at the expense of profits)

Figure #1

As a start one can take a closer look at the cells, one at a time and mainly two among them (in reality there are of course no clear borders between such ideal-typical situations).<sup>19</sup>

*#9a If one assumes that profit-maximization is in an unavoidable, system-typical conflict with moral considerations, profits as such imply ethical disputability.*

The objective (profit) justifies the means (compromising ethical considerations), or moral costs can be an unavoidable less evil if one wants to attain a largest possible net utility. As a minimum, the profit-principle can serve as an excuse when it comes to ex post-rationalization or moral neutralization of decisions, for example when closing down jobs in a given country or moving jobs to lower labour-cost places.

In the worst-case-situation in the next cell effects can travel both ways: Losing money or being afraid of losing money can motivate ethically disputable choices or arrangements, or ethically disputable choices can eventually produce economic losses.

*#9b The classical argument for the development of business ethics as an academic discipline is probably an assumption that the single company, whole industries and the whole system need protection against itself, almost as an insurance against a worst case scenario of low ethics and low profits, against losing stakeholders for economic reasons, or more indirectly as an insurance against a loss of reputation, for becoming and staying attractive and trustworthy among primary stakeholders.*

The third cell refers to win-win-situations.

*#9c The easiest and most usual way of marketing business ethics is by presenting it as convenient, as a design for situations where all parties just win, at least relatively speaking, if customers are willing to pay more, employees to earn less, owners willing to accept less than maximum profit. Convenient business ethics almost doesn't need marketing, it looks convincing in itself.*

A good illustration are traditional CSR-conferences where industry associations, large companies and consultants present themselves in a positive fashion and celebrate themselves. As mentioned above already, if one is sceptical, one might easily suspect that such gatherings try to instrumentalise ethics and use ethical status symbols such as ethics codes, ethics officers, ethics councils etc as part of reputation management, for positioning a given corporation in relation to its competitors. Something similar holds true in business school contexts – an uncritical, positive and constructive CSR or business ethics discipline is less controversial, since it doesn't threaten the self-conception and the academic territory of colleagues teaching strategy, marketing or PR and which doesn't disturb the students' learning of standard business school contents.<sup>20</sup>

The last cell with inconvenient and self-critical business ethics (and inconvenient business ethics teaching) is most interesting in the context of this paper. One can imagine that the need for such self-criticism and the demand for it are inversely proportionate.

*#9d The premise for an inconvenient and realistic business ethics (that is sustainable, not naive or only idealistic) is that an organization is sufficiently strong and competitive – economically, ideologically and intellectually - that it can afford some loss in the short run, can justify it in the eyes of important target groups and can argue intellectually, referring to having the better theory.*

*Inconvenient = annoying business ethics*

Frankena's book *Ethics* starts with the story about Socrates' most important choice: he can choose between escaping from the execution or accept it, or rather between choosing different reasoning and justifications for the different alternatives (Frankena, 1973, p. 1). The textbook author's point is well made, not least pedagogically. But the pre-history, that is before Socrates ended up in jail could have functioned at least as well – which triggered the trial and sentencing, for having spread inconvenient doubt, annoying questions, encouraging scepticism and self-examination:

*#10 Ethical analysis should perhaps start before free choices among decision alternatives, for example with inconvenient, not necessarily precise feelings of uneasiness, with something which is not in order. Why not accept and stay a while in such feelings of uneasiness?<sup>21</sup>*

In such a perspective it is not at all surprising that many respondents refer to gut feelings or to an experience of uneasiness when being asked in a survey about how they typically would detect and experience moral conflict situations. The choice of perspective has also consequences for business ethics teaching priorities, if it should help with choosing among decision alternatives and justifications for such choices, or if it should do as Socrates and his successors did: raise inconvenient topics, ask annoying questions, assist in developing moral sensitivity, by "...confronting ... defences against recognizing what would otherwise be clearly visible. Ethics... is likely to open sensitive wounds which neither corporate managers nor business faculty are likely to be in a position to heal. That is intrusive stuff which can leave ... any of us ... profoundly uncomfortable..." (Castro, 1994, p. 186). With or without teacher intervention: most interesting is the reaction to inconvenient moral conflict topics – if one does something and what one does for avoiding, reducing or getting rid of such uneasiness.

