

2014

# Moral Imagination and Entrepreneurship

Ryan Wojciechowski

*College of Saint Benedict/Saint John's University*

Follow this and additional works at: [http://digitalcommons.csbsju.edu/honors\\_theses](http://digitalcommons.csbsju.edu/honors_theses)



Part of the [Business Commons](#)

---

## Recommended Citation

Wojciechowski, Ryan, "Moral Imagination and Entrepreneurship" (2014). *Honors Theses*. Paper 57.

[http://digitalcommons.csbsju.edu/honors\\_theses/57](http://digitalcommons.csbsju.edu/honors_theses/57)

This Thesis is brought to you for free and open access by DigitalCommons@CSB/SJU. It has been accepted for inclusion in Honors Theses by an authorized administrator of DigitalCommons@CSB/SJU. For more information, please contact [digitalcommons@csbsju.edu](mailto:digitalcommons@csbsju.edu).

# **Moral Imagination and Entrepreneurship**

Ryan Wojciechowski

## **Abstract:**

The power of storytelling has long been a means to teach ethical lessons. In modern days, stories come through the forms of oral narrations, movie watching, novel reading, as well as many other mediums. It could be said that stories are more than just a plot that is received by a person; rather, stories are an experience that causes an emotional interaction with the receiver. Science has shown that mirror neurons in the brain respond empathetically to the characters of these fictional stories. Empathy and perspective-taking are two of the defining features of Moral Imagination, an ethical theory first developed by David Hume.

It has been discovered that entrepreneurs naturally display a tendency to apply the principles of Moral Imagination to their decision-making practices. Because of the personal aspect of being in charge of their own company, entrepreneurs display an inclination to be very emotionally invested in business decisions. This is exemplified by a moral imagination-based study of entrepreneurs done by John McVea (2009), which showed “entrepreneurs were more likely to react emotionally (to a hypothetical test), as well as take a more personal (as opposed to professional) point of view on [business making decisions]”. My research had a hypothesis that a correlation exists between stories, entrepreneurs, and moral imagination principles. This has proved to be true and the exploratory attempt is an attempt to pave the way for future research.

## **Moral Imagination and Entrepreneurship:**

Storytelling is one of the most powerful, culture-shaping influences to ever exist. Throughout humanity's history, tales, myths, and legends have not only taught people about their surrounding world, but these stories also teach important codes of morality. However, experiencing a story with an ethical lesson is very unlike learning ethics from an educational philosophy book. While Aristotle's *On the Soul* may be intriguing and philosophically interesting, a person will typically read it with a mental guard up to enable them to think critically and objectively, which inadvertently keeps ethical teachings at an arm's length away and lessons have a lesser chance to influence the reader. In contrast, when humans experience stories, they drop their guards and allow their minds to yield to the suction of story. Experiencing a story, as Samuel Taylor Coleridge once declared, requires the reader's "willing suspension of disbelief" (Gottschall, 2012).

Does it matter if the human mind lowers its skeptical barriers when encountering story? It does because storytelling is nearly always told in conjunction with a dose of ethical teaching. When the brain doesn't realize it is being given an ethical message, the lesson has the potential to have more impact because humans naturally empathize with the characters in a story. As an example of this humanistic reaction, examine the term "tear-jerker". The phrase exists because

humans empathize so strongly with the fictional characters from stories that the human receivers are literally brought to tears.

The ability to empathize is a foundation of a term in ethical literature called “moral imagination”. Moral imagination applies when this perspective-taking involves ethical behavior by putting one’s self in another person’s place to better understand the perspective of other people. Although moral imagination is relevant to many arenas in life, this paper will look specifically at how moral imagination applies to entrepreneurial business ethics. When every business decision can make or break a company, stakes become higher and moral correctness becomes more difficult to interpret. This is particularly true of entrepreneurs, who live in a flux of uncertainty and newness, but who have little to no specific ethical guidance from the academic community.

The following pages will examine the connection between storytelling, moral imagination, and entrepreneurial ethics. The association amongst the three aspects has major implications for future research and development in the field of business ethics.

### **Entrepreneurial Ethics**

“Business ethics is [the] study of moral standards and how these apply to the systems and organizations through which modern societies produce and distribute goods and services, and to the people who work within these organizations. Business ethics, in other words, is a form of applied ethics” (Velasquez, 2002). As a very general term, business ethics applies to wide range of industries and is concentrated on the decision-making process within the context

of *established* organizations. Once a business has been launched, it inherently possesses several factors that influence the ethical behavior of the organization, which include elements such as the business's culture, its written code of ethics, established norms, and so on.

On the other hand, "entrepreneurship is an activity that involves the discovery, evaluation, and exploitation of opportunities to introduce new goods and services, ways of organizing, markets, process, and raw materials through organizing efforts that previously had not existed" (Venkataraman, 1997; Shane and Venkataraman, 2000). The key word is *new*. An entrepreneur must navigate uncharted territory in order to transform their idea into a reality. The ethical dilemma facing all entrepreneurs is the lack of precedence in the situations they encounter. For example, no guidelines yet existed for Bill Gates to follow while in the early stages of developing the personal computer. Gates had to make decisions without having any history in the computer software industry to examine for ethical guidance.

