



THE KENAN  
INSTITUTE FOR ETHICS  
at Duke University

# INSTITUTIONS IN CRISIS

## Orientation

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The Institutions in Crisis (IIC) curriculum is composed of an analytic framework, a set of case studies with classroom discussion guides, and a case-study student assignment. The curriculum is designed to promote reflection, understanding, and analysis of the nature and potential for change in ethical cultures in organizations and institutions. This case study assignment is designed for students in courses in sociology, ethics, and organizational studies to deepen their understanding of the normative dimensions of crisis and change within organizations and how ethical cultures in organizations are related to broader changes in society.

## Origin and Overview of the *Institutions in Crisis* Project

In 2007, prompted by a flurry of public scandals, from Enron to Abu Ghraib to sexual abuse in the Catholic Church, the Kenan Institute launched the *Institutions in Crisis* (IIC) initiative, bringing together faculty and graduate students from a range of disciplines to discuss the causes and consequences of ethical change and crisis across organizations. Initial questions focused on the differences and communalities in crises observed across institutional realms (e.g., business, military, religion, higher education) and the possibility of identifying a set of environmental and organizational factors that typically precipitate ethical crisis.

The present document serves as an orientation to the conceptual framework that resulted from this work. For more information on the theoretical underpinnings and methods of analysis used in the case study research, please refer to the Appendix. The case studies and the associated teaching materials can be accessed at <http://kenan.ethics.duke.edu/research/institutions-in-crisis/case-studies>. For more information on constructing a case study of ethical crisis, see the student case study assignment at [www.duke.edu/web/kenanethics/IICCaseStudyAssignment](http://www.duke.edu/web/kenanethics/IICCaseStudyAssignment).

## Conceptual Elements: Ethics, Organizations, and Crisis

This section defines and explains key concepts used to organize the analysis of ethical crisis in organizations and institutions. Examples from the IIC case studies are used throughout.

*Ethics:* IIC draws on the classical definition of *ethics* as a set of standards of evaluation and ideas about how to live (Blackburn 2001:1). Ethics can refer to various sets of normative standards, the principles that comprise these standards, and their influence on individuals and social groups. A set of standards of evaluation and ideas about how to live guides the behavior of a violent gang, just as a different set of standards and ideas guides the members of a family manufacturing business or an environmental service club. University professors, marketing professionals, Anglican church members, and naval aviators—each of these a focal social group from the IIC cases—draw on particular sets of evaluative standards to make judgments about what constitutes ethical behavior.

The IIC project adopts the view of ethics and ethos most closely related to *virtue ethics*. Virtue ethics assumes that individuals become virtuous through the practice of virtue—that is, by performing virtuous acts. If one standard of evaluation is honesty, then an individual becomes honest through practices and participation in rituals that affirm this value. Virtue ethics also maintains that individual and societal well-being is maximized when individuals engage in virtuous and purposeful action. Organizations provide a context in which purposeful action can occur.

Purpose can be defined in both instrumental and normative terms. Instrumentally, as a means to an end, purpose defines what an individual (or group, or organization) intends to do or achieve. A job description specifies the instrumental intentions of the employee holding the position. The organizational mission statement specifies the instrumental intentions of the organization to “maximize shareholder value” or “educate and inform the public.” Purpose also has a normative dimension. The action of an individual or an organization is purposeful in a normative sense if the action is considered proper, appropriate, and legitimate in reference to a set of ethical standards.

*Organizations and ethical cultures:* Classical organization theory conceptualizes an organization as a means to manage resources to achieve a collective goal. IIC uses a cultural lens to also consider the organization as a set of beliefs and associated social practices. The shared beliefs and associated activities that define, express, and reproduce standards of evaluation within a single organization constitute the organization’s *ethical culture*. An ethical culture (or *ethos*), is expressed explicitly, through organizational mission statements, operations manuals and the like; and implicitly, in informal practices and patterns of relationships. When management shares cafeteria space with line workers, for example, this expresses an ethical culture different than that of an organization where management and line workers are rarely in contact with each other.

A sense of accomplishing purposeful action is strongly associated with individual well-being. An individual's ability to manifest purposeful action within an organization—to engage in activities that confirm the shared ethical beliefs of the social group—depends on the existence of three elements: clear standards of evaluation, roles connected to these standards, and the capacity to fulfill expectations arising from standards (Lear 2008; MacIntyre 1984). The ethical culture of organizations (and the individuals within these organizations), thrive to the extent that evaluative standards, roles, and capacities exist and are shared. When one or more of these key elements is missing or changes, the ability to manifest purposeful action is disrupted.

