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CREATING MUTUALLY BENEFICIAL POSSIBILITIES: THEORIZING FACTORS THAT IMPACT AN INDIVIDUAL'S CAPACITY FOR MORAL IMAGINATION

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Despite the attention given to recent corporate scandals, there are many examples of business organizations that act to promote mutual benefit for both the company and wider society. These examples remind us that in addition to understanding why some leaders make such poor moral decisions, it is just as important to ask why others make such good moral decisions. Building on the work of Johnson (1993), Werhane (1999), and others, I argue that one critical issue is a better understanding of what constitutes and fosters business leaders' moral imagination. I begin by reviewing moral imagination as a theoretical construct, including its definitional elements such as moral awareness, moral development, creativity, and empathy. Drawing upon prior research for each of these sub-constructs, I propose a multivariate model of factors that impact an individual's capacity for moral imagination and propositions for future research. I conclude with a discussion on the implications of such research for leadership development and management education.

We have always known that heedless self-interest was bad morals; we know now that it is also bad economics. ~ Franklin Delano Roosevelt

Images flashing across the evening news of executives being led away in handcuffs offer real-life examples of the consequences of separating corporate and social values from each other. Companies like Enron and World Com have become infamous characters in the grand drama of business; their names are now synonymous with corporate greed and moral

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impropriety. It seems that each new headline of corruption ruptures not only public trust in corporations, but also the bank accounts of investors and employees (CBS News, 2002; PBS, 2002). In the wake of recent media attention given to tales of bad behavior within the upper echelons of various companies, the dominant question seems to be, “Why do some business leaders make such bad moral decisions?” (e.g. Estes, 1996; Charan & Colvin, 1999; Minkes, Small and Chatterjee, 1999; Kellerman, 2004; Jordan, 2005). In response to this important query, many have suggested that those “bad apples” from recent scandals are not morally bankrupt or especially ethically challenged, but rather they became trapped by limited conceptual schema (Trevino & Brown, 2004; Jordan, 2005). Werhane (1999) elaborates:

> What is evident, then, in these cases [where business leaders acted in a morally questionable manner] is not weak moral development, a failure of moral character, or lack of understanding what is right and wrong, but rather a setting aside of moral considerations in the pace of business activities…Most individual managers are not without moral sensibilities or values, nor are they motivated merely by greed or even self-interest, nor are most managers at a low level of moral development…Nevertheless in many situations managers have a narrow perspective on their situation and little in the way of moral imagination… or lack a sense of the variety of possibilities and moral consequences of their decisions, as well as the ability to imagine a wide range of possible issues, consequences and solutions. Some individuals and institutions are trapped in the framework of history, organization, corporate culture, and tradition that drives their decision-making to preclude taking into account moral concerns...” (p. 11)

Yet there are business leaders who do not get caught in this faulty cognitive trap, whose vision for possibility is not narrow, and who are able to generate creative and morally sound solutions when faced with a challenging business decision. Take for instance companies like Seventh Generation[1], Green Mountain Coffee Roasters[2], or Fuji Xerox[3]. Although a scan of the headlines (or social consciousness) for companies like these are likely to generate minimal results, they are examples of organizations where leaders have not broken the law or caused employees to lose their life savings, but rather have acted in moral and creative ways, making business decisions that led to both increased profits and wider social benefit (World Inquiry, 2006). Such examples remind us that in addition to understanding what goes wrong in certain situations, it is just as important to ask: “Why do some business leaders make such good moral decisions?”

I argue that one critical key to solving this question is a better understanding of what Werhane refers to as **moral imagination.** Defined as, “the ability to understand that context or set of activities from a number of different perspectives, the actualizing of new possibilities that are not context-dependent, and the instigation of the process of evaluating those possibilities from a moral point of view” (Werhane, 1999: 5), moral imagination offers a promising conceptual

[1] Seventh Generation is the leading brand of non-toxic household products whose company strategy is taken from the Native American saying, “in our every deliberation we must consider the impact of our decisions on the next seven generations."

[2] Fuji Xerox has a mission to become a ‘zero footprint’ company, meaning that they do not make any waste that will go to landfill. For example, their factories in China they have begun to recycle almost 100% of its resources.

