

THE CARING APPROACH AND SOCIAL ISSUES IN MANAGEMENT EDUCATION

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Most of the conversation, in both research and teaching circles, regarding stakeholder theory has been conducted in the language of absolute principles, of outcomes, and of responding to stakeholders to achieve organizational outcomes. More recently, conversations have occurred that have a different perspective on social issues in management topics—a caring perspective. Using the case of Merck & Co., Inc., and river blindness as an example, the authors show why they believe that these conversations have great potential to increase the quality of management education in the 21st century.

Keywords: *caring ethics; social issues; stakeholder theory; teaching; management*

In the past few years, a conversation has arisen regarding the relevance to management and management education of the ethic of care, an alternative to traditional ethics most often found in writings of feminist theorists (Gilligan, 1982; Noddings, 1984). Much of this conversation has taken place within the bounds, or perhaps attempted to expand the bounds, of stakeholder theory (Burton & Dunn, 1996; Wicks, Gilbert, & Freeman, 1994). However, the conversation has not progressed very far.

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We believe that one of the reasons for this is that writers have either attempted to use the language of stakeholder theory to describe the caring perspective or to use the ethic of care to normatively justify stakeholder theory. However, both approaches seem to be mistakes. Stakeholder theory, at least as it has been discussed in conceptual research and in education-related contexts, has relied on principles of action. The caring perspective, in contrast, uses a contextual approach toward morality and decision making. In this article, we will highlight those differences and advocate the use of the language and theory of caring in management education. We will show the differences using a case study, and in the case analysis, we will show the differences between traditional, principle-based methods and a caring method. It is not so much that outcomes will be different when using different methods; it is the underlying approach and philosophy of education that is different. We argue that the caring method fits much better with the complexity of modern business that is obvious now and will only increase in the years to come; we also maintain that it is a more accurate picture of how managers actually make decisions and thus will increase the quality of management education and managers.

Principles, Ethics, and Business Ethics

Much discussion of ethics in the last two centuries has focused on ethical theories based on principles. Three moral theories often discussed in business ethics texts (e.g., Cavanaugh, 1998; DeGeorge, 1995; Donaldson, Werhane, & Cording, 2002), utilitarianism, Kantian deontology, and justice theory, as formulated by John Rawls (1971), rely on principles to highlight moral actions. Utilitarianism (Mill, 1979) looks to the principle of utility itself, that actions must lead to the greatest good for the greatest number of people. Kant's (1964) categorical imperative is itself a principle, and he gives three formulations of it that also end up as principles. Rawls's theory of justice establishes principles that link justice with fairness.

Whether the language is that of consequence (utilitarianism), duties (deontology), or justice (Rawlsian theory), these theories of morality focus on principles people should follow. These principles are meant to be absolute and incontrovertible, and the related ethics have been called "quandary ethics" (Wicks, 1996), in the sense that one finds oneself in a particular situation and then must decide what so-called universal principle to apply to that situation, given the very likely result that those principles conflict in some way.

Business ethics courses often take the form used in more general ethics courses of discussing dilemmas. These typically take the form of the classic

dilemma used by Lawrence Kohlberg (1997) in his studies of moral development—the dilemma of Heinz, the man whose dying wife needs a drug that is possessed by a pharmacist, whose price is too high for Heinz to afford. The question is, should Heinz steal the drug? The unstated question is, what is the morally right action in this situation? The Kantian, arguing that the universal principle of the categorical imperative does not allow stealing, might say the moral action is to not steal the drug. The utilitarian might say that reason, following the principle of utility, shows that the greatest good for the greatest number is served by Heinz's stealing the drug. A Rawlsian, following the principles of justice, might say that a society formed behind the veil of ignorance would justify stealing as a policy in this case.

A different version of the Heinz dilemma could be used in a business ethics class. In this version, the student is placed in the position of the druggist. The question becomes what principle should be followed in deciding whether to give Heinz the drug. Again, different principles might be used, and different results are possible. Although this particular dilemma might not be used in a business ethics course, other similar dilemmas are posed for students.

Another major area in which ethics is translated into management education and research is stakeholder theory. And just as the most often discussed forms of moral theory focus on principles, most discussions of stakeholder theory give decision rules for how to interact with stakeholders. The first systematic formation of stakeholder theory, that of Freeman (1984), includes statements and propositions that are similar to those found in principle-based ethics. They say, in effect, that to be successful (moral), you must act in a certain way. Freeman gives several aids for managers wishing to be *effective* (a term with multiple definitions, in this case meaning successful, economically and morally). All of these aids are meant to reduce the number of strategies or categories managers must deal with, as well the number of principles that must be understood and applied in interactions with stakeholders. For example, Freeman proposes that firms facing stakeholders with high competitive threat and low cooperative potential engage in defensive strategies vis-à-vis these stakeholders. This is presented as a principle to follow in all such cases.

