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Recent papers with shared authorship

ABSTRACT
Consumer ethics is an underdeveloped specialism of business and marketing ethics, within which most publications have focused on bad rather than on good ethics, and on consumer dishonesty rather than on consumer idealism or consumer responsibility. This conceptual paper explores the latter perspective, and examines how we can seek to understand “consumer social responsibility” from perspectives such as consumer citizenship, political consumerism and consumer decision making. Much of the literature dealing with positive ethical dimensions of consumer behavior is limited to augmentations of conventional models of consumer behavior and the decisions rules that operate within them. This paper argues for the need to move beyond this to create a more radical, holistic and balanced approach to further developing the field that takes greater account of factors such as consumer life-style, moral intensity, and intention development. The paper also demonstrates the interconnectedness of consumer ethics and marketing ethics, and discusses and illustrates this by using the development of Fair Trade initiatives as an illustrative context. This is useful because Fair Trade products represents one of the more established market sectors that depends upon ethically orientated responses from consumers.
INTRODUCTION

“Business ethics as an academic field deals mainly with moral criticism (or self-criticism) of business behavior. Within a market economy, business behavior is not independent from consumer behavior and consumer acceptance. Perhaps, there is even some justice, i.e. that businesses get the consumers they deserve and vice versa. Rather than criticizing business alone (as consumer activists tend to) or passing on the blame to the market and to the consumers (as businesses tend to) it seems more fruitful to consider issues such as fair trade, social and environmental sustainability on the one hand and consumer dishonesty on the other as a shared responsibility of business and consumers...” (Brinkmann, 2004, p. 129, slightly modified).

This new Millennium has seen a renewed and intensified interest in issues of business ethics and corporate social responsibility. This has been partly driven by a wave of concern about the conduct and governance of business in the wake of scandals such as Enron, Global Crossing and Parmalat. It also partly reflects a growing interest amongst consumers, policy makers and businesses themselves, in forms of production and consumption which are more sustainable and more ethically orientated. This is typified by a growth in demand for ethical investment products, organic produce and Fair Trade goods.

Marketers involved in the marketing of ethically orientated products, or marketing scholars seeking to better understand this process, are hampered by the fact that the research knowledge base about consumers and their behavior from an ethical perspective is relatively weak (Auger et al., 2003). This is particularly true in comparison to the research base concerning companies and their behavior from an ethical perspective. When we discuss “business ethics”, we almost always do so in terms of the ethical conduct of a “business” as an entity. There is therefore considerable overlap between the field of Corporate Social Responsibility (CSR) and business ethics. However, in reality “business” is also a process conducted through a myriad of relationships involving many parties. A discussion of “business ethics” could therefore as easily focus on the ethics of the customer rather than of the producer or seller. From a marketing perspective, this should indeed be the starting point, since the marketing philosophy, if implemented properly, should orientate the business and its behavior around the wants, preferences and priorities of its customers. In practice however, this is rarely the case, as Carrigan and Attalla (2001: 563), point out “despite increasing attention to marketing ethics, the buyer side of the exchange process remains under-researched”.

If we wish to apply the existing research base to a consideration of an ethically orientated consumption issue (for example Fair Trade or ethical farming practices), a number of specific weakness in the existing research base become apparent, including:

1. A narrow and outdated view of what constitutes the ethical dimensions of consumer behavior, particularly in comparison to our evolving understanding of the ethical dimensions of corporate behavior;
2. A tendency to consider consumer behavior from an individualistic perspective, rather than from a collective perspective;
3. An emphasis on understanding the ethical dimensions of consumer behavior by simply augmenting existing models of consumer decision making. This has led to the downplaying of differences between ethically-orientated consumption and more mainstream consumption, and to some ethically important dimensions of consumer behavior being neglected.

Without these weaknesses being understood and corrected as the research agenda for ethical consumption matures, then it will hamper the development of both ethical marketing practice and scholarship. This conceptual article therefore aims to:

- Explore the weaknesses in the research base on, and our understanding of, the ethical responsibilities of consumers, to develop a more balanced view of consumer ethics which can act as a basis for the future development of the research agenda;
• Provide some different perspectives on how a concept of “consumer social responsibility” might be framed and understood;
• Illustrate some of the challenges involved in applying an ethical perspective to consumer behavior, and some of the differences between conventional and ethical consumer behavior, particularly by considering the practical context of Fair Trade marketing.

BUSINESS AND CONSUMER ETHICS:
CORPORATE AND CONSUMER SOCIAL RESPONSIBILITY

“Corporate social responsibility refers to an organization’s obligation to maximize its positive impact on stakeholders ... and to minimize its negative impact. There are four kinds of social responsibility: legal, ethical, economic and philanthropic...” (Ferrell et al., 2002, p. 73).

Several observations can be made regarding our understanding of the parts that the consumer and the company play within the field of business ethics, and the relationship between them. Firstly, the concept of CSR has become widely accepted, and most companies and commentators now subscribe to the view that businesses have moral responsibilities that go beyond meeting the needs of their customers and shareholders. Indeed it could be argued that there is at least thirty years of “widespread acceptance of the idea that a corporation should exhibit socially responsible behaviour” (Holmes, 1977: 433) and that all that has evolved is the concept of what socially responsible corporate behaviour constitutes in practice. For companies, the contemporary CSR agenda requires them to manage relationships with their many stakeholders in a way that meets and balances their various, and sometimes conflicting, expectations and interests. However, the view of the customer that persists within mainstream business scholarship and practice has not changed and evolved in the same way. The view of customers is still largely as amoral, self-interested, rational-economically motivated individuals, with no responsibilities other than to meet their own needs, and honor their end of any bargain with companies. The ‘ethical consumer’ is still treated as an exceptional or abnormal specific sub-type of consumers in the mainstream marketing literature and is the subject of specific books and research papers (see for example The Ethical Consumer, Harrison et al., 2005; or Thøgersen, 1999).

Secondly it is worth noting that just as there is a business ethics field that focuses on the ethics of business organizations, there is an emerging research field of “consumer ethics”, which seeks to describe, understand and praise or criticize consumers, for their behavior as moral behavior (as opposed to consumption ethics which tackles the ethics of liberal capitalist economic systems). However, there are some important differences between the two fields. One difference is scale and breadth. Compared to research into business ethics (and marketing ethics) that focuses on companies, there are few publications about consumer ethics (Brinkmann, 2004). In his “state-of-the-art” paper, Scott Vitell claims that consumer ethics has one main theoretical research model, the Hunt-Vitell model and one main empirical research tradition, with the Muncy-Vitell Consumer ethics scale (1992) as a common denominator (Vitell, 2003, pp. 34-35, cf. also Vitell and Muncy, 2005). Vitell’s implicit claim of having invented, developed and dominated this specialty field is probably justified. Another difference is in emphasis and balance. The business ethics literature that focuses on firms concentrates on ways to encourage good ethical behavior amongst businesses and the benefits of doing so, rather than dwelling on corporate misdeeds. By comparison, among the few publications about consumer ethics, most seem to deal with consumers as the “bad guys” and less with the potential for consumers to act as “good guys”. Part of the reason for this may reflect how the disciplines are oriented. Much of the business ethics literature is ultimately inward looking, and interested in concepts of enlightened self-interest and the “win-win” benefits that may accrue from ethical behavior (Mohr, et al., 2001). In
consumer ethics, it is more difficult to make a case for ethical behavior for the good of the consumer (beyond the benefits of a clear conscience, high self-esteem and staying out of jail). The focus therefore tends to be more outward looking at the impact of the consumer’s actions on others and particularly on the financial interests of businesses, which perhaps explains the emphasis on negative behavior and negative impacts.

Finally, an interesting concept is that of the “ethical product” that brings together the ethical company and the ethical consumer. The conventional approach to such products is to see the ethical dimensions of a product as an augmentation which can be linked to the product itself, its marketing, the corporation behind it, or even the country it originates from. However, as Crane (2001) points out, there are a number of complicating factors relating to how consumers perceive ethical product augmentations, and about the marketer’s ability to manage the ethical dimensions of a product “when many of the important decisions which shape the perceived ethics of any product offering occur beyond the organizational boundary. Firms which seek to address ethics as a product or brand issue will need to look not only at their own activities but also those of their parents and subsidiaries, and perhaps more importantly, those of firms throughout the value chain”. (Crane, 2001 p. 370). Crane’s conclusion is that there is no such thing as a definitive “ethical product”, but only ethical product attributes and augmentations relating to any number of possible ethical dimensions, which the customer must recognise, believe, value and, ultimately, buy into.

To further develop the field of consumer ethics, it would seem helpful to distinguish between the more established tradition of research into consumer misdeeds and the emerging body of research into consumers as a force for good. The authors therefore suggest the label of “Consumer Dishonesty” for the former, and “Consumer Social Responsibility” (ConSR) as a label for the latter. Within the latter tradition, a few empirical studies have dealt with consumer behavior as voting behavior (see e.g. Dickinson & Hollander, 1991; Dickinson & Carsky, 2005), or more generally with socially responsible consumer behavior in terms of consumer idealism (see e.g. van Kenhove et al., 2001). It is these dimensions of consumer social responsibility (ConSR) that are the focus of this paper, and that will be important for the development of market for ethical products (something which policymakers worldwide are relying on to contribute to the achievement of a number of social goals).

One way to envisage the concept of ConSR could be simply to define it as analogous to the four dimensions of CSR already mentioned above. Therefore it would be “... a consumer’s obligation to maximize his/her positive impact on stakeholders ... and to minimize his/her negative impact. There are four kinds of ... responsibility: legal, economic, ethical and philanthropic...” (Brinkmann 2007, p. 88 ). This is not unreasonable since an individual has a responsibility to respect the law, and could be viewed as having an economic responsibility to support themselves and/or contribute to their household. Ethical and philanthropic parallels are less clear cut, but are still possible to draw particularly in relation to social norms about behaviors such as honesty or charitable giving. Companies are expected to behave in a moral fashion partly because society grants them certain privileges (such as a secure legal framework, access to an educated workforce, use of economic infrastructure) and therefore society can have legitimate expectations about how businesses should behave in return. Much the same could be said about individuals, and that just as society grants businesses a license to operate (that can be revoked), so society grants individuals a license to live as free citizens that means abiding by society’s rules and expectations.

Using the analogue of CSR amongst producers to understand ConSR amongst consumers provides some helpful insights, but not a complete picture. A key difference in ethical expectations of businesses compared to individuals is probably that our expectations of moral behavior go beyond simple social norms, to reflect the scale and power of large businesses, and the influence that they can wield within society. The same cannot be said for individual consumers, whose individual philanthropic gestures or ethical decisions will be unlikely to have a meaningful impact. However, collectively consumers have the potential to wield considerable power, and when mobilized through the power of the internet or other media they can
sometimes combine to wield it very effectively through boycotts or other forms of campaign to promote change (Auger et al. 2003; Clouder and Harrison, 2005).

SAME CONCEPT – DIFFERENT LABELS?
CONSUMER CITIZENSHIP AND POLITICAL CONSUMERISM.

A concept of ethical consumerism as an approach to consumerism that seeks to meet society’s expectations, particularly in terms of collective consumer influence, brings us towards a view of ConSR or consumer ethics that is reflected in publications under the labels of “consumer citizenship” or “political consumerism”. Both of these concepts seek to integrate the inward-looking and personally-orientated perspective of the consumer with the outward-looking, publicly-orientated perspective of the concerned citizen, which have traditionally been seen as separate (Korthals, 2000).

Gabriel and Lang (1995) define a consumer citizen as ‘a responsible consumer, a socially-aware consumer, a consumer who thinks ahead and tempers his or her desires by social awareness, a consumer whose actions must be morally defensible and who must occasionally be prepared to sacrifice...’ As McGregor (2002, pp. 5-7) notes “If people were sensitized to see themselves as consumer-citizens, a sense of morality, ethics and community could emerge again in the world. ..... What is needed instead is to reinvent citizenship ... and... (to) reinvent consumers. Citizens and consumers tend to see themselves in narrow roles... The time is right to merge the notions of consumer-citizenship leading to an opportunity to socialize people to be responsible, socially aware consumers willing to make reasoned judgements and sacrifices for the common good...“

When it comes to “political consumerism”, a recent Nordic conference report refers to the following definition (Boström et al., 2005, p. 9, quoting Micheletti et al., 2003): “consumer choice of producers and products with the goal of changing objectionable institutional or market practices. It is based on attitudes and values regarding issues of justice, fairness, or non-economic issues that concern personal and family well-being and ethical or political assessment of favorable and unfavorable business and government practice. Regardless of whether political consumers act individually or collectively, their market choices reflect an understanding of material products as embedded in a complex social and normative context which may be called the politics behind products...”. According to the same authors, there is disagreement amongst researchers in the field as to whether political consumerism has a realistic potential to act as a force for good, or whether ultimately it would be an anachronism, since any consumption increase is problematic because it is unsustainable (ibid., p. 9-10).

Whether there is a difference between consumer citizenship and political consumerism could perhaps be a question of degree and ordering of motives. The consumer citizen aims to change their consumption to do good, the political consumer perhaps seeks to create change for good through their consumption. From either perspective, understanding exactly how ethical dimensions are reflected in consumer decision-making processes is crucial. It is perhaps worth noting that when the effectiveness of collective consumer action is discussed, it has usually been from the perspective of their ability to impact on unethical companies through boycotts (Friedman, 1991), and it is only recently that more attention has been paid to their ability to encourage positive change through patronage or “buycotts” (Friedman, 1996; Duffy et al., 2005).

UNDERSTANDING RESPONSIBLE CONSUMPTION:
A CONSUMER DECISION MAKING PERSPECTIVE

Consumer researchers and ethicists alike seem interested in how freedom of choice is handled, how information is handled, and how choices are made, using more or less rational criteria. This commonality of interests explains the popularity of decision-making-process models of varying degrees of complexity in the consumer behavior and the business ethics literatures. This encourages us to conceptualize consumer ethics around an integrated decision making model. As a starting point, an “ethics” model could be used (such as extending the above-mentioned Hunt-Vitell marketing ethics model (1993) to consumer ethics, as suggested
by Vitell, 2003). Alternatively a standard consumer behavior model could be used, such as Fishbein and Ajzen’s inherently rational ‘Theory of Reasoned Action’ (Fishbein and Ajzen, 1975; Ajzen and Fishbein, 1980) or its extension the ‘Theory of Planned Behavior’ (Ajzen, 1991), which are then augmented by including a variable “ethical awareness” or “ethical significance” somewhere in the chosen model (for an example of such an application see Chang, 1998; or for an example that includes a critique of the TPB see Shaw, 2005; and for a comprehensive discussion of such modeling approaches, see Jackson, 2004). A key challenge is to include varying levels of “moral intensity” (Jones, 1991) in such models without either overstating or understating its relative importance. For this reason simply extending the Hunt-Vitell model may not be ideal, and instead there could be benefits in seeking to adapt other models or develop alternative models as a first step towards a future synthesis model which could transcend the usual models of consumer behavior and consumer ethics.

Exhibit 1, originally inspired by the Ferrell et al. 2002 model, represents an attempt to begin such a synthesis.

Exhibit #1

The golden rule of reading models applies here, of starting with the dependent variable, in this case a decision and the immediate process preparing it. A typical everyday example could be the consideration of Fair Trade labeled coffee or bananas in a given choice situation. The more deliberately one intends to use one’s purchasing (or non-purchasing) behavior as voting, the more reasoning and reflection one would expect to find before the decision (or vote) in favor of “good”, or against “bad”, companies or countries (cf. e.g. Klein et al., 2002, Sen and Bhattacharya, 2001). Since the morality of consumer behavior is a variable rather than a constant, a concept of ethical or moral intensity is crucial within the model (Jones, 1991, Ferrell et al., 2002,
Moral intensity refers to how morally “significant” or “serious” a given task, handling process and situation is. Both actors and outsiders might define, for example, insurance cheating involving insignificant amounts as morally neutral, or buying factory-farmed hen eggs as morally bad. Moral intensity is co-determined by individual moral sensitivity and moral maturity (cf. Brinkmann, 2004, Exhibit #2) and by social-situational contexts, (e.g. reflecting more deeply when buying a gift compared to buying less socially ‘visible’ products for one’s own daily use). Unlike the original Ferrell model, this model repeats moral intensity on the output side of the model, and then links it to the input side via a feedback-loop. This loop allows self-observation by the actors themselves, as well as observation and evaluation by spectators, to focus on the moral intensity of a decision (low or high; not interesting or alarming; worse than or better than “average”) so that every “good” and “bad” ethics decision represents an example which can create and reinforce future moral intensity. As a simple example, leading Fair Trade products typically reproduce on their packaging a story of how Fair Trade schemes have helped particular farmers in poorer countries. Such stories provide a positive reinforcement for consumer about both the value of the purchase and the moral intensity of Fair Trade as an ethical issue and thereby generate consumer involvement with Fair Trade since: “Stories are able to involve, captivate and entertain consumers ……stories are able to communicate and persuade” (Escalas, 1998: 267).

There is also an important narrower feedback from outcomes to a reproduction (or structuration in the Giddens sense) of contexts, and not least an aspect of life-style building by decision-styles and consistencies.

The key element of the model is ethical examination or evaluation, and the development of a conclusion or decision. This box includes all kinds of typical moral philosophical approaches, including clear or implicit deontologist, utilitarianist, or perhaps virtue ethicist or discourse ethicist approaches. While anticipation and evaluation of consumer behavior consequences is only implicitly included in the model (under utilitarianist evaluation), exhibits 2 and 3 provide typological illustrations of the decision rules and for the moral intention components that will operate within the model.

<table>
<thead>
<tr>
<th>Rule type</th>
<th>Description</th>
<th>Relative importance of morally right-wrong criteria (if applied)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensatory</td>
<td>weak ratings on one criterion can be compensated by a strong rating on another one – the alternative with the best summarized ratings is chosen</td>
<td>moral attractiveness (and moral questionability) of an alternative counts relatively, i.e. can compensate weak rankings, but can also be compensated by competing criteria</td>
</tr>
<tr>
<td>Conjunctive</td>
<td>minimum acceptability must be present for each relevant choice criterion</td>
<td>minimum moral acceptability must be present and can’t be compromised</td>
</tr>
<tr>
<td>Disjunctive</td>
<td>minimum acceptability must be present for each relevant choice criterion and exceeded for at least one among them</td>
<td>if minimum acceptability is present for all other criteria the degree of moral acceptability decides</td>
</tr>
<tr>
<td>Lexicographic</td>
<td>after ranking the criteria by importance choose the best alternative on the most important criterion</td>
<td>moral acceptability is ranked as highly important and dominates the choice</td>
</tr>
<tr>
<td>Eliminative</td>
<td>determination of minimum cutoff for each criterion and remove worse alternatives</td>
<td>determination of minimum moral acceptability and remove unacceptable alternatives</td>
</tr>
</tbody>
</table>
Exhibit 2. How “moral intensity” shows in purchase-decision rules
(source Brinkmann, 2004, p. 135)

| Exhibit 3 A typology of primary ethical shopping motives
| --- |
| (source: *Etisk forbrug...,* 2003, p. 21; authors’ table construction and transl. from Danish).