To further emphasize the entrepreneur's morally distinct position from general business ethics, it is worthy to note how the innovative nature of entrepreneurship embraces "creative destruction". Joseph Schumpeter suggests that entrepreneurship is the driving market force for 'creative destruction', revolutionizing the existing economic structure by destroying the old equilibrium and creating a new one (Harris, Sapienza & Bowie, 2009). Ethical implications innately arise when a new system takes the place of an old one. "We only have to look back at our lives before the possibilities unlocked by the automobile, the personal computer, and birth control, to mention only three examples, to recognize the ethical impact of entrepreneurial ventures" (Dunham, 2007). With each of these examples comes an entirely unprecedented

group of ethical issues. Entrepreneurship carries, in the words of one scholar, “terribly significant moral and value effects for a good...Entrepreneurship is not simply about how one creates a business or the workings of the economy. It is far more about how we organize today’s society” (Brenkert, 2009).

Based on the definition of entrepreneurship as a nexus of two phenomena: the presence of lucrative opportunities and the presence of enterprising individuals (Venkataraman & Shane, 2000), it is dumbfounding to realize that individual people possess the power to reshape the world. Entrepreneurs are often admired for the creative ways in which they overcome significant limitations, obstacles, and sources of resistance to their new venture ideas. Practices such as bending or breaking rules, putting other people’s resources at risk, creatively interpreting the facts, exaggerating one’s position, and promising more than one is currently able to deliver are presented by some as clever manifestations of the entrepreneurial spirit (see Bhide and Stevenson, 1990). To the extent that these practices are entrepreneurial, and the more a person engages in them, the more entrepreneurial that person is being, the ability to reconcile “entrepreneurial” and “ethical” can become problematic (Morris, Schindehutte, Walton & Allen, 2002).

To further grasp the idea of who these people are with the capacity to make drastic societal paradigm shifts, it is important to remember entrepreneurs employ different approaches to business in such areas as independent action, innovation, and risk taking compared to their counterparts in large organizations (Longenecker and Schoen, 1975), implying they may also differ in their ethical perceptions. [Typically], entrepreneurs have been

found to be more sensitive to the expectations of society, more critical of their performance than the general public, and to employ their personal values to a much greater extent than managers within large businesses (Solymossy & Masters, 2002).

While it may be a bit disconcerting to think about “different” people as shaping humanity’s reality, it is not necessarily a bad thing. Keep in mind, some entrepreneur out there first thought of producing the items you hold most dear. For better or worse, every step of advancement towards the future of humanity was taken by an entrepreneur. One might ask why these entrepreneurs should act ethically at all in their endeavors. The reason most prominently stated is that “ethical behavior [is] at the core of long-term business success, because it is the glue that binds enduring business success and personal relationships together” (Dees & Starr, 1992).

Family, religion, social norms, and philosophical ethics theories form the base of a person’s approach to ethical situations. However, the ethical advice from these various aspects often contradict each other, leaving one lost and frustrated. As an entrepreneur goes through the process of creating a new product or service, they are confronted by hundreds of situations in which they must make decisions regarding people. The decision’s outcomes can often result in serious implications for the people involved. For example, if deciding between two people to hire, it will make one of the potential employee’s lives better while the other is left defeated. Who knows what may happen to the person not hired because of the decision made?

Because ethical theories often conflict, especially those with a mindset of absolutism, entrepreneurs are left with poor guidelines on how to act morally. The following example by Velazquez exemplifies how ethical theories often contradict:

“Suppose your uncle has an incurable and painful disease, so he quite unhappy but does not choose to die. Although he is hospitalized and will die within a year, he continues to run his chemical plant. Because of his own misery, he deliberately makes life miserable for his workers and has insisted on not installing safety devices in his chemical plant, although he knows that as a result one worker will certainly lose his life over the next year, You, his only living relative, know that on your uncle’s death you will inherit his business and will not only be wealthy and immensely happy, but also intend to prevent any future loss of life by installing the needed safety devices. You are cold-blooded and correctly judge that you could secretly murder your uncle without being caught and without your happiness being in any way affected by it afterward.... By murdering your uncle, you are trading his life for the life of the worker, and you are gaining your happiness while doing away with his unhappiness and pain” (Velasquez, 2002).

Utilitarianism compared to Kantian Rights Theory shows the stark conflict that lends itself to the guideline dilemma. According to utilitarianism, you would be morally obligated to murder your uncle. With an objective cost-benefit analysis (commonly used by business decision makers) the benefits of a dead uncle outweighs those of having him around. Pain is eradicated, everyone is happier, and you become far wealthier. This conclusion seems logical, especially if you won’t feel guilty afterwards. However, in contradiction to utilitarianism, the ethical perspective of Kantian Rights asserts the uncle has a positive right to life, which cannot be taken from him no matter the situation. Your moral obligation would be to allow the uncle to live and continue to make life miserable for the rest of the company employees. Because life



is an inalienable positive right, you cannot choose his fate- only he can. The example shows contradiction because these theories, as well as many others in the realm of ethical philosophy, are absolutist in nature and do not allow flexibility in their decision making process. General moral laws not only do not equip human actors to handle dilemma, they are a source of dilemma because they provide partial or conflicting solutions to a complex problem. Moral laws are “simply too narrow and too unimaginative to capture most of what goes on in our moral experience” (Hargrave, 2012). If these various ethical approaches have different conclusions, which tactic should an entrepreneur utilize when making decisions with moral implications? What is the ethically correct answer for how to deal with the dying uncle? One way to approach the situation would be from a morally imaginative standpoint.