More recent discussions of stakeholder theory, whether aimed at academics or practitioners, have also tended toward giving principles for managers to follow. The stakeholder value theory of the firm (Brenner & Cochran, 1991) also uses a grid to help managers make decisions, implying that if one wants to be an effective (defined as did Freeman, 1984) manager under the stakeholder system, one must follow principles that flow from the grid. A discussion of stakeholder theory designed for executives (Savage, Nix, Whitehead, & Blair, 1991) implies just as clearly that effective (defined in a

more narrowly economic manner) managers follow generic strategies (principles) in interacting with stakeholders. Donaldson and Dunfee (1994) note the complexity of management decisions, and they use a different definition from previously discussed formulations of stakeholder theory in that the explicit goal for managers is to be moral, not to be economically effective. However, their integrative social contracts theory is a set of principles for managers to use in making moral decisions in a complex environment. Donaldson and Preston (1995) also give the manager's goal as being moral. But their discussion points to principles (of distributive justice) that must be followed to respect stakeholder rights. Following these principles is what makes a manager moral. Jones (1995) holds that stakeholder theory, being based on mutual trust and cooperation, confers a competitive advantage on the manager who follows it. This is his major or first principle, from which he draws several others to act as propositions for researchers and, implicitly, guides for managers. Mitchell, Agle, and Wood (1997) argue that managers should "serve the legal and moral interests of legitimate stakeholders" (p. 882), and they put forward a classification of stakeholders that can serve as a basis for principles for dealing with stakeholders in the so-called correct way. Rowley (1997), although moving beyond the dyadic stakeholder-manager relationship typically discussed, sees the manager's goal in a resource-dependent environment as firm survival, and he uses social network theory to enunciate principles for proper actions in a particular context. Jawahar and McLaughlin (2001) put forward a life-cycle theory of dealing with stakeholders, giving research propositions that articulate principles under which managers are believed to operate to fulfill goals that are different in different stages of the life cycle in a resource-dependent context.

These attempts all try to ground stakeholder theory in universal principles. In answer to the question, "How should I behave as a manager?" these formulations respond, "You should follow this rule; if you follow this rule, you will be effective in meeting your goal regarding stakeholders," whether that goal be effectiveness in managing stakeholders or holding the moral high ground. It is true that stakeholder theory tends to allow for a more nuanced picture of a manager's world than do some other management concepts. Freeman's (1984) stakeholder grid includes power and stake dimensions, with three possible categories for each dimension. Mitchell et al. (1997) use three dimensions—power, legitimacy, and urgency—and find eight types of stakeholders (actually seven, with nonstakeholders being an eighth type of person or institution). It is also true that for many stakeholder theorists (e.g., Donaldson & Preston, 1995; Freeman, 1984; Jones, 1995; Mitchell et al., 1997), dialogue with at least some stakeholders is an important part of management. However, in categorizing stakeholders and in giving generic princi-

ples for interacting with the stakeholder categories thus formed, these theorists move away from what we see as the essence of ethical management—understanding the particular context and fashioning a response to that context. Principles can be guides, but they cannot be hard-and-fast rules, for successful managers in a complex business environment.

In the teaching of future managers, the same pattern holds. In many textbooks that discuss business ethics and stakeholder theory, the language used is that of principles (e.g., Jackson, Miller, & Miller, 1997; Wartick & Wood, 1998). Unfortunately, the predominant methods of exploring and teaching business ethics and stakeholder theory today rely on such principles not as guides for behavior in normal situations but as hard-and-fast rules that must be followed—and if one rule conflicts with another, then one must be chosen. Context is relatively unimportant, personal relationships are unimportant, and particular individuals are unimportant. Researchers from Freeman (1984) onward and those who attempt to guide teaching by writing texts conflate individual stakeholders into groups, and then into groups of groups, to simplify what is obviously a complex process. In doing so, they lose the particular individuals and the relationships with those particular individuals that help give purpose and meaning to one's life.

The Caring Approach

The caring approach to management (Burton & Dunn, 1996; Dobson & White, 1995; Wicks et al., 1994) focuses on relationships, responsibilities to stakeholders other than the firm itself, consensus building and communication, and trust and cooperation. This approach has arisen out of some frustration with the direction stakeholder theory and its moral grounding have taken. These writers have implied that stakeholder theory is something different from a mere collection of principles; instead, it is a way of managing that must be understood in depth and lived within particular contexts.

However, the attempts that have been made to explain caring management—either as a repositioning of stakeholder theory to make it more contextual or as a theory in itself—have been relatively feeble. Dobson and White (1995) say the feminine firm would be better than the traditional firm, morally and economically, by engendering trust and cooperation, without really explaining how caring leads to that state. Wicks et al. (1994) state that caring promotes consensus, and this is what managers should strive for; if we cannot reach consensus, we must communicate stakeholders' positions to one another to help them understand those positions and work to get stakeholders to accept compromise. These sound suspiciously like rules to follow

instead of explaining what caring means. Burton and Dunn (1996) give a decision rule that says caring managers should care enough for the least advantaged stakeholders so that they are not harmed and then privilege the stakeholders one is closest to. This is even more clearly a rule to follow.

A partial explanation for this reliance on rules is that, although trying to break new ground, these writers have used the same language of principles. In one case—that of Burton and Dunn (1996)—resort is even made to the principle of justice, which (similar to utilitarianism and deontology) has been seen as masculine in nature (Gilligan, 1982). But as Wicks (1996) claims (following Gilligan, 1982), caring cannot be captured in decision rules and universalizable principles. Instead, discussions of caring must center on how we live or, in a business context, on how we manage relationships—which, after all, form the whole of managerial behavior. They must focus on particular cases, with the understanding that each situation is unique. They must elicit intuitive responses at first, with rational analysis coming later. They must have an underlying context of moral sensitivity instead of detachment.