[3] Green Mountain Coffee Roasters is one of the top producers of double certified – organic and fair trade - coffee. To better promote an understanding of interdependence within the supply chain, each year the company takes a group of employees, customers, and partners for a "trip to the origin" to engage with the actual coffee growers. These trips have helped create new mutually beneficial policies, methods, and approaches to coffee production.

framework to help understand why in the face of a morally challenging decision, some individuals are able to create solutions that tap into a moral "sweet spot" -- or the point at which altruism and self-interest coincide (Hinman, 2005).

With the aim of laying a theoretical foundation for future research on moral imagination within management decision-making, the rest of the paper is structured as follows. First, to provide a context for the importance of moral imagination, I will briefly review the concept mutual benefit in organizational decision-making and growing demand for leaders who are able to create mutually beneficial organizational outcomes. Building on Werhane's argument that moral imagination provides business leaders with the ability "to create decision models that contribute positively to corporate and social well being" (1999*:* 14), the rest of the paper is focused on developing a theory of factors that impact an individual's ability for moral imagination. I review the existent definitions of moral imagination that exist within the literature, and propose a new working definition for the concept. I then explore the definitional sub-constructs of moral awareness, moral development, creativity and empathy that have been theoretically linked to moral imagination. Building on existing research for each of these constructs, I create a theoretical model and subsequent propositions to conceptualize how each relates to an individual's capacity for moral imagination. I conclude with a discussion a discussion on the implications of such research for leadership development and management education.

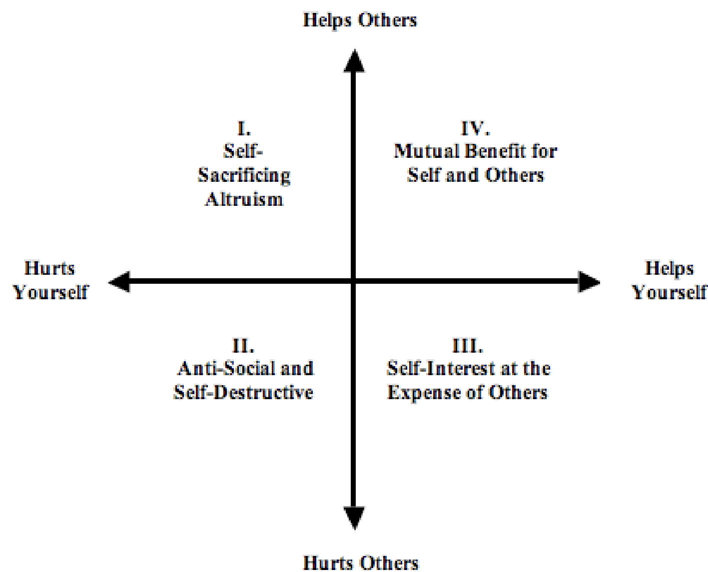
THE CALL OF THE TIMES FOR BUSINESS LEADERS: CREATING MUTUAL BENEFIT

As illustrated by the stark differences between executives' actions in the Enron tragedy, and those at say Fuji Xerox, we know that leaders can run their organizations with differing levels of self-interest and consideration for the social consequences of their business decisions (Carroll, 1987). Yet, there are a growing number of examples of the many ways that businesses are in fact acting as agents of "mutual benefit" in society, with both the business and wider society profiting from the businesses' activities (World Inquiry, 2006; Bright, 2006). Research shows that executives are recognizing both the ethical importance and financial viability of addressing social issues (i.e. Boston Center for Corporate Citizenship, 2005). Analyses of business outcomes also suggest that those companies who 'do good' (i.e. working to balance profits and social impact) are also doing well financially (Margolis and Walsh, 200; Paine, 2003). Mounting data suggests that consumers and investors also increasingly expect companies to act in ways that are mutually beneficial to the bottom line and a wider array of stakeholders (Jackson and Nelson, 2004; Paine, 2003).