### **Moral Imagination Applied to Entrepreneurship**

Defined, moral imagination means “the ability to imaginatively discern various possibilities for acting within a given situation and to envision the potential help and harm that is likely to result from a given action” (Johnson 1993, p. 202). Put another way, Jacobs (1991, p. 25) indicates that moral imagination involves "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” (Moberg & Seabright, 2000).

Moral Imagination is not the stereotypical “ethical theory”. Rather, it is a philosophical approach to ethical decision-making for the pragmatic pluralist because in addition to exploring

alternative options, it takes various applicable theories into consideration in order to find the best possible solution. At moral imagination's theoretical core are two qualities: being morally sensitive and being able to take other people's perspectives.

With regard to the first aspect, Johnson (1993) states, "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 ideal be called into question from various points of view, we cannot be morally sensitive."

Being morally sensitive is about being aware of the moral implications of a decision. Whether they realize it or not, people encounter moral situations on a daily basis. In the business world, this is even more so true. The more conscious one is of who is affected by a moral decision, the higher their level of moral sensitivity is. Identifying who is involved in a situation allows for the decision maker to consider the issue from perspectives of other people who are also concerned. This leads to the next step of moral imagination: perspective-taking.

To take the perspective of another human being is to totally immerse one's self. It is to experience life from the viewpoint of that person. No virtual reality technology in existence has the power to perspective take as in-depth as the faculty of human imagination. The incredible gift separating humans from the rest of the animal kingdom is conscious imagination. Being able to imagine different outcomes of what might be right or wrong is the fundamental component of ethics. "No person can be moral in a suitable way who cannot imagine alternative viewpoints as a means of understanding and transforming the limits of his own convictions and commitments, for this is an activity of moral imagination" (Johnson 1993).

In ethical situations, taking the perspective of others leads one to empathize with those people more. Defined, empathy means: “the ability to identify with and understand somebody else's feelings or difficulties” (Encarta Dictionary). Although many business people and academics postulate that business decisions should be made by means objective, feeling-less deliberation, moral imagination takes the opposite approach. “Perspective-taking in no way implies an objective or detached sympathy. Instead, it is poignantly self-critical and reflective. Absent is the detachment that Barach (1985) has wrongly advocated as a means of dealing with tough business situations” (Moberg & Seabright, 2000). The perspective-taking feature of moral imagination inadvertently encourages an emotional aspect to decision making, which is far different than many other ethical theories.

Because of the personal aspect of being in charge of their own company, entrepreneurs display an inclination to be even more emotionally invested in business decisions. This is exemplified by a moral imagination-based study of entrepreneurs done by John McVea (2009), showed that “entrepreneurs were more likely to react emotionally (to a hypothetical test), as well as take a more personal (as opposed to professional) point of view on [business making decisions]”. McVea does not elaborate on how much time the entrepreneurs he studied spent deliberating on other’s perspectives in the hypothetical situations, but his findings do point to the fact that entrepreneurs, in general, exercise more personal and emotional approaches to ethics. “While it could be argued that this highly personal approach might produce less efficient entrepreneurial decision-making, in this study a strong personal stance seemed to drive a greater sense of responsibility and therefore a greater willingness to grapple with all aspects of the problem, including the ethical. The emotional engagement with the issue, rather than

clouding the entrepreneur's thinking, seemed to allow the entrepreneur to understand the situation in amore full-blooded way (Nussbaum, 1990), to perceive the situation with a greater depth than is possible through intellectual analysis alone (Freeman et al., 2007)” (McVea, 2009).

Why should anyone care if entrepreneurs are inclined to approach ethics in a personal way? It matters because entrepreneurs naturally operate as if they were employing moral imagination philosophy. A correlation between how entrepreneurs tend to make decisions and how moral imagination theory works appears to exist.

Knowing the process of moral imagination is important for entrepreneurs to be familiar with because it can help when encountering ethical dilemmas as an entrepreneur attempts to exploit opportunities in unprecedented scenarios. Creatively imagining alternative solutions to a complex problem is the essential reason moral imagination stands apart from other ethical philosophies. As Buchholz and Rosenthal eloquently claim, “[Moral] problems require imagination and creativity, for imagination provides the capability of understanding what can be done in light of what is possible to create, of seeing conflicts as leading to a creative synthesis. Moral reasoning is not the inculcation of a past, either in terms of rules or dispositions, but it involves a creative reorientation of the present. It involves dealing with a changing world that provides limits on what can be done and yet contains new possibilities to be utilized. It does not ignore the lessons of the past, but reinterprets, reappropriates them in light of an imaginative grasp of what might be based on possibilities operative in the present... Entrepreneurship is about change, about dealing with novel situations, about an activity that involves an experimental approach to unique situations” (Buchholz & Rosenthal, 2005).