In fact, a caring theory of management would take a different approach to describing and teaching effective management and even to defining what effectiveness is in a management context. To understand this, we must briefly describe the ethic of care. Noddings (1984) has given us the most complete general theory of care. She argues that caring is the foundation of morality. To Noddings, the fact of relation (as a set of ordered pairs generated by a rule that describes the subjective experience of the members of the pairs) is ontologically basic to humanity. People are defined by the set of relationships they have with other humans, and without relationships, we are not human. Caring is a universal attitude in humans, so a caring relation (a relationship in which people act in a caring manner, with caring to be defined below) is ethically basic to humans. The urge to care (in a specific way) is universal, freeing caring ethics from the charge of relativism. And the desire to be in a caring relationship is also universal.

Each relation consists of two people, the one doing the caring and the one who is cared for. The one caring acts in response to the cared for's perceived need, and the response begins by an apprehension of the cared for's reality, a receiving of the cared for into the one caring so that the one caring feels and senses what the cared for is experiencing. The one caring's response also must include a commitment to help the cared for. This does not mean that the one caring does exactly what the cared for wants in all situations. Instead, the one caring considers the cared for's point of view, objective needs, and expectations in formulating a response that gives the best chance of helping the cared for. This response might be irrational because caring involves the commitment to do something, however remote the possibilities of success, to

try to improve the cared for's situation. In the ideal situation, however, the reasons the one caring gives for his or her actions should be sufficient to convince a disinterested observer that he or she indeed did act to promote the cared for's welfare. Caring, thus, is feeling, but not necessarily emotional, in nature. The one caring receives the cared for without evaluation, but in deciding how to respond, the one caring works in what Noddings calls "problem-solving" mode—always also keeping in mind the particular relationship and situation to avoid slipping into abstract reasoning, and always keeping in mind the imperative to act that is part of caring. It might be easy to rely on abstractions as a sort of security blanket, instead of undertaking the difficult task of caring for each individual in each individual situation, but the one caring must avoid such reliance, as doing so is a path to tragedy.

These statements apply to both natural caring, or caring that occurs out of inclination and love for those close to the one caring and those connected to what Noddings calls a person's "inner circle," and to ethical caring, which is the feeling response of *I must* to a person's predicament. Ethical caring is an outgrowth of natural caring, but unlike Kant's (1964) ranking of duty as primary and inclination as secondary, Noddings' (1984) ranking puts inclination to care as primary. She sees ethical caring as dependent on natural caring. Memories of natural caring arise in response to a stranger's problems, generating a feeling of *I must do something*. This feeling, Noddings argues, is obligatory in anyone who aspires to what she calls the "ethical ideal," the sense of self as moral (one could substitute *caring* for moral) person. This obligation goes only so far, however, as two criteria are met: whether a relationship with the other person either exists or has potential to exist and whether the relationship has the potential to grow into a mutually caring relationship. Absent either criterion, no obligation to care exists; in fact, we must understand that we do not have the capacity to care for everyone. But we have an obligation to be prepared to care at all times for particular others, for the proximate stranger.

A final part of Noddings' (1984) ethic needs to be explored for the context of this article—dealing with conflicts of caring. These can arise through several people demanding incompatible decisions from the one caring or because the cared for demands what is not best for him or her or when the one caring becomes overburdened. This last conflict will most often occur in ethical caring, and rules of behavior can be helpful in easing those burdens, as long as we are prepared to abandon the rule when it does not fit the complexity of the situation. In the case of incompatible demands, we must, as ones caring, receive both (or all) of the cared fors, understand their realities and their natures, consider the possible outcomes for and effects on others, and determine whether that conflict can be removed in any way or whether it must

be endured. In particular, we will not focus on who might win or lose in this situation, as one might in approaching the same problem from a principles perspective. Instead, the focus will be on removing the conflict and enhancing the relationships involved. (In contrast, Rowley, 1997, presents two dimensions of a firm's network—density and centrality—that might prescribe managers' interactions with multiple stakeholder groups, giving a typology that fits well with the overreliance on principles exhibited in the stakeholder theory literature.) In the case of conflict between desires and needs, the one caring must first decide how important the conflict is; if it is important, then he or she must decide in each case how to approach the cared for with his or her decision and reasons. The one caring will look at the relationship and context, making the approach to the cared for in each case potentially differently.

If we look at caring as Noddings (1984) does, as a natural inclination that serves as the base for the development of specific character traits, then perhaps we can begin to understand what caring management is about. Gilligan (1982) discusses three levels of a caring morality—one where the self is cared for to the exclusion of the other, one where the other is cared for to the exclusion of the self, and a third where the needs of both self and other are understood. This third level is the one Gilligan sees as moral maturity. This description sounds very much like the description of an Aristotelian virtue. Aristotle (trans., 1985) sees people as possessing various character traits, and he describes a virtue as behavior regarding a particular trait that is a mean between two extremes of behavior, of which one shows an excess of that trait and the other shows deficiency of the trait. If we apply this description to caring, then the virtue would be caring (understanding the needs of self and other), the vice of excess might be codependence (caring for others to the exclusion of self), and the vice of deficiency might be selfishness (caring for self to the exclusion of others).