*Inconvenient = ambiguous business ethics*

A third important interpretation of what inconvenient business ethics could mean is a reference to its ambiguity and its unfinished shape, in addition to possible costs or losses and negative feelings. In a way, this aspect returns to where we started, with entertaining simple answers to simple questions.

*#11 Quite often, inconvenient business ethics can't deliver positive, simple, clear answers and in this way meet a widespread demand (be careful not to overpromise - even if it can be tempting).*

Instead of unfinished and unclear one could consider to use the term dialectic (and implicitly admit a risk of almost endless unfinishedness and ambiguity). With some risk of oversimplification one could say that dialectics can be a useful and productive way of thinking, almost a heuristic, which more or less simultaneously applies the following three principles (or at least connotations).

1. Relativity and interconnectedness (observe, understand and evaluate a phenomenon *in relation to* other phenomena and to a whole, for example as part of a moral climate, in other words, *not in an isolated* fashion);
2. Contradiction and tension (observe, understand and accept a *ubiquitousness of conflict* instead of neglecting it or a priori assuming common values and common interests as well as an absence of power), and finally:
3. Unfinishedness, movement and development (observe, understand and accept *changeability* and hence unfinishedness, for example of a moral climate, understanding and evaluating phenomena as moving targets, in the light of a past and a future).

There is probably not sufficient academic literature for being able to talk of “dialectical ethics” as an own school or approach.<sup>22</sup> One reason for this could be that there can be “doubt” if the two most famous representatives of dialectics “developed an ethics at all” (Angehrn, 1992, p. 204). According to the same author, there are three common standpoints which create a misfit between Hegel’s and Marx’ dialectic (or perhaps dialectical ethics) and classical ethics (simplified and translated from Angehrn, 1992, pp. 204-207):<sup>23</sup>

1. Ethics cannot be an independent part of philosophy, because what ought to be can never be understood independently from what is and because ought should be reconstructed via what is – in other words, ethics should be anchored in social science.
2. The focus is changed from individual to society, to the individual as a societal being and to society as the main level of analysis, this moves ethics closer to politics.
3. Values and norms are relative - societally, culturally and historically. In other words, the main focus becomes historicity and reflexivity, moral self-interpretation or self-reflection in a historical context.

In addition to these three common standpoints of Hegel and Marx, Angehrn also notes a common “open problem of the relationship between a critique of morality and a foundation of ethics” (ibid., p. 206).



### **A final comment**

As an open end the main thoughts in this paper can be repeated and condensed, as an invitation to reflection and debate. In social science you now and then hear the quote “if you can’t count it, it doesn’t count. If you can count it that ain’t it.” Business ethics faces similar temptations, dilemmas and paradoxes. Or with a final thesis:

*#12 If business ethics is controversial and negative and skeptical it is honest but faces a marketing problem, since most customers desire something different. If it is uncontroversial and positive it is probably perceived as relevant, but at the price of getting many false friends for the false reasons.*

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## Endnotes

<sup>1</sup> Cf an earlier version in Norwegian, in JB, *Ubehagelig Næringslivsetikk*, Bodø 2008, 82-92

<sup>2</sup> Cf Brinkmann, 2007 about sharing of responsibility as a third alternative, instead of taking versus denying responsibility.

<sup>3</sup> One can, very tentatively, fill in a few words in each column:

<b>Morality (practice)</b>	<b>Ethics (theory)</b>
εθος (ethos, short "e")	ηθος (ethos, long "e")
Attitudes and norms (about right and wrong)	Reasons and justifications (for rightness and wrongness respectively)
Self-understood	reflected
Conformity and convention	Non-conformism, character, integrity
Social facts	principles
relative	absolute
practical (morality is practice)	Theoretical (ethics is theory)
Discovery by an empirical analysis of what is	Normative analysis of what ought to be done and why
Social science, especially sociology and social anthropology, also psychology	Philosophy

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<sup>4</sup> See for example Goodpaster, 1992, Pieper, 1991, Jensen et al., 1990.