Moral imagination strengthens an entrepreneur's ability to imagine innovative solutions by encouraging the taking of new perspectives beyond one's own reality. McVea states "[a] distinctive component of moral imagination displayed by the entrepreneurs was coming to moral judgment through the consideration of alternatives beyond the conventional. This approach was associated with two characteristics: challenging of case facts and the use of personal narratives or analogous stories" (McVea, 2009). These two characteristics could be reworded as "taking a perspective beyond the given facts".

What decision would an entrepreneur come to if they employed moral imagination to the dying uncle case by taking a perspective beyond the given facts? When reading the following story, think about the overall situation from the viewpoint of the dying uncle:

Samuel is a sixty-year old man from Brooklyn. His father left his family when Samuel was two and his mother was addicted to cocaine, which caused child services to take Samuel away from her to be raised at an orphanage at the age of four. His older brother, Dan, was taken as well. Despite his unfortunate beginnings, Samuel became quite successful in life. He married a lovely woman named Shelly and together they had two wonderful children. Samuel started a chemical plant with his brother at age thirty-five. The business employed all the children of Samuel's family as well as Dan's only child. The company grew rapidly and was very prosperous. All was happy for their families, until Samuel's fifty-fifth birthday. There was to be a celebration at a famous steakhouse downtown. Shelly had arranged for Dan and his child to pick Samuel up and drive him to the steakhouse separate so Samuel would be more surprised.

After dressing up in his finest suit, Samuel hopped in the car with his brother and nephew and they were off to the party. Upon arriving however, Samuel noticed a police car

parked outside the restaurant. A terrible feeling crept into his gut like a spider's legs rubbing against the walls of his stomach in attempt to escape. The officer walked over as Samuel stepped from the car and informed him there had been a terrible accident. His wife, sister-in-law, and children had all perished in a terrible crash. Samuel broke down and wept like a babe.

Three years later, Dan died of liver cancer. All that remained of the family were Dan's child and Samuel. At age fifty-nine, Samuel contracted liver cancer like his brother had. His body took the chemotherapy poorly and he was constantly in the hospital. The only thing that gave him happiness anymore was running the business, which was beginning to falter without the strategic genius of Dan. Although no one knew it, the company did not have enough money to even buy correct safety gear, unless they fired someone. Samuel continually refuses to upgrade any of the equipment because he believes it is more important that the company's one hundred and forty workers are able to keep their jobs to support their families. People had begun to avoid him when he came into work. They always looked unhappy to see him. All Samuel wants in life, for the remaining time he has, is to ensure that the family's legacy continues, but his pain medicine causes him to think unclearly and he struggles to find a solution to the company's current issues. He knows this is how he will spend the last year of his life, which furthers his misery...

After taking Uncle Samuel's perspective, it is harder to want to say that he should be killed off for the greater good. Likely you will now be resolute in your decision that Rights Theory is better. Let Samuel live! He isn't all bad. When reading about the uncle from an objective point of view, it was much more difficult to want him to remain alive to cause

everyone misery when compared to all the benefits of him perishing. Utilizing moral imagination to envision what the dying uncle is going through, gives the decision maker a much clearer picture of the situation from the perspectives of those people. An alternative solution to the issue of killing the uncle or not, would be to confront the uncle about the safety concerns and find a way to fix the underlying issue of the business struggling. Moral imagination does not give a person a direct answer to the problem. It only causes the decision maker to explore alternative options by understanding the same situation from a different perspective. Why after viewing the same situation except from “Uncle Samuel’s” perspective, is it so much harder kill him off?

The reason is that “if you really vividly experience a concrete human life, imagine what it's like to live that life, and at the same time permit yourself the full range of emotional responses to that concrete life, you will . . . be unable to do certain things to that person. Vividness leads to tenderness, imagination to compassion (Nussbaum 1990, p. 46)” (McVea, 2009). What takes a person from an objective decision maker to a compassionate one? Story. Before reading the story from the uncle’s perspective, many people would have objectively chosen to either kill off the uncle for the good of everyone. If the uncle was allowed to live under Rights Theory, most people from an objective stance would only try to minimize the harm the uncle does. However, once the same situation was read in the form of a story from “Uncle Samuel’s” viewpoint, the reader probably empathized with the uncle as a result of being more morally sensitive to everyone involved, which included the uncle.

The question in need of answer is: why do people empathize when imagining someone else’s perspective? Perhaps this is because of “the power of fictional narrative[s] to develop our

moral sensitivity, our ability to make subtle discriminations, and our empathy for others”  
(Johnson 197).