### THE INTERRELATIONSHIP BETWEEN CONSUMER ETHICS AND MARKETING ETHICS

Consumer behavior and (consumer) marketing exist in a close and interdependent relationship, with each shaping the other, and it is logical to view consumer ethics and marketing ethics as highly interdependent, too. As an academic subject, consumer behavior is a social science-based specialty field within marketing, which tries to describe, understand and predict consumer decision-making as a function of demographic, psychological and sociological variables as “independent” variables, and perhaps as interacting variables. Based on such knowledge and understanding, marketing can then try to function as an “intervening variable”, between such “independent” variables and “dependent” variables, such as decision-making processes and choices on different levels.

The model in Exhibit 1 suggests that for the consumer marketer seeking to promote responsible forms of consumer behaviour (such as encouraging Fair Trade purchases) there are several potential (and not mutually exclusive) alternatives to explore beyond simply making relatively ethical products, or at least ethical product attributes, available. Consumers can be encouraged to adopt more ethically orientated lifestyles, to recognize the moral intensity of particular types of purchase (particularly agricultural commodities) or to consider the moral dimensions of a particular purchases within their decision making process. Marketers can also work to develop a purchase context within which ethical products are easily available to provide purchase opportunities and in which social pressures encourage consumers to consider and purchase ethical products. Two key types of intervening variables within consumer behavior models that marketers can manipulate in order to encourage responsible consumption are therefore: *situations* (such as opportunity, availability and immediate context) and *information*. In this paper it is more natural to focus on the latter, on consumers’ information processing related to where and when they shop, how much of what to buy at what price, which
brands, according to which rules, with what post-purchase evaluations, and with more or less “help” from marketing.

Following from this one could reason that desirable ends, such as the promotion of Fair Trade, need to be founded on efficient marketing decisions, with an optimal mix of moral argumentation; theory-based marketing techniques; relevant, reliable data; and relevant models of consumer behavior as consumer information behavior (one could also add that the more moral the marketing appeals, the higher the need for moral integrity or at least moral credibility of such marketing, and in the behavior of the company behind it; see Crane, 2001). In a next step, such “useful” information and models could be grouped by products, consumers and situations which they relate to, and persuasion work could focus accordingly, simply using more or less traditional and sophisticated marketing, for a presumably good purpose.

By combining the various perspectives developed in this paper, we can now apply such a view of consumer behavior and marketing to a practical context, in this case the buying and marketing of Fair Trade products.

**Consumer ethics in practice – the case of Fair Trade.**

Of all the potential manifestations of ethics in consumerism, Fair Trade represents one of the most important. Collapses in global commodity prices have damaged the economies of many poorer countries to the extent that the livelihoods, well-being and independence of an estimated 1 billion people are now threatened (UNCTAD, 2003). Tackling global poverty depends to a large extent on establishing fairer prices for commodity products, and therefore there are clear opportunities to position the purchasing of Fair Trade products as an issue with a high degree of moral intensity within consumers’ minds. In the absence of a clear theoretical foundation in the academic literature, multiple more practitioner-led definitions of Fair Trade have emerged, the most widely used coming from the umbrella network FINE: “Fair Trade is a trading partnership, based on dialogue, transparency and respect, which seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to and securing the rights of, marginalized producers and workers – especially in the south. Fair Trade organisations (backed by consumers) are engaged actively in supporting producers, awareness raising and in campaigning for changes in the rules and practice of conventional international trade.”

Curiously this definition does not mention ethics, and makes only a relatively oblique reference to consumers, casting them in a relatively passive role as supporters. It also positions Fair Trade at the very macro level of international trade, and it is here that much of the discourse about Fair Trade takes place (e.g. see Brown, 1993, Rice, 2001 or Leclair, 2002) rather than at the level of the behavior of individual consumers. The reality of Fair Trade is that its success will depend on consumers actively seeking out and purchasing Fair Trade products, at least partially, for ethical reasons. This means that Fair Trade represents a bridge into ethical or even political consumerism because it “…unveils for northern consumers the people, places and relations behind the commodity, helping launch the politically crucial leap from passive consumerism to active engagement“ (Hudson and Hudson, 2003: 1).

Although Fair Trade is an important dimension of ethical consumerism, the discussion of ethics in relation to Fair Trade mostly takes place in a very broad, philosophical context (see Sugden, 1999; Barnett, et al. 2005). Relatively little research has focused on linking consumer preferences and behavior to perceptions of the ethical dimensions of Fair Trade consumption, and to clarify exactly what it is the consumer perceives themselves to be ‘buying into’ (Golding and Peattie, 2005). As Crane (2001) notes, there is relatively little empirical research about what consumers perceive to be “ethical” in Fair Trade products.

In seeking to encourage consumers to consider ethical dimensions in their evaluation and decision making processes for commodity product, Fair Trade acts to reverse the disconnection between producers and consumers that has emerged after many decades of the growth of mass markets, mass production and
globalized production and consumption systems in which the marketing process, but little else, has come to connect producers and consumers. Fair Trade seeks to develop new “social bonds” between producers and consumers (Raynolds, 2000; Murray & Raynolds, 2000; Raynolds, 2002; Renard, 2003; Bryant and Goodman, 2004) in a way that will develop a commitment on the part of the consumer to consider the ethical attributes of products and discriminate in favor of those that also benefit the producer. However, much of the research into Fair Trade continues to discuss the benefits to the consumer of Fair Trade consumption, in terms of personal psychological benefits (Gould, 2003) or hedonistic benefits (Newholm, 2005). This limits Fair Trade purchasing motives and behaviours only to a location on the far right hand column of the table in Exhibit 3, and seems to be at odds with the underlying purposes of Fair Trade marketing.

The reality is that Fair Trade consumers will vary in their motivations and their degree of intensity and loyalty towards Fair Trade products. Humphrey (2001: 11) categorizes consumers according to their social conscience and response to Fair Trade as follows:

- **Loyal Fair Traders**: Those dedicated to buying Fair Trade or products from marginalized businesses where possible and can afford any price premium.
- **Conscience with Convenience**: Those who choose Fair Trade if available nearby but do not go out of their way to specifically buy Fair Trade products.
- **Product First, Ethics Second**: Those who buy with a product focus while ethical criteria may swing the choice of equivalent products in favor of the one which will bring social benefits.
- **Product focus**: Those for whom ethical criteria have no bearing on the purchasing choice. Some of this group may be deliberately disapproving of ethical claims because of a belief that the free market will deliver all requirements.

Whilst the first of these embodies political consumerism, the second two represent stronger and weaker forms of the consumer citizen. The last category will only tend to contribute to the growth of Fair Trade markets by accident, although this is possible since some research has indicated that certain consumers mistakenly view the Fair Trade label as an indicator of technical product quality.

In considering the influence of information as an intervening variable in the marketing process, Fair Trade marketing presents a different case to either conventional consumer behavior contexts or to many other ethical consumption contexts. Partly this is because Fair Trade is a field in which a key influence on the consumer’s decision making process is unusually far-removed from the consumer themselves. In conventional consumer behavior theory, the emphasis is on the relationship between the seller and the customer through the marketing mix that they offer to the consumer. In addition to the mix’s conventional “Ps”, the market offering will embody elements like the branding and reputation associated with the product and producer and (depending on the market structure) the branding of the retailer supplying the product. In most markets the nature of the means of production, and the identity and nature of contributing suppliers, will be hidden from consumers (although there are exceptions to this, for example means of production signifiers such as “organic” or “hand made” may be used as quality indicators, and some retailers such as UK supermarket Sainsbury’s have taken to identifying specific farms from which products like eggs and meat originate. Also certain products will highlight the inclusion of specific branded ingredients such as brands of chocolate or alcoholic drinks to act as indicators of quality).

In Fair Trade markets, consumers are provided with information that relates not just to the product the customer consumes, and to the means of production behind it, but also to the structure of the market and the distribution of economic benefits within it. Although the concept of the welfare of “the producer” is embedded in the Fair Trade market offering, it represents a very vague concept in comparison to issues like the quality of the coffee (which consumers can sample directly) or the branding of the retailer. It is perhaps for this reason that campaigns to promote Fair Trade products from companies such as CafeDirect and the
Day Chocolate Company have sought to personalize the concept of “the producer” through marketing communications with a focus on the stories of individual farmers and the benefits they receive from Fair Trade.

Without clarity amongst consumers as to exactly what benefits Fair Trade products provide and to whom, there is the danger that Fair Trade will be positioned in consumers’ minds simply as “a good thing”. This will leave Fair Trade products vulnerable to competition from a variety of other “good” products with ethical credentials relating to other elements of sustainability (such as organically grown) or to products adopting cause-related marketing linked to other social concerns. Fair Trade marketers need to build a distinct “brand identity” for Fair Trade that clearly embodies its ethical dimensions and social benefits. However, this is somewhat undermined by disagreement within the movement itself as to how the products should be marketed, and how the product category should be grown (Golding and Peattie, 2005).

As Hira and Ferrie (2006) note the market development of Fair Trade is also hampered by issues of consumer and retailer awareness, definition, confidence in certification and question marks about its long-term practical impact within commodity markets.

In terms of situational variables and their ability to provide a context that encourages the consumption of Fair Trade products, there are several developments that are encouraging the growth of the market. Increased availability of Fair Trade products within major retailers, and the development of Fair Trade offerings from established mainstream brands have increased the opportunities for consumers to buy Fair Trade products. However, there are questions over whether the growth of Fair Trade consumption will be best served by working through the existing supply context or whether a more radical challenge to the existing situation and supply context is required. Hira and Ferrie (2006) highlight the distinction in Fair Trade marketing between the radical approach that seeks to transform the trading system through a growth in alternative trade organizations, and the more moderate reformist version that seeks to work within existing channels and structures.

The emergence of schemes such as the Fair Trade Towns scheme within the UK also helps to develop a social context within which Fair Trade products achieve more widespread awareness and in which there is the potential for social and institutional pressures favouring the purchase of Fair Trade products grow. There are now over 240 Fair Trade towns within the UK. For each one:

- the local council must pass a resolution supporting Fairtrade, and serve Fairtrade coffee and tea at its meetings and in offices and canteens.
- a range of Fairtrade products must be readily available in the area’s shops and served in local cafés and catering establishments (for which targets are set in relation to population) and also be used by a number of local work places and community organizations;
- a local Fairtrade steering group must be established to ensure continued commitment to Fairtrade Town status, and to attract media coverage and popular support for the campaign.

Each of these dimensions helps to create a place-based context in which citizens as consumers will be encouraged to consider Fair Trade products as a purchase alternative and to consider the ethical attributes of products within their purchase decisions.

Another opportunity for the development of Fair Trade markets is through the promotion of more ethically orientated consumer lifestyles. Although some elements of the literature view ethical consumption as a function of hedonistic self-indulgence, there is also evidence that it forms a part of consumers’ self-identity and their social relationships (Schaeffer and Crane, 2001; Szmigin et al. 2007). As such it may be possible to promote the consumption of Fair Trade products as part of a responsible and desirable lifestyle (although authors such as Wright 2004, and Szmigin et al. 2007 question whether consumer lifestyles primarily built around self-gratification can make more than a tokenistic contribution to the creation of a fairer world). To develop more responsible lifestyles our understanding of consumer behaviour needs to move beyond single,
isolated purchase decisions which have little meaning or impact (for either purchaser or beneficiary) to understand purchases as patterns and routines. Such concepts of routine development or reproduction can be extended beyond thinking in terms of patterns of decisions to broader concepts of life-style. Life-style denotes how individuals (or households) typically decide, use their freedom of choice and allocate their purchasing power and time, within a range given by their more material living conditions. It is perhaps illuminating that the Norwegian NGO **Fremtiden i våre hender** (Future in our hands) which uses life-style as a key concept in promoting Fair Trade, originates from a publication, *Alternativ livsstil*, which even non-Norwegian speakers can deduce is dedicated to promoting alternative lifestyles.

The role of Fair Trade purchasing in relation to self-identity, lifestyle and consumer behaviour is also interesting in relation to the recent entry of Nescafé into the Fair Trade market for coffee through its “Partners Blend”. There is a danger that for some consumers who view their lifestyle and identity as “non-mainstream”, and include the purchase of Fair Trade products as part of an alternative lifestyle, the emergence of Fair Trade brands from such major brand names will lessen its attractiveness. There is also a danger that amongst consumers who associate Nestlé with the concentration and globalization of the food industry, and with specific scandals such as Nestlé’s marketing of infant formula milk, that their adoption of Fair Trade will be seen as devaluing the concept’s ethical credentials. Given that Partners’ Blend accounts for less than 0.1% of Nestlé’s imports, their critics are concerned that it represents only a token gesture. Similarly recent media coverage accusing retailers of marketing Fair Trade products at premium prices to generate more money for themselves, rather than to give more money to producers, also risks undermining consumer belief in the concept, and in what it actually benefits.

It is ironic that the adoption of Fair Trade products by major retailers and by major brand names, which was once viewed as essential to creating a marketing context in which Fair Trade products could develop, is now seen as potentially posing a risk of a consumer back-lash due to negative media coverage and changes to the informational environment. Returning to the relationship between the ethics and responsibilities of companies and of consumers, and the relationship between them, Nestlé’s entry into the market also poses interesting questions about the motivations of different types of company involved in Fair Trade. If Nestlé’s involvement is value-led, it poses the question of why and how the company’s values have changed, and how its involvement squares with its continuing dominant role in the mainstream market in which many producers are paid at below subsistence level. If the involvement is motivated as a reaction to a perceived competitive threat posed by the growth of Fair Trade markets and suppliers, then it may be perceived as cynical in a way that is damaging to both the company and the cause. The hope must be that Nestlé’s entry into the market helps to broaden the entire category with its marketing expenditure benefiting the Fair Trade concept as much as the brand itself, and that the brand may act as a bridge for relatively conservative consumers raised on Nescafé to move towards Fair Trade coffees generally.

Interestingly, what the entry of Nestlé into Fair Trade markets seems to have sparked off, is a rediscovery amongst Fair Trade businesses of the importance of marketing based on their ethical credentials to place a fresh emphasis on the moral intensity of the issue. After many years of marketing based on an emphasis of the quality of their coffee first, and their ethical credentials second, Café Direct’s 2006 media campaigns returned to an emphasis on their ethical credentials as setting them apart from their more mainstream competitors.

**CONCLUSIONS.**

This paper has sought to take a fresh look at our understanding of the ethics and perceived social responsibilities of consumers, and the impact they may have on our understanding of the markets for, and marketing of, ethical products such as Fair Trade products. The current limitations of mainstream discussions about ethics and consumption include:
• a view of ethical consumption as abnormal and apart from mainstream consumption to create a situation in which businesses who are increasingly viewed as having social responsibilities, serve the needs of consumers who are seen as having none;
• a tendency to view the ethical dimensions of such products as a mere product augmentation, rather than as intrinsic to the product itself. This has led to attempts to understand ethical consumption behavior simply by extending existing models, such as the Theory of Planned Behavior, rather than trying to develop new approaches;
• the difficulties of disentangling consumer motives between an ethically driven desire to be responsible, and more selfishly orientated desires to feel and to be perceived by others to be socially responsible, or to feel that one has discharged any ethical responsibilities that go with one’s power as a consumer by making token “good” purchases;
• an emphasis on identifying, segmenting and understanding “the ethical consumer” or “the Fair Trade consumer” rather than understanding the variations in strength, motivation and focus of the ethical concerns of consumers;
• a discussion that has polarized the development prospects for Fair Trade marketing between traditional ethically-led strategies and strategies based on an emphasis on technical product quality and greater commercialization (Golding and Peattie, 2005);
• a research tradition that continues to focus on purchases, and on how and why consumers can be encouraged to make purchases, and that continues to focus on either the consumer’s buying motivations or the seller’s marketing strategy, without integrating and balancing them.

A proper understanding of Fair Trade marketing will not come from thinking in terms of a simple consumer/marketer divide, but will require an understanding of how the consumer relates to the retailer, the brand manufacturer and the farmers that supply them. It will also require an understanding of how a sense of responsibility can be developed and divided within the market so that there is an integrated and shared sense of social co-responsibility amongst marketers and consumers. Adding an ethical ‘box’ into conventional models of consumer behavior to create modified versions of concepts like the Theory of Planned Behavior are doomed to provide abstracted and severely limited insights into ethical consumption. Understanding the nature and potential role of consumers in this process, and the nature of ethical dimensions of consumer behavior will require the development of new perspectives, theories, models, categorizations and research streams. This paper has presented a number of different perspectives on ConSR as partially analogous to CSR; as informed by concepts of the citizen-consumer; as insufficiently explained by augmentations to conventional consumer decision making models; as dependent upon the situational context and the information available to consumers; and as potentially dependent on the evolution of a sense of co-responsibility between marketers and consumers. These perspectives highlight the need for a new research emphasis on, and some new research ideas concerning, consumer ethics and ConSR. They will also hopefully contribute to the momentum that is gathering behind this process.

References


Endnotes

1 A more appropriate name for this “CES”-scale would be consumer dishonesty scale.

2 See still another paper of Vitell, 2001, with some bridge-building between such theoretical and empirical research. For a discussion of the possible narrowness of the Consumer ethics scale (CES) research tradition see Brinkmann and Lentz, 2006.

3 The Hunt-Vitell model fits perhaps even better for morally responsible than for dishonest consumer behavior.
Johannes Brinkmann and Ken Peattie:

**Understanding insurance customer dishonesty:**
Outline of a moral-sociological approach

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**Abstract**
Most consumer morality studies focus on consumer immorality, i.e. different types and degrees of consumer dishonesty or deviance. This paper follows this tradition, by looking at insurance customer dishonesty. For looking at insurance customer dishonesty in a wider perspective, the paper drafts a sociology of insurance customer morality, including outlines of micro-level, meso-level and macro-level moral sociologies of insurance fraud, as well as a discussion of moral heterogeneity and a critical understanding of deviance. As a next step a few empirical research questions are formulated and illustrated with data from a Norwegian-German pilot study.
Introduction

Consumer ethics has to do with describing, understanding and criticizing consumers and their behavior from a moral perspective. Compared to other topics in the fields of business ethics and marketing ethics there are a relatively few publications (see for example Vitell, 2003; Brinkmann, 2004). Most consumer ethics studies have looked at consumer dishonesty (Vitell, 2003).¹ As a discussion of insurance customer dishonesty, this paper fits into this research tradition, both in terms of theory and methodology.

The consumer dishonesty research tradition

A common focus of consumer dishonesty research has been the development, validation and frequent replication of the so-called "consumer ethics scale" (abbreviated CES - see Vitell et al., 1991; Muncy and Vitell, 1992; Vitell, 2003). In short, this CE-scale offers 16 to 20 ethically questionable consumer activities for consideration. A factor analysis suggests that the activities fit into four categories, ranging from clearly questionable to clearly non-controversial categories:

- Actively benefiting from illegal activity
- Passively benefiting at the expense of others
- Actively benefiting from questionable behavior
- No harm/no foul.