Despite the growing desire for and evidence that companies are acting as agents of mutual benefit, the public zeitgeist seems to be that business leaders are greedy entities which make decisions only in their self interest, even at the cost of greater public welfare (i.e. Paul, 2002; Shannon & Berl, 1997). In addition to the recent media sensationalism given to fallen CEOs, the discourse in the management and social sciences may also be fueling this negative personification of business. As Ghoshal (2005: 82) recently pointed out, today's management theories are informed by a wide variety of disciplines, yet "collectively, they have increasingly converged on a pessimistic view of human nature, on the role of companies in society, and of the process of corporate adaptation and change". For example, social science theories generally present selfishness and altruism as polar opposites, suggesting that individuals (and by extension companies) must choose between self-interest and helping others (Hinman, 2005). Streams of

emerging work, however, now suggest that these assertions present a false dichotomy (i.e. Paine 2003; Cameron, 2003: Margolis and Walsh, 2004). Instead of seeing these characteristics as two anchors of a single scale, where movement toward one trait represents movement away from the other, self-interest and altruism can be re-conceptualized as two independent, yet interactive, variables. A graphical representation of this interactivity results in a framework suggesting a typology of possible behavioral motivations and outcomes, as illustrated in Figure 1 (based on Hinnman, 2005). The resulting model has application at several levels of analysis, from individual leader's behaviors to entire corporate strategies.

Figure 1: Re-Conceptualizing Altruism and Self-Interest



Modeled after Hinman, 2005

Modeling of such behavioral tensions within organizations is not new, as seen by Competing Values Framework (CVF) work of Cameron and Quinn (1999, 1983). Based on the work of Quinn and Rohrbaugh (1983), they have proposed that organizations (and the individuals leaders within them) are constantly managing the tensions between two dimensions: flexibility and stability, as well as the need to focus on internal processes versus external positioning. As the CVF illustrates, when these two dimensions are graphed, four quadrants emerge that represent competing assumptions – a dynamic that we also see represented in Figure 1. Thus, just as organizations must manage the tensions proposed within the CFV, they must also handle the tensions that emerge from balancing their self-interest and interests of wider society. While the dynamics of a capitalist system may bias actions toward the right side of the continuum (toward 'helps self'), organizations arguably find themselves in situations where actions in the left quadrants trump those in the right.

Applying this model as a diagnostic to the business world, one can begin to map leaders according to where their actions fall on these two dimensions. Various decisions by executives at Enron, such as trying to reach earning goals by hiding losses from outside auditors (thus misleading investors), could be categorized as Quadrant III behaviors --however it could also be argued that these fraudulent actions by various executives are actually Quadrant II behaviors, given that we now know their behaviors were ultimately self-destructive and anti-social. As the

Enron story illustrates, the label attributed to a particular behavior may not be fixed, but rather depend on an individual's perspective or relationship to the behavior. Indeed, perceptions may actually evolve as new information appears and society's historical sense-making perpetually unfolds; what is deemed Quadrant III today, may turn out to be Quadrant II tomorrow. In other words, what is seen as being self-interested behaviors at one point in time, may actually be seen as self-destructive Regardless of the inherent ambiguity of this framework, there is a growing body of evidence to suggest that a company's ability to sustain a competitive advantage in the future will rest upon their ability to move their business strategy into Quadrant IV (Hart 2005; Prahalad, 2004; Hart and Milstein, 2003; Paine, 2003). As Laszlo (2003) summarizes:

> "…an integrated economic, social, and environmental approach leads to more enduring shareholder value than a short-term profit approach that transfers value from one or more stakeholders to the company's shareholders. It is a long-term strategy, uniquely relevant to the twenty-first century, in which responsible social change can become a source of innovation and profit rather than an added cost." (xxiii)

Focusing in on Quadrant IV specifically, we can begin to unpack what it means to act in a mutually beneficial manner. Bright, Fry and Cooperrider (2006) define mutual benefit as actions "where business organizations are both profitable and functional for the common good—a position of integrated strategic focus on both organizational self-interests and stakeholder interests". Offering a more nuanced view, Bright et al (2006) describe the various kinds of business activities that constitute Quadrant IV behaviors. They suggest that even within the area of "mutual benefit" there are actually three modes of behaviors a company can demonstrate – from those who are acting with minimal compliance to externally imposed regulations, to those who are actively looking for ways to minimize the negative impact of their company on the environment and actually leave the world better than they found it. Yet, the question remains: who are the business leaders creating mutual benefit for their organization and wider society, and what is unique about them?.