### **Stories, Moral Imagination, and Entrepreneurship**

Johnson (1993) claims, “We learn more from novels, plays, and stories than we learn from moral education literature. This is because our life is metaphorically like a drawn out narrative.” Each human life is basically a story. It has a plot with unexpected twists, dramatic events, diverse characters, and troubles the main character must overcome. When experiencing a story with the same narrative structure, it is typically easy to connect with the perspectives presented in the story, no matter what the medium for telling the story is. Stories, as defined in this paper, are novels, plays, motion pictures, oral tales, or any other medium whereby one experiences a connection with a narrative work. The word “experiences” is more appropriate than “receives” because one does not simply receive information about the elements of a story; one lives vicariously through them. However, the experience goes even deeper than vicarious living. Marco Iacoboni, a pioneer of mirror neuron research writes: “Vicarious is not a strong enough word to describe the effect of [experiencing a story]” (Gottschall, 2012).

Discovered accidentally in the 1990’s while conducting research on the behaviors of monkeys, mirror neuron research suggests that experiencing stories increases one’s ability to empathize. Mirror neurons are a neurons in the brain “that activate when we perform an action or experience an emotion, and also when we observe someone else performing an action or experiencing an emotion”. For example, “When we watch the movie stars kiss on screen... some



of the cells firing in our brain are the same ones that fire when we kiss our lovers... We have empathy for the fictional characters- we know how they're feeling- because we [can] literally experience the same feelings ourselves" (Iacoboni, 2008).

This mode of empathizing is identical to the process one goes through with moral imagination. The difference is that the story being imagined is inside of a person's mind, instead of being told to them from an outside source. In a sense, imagining stories in this way makes a person a writer and thereby an artist, for writing is a form of art. If one considers an entrepreneur a story-writer, who writes scripts about business, then an entrepreneur is also an artist. Both artists and entrepreneurs transform imagined ideas into realities. If this comparison appears strange, take a look at how the description of an entrepreneur is similar to the description of a successful artist: "[A] good artist is characterized in part by perceptiveness, creativity, expressiveness, and skill. Artists make things that transform cultural perceptions. The best artists break out of old rut or explore new directions in order to experiment with novel ways in which to see, hear, feel, and think" (Fesmire, 2003).

Through every step of the "story-writing-process" of a new venture, the "entrepreneur-artist" can use moral imagination to envision what the next chapter of their start-up story will look like. When it comes to ethical decisions in the story, an entrepreneur can examine the story's situation and the characters involved and decide what the best next step will be by seeing the same situation from the perspective of those characters involved. This might include stakeholders, friends, family, or future customers. Opposite of the ethical theories that only allow for an absolutist option to occur, moral imagination searches for alternative courses of action. Moral imagination does not constrain itself to outcomes provided by a single theory, but

instead creates an innovative outcome by weaving together and synthesizing various aspects of the situation.

Entrepreneurs write stories about success, lessons learned, disastrous failure, fraudulent lies or lives changed by their ideas. In order to have a morally sound and successful story, entrepreneurs should employ the philosophy of moral imagination. The empathy they experience while taking the perspectives of others will help guide them to the best possible solution.

### **Survey Testing**

The main hypothesis of the research presented is that “people who experience more stories will utilize moral imagination theory more and will make more ethical decisions than people who do not experience as many stories.” The results shown by David McVea in his testing showed that entrepreneurs were drawn to this type of ethical theory naturally and were therefore picked to research in particular.

In order to test if these concepts of moral imagination, story, and entrepreneurship were linked, a survey was created and distributed. The purpose of the survey was to show that people who experience stories will make more ethically moral decisions. To do this, two surveys were created. Both surveys have respondents answer business-oriented questions and have a section about demographics. The respondents of the first survey must read two short stories pertaining to the people who will be affected by their following business decisions. The first story the survey respondents read is about workers’ conditions in a Chinese factory that is being outscored by the company to a separate company called Quality Dragon Limited. The second story is about an ice cream brand called Moo Moo Cream that an advertising agency is

going to take on as a client, but must then advertise to children. The second survey has the same questions, but the respondent must answer without having read any background story on the people they are making business decisions about (see Appendix A, B, and C for detailed surveys and survey results). The surveys were constructed in this manner in order to compare the similarities and differences between the two sets of respondents. Certain demographical were asked in order to find trends in thinking between and within both of the surveys.

The survey was electronically distributed to senior business students and taken anonymously. These business students all go to either the College of Saint Benedict or to Saint John's University. With a total of 88 respondents, this survey was not expected to be fully conclusive, but is rather an exploratory attempt at understanding the relationship between entrepreneurship, story, and moral imagination.