After an examination of almost twenty studies using the CE-scale, Vitell concludes (2003, p. 40):

“…One of the issues supported in several studies is the relatively consistent factor structure for the consumer ethics scale, even when used cross-culturally. That is, ethical judgments seem to be determined by (1) whether or not the consumer actively sought an advantage or was basically passive, (2) whether or not the activity might be perceived as illegal and (3) the degree of perceived harm, if any, to the seller. Furthermore, the ‘actively benefiting from an illegal activity’ items from the Muncy-Vitell scale are almost universally seen as being both illegal and unethical. Thus, the other dimensions may be better for discriminating among consumers from different cultures, especially the ‘actively benefiting from a questionable action’ or ‘no harm/no foul’ dimensions…”

In addition to numerous cross-cultural replications of this instrument there are promising examples of linking it to other research tools (see in addition to Vitell, 2003 the recent reviews of Polonsky et al., 2001 and Fukukawa, 2002). There is little doubt that consumer dishonesty research ² is “the” dominating specialty within the wider field of consumer ethics research. For
protecting both research fields against uncritical narrowness one can add some sceptical remarks (Brinkmann, 2004b, pp. 129):

“Perhaps businesses get the consumers they deserve and vice versa. Rather than criticizing business … or passing on the blame to the market and to the consumers … it seems more fruitful to consider … consumer theft (and similar issues) as a shared responsibility of business and consumers…”

In other words, one should look for more than simple answers to simple questions, such as “why do people break positive criminal law and/or positive contract law norms?” Once one goes beyond treating positive law as positively given a wider and more critical consumer ethics research perspective emerges. In the field of insurance customer ethics which we focused on in this article a wider and more critical approach would ask additional questions such as:

- Does light-and-frequent insurance customer dishonesty represent consumer punishment of an industry with a bad moral reputation?
- Is there a risk of contagious cynicism where consumers claim they would feel stupid if they would not follow the crowd and commit the same disputable behaviors in given tempting situations as everyone else?
- Does resistance to low-risk insurance fraud temptation represent an indicator of consumer morality, in general and/or more specifically e.g. feelings of gratitude after having been treated well by one’s insurance company?
- Could one use consumer punishment, cynicism, temptation resistance and similar indicators for a segmentation of consumers by moral heterogeneity?

In other words, this article tries to follow the consumer dishonesty research tradition, while seeking to test and transcend its limits. The following sections reflect such a double strategy. A theory section presents a sociology of morality as a complementary frame of reference for a wider and more critical approach to consumer ethics research. Another section presents empirical pilot data, collected using a mix of instruments taken from different sources – from the CES-tradition, from a survey among US insurance customers and from a Danish study of morality as a potential barrier against light crime.

**Moral sociology**

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. Insurance customer behavior and the attitudes that go with it, are rather explained inter-individually and/or by putting them into a larger societal context. 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.

Danish sociologist J. Goul Andersen’s empirical study of Danish morality (1998) can serve as a point of departure. In his study he intends to describe the importance of morality for breaking/following of legal rules and to discuss if law conformity can/could/should be influenced by a reinforcement of morality (p. 35). Moral decline and moral reflexivity theory serve as a frame of reference, with rational/public choice theory as a possible third position. Classical sociology predicts a growth of cynicism and egoism in modern societies, while modernization theory talks, similarly, of a moral decline, referring to increasing hedonism, narcissism, to a dissolution of the moral basis of society, and to relativism. Other sociologists, such as U. Beck and A. Giddens, focus on increased reflexivity in modern societies, i.e. information use for continuous redefinition of activities, where a duty mindset is replaced by more situational responsibility. For such a position, the challenge is living with ambiguity and critical responsibility. Uncritical rule-conformism is old-fashioned. While reflexivity theory suggests that citizens follow their conscience or moral intuition independently of legal rules, a third rational-choice model would predict cost-benefit thinking for finding ways around the rules (with morality/norms and opportunities as filters/barriers). Goul Andersen’s research design and theoretical approach is of particular interest here, since he uses potentially dishonest insurance customer behavior as one among several comparable disputable behaviors, not least with an assumption that insurance customer behavior most likely will follow a rational/public choice perspective (see 1998, pp. 112-113).

Goul Andersen reasons mainly macro-sociologically when it comes to alternative explanations of the likelihood of egoism, reflexivity and morality as models for action. A complementary micro-sociological approach could depart from a distinction between cognitive and normative expectations (i.e. moral-free, open-minded versus moral-trusting ones). Once practiced for a while and being institutionalized and reinforced in other ways normative expectations become social norms. If social norms are grouped by the social situations they apply
to, one can talk of social roles, such as insurance customer roles. As with any other consumer role, there is a typical built-in duality. One the one hand, cognitive expectations, cost-benefit maximizing and defense of one’s consumer self-interest are legitimate, as well as an attitude of skepticism or even distrust towards one’s counterparts, self-interested insurance agents and powerful insurance companies. On the other hand, one trusts promises (i.e. has normative expectations, that there will be help available if and when one needs it) and buys increased economic safety, and signs a contract full of norms about legal rights and duties. In other words, as in other roles and in particular as in other consumer roles, one holds probably a healthy mix of normative and cognitive expectations, trust and distrust. Normative expectations and trust make insurance customers vulnerable to aggressive insurance salesmen and powerful companies, while cognitive expectations make consumers more open-minded and more vulnerable to dishonesty, i.e. more vulnerable to “pure” cost-benefit maximizing if and when any temptation of “cheating” the company should turn up (cf. also modified version of the Goul Andersen model in the appendix of Brinkmann, 2004a).

According to such views, honest and dishonest insurance customer behavior reflects how the socio-cultural climate may have worsened or just changed and/or reflects changes in the mix or balance of morality-free cognitive expectations and moral-normative expectations. A third (and still complementary) approach could be looking at what goes on inside the insurance industry and then perhaps look at how this could influence what insurance customers think and do, perhaps if the insurance industry gets the customers it deserves and vice versa. Baker’s literature review article Insuring morality (2000) takes an almost industry-cultural-historical look at two paradigms for how the insurance business can handle its heterogeneous customers, the good ones and the bad ones. The more old-fashioned one focuses on “moralized personal attributes and pressures like ‘temptation’ and ‘character’” while the more modern one focuses on ‘system efficiency” (p. 559). In the first case one speaks of ‘moral hazards’, ‘negligent and fraudulent’ insured individuals (p. 560), of risks (if at all) as a function of personal irresponsibility, with logical insurance self-protection by critical character examination when closing insurance contracts and by thorough claim investigation. In the second case ‘moral hazard’ is simply a challenge for predicting high and low risks and relevant incentives, statistically correct on an aggregate level. And when it comes to the conclusion, Baker writes:

“… Putting these paradigms side by side… it is easy to see how the ‘actuarial’ can appear to de-moralize identities and relationships. Yet, the … actuarial (or economic) paradigm also moralizes identities and relationships… This new way of understanding the world was a synthesis built on the old that did not abandon morality but rather (partially) transformed it, creating an alternative,
not a replacement. The ‘actuarial’ account differs from the ‘juridical’ account, not in the absence of moral judgments but only in their definition. One demonstration… comes from the internal organization of insurance companies, where the two moralities are institutionalized within different departments. The typical insurance company contains an actuarial department that is responsible for setting rates and risk classifications, an underwriting department that is responsible for selecting who will be insured from among those who apply and a claims department that is responsible for weeding out fraud and exaggeration…” (pp. 573 f.)

Baker (2000) illustrates the differences, complementarities and the more abstract similarities between the legal and the actuarial paradigms. One could and should also ask follow-up questions, such as if and how this duality of moral rationality and rational money-making produces (internal) conflicts, contradictions or dilemmas in the insurance business, e.g. when trying to communicate (externally), credibly and consistently, with its heterogeneous customers (potential ones and actual ones, good ones and bad ones, naïve ones and smart ones, and most of them probably in-between). Ethics and profit, ethics as an end in itself and ethics as a means for reaching desirable other ends can represent complementary, synergistic or contradictory objectives, perhaps more obviously in this industry than in many others. The more the insurance industry switches to a more opportunistic (or cognitive) attitude towards fraud, the higher the risk of involuntary customer reeducation, i.e. irreversibly removing the moral barriers of cheap customer self-protection against opportunism. Or the more the insurance industry moralizes in its communication with its customers, the higher the risk of being asked critical moral questions and being evaluated in terms of consistency, credibility and trustworthiness. And if one chooses a middle position of ‘yes, both’ one risks being criticized for double standards. In the end, as with business and consumer ethics in general, the difficult questions remain, whether the companies get the customers they deserve and vice versa, and whether insurance customers and the insurance industry have interdependent moralities (or perhaps interdependent double moralities).

Baker’s thoughts and our reflections related to them contain a potential basis for still another (fourth) sociological approach, which one could label moral heterogeneity or moral inequality approach. This is more or less an extension of sociological textbook wisdom about societal diversity and inequality, and the horizontal and vertical groupings of individuals (cf. e.g. Giddens, 2001). Such an approach could be summarized as follows (with a free translation from Brinkmann, 2003, 119-121):

The more one is concerned with influencing attitudes and raising moral sensitivity the more important it is to be prepared that target groups might be heterogeneous. Heterogeneity implies a
likelihood of different reactions to the same message. While the attitudes of one group are confirmed and reinforced by a message, the attitudes of others might become insecure or dissonant while the attitudes of still another group might be provoked and trigger defense and reactance reactions. Advertising and public relations are expertise specialties which accept target group heterogeneity and suggest well-justified discrimination. When it comes to defining heterogeneity, more technically social science methodologies can be useful, particularly with concepts such as dispersion and measurement levels and approaches such as cluster and correspondence analysis.8

Among different moral philosophy approaches only discourse ethics seems to justify itself by referring to moral (and cultural) heterogeneity across individuals and groups in modern and postmodern societies and by assuming that it is a good idea to let consensus-seeking dialogues depart from an assumption of equality of parties and standpoints (cf. e.g. Pruzan and Thyssen, 1990).9

In terms of the referred-to Baker article one could say that moral heterogeneity is equally interesting to the lawyers and to the economists, but in different ways. In a way both types of expertise would look for possibilities of rational discrimination, but in different meanings of the word rationality and discrimination. For lawyers the natural way of handling heterogeneity is by designing predictable discrimination procedures for whom to close contracts with and whom not, as well as by designing contract conditions which discriminate either positively or negatively. For the economists (or insurance statisticians) the question is simply how to construct best models and typologies for predicting risks and pricing of products, fraud risks included. Both professions would profit from reliable and valid social science data related to insurance fraud probability, and from moral-philosophical reasoning related to distributive justice issues concerning both conditions and prices.

Still another moral sociology approach (and in case a fifth one) could be a sociology of insurance customer dishonesty as a critical sociology of law or sociology of deviance,10 as a somewhat superficial illustration of what sociological criticalness and non-positivism could mean:

- a rejection of a psychological or individualist reductionism, i.e. a rejection of a focus on autonomous, independent, asocial, criminal individual decision-makers (as we know it from traditional penal law thinking), and
- a criticism of, or at least skepticism towards an unconditional acceptance of narrow penal law definitions of rightness or wrongness of a given behavior such as insurance fraud, instead of
asking critical-moral questions in “all directions” alike, asking honest and dishonest customers, insurance companies as providers of welfare safety as well as of products as necessary conditions of fraud opportunities.

To sum up: If one wanted to choose a few common denominators for a moral sociology the following attributes would be good candidates: holistic or multi-level, relational or non-individualistic, heterogeneity-conscious or differentiating and critical or non-positivistic. This section started with a few simplistic remarks about the focus differences between sociology and psychology. The previous paragraphs have offered a taste of holism as a question of complementary macro-, micro- and meso-level sociologies of insurance fraud, with moral heterogeneity and deviance perspectives cutting across such approaches.

**Preliminary Research Questions**

Research questions try to build a bridge between previously published research, one’s own theoretical interests, one’s own data collection and one’s own data analysis. In the special case of exploratory or pilot research design (as here) research questions are intentionally not fixed, but rather unfinished and open to revision along the way. Pilot research is rather about developing than answering research questions. The first three of the following research questions are inspired by the consumer dishonesty research tradition presented above (and relate at least loosely to the sociology of deviance referenced above). The fourth and the fifth research questions follow up previous suggestions of insurance customer grouping by likelihood of dishonesty (and follow up the moral heterogeneity thoughts outlined above):

1. How does insurance customer dishonesty compare with other examples of consumer dishonesty?
2. Are there any differences between the respondents’ own attitudes towards consumer dishonesty and expected peer attitudes?
3. Is it possible to reconstruct common denominators across examples of dishonest consumer behaviors, e.g. by factor analysis, and how does such a reconstruction compare with the widely used CE-scale?
4. Are there any fruitful insurance customer grouping possibilities by honesty and dishonesty, using cluster analysis based on attitudes towards insurance fraud, towards fraud rationalization and towards appropriate insurance company reactions?
5. Is there a connection between experience with insurance fraud in one’s network and/ or one’s own claim experience and cluster membership?
Pilot data presentation
The data referred to in this paper were collected by self-completed questionnaire among business students in two countries. In a pilot study context, student convenience samples can be really helpful if one intends to test rather long questionnaires before developing shorter versions. On the other hand, students might have less and narrower insurance customer experience (bivariate control tabulations by role experience can help as an insurance).

The Norwegian questionnaire version was distributed in classroom situations in April 2004 among business students at two campuses of one (Norwegian) business school. Building on the experiences from this first stage shortened and improved (but fully comparable) German-language and English-language versions of the questionnaire were developed. The German questionnaire version was then distributed electronically during late July/early August 2004, by a direct email-guided link to a web-based questionnaire.

The questionnaire mainly consists of previously tested parts of the CES instrument developed and used by Vitell (2003) and others, parts of the US “four-faces” study (Coalition... 1997), combined with some questions taken from the Goul Andersen study (1998). As an opening to the questionnaire a few moral temptation scenarios were introduced (describing insurance fraud situations, two scenarios in the Norwegian and 4+1 scenarios in the German version), mainly for later use as dependent variables (the scenario responses are analyzed and discussed in Brinkmann, 2004a). After a response rate of approx. 70% in the Norwegian sample and approx. 33% in the German sample, the data-set consists of 156 Norwegian and 165 German usable questionnaires.

Remarks about the issue of Social Desirability Response Bias
Any study with “threatening” questions about illegal and socially disputable behaviors risks a Social Desirability Response Bias (SDR). Such a bias consists of two more or less independent factors, of self-deception, i.e. “the unconscious tendency to see oneself in a favourable light…” and of impression management, i.e. the “conscious presentation of a false front, such as deliberate falsifying test responses to create a favourable impression” (Zerbe and Paulhus, 1987, p. 253). Any use of threatening questions (Sudman and Bradburn, 1983) about disputable attitudes and particularly about disputable behaviors is asking for methodological trouble. There is a risk of underreporting, perhaps even of overreporting, of lying about lying as in Eubulides’ famous quotation about the lying Cretons (or not lying about Cretons’ lying?).
There are examples of papers suggesting a standard control routine for discovering a SDR-bias, e.g. regarding self-reported student cheating when it comes to exams (see Bernardi et al., 2003), regarding consumer behavior research and other marketing research (King and Bruner, 2000), and, not least, regarding business ethics topics (Randall and Fernandes, 1991, Chung and Monroe, 2003). In addition, one could also ask, of course, if cultural values or norms as such are confessed as socially desirable (cf. making such a point more cautiously, Fisher and Katz, 2000), and if SDR varies, not only by behavior but also by culture (cf. Nyaw and Ng, 1994).

There is not sufficient space here to elaborate further on SDR-questions. Still, a shortened and culturally adjusted version of the MC-scale (see Reynolds, 1982, cf. also Paulhus, 1991) was included in the pilot instrument as an insurance, for being able to control and check for such a response bias. More technically, we performed an exploratory factor analysis on these eight items, using principal component analysis combined with promax rotation and eigenvalue criterion to decide on an appropriate number of factors. Based on item communalities only six items were retained, leading to a clear two-factor solution (for the results for both the Norwegian and German sample as well as the pooled sample see Appendix Table A).

For an examination of the potential influence of any SDR bias we used factor scores to group the respondents into one group with low values and one group with high values on both factors. We then used one scenario for both samples and controlled the scenario responses by SDR- level (cf. Appendix table B, showing no significant pattern). In other words, the probability for any strong SDR-bias seems to be fairly small. Consequently, we so far see no further need for any SDR bias control. Next, we turn to and investigate our research questions stated previously.

**RQ1:** How does insurance customer dishonesty compare with other examples of consumer dishonesty?

Since the intention was both to follow and to transcend the dishonest consumer research tradition, the instrument departed from Fukukawa’s version of the CES (2002). In the Norwegian version, a twenty-item 6-point Likert-type instrument was used three times, asking for the respondent’s own attitude, for the expected peers’ attitude (or “norms” one might say), and for temptation frequency. The German instrument was shortened and used only 8 of the same CES-items but four times, asking in addition for a rating of behavior opportunity frequency and for degrees of perceived temptation. Table #1 shows all available averages, tabulated by sample, and speaks almost for itself:
The two examples of insurance fraud, misrepresenting the nature of an insurance claim and exaggerating the value of a lost item are clearly ranked as less serious than minimum-value theft (drinking a can of cola) and price-tag switching, independently of subscale and sample.

The Germans are more tolerant of misrepresenting insurance claim facts and of lost item value exaggeration.

RQ2: Are there any differences between the respondents’ own attitudes towards consumer dishonesty and expected peer attitudes?

As shown in Table #1, self-reported respondents’ attitudes are slightly stricter on average than expected peers’ attitudes. This is consistently so for the Norwegian sample, and with only one exception for the German sample. According to univariate analyses of variance, the Norwegian sample shows for six out of eight items and the German sample shows for three items significant differences between own and expected peer attitude (p < .05). In other words, we find large and significant differences between own and peer attitudes throughout the items and the two samples.

An alternative and even more transparent presentation of such differences would be a grand total table. Looking at insurance fact misrepresentation, 38% of the Norwegians claim (or pretend) to have a “more moral” attitude than their peers. Since the expected peers’ attitudes both represent a less threatening form of questioning and a better measure of perceived average or general social norms, the peers’ attitude data should and will be used when looking at the next research question.

RQ3: Is it possible to reconstruct common denominators across examples of dishonest consumer behaviors, e.g. by factor analysis and how does such a reconstruction compare with the widely used CES?

As mentioned above, the Norwegian questionnaire contains 20 and the German questionnaire contains only eight of the CES-items (i.e. of the Fukukawa 16-item version, 2002). Both the Norwegian and the German sample consist of normal age business students. For this reason one cannot expect any simple replication of the CE-scale. Still, some experimenting with the expected peers’ attitude battery seems results in a meaningful two-factor solution.
Based on the tolerance levels as presented in Table #1, we can label the first factor for each sample as *forbidden behavior norm factor* and the second factor as a *allowed behavior norm factor*. The two insurance-related items, which are of most interest in this paper, show almost equally strong loadings on both factors, i.e., both the forbidden and the allowed behavior factor (see Table #2). Since the factor solutions are strikingly similar, one can defend to pool both samples and obtains virtually the same solution. The conclusion is that both dishonest insurance-related behaviors cannot be clearly defined as forbidden or allowed (by the peers). One cannot imagine a better illustration of mixed feelings about these issues than shown in this table.

RQ4: Are there any fruitful insurance customer grouping possibilities by honesty and dishonesty, using cluster analysis based on attitudes towards insurance fraud, towards fraud rationalization and towards appropriate insurance company reactions?

A next group of instruments stems originally from a US study, presenting four different insurance customer types (“Four Faces”) that can be differentiated by their attitude towards insurance customer dishonesty and how in their opinion companies should deal with it (see Coalition…, 1997). Before briefly discussing how one could best group the respondents by their answers to these questions, one can take a quick look at the answer distributions, sorted by average scores on 6-point Likert-scales (see Appendix Tables C-E). When comparing the two samples, it can be found that insurance fraud is relatively “more” accepted among German than among Norwegian business students. No obvious differences between the two samples can be found with regard to expectable rationalizations for committing insurance fraud as well as regarding acceptable reactions of insurance companies to customers committing insurance fraud.