Building on a variety of philosophers including Smith and Kant, Werhane argues that moral imagination is a "necessary condition for creative moral managerial decision making" and it helps "provide concrete managerial decision-making skills with which to avoid questionable activities, prevent unseemly consequences, and enable a manager or a company to create decision models that contribute positively to corporate and social well being" (1999: 13-14). Likewise, I suggest that an active moral imagination is what differentiates those leaders who make decisions in Quadrant IV – and is a critical ability for moving into what Bright et al refer to as the third mode of mutually beneficial behaviors.

EXPLORING THE CONCEPT OF MORAL IMAGINATION

The concept of moral imagination is not a new one, often appearing in literary theory, however, the definition remains elusive as various philosophers each offer their own description of the term (Werhane, 1999). According to Powers and Vogel (1980), it is "the ability to perceive that a web of competing economic relationships is, at the same time, a web of moral or ethical relationships" (p. 40). Larmore defines moral imagination as, "our ability to elaborate and appraise different courses of action which are only partially determined by the given content of

moral rules, in order to learn what in a particular situation is the morally best thing to do" (1981: 284). Jacobs (1991) describes it as, "articulating and examining alternatives, weighing them and their probable implications, considering their effects on one's other plans and interests, and considering their possible effects on the interests and feelings of others" (p. 25). Johnson (1993) defines moral imagination, as "an ability to imaginatively discern various possibilities for acting in a given situation and to envision the potential help and harm that are likely to result from a given action" (p. 202). Werhane (1998) echoes the two-fold nature of moral imagination described by Johnson, recognizing it as both the creative ability to "disengage us from the perspective with which we are dealing with a situation so that we will be able to consider new possibilities" and to moral awareness "evaluate these possibilities in terms of their moral worth" (p. 9). So, although creativity and moral awareness are arguably antecedents to one's capacity for moral imagination, it is the coupling of these two distinct abilities that makes moral imagination a unique construct.

Building upon Kant, Werhane (1998) also details what she sees as the cognitive processes that an individual undergoes when exercising their moral imagination. She suggests that moral imagination consists of three steps (1998: 9-10):

(1) Reproductive imagination:

(a) an awareness of one's context, (b) awareness of the "script" or schema functioning in that context, and awareness of possible moral conflicts or dilemmas that might arise in that context, that is, dilemmas created at least in part by the dominating script

(2) Productive imagination:

revamping one's schema to take into account new possibilities within the scope of one's situation and/or within one's role

(3) Creative imagination or free reflection:

(a) the ability to envision and actualize possibilities that are not context-dependent but encouraged by or project a fresh schema, and/or (b) the ability to envision possibilities that other reasonable persons could envision. Morally imaginative free play also includes (c) evaluation: (i) envisioning how morally to justify actualizing these possibilities and/or (ii) how to evaluate both the status quo and these newly formulated possible outcomes.

In an effort to concretize the dual creative and applied nature suggested by Werhane and others, I conceptualize moral imagination as a combination of processes that incorporates awareness, imagination and action. Taking into account the various perspectives outlined above, I define moral imagination as the ability to act according to what I term the "Three-D's" when faced with a decision:

(1) **Discern** the norms, social roles, and relationships entwined in a situation, including potentially embedded moral dilemmas and moral opportunities.

(2) **Develop** new possibilities for the situation by reframing the problem from different perspectives

(3) **Determine** a course of action from the imagined possibilities that is both economically viable and morally justifiable, thus creating mutual benefit to the individual (or organization) and wider society

A MULTIFACETED CONSTRUCT: EXAMINING THE ELEMENTS TO UNDERSTAND THE WHOLE

While the concept of moral imagination is arguably greater than the sum of its parts, there are several sub-constructs that have been suggested as contributors to an individual's ability to act in a morally imaginative way. Reviewing the various definitions above, including my own, we see that moral imagination has been linked to moral awareness, moral reasoning, and creativity. As I will review, moral imagination not only includes, but also extends these constructs.