<sup>5</sup> Cf. perhaps still C.W. Mills, *The sociological imagination*, 1959 who claims that imagination as the discipline's most important strength, that is a kind of thinking which is concerned with the interdependencies between micro and macro sociology, "personal troubles" and "public issues" and with the transcendence of the two wrong poles "grand theory" and "abstracted empiricism".

<sup>6</sup> Cf Luhmann, 1978, Pruzan and Thyssen, 1990, pp. 136-137.

<sup>7</sup> This is the skeptical suggestion made by Luhmann, cf. 1986, p. 263 or 1990, p. 4

<sup>8</sup> Cf as an applied moral sociology perspective Brinkmann and Lentz, 2006: "Put simply, where psychology would look at individuals, at intra-individual mind-states and processes, and at intra-individual-level explanations of human behavior, sociology *does not*. Intra-individual states and processes can be treated as a black box and individuals can be treated as either less interesting, or as replaceable. Instead, one can focus on social relationships, on primary and secondary groups, on social systems stretching from an individual micro-level to a societal or even global-societal level... Another difference shows when it comes to building a desirable society or at least to making desirable behaviors more likely or criticising behaviors morally. Sociologists would be concerned with reconstructing of and communicating with more or less homogeneous groups rather than addressing individuals..."

<sup>9</sup> If a sociological look at morality departs from some kind of "anti-positivist" and "ideology critical" research motive (Erkenntnisinteresse) in the Critical Theory tradition one is obviously quite close to ethics.

<sup>10</sup> One can think of a similar text table as in note 10 above, with a similar distinction between conflict and consensus, cf such a table in Brinkmann and Ims, 2004, p. 129, also the next section below. The referred to table tries to summarize the following quotation from Pruzan and Thyssen: "In a pluralistic society there is no agreement as to what is morally right and wrong. Each subculture maintains its own values and therefore its own discriminatory norms as part of its identity. This creates a variety of morals. No formal arguments can substantiate one subculture's moral principles and deny the validity of another's... The question is whether it is possible to develop a set of values which are shared among the subcultures and which can contribute to replacing such confrontation within a political culture, which respects conflicts and differences and still is able to create consensus... When subcultures cannot justify their own rules for right and wrong via intuition or an appeal to universally valid rules, what is required if groups with different moral rules are to coexist can be considered as a *second order morality*. We will call this second order morality 'ethics'.... Ethics is distinguished from jurisprudence by its search for the *legitimate* rather than just the *legal*. An action or decision is legitimate if it can be rationally accepted by all stakeholders. Ethics is also distinguished from morality. Moral rules are rules for dissolving substantive conflicts *within* a subculture. In a pluralistic society ethics leads to value-oriented communication aimed at dissolving conflicts in the social relationships *between* subcultures. A gap arises between the moral substance, created by the tradition of a subculture, and the ethical form, created by the need for non-violent coexistence of many traditions and subcultures..." (1990, p. 136-137).

<sup>11</sup> Somewhat shortened form Brinkmann and Ims 2004, pp. 127-129, where it is claimed that the value of business ethics as a discipline lies in its use for analyzing, handling and prevention of moral conflicts in business contexts.

<sup>12</sup> Cf for further elaboration Brinkmann and Ims, 2004, pp. 124-129.

<sup>13</sup> If there is a need, one could operate with subtypes such as active vs passive, authentic vs apathetic, narrow vs broad, conditional vs unconditional consensus, perhaps also distinguish between consensus among equals and consensus in a power relationships (legitimacy).