Similar to the ‘Four Faces’ study, we tried to identify meaningful groupings of respondents, i.e. groups which are homogeneous within and heterogeneous across groups and performed a hierarchical cluster analysis (using Ward algorithm). For both samples we find four clusters similar to those in the ‘Four Faces’ study. Table #3 uses average scores on the above-mentioned attitudes as illustrations.

//insert table #3 here/
Table #3 shows that all four groups of respondents clearly differ across the three attitudes. The most obvious findings relate to clear differences in acceptance and non-acceptance of insurance fraud.

The first cluster contains 28% and 31% of the Norwegian and German respondents, respectively. These respondents share a relatively high level of acceptance of insurance fraud. Similarly, in both samples, these respondents show the highest average acceptance of possible apologies for committing insurance fraud. Consequently, as in the ‘Four Faces’ study, members of this cluster in both samples can be labeled ‘Critics’, as they have a high tolerance for fraud and recommend only little or almost no punishment for perpetrators. The second and third clusters represent those respondents with an average level of acceptance towards insurance fraud. In both the Norwegian and the German sample these clusters can be differentiated by their level of apology acceptance, with higher levels found in the second cluster. This cluster represents 21% of the Norwegian and 29% of the German sample. As in the ‘Four Faces’ study, these respondents can be labeled as ‘Conformists’, i.e. as “fairly tolerant of insurance fraud, largely because they believe many people do it, making it more acceptable” (Coalition…, 1997, p. 2). The third cluster shows lower acceptance for apologies related to committing insurance fraud, representing 19% and 27% of the Norwegian and German sample, respectively. As in the US report, these respondents can be called ‘Realists’, who “may feel some behaviors are justified depending on the circumstances” (ibid., p. 2). Finally, the fourth cluster contains respondents with least tolerance of insurance fraud, representing 32% of the Norwegian, but only 13% of the German sample. Based on their level of acceptance of insurance fraud, these respondents are called ‘Moralists’, since they seem to believe that such behavior is unacceptable and are willing to punish those customers who break the rules.

Altogether, the cluster solution provides interesting insights into respondent and customer groupings, based on acceptance of and possible reactions to insurance fraud. Furthermore, we find differences not only between the four groups of respondents, but also between the two countries. In particular, there is a clearly bigger critical mass of “moralist” Norwegian respondents than among the German respondents (only 13% of all respondents in the German sample and almost one third of the respondents in the Norwegian sample belong to the ‘Moralist’ cluster, while the proportion of ‘Critics’ is almost equally distributed across the two samples).16
RQ5: Is there a connection between experience with insurance fraud in one’s network and/or one’s own claim experience and cluster membership?

Not least from a sociological angle, as outlined above one would expect potential contagiousness of insurance fraud, either by directly following the example of one’s reference groups’ successful cheating, or more indirectly by developing egoism, cynicism or at least relativism. Such variable interdependencies are probably quite complex and need to be addressed carefully in future research. The pilot instrument contains only two rather simple questions asking if the respondents recall any light or more significant insurance fraud in their social network, and of the respondents have any insurance claim experience, both referring to the last two years. After some variable recoding\(^17\) tables #4 and #5 are almost self-explanatory – apart from table #4a with clear percentage differences and a clear gamma-value there is no clear pattern.

\[\text{/insert tables #4&5 here}\]

Even if such hearsay fraud-experience might increase the likelihood of having a low-morality or ‘Critics’ cluster membership among the Norwegians (%-diff. 37) and the lack of such experience the likelyhood of being classified as ‘Moralists’ (%-diff. 26) this might very well be accidental or due to third variables, such as the respondents’ own fraud experience, rationalizing, approval of such recalled cheating etc. When it comes to interpreting any clear (or in this case unclear) effects of claim experience there are no indicators available in the present pilot data set related to customer satisfaction, if the claim was honest or dishonest, etc.

The percentage base and percentaging direction in such tables depends on one’s research question in general and on one’s assumption about causal relationships among the variables in particular. In this case it makes also sense to look at experience background differences \textit{within} the clusters. Appendix tables F and G show that almost all Norwegian ‘Critics’ (94%; and 71% of the German ‘Critics’) do have fraud experience within their network and that ‘Critics’ have relatively more claim experience than the other clusters.\(^18\) In other words, if there is any conclusion for research question #5 it must be that network fraud experience and own claim experience need primary attention in a follow up-project, related to new and more specific research questions such as which aspects of network fraud experience and claim experience give best predictions for consumers’ potential moral resistance against insurance fraud, insurance customer cynicism etc.

Final remarks
The prehistory of this article as a conference paper and its pilot project background justify an open end up with suggestions for a discussion and for priorities for future research. This final section tries to combine such purposes.

**Theory**

This paper has purposefully focused on suggesting a “sociological” approach to describing and understanding insurance customer behavior, and presented a draft of how such an approach could be structured. Further work in the same direction could focus on a better bridge-building between theorizing about moral heterogeneity and describing it empirically, as well as on further elaboration of what one could call a sociology of insurance customer deviance. For a better understanding of micro-level situations e.g. as temptation handling one could try to elaborate and exploit the overlap between micro-sociology and “moral psychology”. The most interesting field for future theory development work is the overlap between moral philosophy and critical social science, e.g. related to questions of using all available information for “just” differential treatment of insurance customers, to what triggers relativism, i.e. what it depends on if insurance customers tend towards egoism or towards morality or not least to the interdependency of industry and customer moralities which has been mentioned shortly above.

**Data**

A normal prejudice would be that business students represent an insurance customer segment with a clearly higher likelihood of moral-free cost-benefit thinking than almost any other segment one can imagine, both due to the age group and to the field of study. On the other hand, possible overrepresentation of fraud inclination (if this should be the case) does not hurt when the purpose is studying attitudes towards and experience with insurance fraud. An additional advantage with such a sample has been the possibility of recruiting a matched sample from another country permitting the development of propositions for future comparative research.

An important weakness in the material is the lack of more thorough information about the respondents’ contact experience and potential fraud experience in relation to their insurance company (we did not dare to ask such direct questions in our survey). Rather than conducting just another country-wide representative attitude survey one should mainly conduct high quality studies of insurance customers, preferably with triangulation strategies, e.g. a combination of closed claim file or claims-in-progress studies with observation or interviews among insurance company staff, perhaps by extending standard customer satisfaction studies with hypothetical questions about dishonesty and perhaps by conducting a larger number of in-depth interviews.
with discovered or undiscovered dishonest insurance customers (nine such interviews have been conducted during the same pilot project, with interviewees representing the same age group as our business students).

**Practical opportunities**

One could also think of conventional PR and marketing communication research strategies, which could use these insights to design sophisticated campaigns that could use more or less pre-tested fitting arguments and messages for targeting different customer segments through appropriate media. Marketing and Public relations are disciplines with better and better competency in translating reliable and relevant marketing data into mass media and electronic media campaigns with measurable effects. Two other opportunities are less conventional but perhaps far more challenging. One focus could be on participatory inquiry or *action research* where data collection would take place in close cooperation and with extensive mutual information sharing with one or a few selected insurance companies involving their claim handling and fraud investigation staff, almost as a field experiment (for a balancing of perspectives one-could consider a qualitative self-selected sample study of insurance customer cheating and neutralization). Another focus could be on *marketing ethics* in the double meaning of the word. *Marketing* ethics could mean, e.g., removing high fraud-risk products and hence cheating opportunities and temptations, reeducating insurance sales staff from recruiting many to recruiting honest customers, focusing on values, caring and responsibility whenever interacting with customers. In the end, *marketing* ethics is probably the best and perhaps the only way of marketing *ethics*, as a good insurance against insurance customer dishonesty, so to speak.
Literature


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Merton, R.K., 1968, Social Theory and Social Structure, New York


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Table #1: Illegal, morally disputable and dishonest consumer behaviors, sorted by own rejection
(‘Attitude’ measure: Unacceptable: 6.0 - Acceptable 1.0)

<table>
<thead>
<tr>
<th>Behavior</th>
<th>Norway (N = 150)</th>
<th>Germany (N = 164)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Own attitude</td>
<td>Peers’ attitude</td>
</tr>
<tr>
<td>Drinking a can of cola in a supermarket without paying for it a)</td>
<td>5.5</td>
<td>5.0</td>
</tr>
<tr>
<td>Changing the price-tag to a lower price on an item in a retail store a)</td>
<td>5.2</td>
<td>4.8</td>
</tr>
<tr>
<td>Misrepresenting the nature of an incident to obtain insurance payment for a loss not covered by the policy a)</td>
<td>4.2</td>
<td>3.6</td>
</tr>
<tr>
<td>Returning a damaged item to the shop when the damage is one’s own fault a)</td>
<td>4.2</td>
<td>3.8</td>
</tr>
<tr>
<td>Deliberately exaggerating the value of a lost item when making an insurance claim a) b)</td>
<td>4.1</td>
<td>3.8</td>
</tr>
<tr>
<td>Returning an item after finding out that the same item is now cheaper in a sale</td>
<td>2.5</td>
<td>2.4</td>
</tr>
<tr>
<td>Copying computer software or using unauthorized software a) b)</td>
<td>2.2</td>
<td>1.9</td>
</tr>
<tr>
<td>Downloading music from the Internet instead of buying it in the store b)</td>
<td>1.6</td>
<td>1.4</td>
</tr>
</tbody>
</table>

a) Significant (p < .05) difference between own and peers’ attitude (Norwegian sample)
b) Significant (p < .05) difference between own and peers’ attitude (German sample)

Table #2: Rotated Component Matrix;

<table>
<thead>
<tr>
<th>Behavior</th>
<th>Norwegians forbidden behavior norm factor</th>
<th>Norwegians allowed behavior norm factor</th>
<th>Germans forbidden behavior norm factor</th>
<th>Germans allowed behavior norm factor</th>
<th>Pooled Sample forbidden behavior norm factor</th>
<th>Pooled Sample allowed behavior norm factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change a price-tag to make things cheaper</td>
<td>,93</td>
<td>,85</td>
<td>,86</td>
<td>,86</td>
<td>,86</td>
<td>,86</td>
</tr>
<tr>
<td>Drink a can of coke without paying</td>
<td>,90</td>
<td>,86</td>
<td>,86</td>
<td>,86</td>
<td>,86</td>
<td>,86</td>
</tr>
<tr>
<td>Return a damaged item if it’s your own fault</td>
<td>,66</td>
<td>,51</td>
<td>,39</td>
<td>,60</td>
<td>,39</td>
<td>,39</td>
</tr>
<tr>
<td>Deliberately exaggerate an insurance claim</td>
<td>,60</td>
<td>,35</td>
<td>,42</td>
<td>,45</td>
<td>,52</td>
<td>,39</td>
</tr>
<tr>
<td>Misrepresent facts for obtaining insurance coverage</td>
<td>,53</td>
<td>,33</td>
<td>,41</td>
<td>,42</td>
<td>,50</td>
<td>,32</td>
</tr>
<tr>
<td>Download music from the Internet</td>
<td>,93</td>
<td>,93</td>
<td>,93</td>
<td>,93</td>
<td>,90</td>
<td>,90</td>
</tr>
<tr>
<td>PC software copying/ unauthorized usage</td>
<td>,74</td>
<td>,93</td>
<td>,93</td>
<td>,93</td>
<td>,90</td>
<td>,90</td>
</tr>
<tr>
<td>Return an item which is on sale elsewhere</td>
<td>,63</td>
<td>,28</td>
<td>,35</td>
<td>,35</td>
<td>,35</td>
<td>,35</td>
</tr>
</tbody>
</table>

Extraction Method: Principal Component Analysis. Rotation Method: Promax with Kaiser Normalization. Omitted loadings < .25 Variance explained: 62 (Norway), 57 (Germany), 57 (Pooled sample)
Table #3: Mean Values of Fraud, Apology, and Reaction Tolerance
(Groups created by Cluster Analysis using Ward algorithm; fraud acceptable 1, doubtful apologies reasonable 1, tough reactions appropriate 1)

<table>
<thead>
<tr>
<th></th>
<th>Norwegians</th>
<th>Germans</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fraud</td>
<td>Apology</td>
</tr>
<tr>
<td>'Critics'</td>
<td>2.9</td>
<td>2.6</td>
</tr>
<tr>
<td>'Conformists'</td>
<td>3.9</td>
<td>2.8</td>
</tr>
<tr>
<td>'Realists'</td>
<td>3.8</td>
<td>3.7</td>
</tr>
<tr>
<td>'Moralists'</td>
<td>5.4</td>
<td>3.8</td>
</tr>
<tr>
<td>totals</td>
<td>4.1</td>
<td>3.2</td>
</tr>
</tbody>
</table>

Table #4: Cluster membership by insurance fraud experience (vertical percentages)

<table>
<thead>
<tr>
<th></th>
<th>a) Norwegians</th>
<th>b) Germans</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>'Critics'</td>
<td>6</td>
<td>43</td>
</tr>
<tr>
<td>'Conformists'</td>
<td>25</td>
<td>18</td>
</tr>
<tr>
<td>'Realists'</td>
<td>22</td>
<td>18</td>
</tr>
<tr>
<td>'Moralists'</td>
<td>47</td>
<td>21</td>
</tr>
</tbody>
</table>

Gamma: .55 (p < .01) Gamma: .16 (p = .26)

Table #5: Cluster membership by claim experience (vertical percentages)

<table>
<thead>
<tr>
<th></th>
<th>a) Norwegians</th>
<th>b) Germans</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Claim experience</td>
<td>No claim experience</td>
</tr>
<tr>
<td>'Critics'</td>
<td>35</td>
<td>23</td>
</tr>
<tr>
<td>'Conformists'</td>
<td>22</td>
<td>22</td>
</tr>
<tr>
<td>'Realists'</td>
<td>11</td>
<td>22</td>
</tr>
<tr>
<td>'Moralists'</td>
<td>32</td>
<td>33</td>
</tr>
</tbody>
</table>

Gamma: .15 (p = .32) Gamma: .09 (p = .44)
Appendix

Table A: The SDR factor loadings

<table>
<thead>
<tr>
<th>Factor1</th>
<th>Factor2</th>
<th>Factor1</th>
<th>Factor2</th>
<th>Factor1</th>
<th>Factor2</th>
</tr>
</thead>
<tbody>
<tr>
<td>It is sometimes hard for me to go on with my work if I am not encouraged</td>
<td>.84</td>
<td>.83</td>
<td>.81</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I sometimes feel resentful when I don’t get my way</td>
<td>.66</td>
<td>.67</td>
<td>.72</td>
<td></td>
<td></td>
</tr>
<tr>
<td>On a few occasions, I have given up doing something because I thought too little of my ability</td>
<td>.71</td>
<td>.78</td>
<td>.61</td>
<td></td>
<td></td>
</tr>
<tr>
<td>There have been times when I felt like rebelling against people in authority even though I knew they were right</td>
<td></td>
<td>.57</td>
<td>.71</td>
<td>.75</td>
<td></td>
</tr>
<tr>
<td>There have been occasions when I took advantage of someone</td>
<td></td>
<td>.70</td>
<td>.81</td>
<td>.80</td>
<td></td>
</tr>
<tr>
<td>I sometimes try to get even rather than forgive and forget</td>
<td></td>
<td>.89</td>
<td>.71</td>
<td>.70</td>
<td></td>
</tr>
</tbody>
</table>


Table B: The leather jacket loss scenario, by grades of SDR-inclination

<table>
<thead>
<tr>
<th></th>
<th>Norwegians</th>
<th>Germans</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low SDR</td>
<td>High SDR</td>
</tr>
<tr>
<td>Report, no doubt</td>
<td>44</td>
<td>31</td>
</tr>
<tr>
<td>Report, with doubt</td>
<td>39</td>
<td>45</td>
</tr>
<tr>
<td>No report, with doubt</td>
<td>13</td>
<td>17</td>
</tr>
<tr>
<td>No report, no doubt</td>
<td>4</td>
<td>7</td>
</tr>
</tbody>
</table>

\[ \gamma = .22 \text{ (} p = .10 \) \]

\[ \gamma = .14 \text{ (} p = .25 \) \]

Table C: Across the entire population of your country of residence, how acceptable or unacceptable do you think are each of these behaviours? (sorted by Norwegian means)

| Misrepresenting the nature of an incident to obtain insurance reimbursement for a loss not covered by the policy | Norwegians | Germans |
| Inflating an insurance claim to help cover the deductible | 3.8 | 3.4 |
| Falsifying receipts or estimates to increase the amount of an insurance settlement | 3.9 | 3.4 |
| Misrepresenting facts on an insurance application in order to obtain a lower rate | 4.1 | 4.2 |
| Submitting an insurance claim for damages that occurred prior to the accident being covered | 4.2 | 3.7 |

Table D: Here are several reasons with which people apologize for dishonest insurance customer behaviour. On a scale from 1 to 6 how reasonable do you find the following apologies? (sorted by Norwegian means)

<table>
<thead>
<tr>
<th>Very reasonable, 1, not at all reasonable, 6</th>
<th>Norwegians</th>
<th>Germans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance companies make too much money at the consumer’s expense</td>
<td>2.9</td>
<td>3.5</td>
</tr>
<tr>
<td>Insurance premiums continue to increase regardless of one's claims history</td>
<td>3.0</td>
<td>3.7</td>
</tr>
<tr>
<td>People are only looking to get a fair return on all the premiums they've paid</td>
<td>3.1</td>
<td>2.9</td>
</tr>
<tr>
<td>If insurance companies treated people with more respect, people wouldn’t lie to them as much</td>
<td>3.5</td>
<td>3.9</td>
</tr>
<tr>
<td>Insurance rates are based on the assumption that everyone does this</td>
<td>3.6</td>
<td>3.7</td>
</tr>
<tr>
<td>Nobody tells the whole truth on their insurance applications</td>
<td>4.1</td>
<td>4.0</td>
</tr>
</tbody>
</table>
Table E: Next we have listed some possible consequences of dishonest insurance customer behaviours. How appropriate do you think the following consequences are? (sorted by Norwegian means)

<table>
<thead>
<tr>
<th>Consequence</th>
<th>Totally appropriate, 1, not at all appropriate, 6</th>
<th>Norwegians</th>
<th>Germans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Any portion of a claim that is unjustified is denied but for the remainder of the claim is paid</td>
<td>2,8</td>
<td>2,0</td>
<td></td>
</tr>
<tr>
<td>All claim payments are denied if facts on an insurance application are misrepresented</td>
<td>3,1</td>
<td>3,1</td>
<td></td>
</tr>
<tr>
<td>The consumer is prosecuted for lying and falsifying information, on purpose</td>
<td>3,1</td>
<td>3,1</td>
<td></td>
</tr>
<tr>
<td>If a consumer claim is found to be unjustified, in part or totally, the consumer pays the costs associated with the insurance company investigation</td>
<td>3,3</td>
<td>3,4</td>
<td></td>
</tr>
<tr>
<td>The consumer is denied insurance coverage in the future if they have been found to submit false claims in the past</td>
<td>3,5</td>
<td>3,0</td>
<td></td>
</tr>
<tr>
<td>Claims are processed with no questions asked</td>
<td>4,8</td>
<td>3,6</td>
<td></td>
</tr>
</tbody>
</table>

Table F: Insurance fraud experience differences in the clusters (horizontal percentages)

<table>
<thead>
<tr>
<th>Cluster</th>
<th>a) Norwegians</th>
<th>b) Germans</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>‘Critics’</td>
<td>6</td>
<td>94</td>
</tr>
<tr>
<td>‘Conformists’</td>
<td>38</td>
<td>62</td>
</tr>
<tr>
<td>‘Realists’</td>
<td>35</td>
<td>65</td>
</tr>
<tr>
<td>‘Moralists’</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>All</td>
<td>31</td>
<td>69</td>
</tr>
</tbody>
</table>

Gamma: .55 (p < .01) Gamma: .16 (p = .26)

Table G: Claim experience differences in the clusters (horizontal percentages)

<table>
<thead>
<tr>
<th>Cluster</th>
<th>a) Norwegians</th>
<th>b) Germans</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Claim experience</td>
<td>No claim experience</td>
</tr>
<tr>
<td>‘Critics’</td>
<td>34</td>
<td>66</td>
</tr>
<tr>
<td>‘Conformists’</td>
<td>26</td>
<td>74</td>
</tr>
<tr>
<td>‘Realists’</td>
<td>15</td>
<td>85</td>
</tr>
<tr>
<td>‘Moralists’</td>
<td>25</td>
<td>75</td>
</tr>
<tr>
<td>All</td>
<td>26</td>
<td>74</td>
</tr>
</tbody>
</table>

Gamma: .15, (p = .32) Gamma: .09 (p = .44)
Figure #1

Critics (cognitive, cost-benefit minded) [31%]

Conformists [29%]

Realists [19%]

Moralists (normative minded) [32%]

Critics (cognitive cost-benefit minded) [28%]

Situationists [40%]

Moralists (normative minded) [32%]

Norwegians

Critics (cognitive cost-benefit minded) [31%]

Conformists (conditional-normatives) [29%]

Moralists (normative minded) [13%]

Realists (cognitives) [27%]

Critics [31%]

Normatives [42%]

Realists [27%]

Germans
24

Endnotes

1 In addition, a few empirical studies have dealt with consumer behavior as voting behavior, e.g. for good or against bad companies or countries (cf. e.g. Klein et al., 2002, Sen and Bhattacharya, 2001). Another stream of research has been concerned with socially responsible consumer behavior or consumer idealism (see e.g. van Kenhove et al., 2001).