Moral Awareness: The Ability to Recognize Moral Dilemmas

Based on Werhane (1998, 1999) and others, exercising one's moral imagination involves **Discernment**, or the ability to see the complexities of a situation, including possible moral dilemmas embedded therein. Discernment by definition means "to see something that is not clear or obvious; to be able to understand something that is not immediately obvious; or to tell the difference between two or more things." This label is inspired specifically by Johnson's (1993) work on moral imagination where he likens morality to an artistic activity. He suggests that just as we value artists' ability to "notice what we do not see, to imagine possibilities we have not imagined and to feel in ways we might, but are not now feeling," likewise the work of our morality is "done not in the grasping of moral laws or principles, but in discerning what is going on in the situations we face: who we are and what we desire, what others want and need, how we relate to them, what possible forms our action could take and what is likely to result from various envisioned courses of action" (p. 210). What Johnson thus terms the "subtle discernment and discrimination of what is important in the situation" (1993: 210), others have referred to as 'moral awareness'.

In the literature, moral awareness has been defined as a cognitive ability to recognize the moral issues inherent in a situation (Rest 1986) or the ability to recognize the effect one's actions will have on others (Jones 1991). Rest's classic theory of moral action argues that moral awareness (or 'moral sensitivity') is the necessary first step for an individual to make a moral decision (1986). According to Rest, moral sensitivity (awareness) involves interpreting a "particular situation in terms of what actions [are] possible, who (including oneself) would be affected by each course of action, and how the interested parties would regard such effects on their welfare" (1986: 3). Jordan (2005) argues that such moral awareness is a "necessary component of moral decision-making because many difficult decision-making situations are morally ambiguous, meaning that they can be viewed from a strategic perspective, a moral perspective, or a perspective that involves a combination of both" (p. 13). Thus, having moral awareness is a critical prerequisite for an individual to exercise moral imagination; an individual must first perceive or distinguish the moral issues within a particular situation before they can deal with them.

> ***Proposition 1****: Individuals with greater moral awareness will have a greater capacity for moral imagination.*

Moral imagination, however, extends beyond moral awareness alone. To be morally imaginative, one cannot stop merely after the recognition of moral issues within a situation, bur rather the individual must engage in additional thinking and action.

Moral Development: The Foundation for Moral Awareness

Inextricably interwoven with discussions of moral awareness, is the concept of moral development. Much of the research on moral awareness is actually grounded in the earlier work of psychologists such as Piaget (1932) and Kolberg (1969) who explored the developmental stages individuals go through that allows them to perceive and deal with moral issues differently. Paralleling cognitive development models, Kolberg's moral development model is one of the most widely referenced in psychological literature. His theorized stages of moral development include 1) Pre-Conventional, 2) Conventional, and 3) Post-Conventional, with each of these sub-divided into more subtle developmental distinctions. He argued that as children, in the pre-conventional stages, we begin with an egocentric focus where behaviors (and assessment of situations) are guided primarily by a desire to avoid punishment and meet personal needs. As we mature,[4] we then move into a more conformist mode of behavior, where we depend upon peer groups and social norms to set the boundaries of acceptable behaviors. In this stage, adhering to the set rules and laws guides our behavior. Some individuals then progress to an even higher-level of moral development, sometimes refered to as moral relativism, where they are able to identify and apply more universal moral values regardless of current rules and laws.

Although there has been a tremendous amount of critique of Kolberg's theory (e.g. Gilligan's (1982) challenge to its applicability across the genders), the concept of moral development (and Kolberg's model specifically) remains prominent in the moral development literature. While the specific stages and reasons for movement among them may remain in debate, we still can apply insights from the research on moral development to the concept of moral imagination. As Werhane comments, "from their [Kolberg, Gilligan, and others] studies one can conclude that people deal with moral issues differently, some of us more naively than others, some of us primarily from self-interest, some of us depending on law, convention, and social relationships, and others seeking more ideal or universal principles through which to ground and evaluate moral decisions" (1999: 22). Thus, moral development theories help to explain why we are likely to see individual differences in moral awareness – or ability for Discernment. If an individual is at a lower level of moral development, focused mainly on their egocentric needs, they are likely to be blind to the moral complexities of certain situations. Egocentrism, therefore, represents a potential cognitive bias, or fallacy in thinking, that leads one to believe that their interests take priority over all others (Sternberg, 2002). Individuals in this mindset are unable to take the needs of others into perspective.