The results from the survey turned out as expected with the story respondents showing significantly higher ethical decision making. To give statistical relevance to the survey results, a two sample T-Test was conducted. While the surveys did not fit within the .90 confidence interval, the T-Test showed that there was a .32 significance between the two sets of data. This number was reached by making creating two separate data sets based on the number of ethical responses (the two most ethical) for each question. The data set from the story survey results was higher in each category except the very last question, which was "I think advertising Moo Moo Cream ice cream to children might be in our best interest as a company. It would surely help them boost sales and we would be the reason for their success, which will make them a satisfied and continued client. Do you agree?". Throughout both of the two set of responses, both leaned towards satisfying the client over taking the more ethical route of turning down

the unhealthy product of a client. Through several informal interviews, some of the respondents said the advertising company must look after itself first. One respondent also said, "it would be better for us to advertise for the company and reduce the negative impact. Otherwise, some other company might make our would-be profits and advertise very unethically." These kinds of responses show why this question could be skewed and why it skewed the overall statistic. However, it was included for the reason of being transparent in all the answers and to show how these questions can be understood in unexpected ways.

Two questions in particular were dramatically higher when the story was read before answering. The first of these statements was: "We have a responsibility to help the Quality Dragon Limited workers even though they are not a part of our company." The respondents of the non-story survey responded ethically 58% of the time, while 52% of the respondents from the story survey answered that they either Agree or Strongly Agree that this statement is true. The second major difference in ethical responses was related to the question: "Does taking the workers' perspective change how you are approaching this situation?" The respondents of the non-story survey responded ethically 64% of the time, while 92% of the respondents from the story survey answered that the workers' perspective either Does or Somewhat changes how they approach the situation. These two examples signify the relationship between ethical decision making and the concept of perspective-taking in Moral Imagination.

The average number of ethical responses from the story survey was 58% while the non-story survey was 52%. The 7% difference is not exceptionally high but it does show that there is a difference. There are certain factors that were discovered in the demographic answers that likely contribute to the lack of a more separated percentage difference. Foremost among those

was in how people answered the question: “Would you consider yourself good at viewing the world from other people’s perspectives?” Out of the 88 respondents, 63 said that they were either Good or Somewhat Good. The reason 72% of the respondents might have answered in this way could be due to the sample of people who answered. They are all college age students at liberal arts institutions and have previous training in thinking critically about these types of situations. What also might have affected these survey results was the influence of “story” in the sample group’s lives. Being students, they responded that they read often, but mostly non-fiction (presumably homework related). Although, there were still many respondents that read fiction often as well. However, the medium in which this sample group appears to have experienced many stories is through their viewing of movies and television shows. Combining both surveys, 86% of the respondents answered that they watch movies/television shows at least once a week. Not only do they watch these stories very often, but 74% of this sample also responded that they watch fictional movies/television shows at least once a week. This large amount of story experiencing could skew the results of a survey towards one that represents a sample already predisposed to answer in a morally imaginative way.

Another interesting result from the survey was the comparison between the people who said they been involved with an entrepreneurial launch and the number of people who claim to be an entrepreneur. When asked, “Have you ever been a part of a start-up business or attempted to start your own?” , the combined survey answer was that only 23% of the respondents have. However, 49% of the same sample said they would describe themselves as an entrepreneur. Although this research did not discover why more people answered they were entrepreneurs than had actually started a business, the perceptions of the respondents about

themselves indicated that they may think like entrepreneurs. If this is that case, it would also skew the results because of the naturally tendency of entrepreneurs to utilize the ideas of moral imagination. If this group could be considered entrepreneurial, the mostly ethical answers from both surveys could also show how entrepreneurs tend to use moral imagination.

In order to understand the correlation more, further research should try to find respondents from a more diversified audience. This will enable for the respondents to be less predisposed towards moral imagination and will better show how story can influence. Because entrepreneurship can derive from any industry, future research should also attempt to capture the wider range of people than this research was able to do. This will show if entrepreneurs across different industries all have the same tendency to utilize moral imagination.

## **Conclusion**

Because people innately take the perspective of characters in stories, just as they do when employing moral imagination, it seems logical that if a person has experienced more stories, they will have more practice at being empathetic. While practicing empathy is important in everyday life, it pertains especially to entrepreneurial ethics because entrepreneurs naturally employ moral imagination. Furthermore, being practiced at empathy is important this group of people because of the uncertainty, risk, and need for innovation associated with entrepreneurship, which calls for a flexible moral philosophy to create alternative solutions.

The connection between entrepreneurship and moral imagination is in dire need of more study by the academic community. Some questions for future research include: Why do

entrepreneurs have a tendency to utilize moral imagination? Are non-entrepreneurial business people less inclined to use moral imagination? What causes these differences? What is the connection between stories and moral imagination? What is the impact between corporate stories and how those stories affect business decisions?

These are only a few of the possible questions. The step beyond asking these questions is teaching people about the outcomes of the questions so society can benefit from the lessons learned. Perhaps one day Moral Imagination will penetrate the business sector and become commonplace in the decision making process of businesses. Stories have always taught humans morals and stories will likely be the way to integrate moral imagination into the workplace. Future research should be conducted with the intent of teaching others about the implications of what is discovered.