Noddings (1984) herself acknowledges that her ethic is at least partially an ethic of virtue. She is at pains to ensure that caring is not considered one virtue among many and also to underscore her view that caring is a relational virtue, not one that can stand in isolation from other humans. However, she agrees that one cannot lose oneself in the act of caring without taking caring to an unwanted extreme.

To achieve the goal of the caring approach to management—whether that goal be morality or effectiveness—the manager would need to understand what the mean of caring is, what it implies for different situations, and what specific virtues are developed out of the base of caring. The manager could then care for the particular individuals involved in a specific situation by receiving and understanding their reality, understanding their needs, and act-

ing to meet those needs or at least explain, in cases of conflict, why the resolution is not what the cared for wants.

Perhaps in many situations, principles such as those promulgated by management researchers and teachers will be guides enough if formulated according to the ethical ideal of a caring self. But certainly, there will be conflicts of caring, times when such principles cannot be used. It is in such cases that caring suggests a different approach, as implied above. Instead of resolving conflicts between principles, the caring manager must rely on training, practice in caring, and observation of and participation in caring relationships. He or she must receive the others, appreciate their realities, understand their needs, and respond to them in a caring fashion. It is not a matter of what principle becomes more important. Instead, it is a nuanced, receptive view of particular others in particular situations with an eye not toward the past and the principles that may have been derived from it but toward the future of the relationships involved. Certainly, principles give the manager good background skills and knowledge that are vital in functioning as a manager. This approach suggests not so much a change in curriculum, in subjects taught, as it does in approach to education. This change is discussed further later in this article, but it involves educating students in the process of decision making using a caring framework.

The caring approach also avoids the problem that many approaches to ethical management face in deciding whose rights (among people with equal rights) will be respected. All have rights to be treated in a caring way (although Noddings, 1984, might not express it that way), but the one caring's responsibilities in cases of conflict include deciding who is most in need of care and acting on that decision. There is no inherent equality of need, no abstract rights that need to be considered. It is the concrete, particular individual who must be cared for in each (inherently different) situation.

The caring approach seems to be a better way of describing the environment in which a manager operates and a manager's response to that environment than principle-based approaches. The complexity of the manager's environment is staggering. There are multiple stakeholders, who are often referred to in groups, but if they approach the manager, they do so as individuals. These stakeholders have different degrees of relation to the manager, from very close to very distant or even nonexistent before an initial contact. All have perceived needs that they are trying to convince the manager to fulfill in a given situation, and those needs will vary from situation to situation. Other stakeholders may exist without approaching the manager or even knowing of the manager's existence. But these stakeholders will have needs perceived by the manager as the manager becomes aware of these stakeholders, as the *I must* feeling response surfaces in the manager's mind. The

needs of the stakeholder as rationally perceived by the manager may be different from the needs as perceived by the stakeholder. In all but the simplest of cases, there are apparent conflicts among stakeholder needs. These apparent conflicts must be examined in each case anew to see if they disappear or remain.

Managers respond to these stakeholders mostly with understanding, concern, and the desire to do something to help the stakeholder. That desire typically decreases as the relationship with the stakeholder becomes more distant—in Noddings' words, the *I must* response becomes less of an imperative because other stakeholders with closer relationships with the manager also bring forth the *I must* response, and the manager can only respond to a limited number of stakeholders. In a conflict situation, the manager will decide whose needs are most important and will attempt to explain to other important stakeholders why he or she decided that way. In essence, the manager will *play favorites*, without the negative connotation of that term, but the favorites will differ in different situations, as each situation is unique. The manager will use reason, but he or she also will respond intuitively to attempt to help the stakeholder in some way.

If a manager's environment and responses are as the preceding paragraph describes them, they mirror what Noddings (1984) discusses regarding caring. Thus, the teaching of a caring approach to management will better mirror what actually happens (as well as what should happen) in managerial environments, and students will be better prepared to become managers—the point of management education.

An Example of the Difference— Merck and River Blindness

This discussion may indicate that a case method—putting students in particular situations and forcing them to make tough decisions in cases of conflict—is the best method for teaching management and business ethics. And indeed, that might be true. However, there is a problem with this blanket statement. Often, cases are used to show how principles are applied. But from a caring perspective, this will not be effective. Teaching cases, by their design, are intended to illustrate difficult—not routine—situations. But difficult situations are exactly the ones in which the caring approach will discard principles and rely on context and understanding. So although the cases may be the same, the approach used in guiding student discussion and consideration will be different.

This may be seen by a comparison of principle-based and caring approaches to a well-known case used in business ethics and business and society classes, the case of Merck & Co.'s development and distribution of Ivermectin, a drug that has proven very effective in preventing river blindness (Bollier, 1996; Hanson & Weiss, 1991). This disease strikes in areas of Africa, Latin America, and the Middle East, principally near fast-flowing rivers. Caused by a parasitic worm, river blindness causes various skin disorders, including nodules, itching, lesions, and discoloration. In particular, the itching is severe enough to lead some to commit suicide. Eventually, the worms enter the eye and cause the blindness that gives the disease its common name.