2 Fukukawa, 2002 uses another label, “ethically questionable behaviour”

3 Quite similar to the consumer dishonesty research tradition, Goul Andersen defines morality as individual perceptions of right/wrong behavior in situations (Goul Andersen, 1998, p. 32), operationalized as individual acceptance of given behaviors. Norms are defined as rules sanctioned by reference groups and perceived normal behaviors of others and operationalized as perceived behaviors of others (ibid., p. 33 f.). In addition to the original 3000 subject study carried out in 1997 there was also a minor follow-up study conducted in 2000 (cf. S.L. Clement, 2001, Borgerne og lovene II, Aalborg, Aalborg universitet)

4 Another empirical (sociological) study published in German almost 20 years ago, about secularized manager ethos (Kaufmann, Kerber and Zulehner, 1986) formulates a similar view (cf. esp. pp. 119-120).

5 Goul Andersen assumes that there is a typical danger of starting a vicious circle of minor dishonesty, price increase, frustration and a temptation to “get something in return”, even more price increase, control and distrust increase (there is a slight chance of some trust-building and informal norms of limited dishonesty as potential counter force).

6 The most thorough introduction of expectation as a basic sociological term is found in N. Luhmann, Rechtssoziologie, Rowohlt, Reinbek, 1972, pp. 40-64. The distinction can be presented as follows: “Expectations are assumptions about future events and situations, raising a principal, almost philosophical question: is the future your friend or your enemy, are you looking at life optimistically and hope for the best or are you a pessimist, at least a skeptic? Some expectations take a certain future as given (an eternal life, marriage as security, trust among friends). With ‘normative’ expectations we anticipate security, but risk disappointment. But there are other expectations, too, ‘cognitive’ expectations, skepticism and playing safe, where one not at all anticipates anything as given. One is prepared equally well, mentally, for headwinds and for tailwinds. What is right can vary by person and by situation. When buying a used car cognitive expectations seem appropriate while friendship almost is defined as a right to have normative expectations. Another way of distinguishing between these types of expectation is to say that different reactions are appropriate when expectations are not met. Cognitive expectations program learning, in other words adjusting expectations to reality. Normative expectations program not-learning, often accompanied by some disappointment. Expectations are maintained, not adjusted to reality. But normative expectations which are disappointed too often become gradually cognitive expectations, while cognitive expectations which are met for some time develop gradually into habits and into normative expectations which then risk disappointment…” (Brinkmann, 1994, pp. 107-108, author’s translation).

7 A few (among many) inspiring quotations can serve as illustrations here: “…Many … nineteenth-century insurance sources suggest (that) insurance was understood as a potential threat to the moral order – because
of the temptation it could create and the bad character it could reward… Therefore, insurance companies
had an obligation to serve as guardians for that order. Insurance was for good people; bad character was a
perfectly acceptable, indeed, laudable reason for refusing insurance coverage, but even good people had to
be protected from the temptation that insurance could create…” (p. 565) “…The economic concept focuses
less on the individuals with insurance than on the institutions that provide that insurance. From this
perspective, risk is less dependent on the character of the individual insureds than on the incentives they are
given, and … a measure of the institutional structures erected to protect them from risk. Thus, the encounter
with risk becomes a test of institutions, not a test of individual character. A related difference occurs in the
metamorphosis of the insurance temptation into an incentive. Where the insurance writers’ ‘temptation’
evoked a confrontation between good and evil, the economists’ ‘incentive’ evokes a cost-benefit
calculation… In the insurance writers’ account… the insurers take an explicitly moral measure of the
people they insure. In the economic account, in contrast, the insured is a rationally calculating, ‘thin’
subject whose character cannot be known or accounted for on an individual basis… By holding moral
caracter constant, and by focusing on the institutional structures that encourage rational people to act in
one way rather than another, the economics of insurance appear to leave morality behind… Immorality is
not the cause of moral hazard and virtue is not the solution, because moral hazard is the result of people
acting in their best interests…” (p. 569)

8 Dispersion is a simple measure of a group’s homogeneity or heterogeneity on one variable – such as
religiousness or moral sensitivity. A group is morally heterogeneous if there is a low mode percent or a
high standard deviation (depending on the variable type). Ordinal versus nominal measurement levels help
with conceptualizing a ranking of morality differences (e.g. by moral maturity) versus a mere distinction
between them (e.g. of deontology versus utilitarianism).

9 The traditional social science way of describing and understanding such heterogeneity is by constructing
typologies, deductively from theory and concepts, inductively from data or from a combination of both. Cf.
Brinkmann (2003) with a nine-cell typology, combining Kohlberg’s (ordinal level) distinction between pre-
conventional, conventional and post-conventional morality with a (nominal-level) distinction of three major
moral philosophy positions: utilitarianism, deontology and discourse ethics (Brinkmann, 2003, p. 121).

10 Cf. also Brinkmann, 2004b, with the following presentation (shortened and slightly adjusted): “…Social
deviance is normally defined by sociologists as a violation of specified moral, legal or other social norms,
in a given socio-cultural context. Consumer dishonesty and other examples of “ethically questionable
behavior” represent deviance from such kinds of norms, rankable by relative rejection or by frequency…”
A sociology of deviance could also illustrate and further elaborate the macro-, micro- and meso-level
perspectives drafted above, e.g. with reference to anomic theory which would consider questionable
consumer behaviors as symptoms of and surviving with societal norm dissolution (cf. Merton's anomic-
typology of deviant behaviors, 1968, pp. 193-211) or to counter-culture theory which would ask if
dishonest consumer behaviors represent subgroup conformism rather than societal deviance, or to a theory
of a suitable societal amount of crime (Christie, 2004), perhaps to micro-sociological labelling theory or to rational choice criminology.

11 In addition 42 questionnaires were filled in by a convenience sample which was recruited personally in the cafeteria space of on one campus of the same school; theses responses are kept as part of the data-file but omitted from the analyses reported in this paper.

12 In fact, today there is a L- or lie-scale, too, cf. Birenbaum and Montag, 1989

13 If one as an alternative chooses an experimental design type, there is a control effect risk instead of a SDR-bias.

14 We used cluster analysis to create two groups, one with relatively low and one with relatively high factor scores on both factors.

15 Several of the 16 Fukukawa items were replaced by items from the Goul Andersen study mentioned above. For meeting the business student respondents “at home”, two items regarding take-home and closed-book exams dishonesty were added as well. For the “complete” table covering all the 20 items from the Norwegian sample see the appendix to the Norwegian project report.

16 The cluster analysis as a process is perhaps more interesting in this case than its results presented above. We decided to stop the iterative process at a four-cluster solution (using agglomerative hierarchical clustering technique), based on both objective and subjective criteria (increase in between-cluster sum of squares and meaningful interpretation of the resulting clusters respectively, not least with the same solution as in the Four-Faces study, and for both subsamples). Iterating one step further produces a three-cluster solution. Among the Norwegians, the ‘Realists’ and the ‘Conformists’ collapse into a single ‘Situationist’ cluster, while the Moralists merge with the Conformists among the Germans. In particular among the Norwegians one might prefer a three-cluster solution with a slightly less homogeneous situationist group, where “it depends” if they would cheat when an opportunity turns up, or not (cf. Appendix figure #1, with percentages included).

17 Both the fraud experience variable and the claim experience variable were recoded to dichotomies – by recoding the don’t recall and the don’t know answer alternatives to invalid responses and in the first case recoding fraud experience to one yes-category instead of the original answer alternative distinguishing between an under and over 500 EUR alternative.

18 Appendix table Gb shows also that half of the Germans and “only” a quarter of the Norwegian respondents have (recalled) claim experience.

19 In 2004 two bachelor thesis pilot studies have been conducted, too, one web-based survey among insurance sales staff (focusing on incentive systems and on the problem of over-selling) and one qualitative interview study among claim handling staff, focusing on trust/distrust and role empathy.
Johannes Brinkmann and Ken Peattie:  
**Exploring Business School Ethics**  

**Abstract**  
There is much more written about how and why business schools could and should talk about business ethics, than about how they could “walk the talk”. When ethics is discussed it is usually in relation to the position of business ethics within the curriculum, rather than about what does and does not constitute ethical behaviour on the part of a business school and its members. This paper seeks to explore how ethics can develop beyond the curriculum, and some methods by which business schools might promote effective ethical self-development. Four basic ethics concepts are used as potential starting points for business school faculty to engage with business ethics beyond the curriculum: these are moral conflict; role morality; moral codes and moral climate. Through a discussion of these, eight theses are developed for further discussion and are suggested as a framework for future comparative research about business school ethics.
Introduction.

Moral criticism is an important part of business ethics, and it requires reflection and self-criticism amongst those working in business. Business school ethics should be a natural part of business ethics that requires moral criticism, reflection and self-criticism amongst those working within business schools. Self-reflection and self-criticism are always potentially beneficial, but they have perhaps never been so important for business schools. As business ethics teaching becomes an increasingly central component of business education, and the more such teaching includes a promotion of normative ethical views, business schools risk charges of hypocrisy and double standards should their own management be viewed as deserving similar moral criticism to the business world “out there”. Since “actions speak louder than words”, business schools risk being judged by their management practices, rather than by the philosophies they preach.

Business ethics is a multi-faceted academic field. On the one hand it provides a mature and comprehensive toolbox of practical ideas to promote moral development, ethical behaviour and moral conflict management within business organizations. On the other hand, business ethics is a distinctive field of study, and is unlike most other fields which are based around a particular management discipline and relate to a functional role. Business ethics is a philosophically based, reflective field, which invites one to slow down and disconnect from the “busy-ness” of commercial life, and to spend some time reflecting about the conditions and consequences of one’s work. Both views of business ethics are legitimate and indeed complementary, and each represents an approach that different business schools can use for teaching the subject. Whichever of these two approaches is adopted, business ethicists risk criticism. Those who emphasise an over-arching philosophical approach risk being accused of irrelevance in the market-driven, globally orientated, high tech/high speed world of 21st Century commerce. Those who emphasise ethical tools and techniques risk the accusation of being superficial and dealing with the symptoms of unethical business practice, rather than the root causes. It is the authors’ belief that superficiality is the greater crime, and that proper academic criticism and self-criticism of business school research and teaching should come first.
In the aftermath of Enron, Parmalat, Arthur Anderson, Global Crossing, Standard Life and many other high-profile business ethics cases, there has been an upsurge of interest in how business schools deal with ethics. The risk is that in the “scramble” to respond to the new business climate, business schools will embrace the trappings of business ethics as they integrate it into the curriculum, rather than by embracing the philosophical substance of business ethics and implementing it within the business school organisation. This paper seeks to explore how business ethics can be addressed as an opportunity for self-reflection within business schools, both amongst individual academics and collectively at an institutional level. The aim is to promote discussion about the implications of considering ethics as more than something that should be taught, as “walking” in addition to “talking”.

Structuring the Debate: four perspectives on business school ethics

Why do business schools need to worry about ethics? Whether the pervasively amoral stance encountered in business drives or reflects the tendency to teach business from an amoral perspective is debatable, but commentators have noted that conventional business school teaching tends to be amoral to the point of “brutishness” (Ghoshal, 2003). This is reflected in the tendency for business ethicists to be placed somewhere at the periphery of their business schools reflected in the title of the paper: ’Somebody Out There Doesn't Like Us: A Study of the Position and Respect of Business Ethics at Schools of Business Administration’ (Hosmer, 1999). Although this paper is based upon findings from a US survey, it reflected a broader perception of business ethics teaching as serving a minority of atypical business students. The relatively low demand for business ethics teaching that has existed amongst the student majority could be viewed as indicating a relatively high need for such teaching.

The case of Enron (and perhaps also the case of ‘Enron ethics’, cf. Sims and Brinkmann, 2003a) seem to have helped significantly with marketing business ethics and with marketing new business ethics courses. In the USA, this has been reflected in the vocal
“Call for Business School Responsibility” campaign, waged by hundreds of American Professors, which includes demands that having at least one ethics course becomes a condition of accreditation by the Association to Advance Collegiate Schools of Business (Swanson, 2004).

There are several reasons for some skepticism about business ethics teaching: the demand might be a fad (Singer, 2002); the sensitizing effect might be low or insignificant (Duizend and McCann, 1998; Carlson and Burke, 1998; Gautschi and Jones, 1998; Wynd and Mager, 1989; Glenn, 1992); or a curriculum update may be tokenistic. If one is less skeptical and recognizes the relevance of teaching business ethics because of its importance within the business curriculum, one might still be skeptical towards putting the ethics of the culture and operation of business schools onto the agenda, as a topic worthy of discussion and research. Business school academics are quite likely to view themselves as “on the side of the angels” simply through their career choice. In turning their backs on the material rewards of industry, and dedicating themselves to the teaching of others and the pursuit of knowledge, they could argue that they are contributing to an enterprise which is fundamentally ethical in nature. However, being part of a noble enterprise does not remove business academics from the risk of unethical behaviour either individually or collectively. Engle and Smith (1990) surveyed accounting academics about their views on ethics. They found “. . . that a minority of faculty were plagiarizing research, falsifying research data, and accepting sex for grades . . .” while “. . . a sizeable number of faculty appear to be involved with cancelling office hours excessively, utilizing outdated lecture notes, and allowing students to grade non-objective exams” (Engle and Smith, 1990, p. 28). This paints a somewhat racier picture of accounting scholarship than many readers will be familiar with, but it underlines the relevance of ethical issues to conduct within business schools.

Finally, one could argue that business schools do not deserve to be singled out for a discussion of their ethics, since the principles, practices and lessons from any branch of educational or professional ethics should suffice. It is true that many of the ethical issues
that confront business academics will be familiar to other academics or professionals. There is nothing in the conduct of Engle and Smith’s accountants that is unique to their status as business scholars. However, business scholarship does have some particular aspects that are unusual and raise ethical challenges. One important aspect of management disciplines is that they have a considerable potential to impact business practice and public policy towards business, by acting as consultants and role-models as well as teachers. Beyond this, business school generated theories may be adopted into business strategies, and business school research may be used as evidence to justify particular strategies. An ethical perspective in business education is therefore important – “because, inter alia, the end product of business decisions can influence wealth allocation in the society” (Prodhan, 1998). Beyond that, if these decisions relate to an issue such as downsizing, work-life balance or corporate governance, then the work of the business school has the potential to influence the conduct of business in areas of considerable ethical sensitivity. Business schools also have an important role in shaping the debate about ethics in business, and the way in which they talk about it and teach it will be crucial in getting the wider business community to recognize and address business conduct as a question of ethics. Therefore business schools need to consider ethics in a way that goes beyond other academic departments, in much the same way that all organizations need to consider fire safety, but the fire department needs to consider it in particular depth.

There are a number of starting points for a discussion of the ethics of a business school. These could be judged from an internal perspective in terms of the ethical standards of its decision making processes, financial management and the treatment of its employees, just as any public or private sector organization could be. From an external perspective it could be judged in terms of the social responsibility of the school in selecting candidates for study, the costs and accessibility of the education it provides, and of the theories, and perhaps the ideologies, which it produces and promotes. Criticism of business schools has often been generated by a perception that they produce amoral, or even immoral approaches to management thinking. For example, in the wake of the infamous Ford Pinto fire deaths scandal, it was a reliance on Business School learnt, economically rational
decision making techniques, such as cost benefit analysis, that was seen as leading the company to put corporate profit before customer safety.

Business school ethics can also be discussed in terms of the ethics of their impacts and interactions. Business schools can become an important component of their local communities and the wider business community, and they will have a direct impact on the local economy as an employer and customer. They also have an indirect impact on the broader economy in developing skilled graduates for future employment and when acting as a consultant or partner working with businesses. This can create a challenge for a business school in terms of ethics, since a business school may also be judged by the ethical standards of those they work with, or even the standards of those they accept money from. This can create some very specific ethical challenges for business schools, such as the controversy that confronted Nottingham University when provided with money donated by the tobacco industry to establish a centre for business ethics (Smith, 2001).

Developing a better understanding of business school ethics will require the development of a more comprehensive and systematic framework to help us to organise, analyse and discuss the many issues that the subject encompasses. Four sociologically based concepts can be used as the foundations for such a framework: moral conflict, role morality, moral codes and moral climate (Brinkmann, 2002a, Brinkmann and Ims, 2003, Brinkmann and Ims, 2004). Each of these represents a lens through which business school ethics can be viewed, and also a doorway through which individual members of a business school may be introduced to business ethics as something beyond a subject to teach. Together these four “glass doors” could be used to construct an agenda for research and practice in business school ethics that would allow schools to become more proactive and progressive, and to balance the philosophy of ethics with its practicalities. The analysis that follows seeks to identify key theses that could be explored within this agenda in future.
Moral conflict

Morality has to do with the acceptability (i.e. perceived rightness and wrongness) of behaviors or arrangements in a given culture or subculture, according to empirically valid norms. Moral conflict has to do with disagreement or contradictions related to questions of right and wrong.

Discussions of ethics within business schools, and business ethics teaching in particular, can focus on several different elements of objectives, with students as primary and faculty as secondary target groups (Brinkmann and Sims, 2001; Brinkmann, 2002b; Sims and Brinkmann, 2003b). Two elements which are very important, particularly in the early stages of discussions about ethics, are individual self-examination and responsibility awareness. A first thesis could be that self-reflection and responsibility awareness need help from conflict situations (or even “scandals”), as triggers. Without such help, moral questions are likely to seem quite abstract to most organizations and their members. Indeed whatever the organizational position is on any given ethical issue, it is unlikely that most academics in the issue rich/time poor world of modern scholarship will pay much attention until the issue confronts them as an individual. Why should faculty and students care about ethics, unless they face a really urgent and threatening conflict or dilemma? Harnessing such conflicts to promote ethical reflection, discussion and learning would help to tackle some of the criticism that has been leveled at the teaching of business ethics in being too rooted in “sterile” ethical theories and not reflecting the practical and often seemingly intractable ethical dilemmas that managers can face in real life (Derry and Green, 1989).