<sup>14</sup> For a checklist for a good procedure see Jensen et al. (1990, pp. 95-96)

<sup>15</sup> The conflict vs. consensus theme is one of the classical antinomies in social science" launched and marketed originally by Dahrendorf in 1958 and 1959.

<sup>16</sup> In other words, there can be exceptions from the parallelism in the typology shown above. Quite often morality can be perceived as consensual inside a group and controversial, conflict-creating across (out-)groups, and one can imagine internal conflicts among ethicists in a similar fashion as across groups with different moralities (with a discourse ethical way out, perhaps).

<sup>17</sup> Cf as a comparison of two discourse ethical approaches Matten, 1998, where Steinmann/ Löhner focus on peaceful ad hoc-conflict management, while Ulrich discusses if and how discourse-oriented business ethics can take a look at the profit principle as a system and theory foundation..

<sup>18</sup> Especially the first part of Brinkmann and Ims, 2004 is obviously close to the mentioned Steinmann and Löhner position.

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<sup>19</sup> An interesting follow-up question could be how to look at profits and losses: in a business economics or (social) economics, short term, intermediate term or long term, profits as an end in themselves or as a means towards other ends, in terms of economic values only or not, perhaps in terms of "blended value" (cf <http://www.blendedvalue.org/>.) As a thought provoking discussion see perhaps D.P. Robin, 2005, "Why Ethics and Profits Can and Must Work Together in Business", in R.A. Peterson and O.C. Ferrell, eds., *Business Ethics* (Armouk, Sharpe), 196-221

<sup>20</sup> If one takes a closer look, the cell with "convenient equal profitable business ethics" can denote different situations (shortened from Fisher 2003, p. 97, referring to a book by Grace and Cohen, 1998):

- 1) There is a straightforward coincidence between ethical behaviour and the enhancement of self-interest
- 2) Self-preservation motivates businesses to act ethically
- 3) It is in a business's self-interest to do the right thing, but only if it does more than simply act ethically
- 4) Doing the right thing can be augmented (or protected) so that it serves a business's self-interest
- 5) Ethical behaviour might be opposed to the short-term self-interest of a particular business while nevertheless enhancing the practice of business

<sup>21</sup> Cf for synonyms of uneasiness [wordnet.princeton.edu/perl/webwn](http://wordnet.princeton.edu/perl/webwn):

- edginess: feelings of anxiety that make you tense and irritable
- malaise: physical discomfort (as mild sickness or depression)
- self-consciousness: embarrassment deriving from the feeling that others are critically aware of you
- disquiet: the trait of seeming ill at ease
- restlessness: inability to rest or relax or be still.

A closer look at such a label and term could take one quickly to such sources as S. Freud *Das Unbehagen an der Kultur*, or Z. Bauman, *Postmodernity and its Discontents*, Polity, Cambridge 1997 – see esp. the introduction, or in Norwegian Th. Hylland Eriksen, *Ubehaget ved kulturen* (se <http://folk.uio.geirthe.html>), or various kinds of ethical hedonism, which after all focus on avoidance of uneasiness.

<sup>22</sup> In addition to such simplifying heuristics one can of course use dialectics and dialectical thinking for organizing complex topics, see eg W. Schulz' *Hauptwerk* (1972), where the author in a final remark uses dialectic reality for summarizing the summary, among others by inventing what he calls responsibility dialectic (see pp. 851-854). See also the same author's book about ethics (1989)

<sup>23</sup> Cf also Angehrn's broad presentation of the unique views of Hegel and Marx when it comes to ethics (1992, pp. 207-224). For references about the criticism of morality in the Critical Theory tradition of Horkheimer and Marcuse see H.P. Schreiber, *Ethik der Kritischen Theorie*, in: A. Pieper, ed., *Geschichte der neueren Ethik 2* (Francke, Tübingen og Basel) 1992, 194-209 and also M. Breuer, 2003, Warum Wirtschaftsethik immer schon kritisch ist, in M. Breuer et al., *Wirtschaftsethik als kritische Sozialwissenschaft* (Haupt, Bern), 269-291