On the other hand, individuals who 'progress'[5] to higher level of moral development, will arguably have an increased ability to recognize the relative moral complexities beyond their own self-interest, and as such have a greater capacity for moral awareness and thus moral imagination. Therefore, an individual with a higher degree of moral relativism is able to recognize the potential moral implications of their actions on others beyond themselves. Based on this logic, the next two propositions for future research are as follows:

> ***Proposition 2****: Individuals who are highly egocentric will be less likely to exhibit moral awareness and moral imagination.*
>
> ***Proposition 3****: Individuals who have a high level of moral relativism will be more likely to exhibit moral awareness and moral imagination.*

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[4] Kolberg and others have done studies showing that not everyone progresses through these stages, suggesting for example, that criminals may remain at a pre-conventional level of development.

[5] I recognize that this term suggests a normative advancement, where the later stages are preferred to the earlier, but for purposes of this discussion I am taking a normative stance.

Moral development is not synonymous, however, with moral imagination. While a minimum level of moral development may be necessary for an individual to act in a morally imaginative manner, simply having a certain level of moral development does not explain why some people are able to come up with creative alternatives to a morally challenging situation, which is arguably a critical differentiator of moral imagination. To further explore the generative element of moral imagination, we also need to look at the concept of individual creativity and imagination.

Creativity & Imagination: The Ability to Envision Possibilities

Just as the term "moral imagination" begs exploration of morality and moral development, it also requires examination of imagination as a construct. Although there are a plethora of definitions within the literature for what actually constitutes creativity, most refer to an individual's ability to generate something (including ideas) that are both novel and useful (Smith, Hill and Barber, 1989; Unsworth, 2001). By definition, imagination means, "the act or power of forming mental images of what is not "actually present" (Encarta, 1999). Similarly, creativity is defined as "the ability to use the imagination to develop new and original ideas or things" (Encarta, 1999). Given the narrow semantic distinction between the two, I will use both "creativity" and "imagination" interchangeably to refer to an individual's ability to envision possibilities that do not currently exist.

Imagination obviously comes into play during the **Developing** step of moral imagination, where an individual is actively creating new possibilities for a given situation in their mind. To be morally imaginative, a person must be able to generate alternative solutions to the problem at hand, or engage in divergent thinking. Divergent thinking "produces multiple responses to a question and which produces novel ideas and unusual responses to questions" (Kerr and Gagliardi, 2004). While there has been a great deal of research around the environmental and social factors that foster creativity, and the capacity for divergent thinking, many researchers have studied the 'creative personality', suggesting that creativity is a measurable trait across which individuals vary (Smith, Hill and Barber, 1989). For example, higher levels of creative ability have been associated with a person who is "more adventurous, industrious, intuitive, non-conforming, versatile, curious, self confident, imaginative and willing to take risks" (Halpin, Halpin and Torrence, 1974: 80). Recognizing that other perspectives on creativity exist, for purposes of this paper, I will take the stance that creativity is in fact a trait or ability that individuals can possess in greater or lesser degrees.