A second thesis could be that an experience of such conflicts creates a demand for “ethical help” to settle or avoid conflicts. Such help could come in the form of check-list type procedural rules, or specified roles, rights and duties. More generally one could describe (and market) business school ethics as a tool that helps to visualize, analyze, handle and prevent conflicts in research or teaching contexts, by focusing on a moral dimension.
A frequent and typical survey approach to getting a first overview of the moral conflict potential within a given system level, e.g. a company, an industry or a profession, is to offer a list (often a lengthy one) of example statements for respondents to vote on. This can be used to assess the frequency, seriousness, assumed moral acceptability of a practice and suggested seriousness of sanctions required as a response. In a recent pilot study carried out in Turkey (see Atakan et al., 2005) 40 such statement items were used to explore the moral conflict potential related to faculty teaching and research, such as the following:

- Allowing a research/teaching assistant to grade exams
- Announcing exam or homework grades very late
- Canceling office hours excessively
- Allowing lecture notes to become outdated
- Demanding preferential treatment for his/her relatives or friends from another faculty
- Giving preferential treatment to a relative or a friend taking the class
- Conducting university responsibilities under the influence of drugs or alcohol
- Accepting gifts or money for grades from his/her students
- Giving private lessons to students who are enrolled to his/her class
- Having students enrolled in his/her class do the literature survey of his/her research as assignment or project of the class.
- Having students enrolled in his/her class do the field search / practice of his/her research as their assignment for the class.
- Not giving student(s) or colleague(s) coauthorship on publications when their contribution justified coauthorship
- Attending a meeting at university expense and padding the expense account
- Not referring to a publication which is utilized in his/her research
- Plagiarism: using another person's study (research, paper, book, or thesis) as his own study
Another alternative format for asking questions and triggering discussions (perhaps as a good next step after such superficial initial probing), is the use of more or less abbreviated conflict descriptions. Such descriptions would typically refer to moral conflict situations arising for business school faculty and for administrative staff related to their work situation as researchers and teachers respectively, or on topics such as:

- How should a business school be organized and managed: as a business or as a Humboldt style university, or perhaps even organized and managed as a business but marketed as a university?
- Are business school faculty morally obliged to publicly criticize ethical failings amongst companies (assuming it is justified), including partner companies?
- Are business school faculty morally permitted or even obliged to publicly criticize the business school organization (assuming it is justified), and if so, under which conditions?

Using real-life or hypothetical cases is one way to explore the potential moral questions and conflicts that can confront business school staff, and particularly academics. An academic facing an ethical dilemma might typically be doing it for the first time, with no experience to fall back upon to aid in making the right decision. The second time the situation is faced, the previous decision exists as a guideline to follow, and therefore it may not necessarily present itself as a dilemma. As Prodhan (1998) notes: “Impersonal codes of ethics suggested by religion, family, or society often do not provide the framework for clarifying an ethical dilemma. If an issue is not ‘covered’ by a personal code of ethics, there is no model for helping the individual clarify the issue.”

This makes it important that an academic has some tools, procedures, precedents or advice to fall back on when first confronted by a dilemma. Otherwise their decision making is likely to be guided by a variety of heuristics that have the potential to lead otherwise well-meaning individuals to make sub-optimal and often unethical choices. These include “social proof” (everyone else is doing it), “groupthink” or basic over-optimism.
Rehearsing a conflict by tackling it as a hypothetical case is one method to understand it, and bring the issues of ethics into focus. Another approach is to learn from colleagues by consulting them and exploring their experiences and perceptions. The authors sought to do this through an informal and exploratory consultation with colleagues. This involved a set of questions e-mailed internally to business school colleagues asking for their views on business school ethics. Answers to these could be returned electronically, or printed and returned for anonymity.

The questions began by asking about any moral conflicts colleagues had experienced in a work situation. Most people responded with examples referring to their researcher and teacher roles. Research-related experiences included conflicts:

- in serving the needs of the research client against their own academic publication ambitions;
- about the acceptability of “quick and dirty” studies;
- when dividing authorship credits for particular outputs;
- about making exaggerated promises in research proposals;
- when handling client expectations of specific research conclusions;
- following the political misuse of research findings in the clients’ organization;
- about the acceptability of the use of student projects instead of staff research.
- about the exploitation of one’s school-affiliation for private business interests.

Regarding teaching roles, subjects where conflicts had been experienced included:

- the handling of fail-grades with serious personal consequences;
- the handling of exam cheating;
- grade inflation;
- employee loyalty in the face of legitimate criticism of school teaching from students;
- the handling of personal closeness/distance to male and female students.
These answers represent the noteworthy moral conflicts that colleagues have wrestled with, but probably overlook the many minor questions that we may face concerning whether or not we should use a work phone for a personal call, return the review copy of a textbook we are not planning to adopt, or lie about whether we like the particularly horrible farewell gift a student has presented to you. This in turn poses interesting questions about whether an ethical approach is something that business academics view as needing to be applied in the face of certain conflicts or situation, or as something that should inform all their decisions and actions, great and small. A third thesis could be that business academics perceive “ethical dilemmas” according to the scale of the issues and potential consequences involved more than according to the ethical principles involved.\(^7\)

**Role morality**

Social roles are expectations and norms, rights and duties describing least resistance behaviors of an individual, triggered in a given social situation or related to a social position. This means that members of an organization may adopt or abdicate moral responsibility if they perceive that as appropriate to the role that they fulfill. To provide a concrete example, research has shown that many managers see their personal environmental concerns and values as incompatible with the management role that their employer expects them to fulfill and according to conventional morality disseminated within businesses (Fineman, 1997). Many US business ethics surveys have included a simple question that relates to work and organization member roles. Usually this is framed in terms of how often business professionals experience a conflict between their private conscience and the business role expectations that they face (e.g. through pressure from colleagues or superiors).

A fourth thesis could be that individual self-examination and responsibility awareness are mediated by our roles as business school members. This means that such social roles can both prevent individual self-examination and responsibility awareness, or actually trigger such reflection, about lower and upper limits to our individual and moral responsibilities at work. It would be irresponsible not to feel a minimum of moral
responsibility for what we publish as research and for our decisions to confirm certain
students as deserving to become business graduates. Therefore a fifth thesis is that the
perceived social role of the business school academic offers a means of engaging with
morality, but also may offer an escape from worrying about it, by specifying and limiting
role obligations, such as those of teacher, researcher, student or manager.

In the authors’ exploratory consultation amongst colleagues, a cautiously worded question
was included probing how strongly they identified with their business school employee role
in possible moral conflict situations. Most of the fifteen respondents tended to emphasise
their individual freedom in how they developed and interpreted their role within the
business school. Given the extent to which academics tend to prize their individual
freedom, these answers are not surprising. However, it is difficult to know without deeper
probing, and more formal and rigorous research, whether such responses represent wishful
thinking, moral naivété, moral idealism, moral individualism or even opportunism.

The danger is that the emphasis on the individual freedom of the academic rather than on
the nature and duties of their professional role might be strong, whilst the awareness of the
moral responsibilities that go with such freedoms might be weak. Faculty and students are
granted a large degree of self-determination, such as freedom from direct oversight,
working hour controls and similar outside interference. In general one would assume the
greater the freedom of a role, the greater the moral responsibility that goes with it, when it
comes to issues such as ensuring that working time is spent wisely. An additional
dimension is the degree to which others depend upon a given role. The role of an artist in
society has almost unparalleled freedom, and although many others may enjoy their work,
few of them (gallery owners or impresarios notwithstanding) will depend upon it.
Academic roles combine a high degree of personal freedom, with considerable
dependencies from students, colleagues and partner organizations. For this reason the
development of ethics within business schools may depend on fostering a view that the
freedom of the academic role is a reason to emphasise the importance of ethics within that
role, and not as a basis for ducking difficult ethical conflicts and dilemmas.
An alternative interpretation of the emphasis on professional freedom could be moral and professional idealism. The responses from colleagues could indicate that they identify not with their role as a business school employee, but with their role as a scholar and a professional educator. Such a concept of professional ethics means that for those in certain roles, more is expected of them than from “ordinary people”. The traditional view of professions such as doctors or lawyers prescribes roles that go far beyond normal notions of service provision to encompass ideals such as help, responsibility, care, health or justice.

One definition of “scholarship” that the authors found in an encyclopedia of labour law, views it as “the body of principles and practices used by scholars to make their claims about the world as valid and trustworthy as possible”. This implies that the role of the scholar is to pursue knowledge in a way that emphasizes its validity and trustworthiness, and by implication places ethics and ethical conduct at the heart of the academic’s role.

A role-based approach also provides the potential for a fruitful dialogue about ethics with other professions beyond business schools. In Norway for example, there is a professional ethics network which allows business ethicists to interact with doctors, nurses, journalists and others for mutual learning about ethical development. There is far more that could be said about the potential value of a role morality approach than there is room to discuss as part of a single article (for more, see for example Brinkmann, 2002a; Callahan, 1988; and Applbaum, 1999). However, a role focus and a consideration of possible or actual ethical conflicts can be a good starting point for discussion and reflection about business school ethics and/or business school member role duties. A focus on business ethics can also offer academics more than help with awareness raising and diagnosis, it can provide tools to deal with ethical challenges, including codes, guidelines and checklists.

**Moral codes**

"A code of ethics by most definitions is a written, distinct, formal document which consists of moral standards which help guide employee or corporate behavior." (Schwartz, 2002).

“A profession's code of ethics is perhaps its most visible and explicit enunciation of its
A code embodies the collective conscience of a profession and is testimony to the group's recognition of its moral dimension" (Frankel, 1989). Codes have been one of the most heavily discussed and researched aspects of the business ethics agenda. Much of this concerns the arguments for and against attempting to codify ideals, basic values and principles and what constitutes desirable and undesirable behavior. What codes provide is institutional support for the individual when confronting ethical issues in decision making, which can provide a measure of reassurance and protection for staff. Against this, by institutionalizing ethics, codes risk replacing the development of moral judgement and engagement amongst individual staff, and can effectively impose particular ideological and dogmatic positions (Prodhan, 1998). As Cragg (1997) notes “it is possible for someone to live within the bounds set by a moral code quite independently of any sense of moral commitment to the code being observed. Someone who believed that good ethics was good business might be such a person.”

The effectiveness of codes is a key debate in the field. Some studies suggest that the process of codifying business ethics helps by raising the awareness of ethical issues amongst managers, and reducing the opportunities for people to claim they didn’t know what was expected of them (Adams, 2001; Schwartz, 2002). Other studies suggest that codifying ethics makes little or no difference to behaviour (Marnburg, 2000), and risks creating a compensatory reaction in which words and artifacts become too important at the expense of substance and culture. Ultimately, external sanctions linked to a code cannot easily compensate for shortcomings in individual morality. The effectiveness of any code will depend upon the nature of the programme it is a part of (Weaver et al., 1999). Defensively motivated, top-down, communication-heavy implementation can simply further scepticism, cynicism, and opposition to a code. Ethics codes that are part of an integrated approach to ethics, linked to reward and appraisal systems, and related to everyday organizational activities, are much more likely to succeed (Weaver et al., 1999).

Ethics codes and checklists provide a useful starting point to develop more goal-focused perspectives on business school ethics. A sixth thesis could be: Business school codes can
set an agenda, draw maps of expected conflicts, expected or suggested solutions and, sometimes, predictable sanctions. While there are lots of publications about ethical codes in general (see Brinkmann and Ims, 2003), there are relatively few about business school codes. Much of what has been written concerns the prevalence of, and need for, such codes. For example Rezaee (et al., 2001), investigated how many US colleagues and universities had codes of conduct and how they were implemented; and Engle and Smith’s (1990) evidence of misdeeds amongst accountants was interpreted as a need for clearer and better enforced codes of ethical standards.

Kleiner and Maury (1997) looked at a long list of ideals and principles which they hoped business school staff could agree upon, through a quantitative analysis of academics’ responses to these, the list was narrowed down to ten key relevant ideals:

1. Respect for the human person
2. Integrity
3. Fairness
4. Concern
5. Total quality
6. Professionalism
7. Allegiance
8. Confidentiality
9. Service to the institution
10. Responsible citizenship

The authors’ comments about the list were as follows (Kleiner and Maury, 1997, p. 334):

“By thus identifying ten general areas of conduct wherein ethical issues may arise, one can begin to further elucidate and expand each of these categories to encompass the panoply of conflicts, concerns and problems that academics and the other members of the business school community must address in their professional lives. As a positive statement of the values of the institution and of those working within its framework, specific definitions of
the standards should be developed to further clarify the expectations of the institution and its members...”

A great deal more has been written about the arguments for codes, and the conditions under which they can make a positive impact (or not; see for example Bowie and Duska, 1990; Schwartz, 2002; Petersen, 2002; Brinkmann and Ims, 2003). A common theme is the value of codes to help and guide individuals when faced with specific ethical dilemmas and the accompanying risk that codes prevent a stronger engagement with ethics by the individual, and a consideration of ethics that goes beyond specific actions and situations to encompass the organization as a whole and the individual’s role within it.

Moral climate

A fourth approach to business school ethics, which has a focus on ethics as a component of the institution, and the individual’s relationship to it, is the concept of moral climate, which represents the “... stable, psychologically meaningful, shared perceptions employees hold concerning ethical procedures and policies existing in their organizations” (Wimbush and Shepard, 1994, p. 636). As such it can be viewed as a sub-set of the organisation’s culture orientated towards ethical issues, and represents a means by which a business school could seek to develop strong ethical standards. It is worth noting that some commentators have suggested that the concept of “climate regarding ethics” is more appropriate as the term moral or ethical climate could be viewed as implying that the company under discussion is particularly “ethical” (Dickson et al., 2001).

The moral climate of a business school is effectively its normative socialization environment, through which norms are learned by new members, from normative and comparative reference groups. A school’s moral climate shapes people, but collectively people also shape the climate. Once one has agreed on a definition, the main task is to find relevant dimensions for being able to describe, compare and develop different types of moral climate. One aspect of the climate is its degree of moral maturity, a concept that implies development and strengthening over time. Figure 1. provides a typology of the different levels of organisational moral maturity, which represents a simplification of the
typology developed by Reidenbach and Robin (1991; cf. Snell, 1993, with a similar
typology, distinguishing between “soul-searching”, “quality-seeking”, “regulated”,
“members-only”, “advantage-driven” and “fear-ridden ethos”).

<table>
<thead>
<tr>
<th>Developed Ethical</th>
<th>Emergent Ethical (principle-driven)</th>
<th>Emerging Ethical (balancing ethics &amp; profit, has ethical artifacts)</th>
<th>Responsive (helps local community, social responsibility if profitable)</th>
<th>Legalistic (follows the letter of the law, legal=ethical)</th>
<th>Amoral (maximum profit at all costs)</th>
</tr>
</thead>
</table>

Figure 1. Levels of Moral Maturity
(simplified from Reidenbach and Robin, 1991, p. 274)

The climate can also be described in terms of its strength (as in the degree of “ethicalness”) and also the extent to which the climate is shaped by formal ethical tools. These two dimensions are juxtaposed in Figure 2. below to demonstrate the different types of climate that can be developed.

<table>
<thead>
<tr>
<th>Tools &amp; talking</th>
<th>Lack of or disputable moral climate</th>
<th>Good or potentially good moral climate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>Overreported / superficial ethics</td>
<td>Moral Role-Modeling (Transparent ethical practice, justified self-assertion)</td>
</tr>
<tr>
<td></td>
<td>(window-dressing ethics)</td>
<td></td>
</tr>
<tr>
<td>No (or little)</td>
<td>Moral Preconventionalism</td>
<td>Collective Moral Conscience (Underreported ethics, being rather than appearing ethical)</td>
</tr>
<tr>
<td></td>
<td>(Underdeveloped ethics, perhaps latent hurting of stakeholders)</td>
<td></td>
</tr>
</tbody>
</table>

Figure 2. Four types of moral climate
(cf. a similar typology in Sims and Brinkmann, 2003a)
Since implementing morality and ethics top-down and with quick fixes normally does not work, a moral climate approach focuses on organization culture development. Schneider and Reichers (1983) suggest that organizational climates, in general, emerge via three processes:

1. exposure to objective structural characteristics;
2. attraction–selection–attrition (ASA) processes which result in similar types of people being attracted to, and recruited by, organizations; and
3. organizational socialization processes that teach members what is, and is not, appropriate behavior in particular settings.

It is the third of these that perhaps provides the greatest scope to try to manage the ethical climate. The best guarantee of moral climate internalization, and of a sufficient value consensus, seems to be a discourse-ethics approach in the Habermas tradition, where power-free, open and honest communication (hopefully) produces legitimacy and consensus. Or formulated as a seventh thesis: from a Habermas perspective one would expect that the more a business school resembles an old-fashioned academia university with prudent, idealistic and self-conscious faculty (an organization type which is the archetype of Habermas’ idealistic communication approach) the better for its moral climate (see also Ulrich, 2002, who offers ethically reflected business theory as a transcendence of strategy as core business theory). Such an idealistic perpetuum mobile assumption of discourse ethics raises another interesting question or paradox: Where a sufficient minimum consensus exists about stakeholder-sensitivity, and listening and discussion is viewed as a civilized way of moral conflict management, communication is easy but perhaps hardly necessary. Where such a minimum consensus does not exist, communication can become hopelessly difficult yet vitally important. The following quotation addresses this problem constructively: “There are always three positions one can take toward life: cynicism, idealism and realism. Cynicism makes things worse than they are, in that it makes permanent the current condition, leaving us with no hope of transcending it. Idealism refuses to confront reality as it is, but overlays it with
sentimentality... The cynic masquerades as a realist, the idealist pretends to be hopeful...
To take a realistic view... one must discover a source of hope to impose upon reality...”
(Stivers 1994, p. 13)

An eighth thesis could be: Business school ethics needs to transcend faculty and
student cynicism without being sentimental or naive, but to look realistically for “barriers
against and triggers for change”, mainly among faculty as most important opinion leaders
(see Gentile’s chapter in Piper et al. 1993, listing 13 possible barriers among faculty
hampering higher interest for ethical reflection and consciousness-building in their
specialty home ground, as well as discussing what one could do). Discourse-oriented
business school ethics could be a realistic source or trigger for more moral climate
development, assuming that genuine traditional academic idealism can counterbalance the
more superficial cynicism and opportunism which tends to develop inside large business
organizations.

Conclusions.
To outside observers, the concept of business school ethics might appear to be either
somewhat esoteric, insignificant compared to the implications of ethics in business
practice, or as undeserving of special attention. This article has sought to justify business
school ethics as a special case, and an important one that is inextricably linked to the ethics
of business practice. Although prior research, such as that by Kleiner and Maury (1997),
has helped to shape an agenda of issues and values that can be addressed within business
school ethics, what has often been lacking from the debate is a sense of how this agenda
could be promoted within business schools and why individual academics might help or
hinder its development.