Merck had developed an antibiotic, Ivermectin, that was used to treat parasites in animals. Dr. William C. Campbell, a Merck senior researcher, found evidence that the same drug might be effective against the parasitic worm that causes river blindness. After much consideration, Merck decided to research Ivermectin's effectiveness in preventing river blindness. That research, including human clinical trials, showed that the drug indeed was effective, with no side effects. After searching for an organization that would pay for the distribution of the human version of the drug, called *Mectizan*, without success, Merck decided to give the drug itself, at no cost, to everyone who needed it and set up its own committee to oversee distribution. In the little more than a decade since that announcement, river blindness has been virtually eliminated as a threat in several areas.

TEACHING THE MERCK CASE USING PRINCIPLES

Along with many other faculty, we have taught this case with a principle-based method (see Table 1 for possible teaching questions when using this method). We first will outline a typical approach using such a method and will then give our experiences in teaching the case in this way. Typically, the teacher may begin by asking about Merck's culture. In this way, the students can understand the principles that guide decision making within the firm, in this case Merck's sense of social responsibility and emphasis on science. In a case setting, students should be able to answer that question easily. With that grounding, one must identify the choices faced in this case and the arguments for and against each choice. The basic choices are to research and then develop the drug or to not put money into research. Students would argue about whether profit maximization, seen by some as the ultimate business principle, means that the drug must be researched or must not be researched. Can the goodwill generated by such an act, when it seems as though very few people who need the drug could afford it, outweigh the development costs?

TABLE 1
Questions to Be Asked in Teaching the Merck Case

<i>Questions when Using Principle-Based Approach</i>	<i>Questions when Using Caring Approach</i>
What is Merck's corporate culture?	What relationships are important in this case?
What is Merck's basic choice in this situation?	Which relationships are caring and which are not?
What are the arguments in favor of each decision?	What is the hierarchy of relationships from Campbell's point of view? Aziz's? Vagelos's?
Who are Merck's stakeholders? How can they affect Merck's decision? How might they be affected by Merck's decision?	What are the needs of the cared for? What are their desires?
What is Merck's stance toward these stakeholders?	Do conflicts arise from the impulse to care arising out of these relationship? Are these conflicts superficial or fundamental?
What should Merck decide regarding the development of the drug?	How should Merck's managers resolve these conflicts?
Why did Merck decide to research and then develop the drug?	How does the decision to research and then develop the drug affect the relationships discussed earlier?
Who is Merck serving in this case?	Which relationships have risen and fallen in the hierarchy as a result of this decision?
What should Merck do regarding the distribution of Mectizan?	How should Merck's managers act regarding distributing Mectizan?
Why did Merck decide to distribute the drug itself?	How does the decision to distribute the drug meet the needs of people in caring relationships with Merck's managers?
Who is it serving in this case?	How does it respond to others in relationships with Merck's managers?
Do you agree with Merck's decision?	Do you agree with the decision?

On the other hand, given the chance to help possibly millions of people, how could one remain ethical and still not develop the drug? What is ethical in this case? What is the greatest good for the greatest number? What is a universalizable maxim? What act would privilege the least well off of the affected groups? Are these answers, derived from supposedly universal principles, in conflict? Is that conflict real or merely apparent? In most discussions, this question turns on the amount of money required for the drug's development and the probability of success; if it costs too much or if the probability of success is low, the conflict is real.

If a conflict does exist, the next stage is to ask about Merck's stakeholders in this decision. Many stakeholders will be identified by students as being involved in this decision—the shareholders, organizations involved with world health, governments of various countries, possible customers of the animal version of the drug as well as the human version, and several other groups. The power these groups have to affect Merck will be discussed. For example, shareholders can remove Merck's management or sell their stock if they believe a bad decision has been made. However, world health organizations may have little effective power over Merck, except inasmuch as their stance may affect consumer or physician perception of the firm. Stakeholders also are affected by the firm's decision, so the effects of developing or not developing the drug on various stakeholders must also be addressed. The people subject to the disease have a direct stake in the decision, as for them it could mean an easier, more healthy life if the drug is developed successfully. But the customers of the animal version of the drug might suffer if a black market develops or if the human version develops problems and the animal version is tarred with the same brush. Merck's attitude toward all of the stakeholders is another question that must be addressed. Should Merck be accommodating or defensive in dealing with health organizations or foreign governments? Should it go on the public relations offensive to win over reluctant shareholders? Finally, in the case discussion, the question of which option to choose will be discussed. Many students will try to find a middle way, perhaps enlisting health organizations or governments to help with funding or farming the research out to a university, or even selling the idea, to try to overcome the conflict between principles.