> ***Proposition 4****: Individuals who have a high level of creativity will be more likely to exhibit moral imagination.*

Even working within the assumption that creativity is a measurable trait, there is growing evidence that an individual's affective state can impact their cognitive, and specifically, creative, abilities (Isen, 1987). Several studies have shown that positive affect may increase one's capacity for creative thinking (i.e. Isen, Daubman & Nowicki, 1987; Fodor & Greenier, 1995). Reflecting on such findings, Frederickson notes, "these studies underscore that creative thinking is to some degree a state-like variable that can be increased during experiences of positive affect" (1998:308). This line of reasoning has the potential for tremendous impact on an individual's ability to exhibit moral imagination. If a person is working in an environment that fosters positive affective states, they may have increased capacity for creative thinking and idea generation,

likewise the opposite may also hold true. Therefore, taking into consideration the potential relationship between affective state and creative ability, I will also test the following hypothesis:

> ***Proposition 5****: Individuals in a positive affective state will demonstrate a higher level of creativity and will be more likely to exhibit moral imagination.*

It is important to note that creativity (even when innovatively applied to problem-solving), however, is not intrinsically moral or amoral (Werhane, 1999). Seabright and Schminke (2002) remind us with their discussion of immoral imagination, creativity and imagination can also be applied to unethical acts. To exercise moral imagination, then, creativity needs to be coupled with moral reasoning and awareness such that the possibilities one creates are anchored in a moral schema. A person must not only be able to generate new alternatives, but they must also be able to imagine the potential harm and benefit that could result from each option.

While connecting imagination and moral awareness is arguably necessary for moral imagination, the idea that these two concepts are interrelated is not a new. For instance, Rest (1994) claims that "imaginatively constructing possible scenarios" for a given situation is an aspect of having moral sensitivity (i.e. awareness), which I have already discussed above as a critical element of the Discerning stage of moral imagination (p. 23). When an individual discerns the possible moral dilemmas embedded within a situation, he or she needs to imagine the impact of the situation and its outcomes on others. In other words, a morally imaginative person must have the capacity for a specific kind of imagination -- empathetic imagination (Johnson, 1993). As Johnson states:

> Traditional moral theories have almost entirely ignored one of our most important moral capacities – the capacity for empathy…[imaginative empathetic projection] requires the ability to imagine ourselves in different situations and conditions at past and future times. Unless we can put ourselves in the place of another, unless we can enlarge our own perspective through an imaginative encounter with the experience of others, unless we can let our own values and ideals be called into question from various points of view, we can not be morally sensitive." (1993: 1999)

Thus, empathy, or the ability to imagine oneself in another person's situation, is also an essential type of imagination necessary for moral imagination.

> ***Proposition 6****: Individuals who have high levels of empathy will be more likely to exhibit moral imagination.*

Adding Up the Pieces

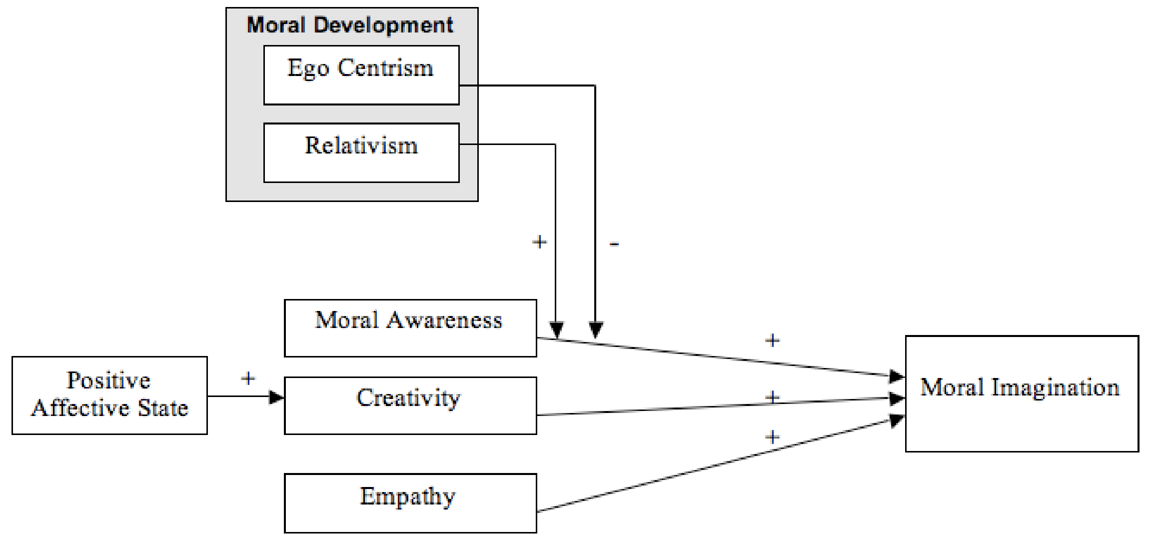
In summary, moral imagination depends upon characteristics such as moral awareness, moral development, creativity and empathy. None of these traits exercised in isolation though are enough to be morally imaginative as I am defining it. Rather it is the harmonious convergence of these abilities that results in moral imagination. Werhane (1999:111) states:

> Moral imagination is by and large an affective facilitating process that influences, but is not identical to, reasoning, even moral reasoning. Moral judgments require cognitive reasoning processes and a measure of impartiality that are not merely imaginative. Moral imagination helps one to disengage from a particular process, evaluate that and the mindsets which it incorporates, and think more creatively within the constraints of what is morally possible. Without moral imagination one

might remain mired in a particular situation, but without moral reasoning one could slip into moral fantasy.

Based on this argument, it is important to also collectively look at the relationships I have outlined above. Taken together, the individual propositions create a multi-factor model to explore through further empirical testing, illustrated in Figure 2.

Figure 2: Proposed model of factors impacting moral imagination



OPPORTUNITIES & IMPLICATIONS FOR FUTURE RESEARCH

Although the various elements of moral imagination described above each have extensive bodies of research supporting their benefits in managerial decision-making, moral imagination as a holistic construct remains an abstract within the literature (i.e. Johnson, 1993; Werhane, 1999; 2002; La Forge 2004; Adolphson, 2004; Arnold and Hartman, 2003, Pask, 1997). Both Johnson's (1993) and Werhane's (1999) books present especially developed theoretical definitions and arguments as to why moral imagination is an important construct to consider when trying to understand what leads to moral decision-making. To date, however, the only empirical investigation I have found is qualitative in nature, and applies the construct *post hoc* to the data (Drumwright and Murphy, 2004). The research opportunity, therefore, is to fill this literature gap by creating an empirical exploration of moral imagination. Doing so will allow us to move beyond the theoretical and descriptive work that currently exists around moral imagination.

In addition to advancing our theoretical understanding of moral imagination, such research has implications for management education and by extension, wider society. Each year hundreds of thousands of individuals graduate from management schools. These are the same individuals who enter the ranks of organizations across the globe and make the millions of daily decisions that impact not only their organization, but as we know, wider society as well. As Amitai Etzioni wrote, "There is a moral dimension in all business decisions. When planning a corporate takeover, which substance to use for a product, whether to hire temps or full-time workers, or

where to invest, all reflect values and hence moral considerations" (1991: 355). Recently, however, management education has been under attack for not adequately preparing students to appreciate or deal with the moral challenges and responsibilities that they will face in the business world (e.g. Adler, 2002; Emiliani, 2004; Grey, 2004; Mitroff and Swanson, 2004; Giacalone, 2004; Waddock, 2003; Ghoshal, 2005). Gioia[6] (2002, p.143-4) states that the lessening of required ethics training in business schools, "only reflects the rise of the economic perspective that has become so dominant in business school curricula. For all the good that economic perspectives do, they nonetheless emphasize a view of the world in dollars, profits, returns, etc., which de-emphasizes other ways in which we might conceptualize the responsibilities of business... we need to be teaching that share price and shareholder value are not the only (or heaven help me, the main) values that matter." Adding fuel to the growing criticisms of management education are the results of a recent study conducted by the Aspen Institute, which suggests that over the course of their MBA programs, those students who believed that maximizing shareholder value was the primary responsibility of the corporation increased from 68% upon entrance to 82% by the end of their first year (Aspen Institute, 2002).

In light of these growing critiques, there are increasing conversations around the need to re-evaluate business schools' curriculum and create pedagogical experiences that prepare students to be socially responsible citizens capable of balancing complex moral issues (e.g. Aspen Institute, 2006). Individuals who have greater moral imaginative ability will arguably be better suited to meet the moral challenges inherent in today's business landscape. With a better understanding of what constitutes moral imagination, we will be able to more effectively foster it during a student's management education experience.

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