The four concepts that this article proposes as lenses through which the business school
ethics agenda can be viewed, and as entry points into a consideration of this agenda either
individually or collectively, provide a potential starting point for ethical reflection for
newcomers to the field. They also provide a means to broaden the thinking of those who
have viewed it as a one-dimensional issue linked simply to the application of tools from the
ethics toolbox, or as an issue that the organisation needs to agree a position on. The eight theses presented here represent some initial propositions derived from the existing literature and the authors’ personal experience that can act as points of reference for the development of further research in this area. Such research will be important if we are to develop more ethically-orientated business schools in the future, and without doing so, they risk becoming increasingly out-of-step with the realities of business practice and with societal expectations. The core of a business school’s corporate social responsibility remains unchanged as a moral obligation to be good in its core activity of producing and teaching critically reflected theory. Increasingly this will require critical reflection about the ethical dimensions of business practices and disciplines as something central to business theory and teaching and not as something peripheral, optional, alternative or hypothetical. Attempting such reflection without simultaneously reflecting on the ethical dimensions of the life of a business school and the work of a business school academic would represent a missed opportunity. Without it business schools will fail to “walk the talk” and instead will be condemned to “stumble the mumble”. As pointed out in Business Week in relation to growing concern about ethics in business: “Sure, most business schools are loudly condemning such ethical breakdowns. But what are they doing to really combat recurrences of such behavior? The short answer: not much. . . . Deans have issued elegant statements of indignation . . . (but) adding a strong ethics component to the business school culture will be no sure thing” (Hindo, 2002).

References
Applbaum, A. (1999), Ethics for Adversaries, University Press, Princeton NJ
Atakan, M.G.S, S. Burnaz, Y.I. Topcu (2005), Perceived conduct and ethical issues among faculty members, paper presented at the World Marketing Congress (Muenster, Germany), July


Petersen, V.C. (2002), *Beyond Rules in Society and Business*, Elgar, Cheltenham

Piper, T.P. et al. (1993), *Can Ethics Be Taught?*, HBS Press, Boston


Endnotes

1 A poem of the German autodidact moral philosopher Wilhelm Busch suggests that there are four good reasons to be self-critical: to develop a modest and honorable appearance, to both anticipate and prevent external criticism, and to invite support (*Kritik des Herzens, 1874*)

2 Cf. an article entitled “*Business schools add ethics in wake of corporate scandals*” (Singer, 2002), where the reaction amongst business schools is described thus “*The story is the same at business schools across the country: they are scrambling to beef up the ethics components of their coursework, responding to the upsurge in interest among students as well as the prodding of lawmakers.*”

3 Perhaps one should rather say “*moral temptation potential*” – cf. Brinkmann, 2005

4 In Norwegian one would talk of a *børs* versus a *katedral* vision (literally translated: stock-market versus cathedral).

5 The opposite case of public support could also present ethical dilemmas, e.g. if the incumbent of an endowed position defended in public their sponsoring company by referring to relevant supporting theory, for example in relation to a downsizing decision, would the academic be morally obliged to draw attention to their relationship with the sponsor?

6 A case could be an employee’s co-responsibility for harmful effects to the business school, if he/she is quoted as an employee with a title and not as a private person, in particular if the media coverage is not true in a strict academic sense or if the story relates to internal business school life, i.e. all kinds of cases related to professional vs. unprofessional handling of media contact.

7 Cf. *moral intensity* or *ethical issue intensity* as a useful concept in such a context (e.g. Singhapakdi et al., 1996).
Abstract
Departing from frequent use of moral conflict cases in business ethics teaching and research, the paper suggests an elaboration of a moral conflict approach within business ethics, both conceptually and philosophically. The conceptual elaboration borrows from social science conflict research terminology, while the philosophical elaboration presents casuistry as a kind of practical, inductive argumentation with a focus on paradigmatic examples.
Introduction

Business ethics as an academic field has two main functions. On the one hand it challenges self-satisfied business people by inviting moral criticism and self-criticism of business practices. On the other hand, business ethics is potentially helpful when it comes to analyzing, handling and preventing conflict in business contexts, with a focus on moral aspects (cf. as drafts of such a perspective French and Albright, 1998, p. 177-178, with further references, or Brinkmann, 2002b, p. 161-162). This paper suggests taking a better look at such a potential conflict management function of business ethics.

The use of moral conflict cases in business ethics teaching and research

Moral conflict cases are the most popular way of teaching business ethics, consisting of more or less complex and authentic conflicts without an easy self-evident solution. Business ethics casebooks are readers of business life, of conflict histories and issues (see e.g. Beauchamp, 1997; Donaldson and Gini, 1995; Harvey et al., 1994; Hoffman et al., 2001; Jennings, 2002). While full-format cases are meant as representatives of real-life conflict complexity, teaching sometimes (and research normally) uses less representative and more focused short versions of conflict cases, often called "scenarios" or "vignettes" (see e.g. Bain, 1994; Brinkmann, 2002a; Chonko, 1995; Peck et al., 1994; Weber, 1992). Such conflicts or dilemmas, short ones or long ones, real ones or constructed ones are normally designed as a hopeless choice between contradictory responsibilities where at least one stakeholder will be hurt. The follow-up question is usually in the format of "what would you do if you were person X?" or “which conflict party would you side with, and how would you justify your choice?” or “identify and clarify main issues, parties and stakeholders, options and wisest solutions”.

Cases and case teaching market ethics as useful tools for analyzing and handling understandable and interesting moral conflict stories, trigger standpoint-taking and discussion. There is a danger, however, that cases can be “too” entertaining and too superficial as a genre. Students and even teachers or researchers can easily forget that moral conflict cases are examples, i.e. are not about themselves or interesting in themselves only.¹ The challenge is to reach a compromise between respect for uniqueness and desirable generalizability. On one hand one needs to be loyal to the single case (in the classroom or in the real business world) i.e. to come up with a best possible (or at least good enough) solution. On the other hand, the question is what one can learn from one case for all the other cases, more or less similar ones, and not least how a case solution functions as a test case for moral philosophy and for moral conflict management.

More complex check-lists for moral conflict case analyses such as the 7-point list suggested by Henk van Luijk (1994, p. 8-9) or the 12-point list suggested by Laura Nash (1989, p. 246) have a common denominator. They all require a combined analysis of facts and of norms, or a situation and normative
analysis. Instead of a focus on practical suggestions and rules of thumb for case teaching and conflict-case question formats we want to address, more principally, the possible strengths and weaknesses of a moral conflict case focus. Our draft of a further elaboration of a moral conflict focus borrows from social science and from philosophy. By social science we think mainly of conflict research terminology. Our philosophical elaboration exploits primarily casuistry as a kind of practical, inductive argumentation with a focus on paradigmatic examples.

Moral conflict case analysis as conflict analysis

In order to prevent case teaching and case research from being too quick and too superficial, a delayed-judgment approach seems fruitful (Lustig and Koester, 1996, p. 333-336, suggest in their textbook an acronym, a “D-I-E”-approach). Instead of jumping from a quick case description to a quick recommendation for how to handle the case Lustig and Koester suggest asking for a sufficient description (“D”) and understanding (interpretation, “I”), i.e. for a deliberately delayed judgment (evaluation, “E”). Description and understanding require relevant and useful concepts, either as a language in which one can describe and understand conflict cases as stories (cf. van Luijk, 1994, p. 4-5) or for asking individuals questions and understanding their answers, about such conflict situations. Since there is a risk of overrepresenting big cases with media attention one can often defend a further detour and delay by asking individuals questions about their conflict perceptions before describing cases as a whole.

When mapping individual conflict experience in professional or business contexts one would probably ask individuals, in an open question, for any conflict definitions and/or conflict examples. Perhaps, one would ask, in addition, questions about individual conflict handling experiences and ideas. Most respondents would probably understand such a question in one of the following formats:

- Are you experiencing any conflict in your work situation, as an observer or as a party, and if yes related to which issues, how frequently and how seriously?
- Can you recall any (recent, serious, or just any...) conflict in your work situation, as an observer or as a party, and if yes can you describe it briefly in your own words?
- If you experience or believe you experience a conflict in your work situation, how do you typically react?

Such questions about conflict concepts and conflict experiences are a good entry to professional morality studies. Coding the answers to such (more or less open) questions, however, requires a theoretical conflict concept and at least a minimum of indicators to look for and to compare by. Five conceptual distinctions could serve as a start:

- conflicts as units vs. conflict as a social system property,
- conflict attitudes, conflict behaviors and conflict contents,
• conflict of interest vs. conflict of values,
• conflict vs. conflict management perspectives and
• conflict (case) outcomes vs. conflict modification.

Conflicts as units vs. conflict as system property
In questionnaire-based research, some respondents might refer to one specific conflict (or to several conflicts), while others might read the question as a question of whether or not the workplace is more or less ‘full’ of conflict. For grasping this subtlety, one could distinguish, in methodology language, between a unit and a property concept of conflict. In the first case one would think of the conflict \( x \), taking place in social context \( y \), during time-span \( z \). One given conflict is studied as a specific, time-space-unit, often with a focus on properties such as issue types (such as value dissensus, or incompatible interests related to scarce resources), number of parties involved or power-relationships. In the second case, conflict denotes a system state or an actor relationship state, such as a level or degree of conflict. There can be, e.g., much conflict in a post-merger organization. This means that conflict (and conflicts in the plural form) can be thought of in the indefinite form, grammatically speaking. There can be much or little, destructive or productive, basic or superficial conflict. Ralf Dahrendorf’s widely quoted dichotomy between conflict and consensus models of society (1958; 1959) applies a property concept of conflict, by implicitly postulating a continuum or variable from consensus to conflict when talking about societies or organizations, with conflict almost as the opposite of consensus. The unit and property concepts of conflict are related. Conflicts-as-units are symptoms or manifestations of conflict-as-system-property. In most organizations, there is some latent conflict, e.g. about profit/wage ratios or about proper degrees of workplace-democracy. Such latent or built-in quite normal conflict manifests itself from time to time, normally again, in identifiable conflicts-as-units, i.e. conflict processes or episodes.

Conflict attitudes, conflict behaviors and conflict contents
A second distinction could be between what the conflict is about, if and/or how the conflict is perceived by the parties and if and/or how the parties show any overt signs of conflict-related behavior. In other words, one could distinguish between attitudinal, behavioral and content aspects (or concepts) of conflict, as suggested by Johan Galtung in various lectures and papers (see e.g. 1989, p. 2-4; as a visualization as a triangle cf. exhibit #1). When coding responses the question would be if answers refer to self-other images, to events or actions or more specifically to conflict issues, i.e. more or less abstract, underlying, incompatible goals, right versus-versus-right and right-versus-wrong choices (Kidder, 1996) and interests or values.
Conflicts of interest vs. conflicts of values

A third distinction relates closely to business ethics and to the core of this paper. It is a dichotomy by primary conflict themes, between conflicts of interest and conflicts of values. The main idea is that the most important conflict issues are competing interests vs. moral disagreement respectively, or with a lengthy quotation from V. Aubert’s article where this dichotomy is suggested (1963, p. 27-30, our italics):

"A conflict of interest between two actors stems from a situation of scarcity. (Both) ... want ‘the same thing’, but there is not enough available for each to have what he wants. In this general sense the basis for a conflict is present in all trading transactions. The seller would like to have more money than the buyer is willing to part with... This conflict potential is eliminated through the operation of the market, usually so smoothly that no overt signs of conflict appear. If a conflict comes into the open, the solution will often be a compromise... It is a type of social interaction in which it seems that solutions are reached by discouraging the actors from getting morally involved in a major aspect of the interaction, the condition being that the interests are not diametrically opposed... Competing or contrasting interest does not in itself imply any disagreement between Ego and Alter concerning values. It may even be claimed that a conflict of interest presupposes a consensus, at least on the value of the good which is sought after by both parties... A conflict of value is based upon a dissensus concerning the normative status of a social object. ... (The) illicit nature of compromise on the level of value and of empirical truth makes it hard to discuss matters quite candidly... It is especially when ... questions of factual responsibility, of guilt and merit, become parts of value-conflicts... that a solution through compromise becomes so difficult...”

Different conflict management perspectives

A fourth distinction relates to differences in conflict management perspectives. A first question asks if conflict is looked at from a conflict management perspective or if conflict-handling institutions are looked
at from a conflict perspective. In the first case, conflict or conflicts are treated as a problem. Conflicts as problems need to be handled and ask for a solution (or resolution, cf. exhibit #2, cf. also more in social science terminology Galtung, 1965, p. 355), in order to avoid potential negative effects of unresolved conflict.³

Exhibit #2: Solving conflicts as problems

Or in Weiss’ words (1996, p. 170): “The goals of conflict management are, first and foremost, to prevent negative or dysfunctional conflict from occurring while, at the same time, encouraging healthy conflict that stimulates innovation and performance. If prevention does not work, eliminating the dysfunctional conflict is a second goal, and if this fails, minimizing or decreasing it becomes the fallback position...”

The opposite perspective would ask critically if conflicts and if the parties’ standpoints have been addressed thoroughly and constructively, in their own right. Sometimes there is a suspicion that institutions primarily try to justify themselves as well-functioning (if necessary by redefining conflicts to fit with the possibilities of the institution).⁴

The second question about how conflict is managed is not independent of the first one. Rewarding or persuading parties respects the parties’ conflict ownership more than coercing them (cf. Kriesberg, 2003, p. 110-124, in particular his diagram on p. 111 which is shown here as exhibit #3).
Conflict (case) outcomes vs. conflict modification

A fifth aspect can be seen as a follow-up to the first distinction and to the fourth one. Conflicts-as-units are almost defined, as processes, by their history, e.g. with pre-history, emergence, development, termination, i.e. they have an outcome (or end) and consequences (cf. e.g. Kriesberg, 2003, with a figure on p. 23). Conflict-as-property typically changes or not, i.e. increases, stagnates or decreases, either by itself or by management in the above mentioned sense. Unless one employs a purely attitudinal and/or behavioral conflict definition, the core criterion in the conflict-as-unit case and of a possible conflict-as-unit solution is incompatibility or a contradiction of party interests and/or moral positions. The following five-fold typology (#4, source: Galtung, 1965, p. 351 and still Galtung, 2003, p. 11, 26 – authors’ simplification) can serve as an illustration.
Exhibit #4: Galtung's conflict outcome typology

For the conflict-as-property concept tradition one can refer to another five-fold typology, of conflict management styles (cf., widely quoted, Thomas, 1976, quoted here after Weiss, 1996, p. 171):

Exhibit #5: Thomas’ conflict management style typology
Moral conflict defined

“Moral conflicts are conflicts between moral claims that may face persons or groups or communities or
governments representing them, when individually or collectively they deliberate about what to do... -
between conflicting obligations..., purposes, ends, goals, or ‘values’..., moral codes or systems or world
views..., different kinds of moral claim (e.g. consequentialism, deontology, partiality, authors’ add.)...”
(Lukes, 1991, p. 5-9). In terms of the five conceptual distinctions presented above one can, more simply,
consider moral conflict and moral conflict management as special cases of conflict and conflict
management, i.e. intra- or inter-party conflict situations related to moral standpoint differences (or
incompatibilities, or incommensurabilities, cf. Lukes, 1991, p. 9-17). Instead of or in addition to a
conventional definition of moral conflict, it can often be as fruitful to treat moral conflict as a conflict
ideal type or counter type as suggested by Aubert (1963, cf. once more the quotation above and our
exhibit #6 which repeats Aubert’s dichotomy).

<table>
<thead>
<tr>
<th>focus</th>
<th>non-moral conflict</th>
<th>moral conflict</th>
</tr>
</thead>
<tbody>
<tr>
<td>action</td>
<td>ends-rational</td>
<td>value-rational</td>
</tr>
<tr>
<td>perception</td>
<td>rational perception</td>
<td>tendency towards judgemental perception</td>
</tr>
<tr>
<td>outcome</td>
<td>negotiable</td>
<td>often non-negotiable, hence imposed sentence or segregation</td>
</tr>
</tbody>
</table>

Exhibit #6: A comparison of moral vs. non-moral conflict

With or without such a typology in mind, one should leave it an open empirical question if (and how)
moral conflict bases or moral significance of conflicts affect conflict history - how conflict cases, conflict
levels, conflict attitudes, behaviors and contents or conflict management develop, if self-administered
moral conflict management is more difficult (as claimed by Aubert), or not.

Five assumptions about moral conflict in (business) organizations

Related to the distinctions presented above, we see five fruitful assumptions when it comes to
understanding conflict in business organization contexts, with a weaker or stronger moral component:
1. Conflict as system property and single conflict cases are normal rather than exceptional in organizations. Moral conflict can often be a sign of cultural and moral diversity.

2. Conflict or 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-organizational conflict of different kinds (i.e. moral or non-moral conflict) in a civilized and constructive manner.

5. The question of conflict outcomes repeats the ambiguity between conflict cases (units) and conflict as system property. Conflict cases can end, i.e. have outcomes, while conflict as property cannot “end”, but continues, increases or decreases, modified or not.

The last assumption suggests that conflict management should be sustainable. The typologies with different conflict management styles and outcome types (cf. exhibits #3 to #5 above) are less a question of truth than of usefulness for further conflict analyses (or not). Sooner or later, conflict analysis will turn into an analysis of incompatibilities and of incompatibility removal (cf. still Bergström, 1970, esp. his figure on p. 213 and once more Galtung’s recent book, 2003). To Galtung, the proper handling of a conflict is ideally a question of conflict transcendence. In other words, any conflict outcome is suboptimal as long as better, more fruitful conflict transcendence is possible (following Aubert, 1963, one could assume that value conflict transcendence is more difficult than a transcendence of measurable interests).

A conflict case solution means often the same as a transcendence of a logical contradiction towards a contradiction-free final statement. As a contrast, conflict-as-property, e.g. in the conflict-and-consensus-antinomy represents a dialectical contradiction. In an older paper P. Pruzan and O. Thyssen (1990) offer an interesting elaboration of the conflict vs. consensus-antinomy which is of special interest here since it builds a bridge to another important antinomy, of morality vs. ethics:

“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). One could try to simplify the two authors’ way of reasoning by still another simple typology (see exhibit #7).

<table>
<thead>
<tr>
<th>morality</th>
<th>ethics</th>
</tr>
</thead>
<tbody>
<tr>
<td>subcultural</td>
<td>intercultural</td>
</tr>
<tr>
<td>internal</td>
<td>external</td>
</tr>
<tr>
<td>particularist</td>
<td>universalist</td>
</tr>
<tr>
<td>potentially furthering conflict</td>
<td>potentially furthering conflict solution (consensus)</td>
</tr>
<tr>
<td>moral substance</td>
<td>ethics as legitimate form (in contrast to legal forms)</td>
</tr>
</tbody>
</table>

Exhibit #7: A comparison of morality and ethics

For the remainder of the paper the focus will be on conflicts as units, i.e. conflicts as cases, shortened or not, possibly with additional information available from the individual parties in the case. As already indicated above, the suggestion is that moral conflict cases should, as a start, be described and understood as conflicts,

- with a focus on attitudinal, behavioral and incompatibility aspects whenever appropriate,
- as conflicts or interest, of values or as a combination of both,
- which balance between loyalty to the conflict and conflict management considerations,
- and not least which make learning from the handling of the single conflict relevant to future conflict handling.

Casuistry - case-focused moral philosophy

If one’s ambition is to outline how moral philosophy can make sure that a given moral conflict case is not only described and understood on its own premises, but also evaluated on its own premises, there is no
way around casuistry as a philosophical tradition. The challenge is first to take a critical look at the potential strengths and weaknesses of such an approach. In a next step, one could ask how ethical casuistry could function without the power standing behind legal casuistry (following from law positivity, “legality”).7 In our opinion, such legitimacy could and should follow from combining casuistry with a discourse ethics approach, claiming that the parties own their conflict case.