Once the actual decision to develop the drug is revealed, discussion typically centers on two questions: (a) why Merck made that decision, which includes the question of which stakeholders Merck actually is serving in making that decision, and (b) how Merck should ensure the drug's distribution once the drug is developed. Similarly, after Merck's decision to oversee distribution itself, the question of whom Merck is serving should arise. Statements made by Dr. P. Roy Vagelos (at first Merck's head of research labs and then its chief executive officer) would indicate that Merck was serving the potential victims and the stockholders, but these statements are subject to critical evaluation and should lead to an examination of Merck's decisions in light of the conflicting principles noted earlier. Students easily can end the class split on whether Merck's decisions were correct, based on the different emphases placed on different principles. Teachers can use that split to point out the difficulties inherent in reconciling ethics and business, or perhaps they can push the split to see if it merely is a result of differences in percep-

tion, with the same principles applied in the same way to different perceptions of reality.

The approach we have used in both undergraduate and MBA classes is different in outline but covers the same ground as the example just detailed. We have begun by identifying stakeholders, listing them on the board as students name them. Students typically have had a relatively easy time identifying the major stakeholders, although at times, prompting has been needed to get some more obscure stakeholders such as purchasers of the animal version of the drug identified. Our next step has been to ask students to list the choices Merck has in this situation. Classes always identify the obvious ones of developing the drug or not, and they typically also identify choices such as selling the idea, trying to find financial support before developing the drug, and working with a research institute, among others. Either implicitly or explicitly, students have constructed a decision tree with the nodes on the tree representing decision points for Merck.

In discussing these options, it becomes clear that opposing principles are involved—the principle of earning a profit for shareholders and the principle of helping those in need. Typically, there is some discussion of whether these principles in fact do conflict in this situation, and often, the less obvious options are identified as ways of easing the conflict between principles. Merck's culture is cited often as the discussion typically moves to the pros and cons of each choice, with the arguments often centering on the importance of various principles. Usually, either by the students or by us, the question, "Is it ethical to not develop the drug?" is raised, leading to a discussion of ethical principles and the role of managers within the organization. Finally, a vote is taken, and the class divides among the several options. If the choice, to develop or not, is forced, most students have voted not to develop the drug, with a vocal minority voting to develop it.

Once Merck's decision to develop the drug is announced and students receive information concerning the firm's attempts to find a distribution system, we have asked the students to identify the stakeholders Merck was serving by choosing to develop the drug. Students typically point to researchers and victims, although some argue that shareholders are served as well. Then the issue before the class becomes what the firm should do to distribute the obviously effective drug, given the troubles it had finding someone to pay for distribution. At that point, most classes agree that Merck should distribute the drug, at which point the final pieces of information are given to the students. The discussion then turns to whether Vagelos is correct in arguing that Merck will benefit economically in the long run through its decision. The case discussion typically ends with students understanding the Merck decision but

not always agreeing with it, as it seems contrary to the principles taught in most of their business courses.

TEACHING THE MERCK CASE USING CARING

Using a caring approach, a class discussing the Merck case will proceed very differently (see Table 1 for possible teaching questions when using this approach). We have not taught this particular case using a caring approach, as we have not used it for a few years. However, we have taught other cases with caring as the focus, and we believe the description we are giving here accurately portrays how such a class session using the Merck case would proceed. After the description, we will give impressions from our experience teaching the caring approach.

For purposes of this article, it makes no difference whether the class reaches the same conclusion regarding Merck's decisions. The point is that the entire discussion will be different. Because caring focuses attention on relationships between individuals, Merck's culture is not important except in a discussion of how people who work at Merck find meaning and purpose through their work and how upper-level managers at Merck encourage their subordinates to think creatively and support the subordinates when that creativity produces results. So a teacher's first questions might be aimed at finding the important relationships to consider in this case, whether each of these relationships might have reached the level of caring, and the implications for the people involved in the research and funding issues. For example, Campbell, a specialist in parasites, could be expected to find great meaning in working toward elimination of an insidious disease caused by parasites. In his relationship with Campbell, Vagelos would understand Campbell's needs and act to help Campbell meet those needs by supporting his research if at all possible. The late Dr. Mohammed Aziz, a specialist in tropical diseases, could be expected to care for the people with whom he undoubtedly spent time and whose lives he was committed to helping through his research. Students should be able to discover caring relationships such as these through a well-constructed case.

They also should be able to note relationships that might be characterized as *precarious* in the sense that they can or will become caring relationships as the case plays out, as well as relationships that are not caring (tilting either in the selfish or codependent direction). Throughout the process, for example, people at Merck would understand their relationships with shareholders, in viewing the effects of this decision on their investment. The obvious question here is whether the managers care for individual shareholders as much as they care for the other individuals involved (Campbell, the potential victims).

Individuals at health organizations also undoubtedly have relationships with people at Merck, and again, the question of the type of relationship should emerge in the discussion.

The delineation of relationships should lead to an examination of what might be called the *hierarchy of relationships* for Merck's managers. Who is closer to Merck's managers? The intensity and proximity of caring felt for the individuals involved (whether any of the cared for are in their inner circles, whether they are known at all, whether they are connected with other individuals for whom the managers care, and so forth) must be analyzed. Students also must take the points of view of different people at Merck. It is plausible that Aziz knew many more potential victims of river blindness than he knew shareholders. He would certainly be seen to care for the potential victims more intensely. Others in Merck might know more shareholders and care for them more intensely, thus bringing balance to the decision.