## Works Cited

- Brenkert, G. (2009). Innovation, Rule Breaking and the Ethics of Entrepreneurship. *Journal of Business Venturing, 24*, 448–464.
- Buchholz, R., & Rosenthal, S. (2005). The Spirit of Entrepreneurship and the Qualities of Moral Decision Making: Toward a unifying framework. *Journal of Business Ethics, 60*, 307–315
- Dees, G., & Starr, J. (1992). Dilemmas and Issues for Research and Practice. In D. Sexton & J. Kasarda (Eds.), *The State of the Art of Entrepreneurship*. Boston: PWS-KENT.
- Donaldson, T. (1989). *The Ethics of International Business*. New York, NY: Oxford University Press.
- Dunham, L. (2007). The Ethical Dimensions of Creative Market Action: A Framework for Identifying Issues and Implications of Entrepreneurial Ethics. *Business & Professional Ethics Journal, 26*, 3-39.
- Encarta Dictionary. *Empathy* [The ability to identify with and understand somebody else's feelings or difficulties]. Encarta Dictionary. Encarta Dictionary
- Fesmire, S. (2003). *John Dewey and Moral Imagination: Pragmatism in Ethics*. Bloomington, IN: Indiana University Press.
- Gottschall, J. (2012). *The Storytelling Animal- How Stories Make Us Human*. New York, NY: Houghton Mifflin Harcourt Publishing Company.
- Hargrave, T. (2012). Discerning Possibilities for Action: A Typology of Approaches to Moral Imagination. *Business and Society Review, 117*(3), 307-328.
- Harmeling, S., Sarasvathy, S., & Freeman, E. (2009). Related Debates in Ethics and Entrepreneurship: Values, Opportunities, and Contingency. *Journal of Business Ethics, 84*, 341-365.
- Harris, J., Sapienza, H., & Bowie, N. (2009). Ethics and Entrepreneurship. *Journal of Business Venturing, 24*, 407-418.



- Iacoboni, M. (2008). *Mirroring People*. Giroux, New York: Douglas & McIntyre Ltd
- Johnson, M. (1993). *Moral Imagination - Implications of Cognitive Science for Ethics*. Chicago, IL: The University of Chicago Press.
- McVea, J. (2009). A Field Study of Entrepreneurial Decision-making and Moral Imagination. *Journal of Business Venturing*, 24, 491–504.
- Moberg, D., & Seabright, M. (2000). The Development of Moral Imagination. *Business Ethics Quarterly*, 10(4), 845-884.
- Morris, M., Schindehutte, M., Walton, J., & Allen, J. (2002). The Ethical Context of Entrepreneurship: Proposing and Testing a Developmental Framework. *Journal of Business Ethics*, 40, 331–361.
- Solymossy, E., & Masters, J. (2002). Ethics through an Entrepreneurial Lens: Theory and Observation. *Journal of Business Ethics*, 38, 227–241.
- Velasquez, M. (2002). *Business Ethics*. (5th ed.). Upper Saddle River, NJ: Prentice Hall.
- Venkataraman, S., & Shane, S. (2000). The Promise of Entrepreneurship as a Field of Research. *The Academy of Management Review*, 25(1), 217-226.

## Appendix A

### **With Story**

#### **PART 1**

You have an upcoming board meeting and are asked these following questions at the meeting.  
Respond to these with the answer you believe is best:

A board member asks: Our contract with Quality Dragon Limited is over soon. The company produces our phone parts efficiently and on time, but they have been known to have poor working conditions and extremely low wages. Should we break ties with this company? I believe we should not break ties as this is best for everyone involved.

<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
19	17	5	22	5

Assuming we continue to use Quality Dragon Limited, should we make more of an effort to improve workers' wages and conditions? This will make our end costs higher to the consumer, which could have major effects on our market share. However, it will obviously help the Quality Dragon Limited workers, although they are not technically a part of our company. I think we should try to improve Chinese conditions even if it goes against our low cost strategy.

<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
24	29	4	2	1

We have a responsibility to help the Quality Dragon Limited workers even though they are not a part of our company.

<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
22	28	4	5	1

Does taking the workers' perspective change how you are approaching this situation?

<b>Yes it is</b>	<b>Somewhat</b>	<b>Neutral</b>	<b>Not Much</b>	<b>No it does not</b>
27	28	4	0	0

**PART 2**

Answer the following questions your CEO asks you:

We have been losing out to our competition as of late. I brought in new talent and I think they can really help us reach the next level. The one thing we are lacking is a major client. Moo Moo Cream seems like it could be that client for us and if we can secure their business now, we could have a huge opportunity to be their main advertising agency in the future. Should we accept the proposition even though we will have to advertise to children?

<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
12	22	20	11	3

Does thinking about the effects of eating unhealthy foods on children change your perspective on this issue?

<b>Yes it does</b>	<b>Somewhat</b>	<b>Neutral</b>	<b>Not Much</b>	<b>No it does not</b>
11	20	11	13	4

I think advertising Moo Moo Cream ice cream to children might be in our best interest as a company. It would surely help them boost sales and we would be the reason for their success, which will make them a satisfied and continued client. Do you agree?