A few references
A quick literature search indicates that there are only a few business ethics sources which provide a more comprehensive presentation of casuistry as a useful and important method for our field. The first source is Ciulla’s (1994) short but thorough history of philosophy presentation and literature review of casuistic thinking, printed in a business ethics anthology. Calkins (2001) addresses the compatibility of casuistry and the business case method, by describing the key features of casuistry and the case method, not least as inductive and practical methods of reasoning with a focus on particular settings and real-life situations. A similar, more general professional ethics focus is found e.g. in Toulmin’s paper (1973) who claims that professional or applied ethics, in this case medical ethics, “saved the life of ethics”, by forcing it back to real-life moral conflict diagnosis and prescription. Boeyink (1992) who is concerned with journalism ethics discusses casuistry as a method and a “middle ground” between practice and principle. As a third applied ethics example one could refer to another piece of work of Calkins, showing how casuistry could handle the triangle conflict between GM-food proponents, GM-food opponents and the farmers in between (2002). Calkins is optimistic when it comes to potential synergies between casuistry and virtue ethics.8 Our contention is that there is a need for “much more” casuistic business ethics, i.e. we claim that casuistry represents an important and underutilized9 potential for both academic and practitioner business ethicists. As a first step towards a substantiation of such a claim we will now draft a critical and constructive overview of the potential benefits and weaknesses of the casuistic method.

Casuistry - a negative or a neutral term?
One standard definition of casuistry can be found in the Oxford English Dictionary: “Casuistry is that part of ethics which resolves cases of conscience, applying the general rules of religion and morality to particular instances in which circumstances alter cases or in which there appears to be a conflict of duties” (our italics).10 This definition is standard in its reference to conflict situations but narrow in its unnecessary reference to specified systems of norms such as legal rule systems or Christian moral theology. Another and even more important definition criterion of the casuistic method should be its inductive, analogical, and dialectical form of argumentation, independently of such specified systems. We should therefore rather like to follow the definition of casuistry suggested by Ruyter (1995, p. 9)11 as a “...case-oriented and example-based way of argumentation (...) Morally relevant similarity between good examples and the situation of moral doubt can be used as an argument for similar treatment of the new
case, while morally relevant differences can be used as an argument against such similar treatment. Arguments for and against need to be balanced which in turn requires good judgment. Usually such an approach can lead to a preliminary conclusion with more or less hypothetical and acceptable solutions. Such a way of argumentation furthers dialogue and aims at reaching a consensus...” (authors’ free translation from Ruyter, 1995, p. 9).

The label matters, too. Instead of the dyslogism12 of “casuistry” we should prefer the German/ Norwegian/ Scandinavian term Kasuistik. In this way one could avoid the pejorative connotation related to the abuse of casuistry in its mature period from 1650 –1750, with moral probabilism and moral minimalism as the main blame. During this period the French philosopher Blaise Pascal started his powerful attack of the Paris Jesuits in his Provincial Letters (1656). Not least due to Pascal, the word casuistry carries a negative connotation. But casuistry criticism is older. The founding father of Protestantism, Martin Luther (1483-1546) included the most famous casuistry textbook of his time (Angelus Claretus’ Summa Angelica) in his bonfire of books in 1520, since he judged it to be destructive to Christian faith.13

‘Business ethics’ as casuistry

The abuse of casuistry is not unknown to contemporary business writers. The following quotation of Peter Drucker is worth while sharing and further reflection: “‘Business ethics’ ... is to ethics what soft porn is to the Platonic Eros; soft porn too talks of something it calls ‘love’. And insofar as ‘business ethics’ comes even close to ethics, it comes close to casuistry and will, predictably, end up as a fig leaf for the shameless and as special pleading for the powerful and the wealthy.” (1981, p. 34). Drucker’s main concern is business ethics instrumentalization, not least by cynical profit seekers.14 Drucker’s expectation seems to be that ethical theory without virtuous habits and attitudes makes one clever rather than moral.15 In their interesting paper ‘A reply to Peter Drucker’ Hoffman and Moore (1982) depart from the premise that casuistry to them “remains an important aspect of ethical reasoning”. In a next step Drucker is criticized for his pejorative interpretation and use of the term casuistry and then for blaming Business ethics for being casuistry.16 To them, casuistry has to do with “the application of general principles in specific circumstances”, thus representing “the mechanical aspect of ethics” (p. 297). Klein (2000), with a focus on Drucker’s more comprehensive management works, concludes that Drucker is a “business moralist”, that he really “takes business ethics seriously” and that he holds an “essentially Platonic” view of business manager responsibility.

Strengths of casuistry

With reference to Jonsen and Toulmin’s use of casuistry in a National Commission (for the Protection of Human Subjects of Biomedical and Behavioral Research, in 1974) Keenan (1998) considers modern casuistry as “a moral taxonomy for distinguishing acceptable from unacceptable ways of involving...
humans as subjects in medical or behavioral research”, i.e. as different from sixteenth century casuists’ use of it, due to contemporary complexity being based on an incommensurable diversity of ethical systems. In a next step Keenan (1998) demonstrates the sustainability of casuistry as a consequence of its turn to the subject and emphasis of context dependency. Deontology and consequentialism are in effect inhibiting the beliefs of the commission members, i.e. functioning as ideologies. Casuistry “on the other hand (is) a formal conveyor, a translucent mediator bringing beliefs more directly into the concrete world....Casuistry is free of such ideological biases... because… casuistry is ‘pretheoretical’” (Keenan, 1998, p. 165). The one bias of casuistry is its suspiciousness towards ‘ideology’ and ‘generalities’. Therefore casuistry represents and expresses the beliefs that form us, the practitioners’ way of thinking17, their presuppositions and presumptions. Furthermore, casuistry is “…unintelligible as an activity separated from its communal context...” (Keenan, 1998, p. 166).

**Weaknesses of casuistry**

Even more important, perhaps, than an awareness and exploitation of the potential strengths of casuistry is an awareness and avoidance of its weaknesses. This concerns less the traditionally bad reputation of casuistry addressed already than a number of more specific traps or limitations. After quoting more well-known objections such as “lack of critical distance, ... methodological stringency and determinacy” and in addition mentioning a possible conservative bias, Ruyter (2003) lists altogether five limitations “worthwhile considering” (presentation shortened, in part extended and reformulated by authors):

1. the authentic case is not as self-evident as often presented (but normally “constructed”, i.e. exposed to selective perception, authors’ add.);
2. case solutions are typically “probable”, i.e. often neither acceptable to most stakeholders nor resolutions in a stricter sense;
3. casuistry can be narrow-minded, i.e. can overlook larger perspectives and should be supplemented by an interdisciplinary perspective;
4. there is a tendency and temptation to overstate similarities and analogies across cases;
5. there is no easy way of identifying paradigm cases – conscious and cautious use of analogies “in order to assure relevance and significance in the comparison of context embedded cases”(p. 11).

The remedy against actual or potential weaknesses of casuistry (formulated by Ruyter or others) is perhaps simply a “virtuous user” requirement in the Aristotelian sense, so to speak as a quality insurance (cf. also MacIntyre, 1984, p. 152-155, Jonsen and Toulmin’s view, 1988 and once more Calkins, 2002).

**Casuistry as a procedure for moral conflict management**

Casuistry has more or less implicit theoretical assumptions. Most important, perhaps, is the assumption of inductive reasoning. Moral decision making should be organized bottom up rather than top down, or with the words of Buchholz and Rosenthal (2001, p. 28) claiming that “a sense of moral rightness comes not
from indoctrination of abstract principles but from attunement to the way in which moral beliefs and practices must be rooted naturally in the very conditions of human existence.” Beyond their main thesis that classical American Pragmatism could link principle and case approaches they show that moral reasoning demands a return to concrete situations as the very foundation for context-sensitive moral decision making. We have now returned where the paper started: casuistry is, essentially, a practical procedure for moral conflict management.

As such “moral conflict management” it starts with a problematic case, a case which contains some conflict. Keenan (1998) suggests using the threat of AIDS as an example, since it (like the threat of nuclear war) forces us to rethink our moral principles and presuppositions (p. 167). Then follows a search for paradigm cases i.e. resolved accounts of real-life situations or “touchstone cases that have intrinsic and extrinsic certitude” (Calkins, 2001). The interesting question is, of course, what makes a case paradigmatic. According to Aristotle, there are five paradigm types (distinguished by acknowledgement types, endoxa), where a case either is recognized by all, by a majority, by the wise, by most wise, by the most well-known and respectable among the wise, respectively.19 Another alternative of paradigm legitimacy could be tradition, i.e. case testing over a long time.20 As Keenan (1998) demonstrates with AIDS as a case, it is indeed a challenge to find a paradigmatic case with fruitful and interesting parallels (relevant similarities) to the present case. On the other hand, modern information technology makes it much easier to find, classify, store and retrieve paradigmatic cases. The next step is inductive analogical reasoning. Deliberation (pro aut contra dicere) draws analogies between the paradigm case and the present situation, attempting to identify relevant similarities and differences. Such dialectical argumentation consists in a dialogue-based attempt to promote critical ethical reflection, departing from common acknowledged meanings, through questions and answers, arguments and counter-arguments (cf. Ruyter, 1995, p. 13 note 20). According to Ruyter (1995) this very step makes the casuistic method more action-oriented, because one asks for arguments which can lead to recommendations or solutions. Brown’s argumentative model has also a lot in common with casuistry (see 1990, ch. 3).21 Brown asserts that such a way of reasoning stimulates ethical reflection, because it shows the necessity of value judgments and assumptions in making policy decisions. In other words, casuists are not satisfied with an abstract discussion of theoretical necessity and eternal conclusions. Exhibit #8 summarizes the casuistic way of resolving moral conflicts as problems.
Exhibit #8 can be read as a repetition of the main thoughts in the different sections of this paper. We claim that any shortcut from moral conflict case descriptions to checklists is problematic. Conflict theory and casuistry can hopefully delay and improve case description and understanding as an alternative to jumping to a quick solution, by

- recognizing such cases as conflict cases (or even better as a range of different conflict types, discovered and focused on by different conceptualizations) and
- recognizing popular case analysis as a kind of casuistry light raising the same critical main question as casuistry, namely to weigh uniqueness and exceptions against general and generalization considerations, balancing between justice to the specific case in its context and justice more generally across cases.

In addition, one should not forget the typical ambiguity of models or approaches. On the one hand a model or an approach (e.g. a conflict concept) may be better than none; on the other hand any focus includes a risk of overlooking non-focused aspects and narrowing rather than opening up our minds. The
best remedy against such narrowness or bias is a similar kind of approach combination as it is well-known from research methodology – triangulation.

**Open end: Casuistic moral conflict management**

What is a vice in a research report financed by the business community is a virtue at a conference where researchers meet. We are offering a number of open questions and suggestions for a discussion about desirable future work and possible research cooperation, rather than a conclusion.

- Having presented both conflict diagnosis and casuistry on their own premises prepares a desirable synthesis of these two related ways of thinking. There are also other streams of research which should be taken into consideration when trying out such a synthesis, not least discourse ethics for ensuring legitimacy of the procedure.\(^23\)
- The possible synergy effects between conflict theory and casuistry could also be tried out in critical-empirical analyses of cases, ranging from standard length single business ethics cases to short scenarios.
- Finally, the topic of this paper could contribute to a better theoretical grounding of case teaching in business ethics.\(^24\)

If there is any short and simple conclusion (as a repetition of a reference above): in spite of any potential weaknesses, casuistry seems indispensable as a method and a “middle ground” between practice and principle. The alternative seems to be blind practice and empty principles.\(^25\)

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Endnotes

1 Cf. e.g. van Luijk (1994, p. 6-7) who distinguishes between two dangers of case-teaching. A “minor, didactical” danger overemphasizes case-teaching (hoping that many cases per se generate understanding and of looking at cases as puzzles to be solved by almost guessing one solution only, instead of focusing on balancing arguments and comparing cases). A “major, normative” danger overemphasizes and excuses the exceptional aspects of a case, in a similar way as what is meant by the term casuistry, used in a derogative way. Donaldson talks of the case method as “not foolproof”, since business cases are necessarily looked at ex post, as static simplifications, often presented in a hurry with too little discussion time (Donaldson and Gini, 1993, p. 21).

2 There are further heuristic schemes and distinctions one could have referred to – e.g. checklists of starting questions, such as: who is in conflict with whom, about which issues, why, by acting how, with which outcomes and consequences, regulated by third parties or relevant institutions (or not – cf. also the checklist provided by Weiss, 1996, p. 176). In addition, one could have referred to the traditional social science distinction between micro and macro, or even micro-meso-macro system levels. And there are inter- and intra-group-conflict, inter- and intra-organizational conflict. Inter-party-relationships often represent another important conflict dimension, such as power equality vs. inequality, or party autonomy vs. interdependence. If one distinguishes three relationship types (symmetry, superiority, membership) one can combine this dimension with the micro-macro-dimension to a 15-cell-typology (cf. Dahrendorf, 1972, p. 27, with several examples for each type).

3 Criteria or good reasons (in terms of the last diagram box) could be, e.g., legitimate procedure, rules and principles, desirable/undesirable consequences

4 The first author’s PhD-thesis (Konfliktpraxis und Rechtspraxis, Münster and Oslo 1975) suggests that this distinction is the core of the Habermas-Luhmann-controversy in German social science in the early 1970s, cf. still N. Luhmann, Legitimation durch Verfahren, Neuwied 1969 and J. Habermas and N. Luhmann, Theorie der Gesellschaft oder Sozialtechnologie..., Frankfurt 1971.
conflict may signify diversity, incomparability, or incomparability... (ibid., p. 9). These quotations are taken from a text which is a convincing bridge-builder between social science and moral philosophy (the latter looked at from outside), eventually ending up with a liberal defense of taking moral conflict seriously and making sense of it, as opposed to its ‘enemies’, i.e. moral philosophers who try not to make sense of it (cf. esp. p. 3-5 and p. 20). For a less theoretically and more practically sophisticated conceptualization of moral conflict see e.g. the book by Pearce and Littlejohn, 1997, which includes the following suggestion: “Although abstract definitions of moral conflicts are useful for certain purposes, they should not be pushed too far. Matters of definition involve a necessary trade-off between abstract terms that are useful for delineating categories and more specific terms that help describe actual events...” (p. 50).

The difference between these two contradiction types is not always clear, since finding - or guessing - a logical contradiction transcendence is one thing while marketing it can be quite another. As indicated above, conflict and consensus almost form a dialectic opposition, where conflict and consensus concepts define one another, test and transcend one another and offer critical evaluation criteria for one another. It has also been mentioned that the conflict vs. consensus theme is one of the classical antinomies in social science. See in addition to the two classical works of Dahrendorf (1958, 1959) textbook chapters and sections such as Ritzer, 1996 (ch. 7), R. A. Wallace and A. Wolf, Contemporary Sociological Theory, Englewood Cliffs NJ, 1995 (ch. 3), R. Collins, Four Sociological Traditions, New York 1994.

There is another important difference between morality and law, which needs to be mentioned. Law has typically a strong preference for predictability, precedences and prejudicats (cf. the stare decisis rule - what is decided should not be changed). Morality, on the other hand, is not necessarily bound by precedences, but rather a question of what is fair in the given situation, all things considered (cf. Sundby, 1978, p. 291).

Calkins (2002) also suggests searching for more exemplary “hero” stories - such as the one of the 1970 Noble Peace Prize winner Nils Borlaug.

According to Jonsen and Toulmin (1988) such “underutilization” of the casuistic method is partly due to its (pre-modern) abuse by the Jesuits and to the (modern) drive towards deductive and abstract science.

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Cf. Jonsen and Toulmin, 1988 remind us of the double roots of casuistry, both in moral philosophy and in rhetorics traditions, the latter with a major purpose of inventing arguments likely to convince an audience.

Cf. similarly Williams, 1982, p. 19: “Morality is primarily a way of life, an ethos, and what one does in business ethics courses is to reflect on the ethos and its implications for business practice.”

In the same paper Hoffman and Moore also offer an insightful analysis of a case with conflicting moral obligations (Henry VIII’s dilemma to divorce Catherine of Aragon vs. “to govern his country wisely”).

Cf. Toulmin’s formulation, quoted by Keenan (1998, note 14): “…Catholic principles say more about Catholics than about the issue they are addressing...”

A virtuous person would simply not instrumentalize ethics in order to obtain disputable purposes. In particular, phronesis (or prudence, practical wisdom) is the most relevant virtue for casuistry. In a strict sense, phronesis is not an ethical but an intellectual virtue (such as techne, nous, episteme and sophia), though intimately connected to ethical virtues (cf. Aristotle, 1985, e.g. book 6, 1139 b11-b18). Cf. also Toulmin’s references to Aristotelian...
arguments in favor of casuistry (1973, p. 93-95), MacIntyre’s illustration case for the importance of Aristotelian phronesis (the Wampanoag Indians’ tribal land claim case, 1984, p. 133-134), or as more general supplementary readings P. Wheelwright, Aristotle, The Odyssey Press, New York, 1935, 1951. Different terms are used in different translations. While T. Irwin uses the term “intelligence” and P. Wheelwright uses “sagacity”, we prefer the term phronesis, or practical wisdom as used in Aristoteles’ Nicomachean Ethics (translated by D. Ross), Oxford University Press 1925, or in Den Nikomakiske etikk (translated by Ø. Rabbås and A. Stigen to Norwegian), Bokklubben Dagens boker, Oslo 1999. The emphasis on phronesis in Aristotelian ethics means that practical issues should be discussed and deliberated in “rhetorical” terms. Rhetorics and ethics are both practical fields where formal proofs or intellectual precision are replaced by real life-experience.

19 About moral probabilism see Jonsen and Toulmin, 1988, pp 164 -175.

20 Such an aspect of “acknowledged meaning” builds, by the way, a bridge between the casuistic tradition and common, empirical morality – i.e. a paradigmatic case solution must be acceptable in the context where it applies.

21 Brown elaborates on Stephen Toulmin’s five-concept argumentative model (conclusion, data, warrant, backing, and qualification; cf. also fig. 2 in Jonsen and Toulmin, 1988, p. 35)

22 Cf., almost as a paradigmatic case, Allison (1971) about the 1962 Cuba Crisis, referring to three organizational "conceptual lenses or frames of reference, or perspectives" for explaining the course of events, with an emphasis on (exploring, authors’ add.) “… the influence of unrecognized assumptions upon our thinking about events like the missile crisis... (By, authors’ add.) “... comparing and contrasting the three frameworks, we see what each magnifies, highlights, and reveals as well as what each blurs or neglects...” (Allison, 1971, p. v)

23 We are aware of the important differences between discourse ethics universalism and casuistic particularism. There is some complementarity, too. The acknowledgement of different views within casuistry, for example, could profit from the discourse ethics approach to reaching a consensus, cf. once more Pruzan and Thyssen, 1990.

24 Cf., perhaps as a paradigm, Ruyter’s paper about how to teach bioethics (2003)

25 Cf. C. Wright Mills’ classical sociology-quotation of empty theory (without data) and blind data (without theory) in Sociological Imagination (Penguin, Harmondsworth 1970) or Jonsen’s metaphor of the line connecting the bicycle (practice) with the balloon (ethical theory), referred to and recycled by Ruyter (2003).