Discussion of the individuals involved in relationships must lead to mention of the needs and desires of those individuals. For example, students should note that many shareholders desire as great a return on investment as possible but that others—particularly of a company with a reputation such as that of Merck—may desire to own part of a firm that is known as a good corporate citizen. The needs of these shareholders may be different from their desires. The return-maximizing shareholders may not actually need every penny of income they could get; the socially responsible shareholders may actually need money more than others. Individuals who are at risk for river blindness may desire not to contract the disease, but they may need the drug to fulfill that desire. Governments may desire the drug for black market purposes but need it to help their people.

As Merck's managers perceive these needs and desires of cared for in relationships in which they participate, their response of *I must* may move them in different directions—in this case, to research and develop the drug or to not research and develop the drug. The conflicts are similar to those in the principle-based discussion, but they arise from different considerations. In particular, principles are not useful in this situation because they do conflict. This situation is definitely not normal, not one easily fit into a standard situation. As examples of elements making the situation unusual, consider the following facts: Merck's managers could not expect much money from sales of Mectizan. Also, before any research was conducted, the possibility of real side effects had to be considered. Third, the base drug could be tainted in any problems developed (thus hurting both the shareholders and, perhaps, animals, who could be helped by Ivermectin, as well as the animals' owners). Fourth, a black market could develop in Mectizan, causing all sorts of problems.

In determining how to resolve any conflicts that result from caring from all these people, Vagelos and other managers at Merck had to consider the outcomes for all the cared for. For example, one might consider shareholders to be proximate to managers. But how many shareholders do Merck's managers actually know? The outcomes for the millions of individuals potentially affected by river blindness would change dramatically, but how much would the outcomes for shareholders change? Can these even be known, given the complexity of the market? And although the shareholders might want the extra few cents in dividends that are lost by spending money on development of Mectizan, do all shareholders really need them, as mentioned previously? This is the sort of situational analysis that Noddings (1984) says must occur in such situations, and students should be expected to subject all stakeholders to analysis in attempting to reach a decision.

Once the initial decision is known, the effect of that decision on the various relationships must be examined. For example, as the people at Merck became more and more involved with potential victims, and more of their meaning and purpose at work became involved in helping them, it must have been a relatively easy decision to actively care for the people in the affected areas by getting Mectizan to them no matter what it took. Even at that point, however, consideration must be given to other cared for in discussions with various people involved in making the decision and to how the relationships with other workers at Merck (for example) must have changed with the decision. Some may have become more caring; others may have decreased in importance temporarily (with the very real possibility of rising in importance with the next decision). In following all of these discussions and decisions, students should examine stakeholders not as abstract groups but as concrete individuals. They should discuss relationships with these individuals not by referring to those individuals' power but to the intensity and proximity of those relationships and the ability of Merck researchers and managers to help those people through actions.

Most importantly, the class analysis would focus not on how this case can be generalized in terms of principles but on how this is a great example of caring in action in a management context. For example, one could contrast what Merck managers actually did with the extremes of caring too much or too little for people. What might Merck's managers have done? How would refusing to develop the drug be caring too little (for the potential victims) or too much (for shareholders)? How might rushing in without full consideration of the problem be caring too much (for the potential victims) or too little (for the shareholders)? How does this decision show Gilligan's (1982) level of moral maturity, in the sense that Merck's people considered others and themselves in making the decision?

In our experience with teaching cases with the caring approach, this model functions well. Despite the fact that most cases are not written from this perspective and thus potentially useful details are not present, students typically are good at identifying stakeholders with whom the manager has a relationship, and with some prompting, they will identify or speculate on the nature of that relationship. However, staying at the level of individual relationships can be difficult, depending on the case, and sometimes it is helpful to group individuals although reminding students that these groups are composed of individuals. What often helps in this situation is the note that people in the same group (shareholders, for example) might have substantively different perceived needs and thus may be responded to differently by managers. The needs and desires of the individuals involved also are identified relatively easily by students, although cases may not be detailed enough to allow for concrete knowledge, and thus, speculation and assumption are necessary. This is acceptable as long as the instructor notes that in reality, a manager would either know of these needs and desires or be able to learn them. One interesting question is, "Where does the *I must* feeling come from?" This question allows students to explore their own feelings on the case, and the differences that arise make for lively conversation. At the end of the case discussion, students typically understand the difficulty of making decisions using caring, but they also see the importance and relevance of this view to their managerial careers.

THE MERCK CASE: A CONCLUSION

As mentioned previously, the caring approach seems much more realistic to us in terms of how people in business actually make decisions (as well as how they should make decisions). Our managerial experience and observation of managers leads us to conclude that (morally and economically) effective managers consider possible effects on other individuals, not amorphous groups, unless those groups are very homogeneous in nature. These managers think about themselves as well as others. When faced with conflicts, they try to find the actions that fit the particular situation the best, intuitively understanding that each situation is different and deserves full consideration itself, not some routinized application of principles. Thus, the caring approach will challenge students more to put themselves in the manager's place, to consider all that the manager considers, to decide based on their own understanding of caring what should be done, to learn from the differences between their decision and the actual manager's decision about what it means to care in a business context, and to think about being effective in terms of helping their employees find meaning and purpose and in terms of helping