<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
12	24	10	12	2

**Demographics**

**What age are you?**

18-25	60
25+	0

**Male or Female?**

Male	41
Female	19

**Ethnicity?**

Caucasian	52
Hispanic	3
Asian/Pacific Islander	3
Other	0

**Profession?**

Student	60
Other	0

**Have you ever been a part of a start-up business or attempted to start your own?**

Yes	15
No	45

**Would you describe yourself as an entrepreneur?**

Yes	34
No	26

**Would you consider yourself good at viewing the world from other people's perspectives?**

Yes	36
Somewhat good	23
Average	1
Not very good	0
No	0

**How often do you read? (Magazines, novels of any genre, or any other printed medias)**

Once a week	42
Every other week	9
Once a month	8
Once a year	0
I do not read books	0

**How often do you read fictional books?**

Once a week	9
Every other week	5
Once a month	22
Once a year	19
I do not read fictional books	5

**How often do you watch movies/television shows?**

Once a week	52
Every other week	6
Once a month	1
Once a year	0
I do not watch movies/television shows	1

**How often do you watch fictional movies/television shows?**

Once a week	44
Every other week	10
Once a month	4
Once a year	0
I do not watch fictional movies/television shows	1

## Appendix B

### With No Story

#### PART 1

You have an upcoming board meeting and are asked these following questions at the meeting.  
Respond to these with the answer you believe is best:

A board member asks: Our contract with Quality Dragon Limited is over soon. The company produces our phone parts efficiently and on time, but they have been known to have poor working conditions and extremely low wages. Should we break ties with this company? I believe we should not break ties as this is best for everyone involved.

<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
1	11	5	11	0

Assuming we continue to use Quality Dragon Limited, should we make more of an effort to improve workers' wages and conditions? This will make our end costs higher to the consumer, which could have major effects on our market share. However, it will obviously help the Quality Dragon Limited workers, although they are not technically a part of our company. I think we should try to improve Chinese conditions even if it goes against our low cost strategy.

<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
5	17	3	3	0

We have a responsibility to help the Quality Dragon Limited workers even though they are not a part of our company.

<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
2	16	5	4	0

Does taking the workers' perspective change how you are approaching this situation?

<b>Yes it is</b>	<b>Somewhat</b>	<b>Neutral</b>	<b>Not Much</b>	<b>No it does not</b>
6	12	4	5	1

## **PART 2**

Answer the following questions your CEO asks you:

We have been losing out to our competition as of late. I brought in new talent and I think they can really help us reach the next level. The one thing we are lacking is a major client. Moo Moo Cream seems like it could be that client for us and if we can secure their business now, we could have a huge opportunity to be their main advertising agency in the future. Should we accept the proposition even though we will have to advertise to children?

<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
6	13	4	5	0

Does thinking about the effects of eating unhealthy foods on children change your perspective on this issue?

<b>Yes it does</b>	<b>Somewhat</b>	<b>Neutral</b>	<b>Not Much</b>	<b>No it does not</b>
5	9	4	7	3

I think advertising Moo Moo Cream ice cream to children might be in our best interest as a company. It would surely help them boost sales and we would be the reason for their success, which will make them a satisfied and continued client. Do you agree?

<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
4	12	5	7	6

## **Demographics**

**What age are you?**

18-25	28
25+	0

**Male or Female?**

Male	17
Female	11

**Ethnicity?**

Caucasian	26
Hispanic	1
Asian/Pacific	
Islander	1
Other	0

**Profession?**

Student	28
Other	0

**Have you ever been a part of a start-up business or attempted to start your own?**

Yes	5
No	23

**Would you describe yourself as an entrepreneur?**

Yes	8
No	19

**Would you consider yourself good at viewing the world from other people's perspectives?**

Yes	12
Somewhat good	13
Average	1
Not very good	1
No	0

**How often do you read? (Magazines, novels of any genre, or any other printed medias)**

Once a week	17
Every other week	3
Once a month	7
Once a year	0
I do not read books	0

**How often do you read fictional books?**

Once a week	3
Every other week	3
Once a month	8
Once a year	11
I do not read fictional books	1

**How often do you watch movies/television shows?**

Once a week	24
Every other week	0
Once a month	3
Once a year	0
I do not watch movies/television shows	0



**How often do you watch fictional movies/television shows?**

Once a week	21
Every other week	1
Once a month	5
Once a year	0
I do not watch fictional movies/television shows	0

## Appendix C

### T-Test (Questions 1-7)

# Ethical Responses with Story	# Ethical Responses without Story
0.45	0.39
0.88	0.79
<b>0.83</b>	<b>0.64</b>
<b>0.92</b>	<b>0.64</b>
0.23	0.18
0.52	0.50
0.23	0.46
<b>T-Test Result:</b>	<b>0.32</b>

Average with Story	Average with No Story
0.58	0.52

Difference between: 7%

**Would you consider yourself good at viewing the world from other people's perspectives?**

Total: Yes + Somewhat Good 72%

**Would you describe yourself as an entrepreneur?**

Total: Yes 49%

Total: No 51%

**Have you ever been a part of a start-up business or attempted to start your own?**

Total: Yes 23%

Total: No 77%

**How often do you watch movies/television shows?**

Total: Once a week (Or more) 86%

**How often do you watch fictional movies/television shows?**

Total: Once a week (Or more) 74%