people who really need help and thus fulfilling their own needs. Instead of seeing a conflict of principles, they see a conflict of desires and needs. Instead of putting groups of people in boxes, they will think about the relationships involved in the case and the people who, although perhaps silent, are forced into their consciousness through the *I must* feeling response. These differences may or may not lead to different conclusions regarding the proper action in a case. We have seen instances of both. We have tended to think of the decisions reached through the caring approach as, in some way, better than those using the principles approach, but we must acknowledge our bias. In a sense, it does not matter if the decision winds up the same in both approaches. Through the caring approach, the students naturally will examine the situation as it is, in all its complexity, which will benefit them much more than the naturally simplifying method of teaching principles. In fact, we have found that the best way to get students to understand the complexity of a business decision in a moral context using a principles approach is to overlay parts of the caring approach—the breaking down of groups, the focus on what stakeholders need, the consideration of the individual manager's place. But we believe that, instead of going part of the way in this direction, the best pedagogical approach is to go all the way and begin with the caring perspective. As mentioned, we also think that the caring approach is the way people in business ought to make decisions, although we believe that argument is best carried forward on another stage.

Teaching in a Caring Way

Wicks (1996) argues that the caring approach cannot be taught using ethical theory, even the ethic of care itself, as such. Instead, he maintains that narratives such as books and films, case studies, interdisciplinary work with psychology and sociology, observation, and practice in caring are necessary tools in teaching the caring approach. In this way, he claims, managers can understand that the caring approach will aid them in being good managers. But Noddings (1984) believes such practice is not enough. Instead, people who teach the caring approach must employ the ethic of care in their teaching. She notes four methods that help nurture the ideal of caring and must be used in educating people about caring. First is dialogue, open discussions of any issues that the student feels is important. Second is practice in caring, either directly in terms of actual work experiences or indirectly through examples. Third is confirmation, the encouragement that comes through the teacher affirming (within the limits of reality) the level of caring shown by the student. Fourth is modeling, the practice of caring by the teacher in

the teacher-student relationship. This process allows the teacher to nurture the caring ideal in the student while fulfilling the basic tasks of stretching the bounds of the student's world and helping the student to become competent within that world.

In the example of the Merck case, these methods are readily apparent. Many students may question whether Merck's managers were caring for anyone but themselves in forging ahead with research into Ivermectin. Even questioning at such a basic level must be encouraged by the caring teacher, and the teacher must respond with an open attitude. This also models caring in that the teacher shows how to respond to a cared for in a caring manner. Of course, modeling also occurs in other environments such as grading—for example, the teacher will be open to student questions about grades and engage in dialogue regarding grading standards and individual grades with an open mind (though not automatically changing grades in response to student complaints). The case itself provides practice in caring, as may the classroom experience as people disagree on aspects of the case. The teacher must encourage dialogue, but he or she must also help the students to view the dialogue as a chance to care in a real-life situation (for the teacher and the fellow students). Finally, the teacher can affirm the student's caring through encouraging responses, pointing out examples of caring to other students, and rewarding the student for exhibiting caring behavior.

Conclusion

Wicks (1996) claims that the relevance of any theory of management lies in its possible effects on managerial behavior—in its perceived usefulness to managers. A theory can be the most elegant yet devised, but if managers cannot see its usefulness and so do not adopt it, it will remain a theory only. The caring perspective, then, must be developed and taught in such a way that managers can see it as an aid to them as they perform their functions.

This is not to say that teaching the caring approach, and modeling caring by actually caring for individual students, is an easy task. We have tried to model caring behavior to our students for several years. For example, we engage in discussions regarding paper grades routinely with students who approach us. We aim to resolve conflicts within groups in a way that has the best interests of each individual at heart. We engage in class discussions in a caring manner, not engaging in arguments or denigrating a statement in public or private but instead encouraging active participation and framing all comments and questions in a way that is helpful to the class and validating to the student, even when it is necessary to correct a statement. We ask students

to try the caring perspective in case studies. We respond to acts of caring we observe in students. This is a difficult and time-consuming approach in a class of 15 or 20. As might be expected, the difficulties multiply in a class of 35 and multiply even more in a class of 60 (not to mention 300). Such an approach might necessitate resource-allocation decisions that are beyond the scope of this article. We believe, however, that a discussion about a caring approach and what that means in management education is healthy, and any introduction of the caring perspective will help those who we are training to be managers.

It is interesting that in an ever more complex world of business, stakeholder theory—perhaps the management theory that best explains the complexity of the business world—would be discussed in terms of a few principles that guide managers. In this sense, the teaching of stakeholder theory, like the teaching of management itself, is often like a typical course in ethics—given this situation (or case study), what would you do? But given the manifestly increasing complexity of business in the 21st century, we would argue that it is not how management should be taught, and it is not the way the caring approach should be taught or thought of. The possible benefits to business ethics and business and society classes (as well as management education in general) resulting from teaching a caring approach include a new understanding of what a good manager is, a new view of the proper relationship of the business firm to society, and thus an improvement overall in the state of society. These benefits have been well described in the literature (Burton & Dunn, 1996; Wicks, 1996; Wicks et al., 1994) and are well worth the effort.

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