Consider the IIC case studies that examine changes in and challenges to the ethical cultures of colleges and universities and the effect these changes have on faculty members and the conduct of scientific research (Dunning 2009; Dunning & Meyers 2009). As discussed in the Berkeley case study, university biologists began to engage in practices that reflected the evaluative standards typical of private (corporate) science rather than public (university) science. “Good” public science depends on active sharing and collaboration with colleagues and the wide dissemination of scientific findings; “good” private science depends on research that ends in marketable products. University administrators encourage the change from a public to private ethical culture in science when, for example, they measure faculty success in terms of the amount of licensing income generated as opposed to the number of peer-reviewed publications. In addition, and related to, a change in evaluative standards is the diminished capacity to fulfill expectations of the private-science model. Conducting highly-collaborative and freely shared science depends on public resources such as government grant funds that cover the costs of research. As seen in the case studies, university scientists justified partnerships with private companies as the only way to professionally excel in an era of tight government and university finances and escalating costs of research. As one Berkeley professor said of his department's collaboration with pharmaceutical giant Novartis, “This is how science is today... You cannot do it with a piece of string and a piece of chewing gum anymore. You have to have this highly technical infrastructure and this is what we got out of [the corporate partnership].”

In addition to the function that roles, standards, and resource capacities play in maintaining ethical cultures within organizations, case study research in the IIC project identified structures of *accountability* and of *governance* as crucial elements. These structures impact the distribution of resources within an organization and the links between roles and standards. Later in this document these concepts are explained and examined as factors contributing to ethical stasis and change.

*Ethical crisis:* *Crisis* in contemporary usage implies disaster and emergency, yet the classical meaning of the term is much more comprehensive—it refers less to a state of emergency and more to a moment of decisive intervention, to the occurrence of an event that requires important decisions to be made. For our purposes these decisions are consequential not only in how they might impact the viability of an organization—whether or not it continues to financially or physically exist—but also in how the crisis and associated actions affect the ethical culture of an organization or institution. The term *ethical crisis* used in the IIC framework means that one ethical framework, one set of standards of evaluation and ideas about how to live, has been challenged by another, and that this challenge has implications for the organization and potentially society at large. As discussed in more detail later in this document, changes in ethical cultures within one organization can have institutional and societal implications. For example, critics of university-industry partnerships claim that the private science model slows the pace of discovery because scientists are increasingly likely to withhold data and techniques which would once have been shared freely, and that this is ultimately detrimental to scientific discovery as an institution and for society at large.

The IIC CyberU case also provides an example of the links between organizations, ethical cultures, and broader social institutions (Ogden 2009b). Controversy over the accreditation of Jones International University, the first completely virtual university constituted an ethical crisis because accreditation arguably threatened the legitimacy of existing standards used to evaluate the purpose and value of higher education—not just at a single university, but across the organizations and organizational practices which constitute higher education as a social institution. The proposed accreditation did not immediately threaten the viability of all residential universities and colleges, but it arguably did signify a moment of decisive intervention. As one critic of the accreditation of Jones noted, “I don't have problems with [an organization] that says, ‘We do technical training.’ But they shouldn't call themselves a

college or a university” (Ogden 2009b, 8). The point of interest is not that universities will necessarily fail to be viable when virtual schools become an accredited alternative, but that the meaning of higher education as represented by its ethical culture—its standards and values and the practices that manifest these—may cease to exist or be altered to such an extent that the institution is qualitatively different. The crisis serves as an example of an ethical crisis because the evaluative standards understood to qualify an entity as an “institution of higher learning” were called into question, with potential implications for all organizations within the field of higher education.

## Ethical Change and Stasis

The inductive analyses in the IIC case studies suggest that evaluative standards, social roles (e.g., scientist, professor), and resource capacities are key elements in supporting an ethical culture, and that destabilization of these elements can lead to conflict and crisis. Because the ethical culture of an organization provides a context in which individuals engage in purposeful action, an ethical crisis can be triggered when the ability of individuals to engage in purposeful action—action in line with a dominant organizational ethos—is challenged.

An ethical crisis often emerges when members of the organization become aware of a slippage, a disconnection, between prior understandings of individual and organizational purpose (or mission) and actual practices. Formal mission statements and departmental operating procedures, as well as informal practices constituting the everyday work life of employees, reflect and endorse the legitimacy of a set of ethical standards. The realization that a disconnect exists—that a practice is incommensurate with a prior understanding of mission and purpose—characterizes many of the instances of ethical crisis in organizations considered in the IIC case studies. For example, Harvard faculty rallied to criticize and ultimately be instrumental in ousting the university’s president when it became apparent that the study of the liberal arts—understood to be the legitimate foundation of Harvard’s undergraduate curriculum—was threatened by curricular changes that would erode this commitment (Dunning & Meyers 2009).

The IIC case study on Tailhook ‘91 (Ogden 2009c) provides another illustration of clashing ethos. “Tailhook” refers to the annual meeting of aviator and aircraft-carrier professionals hosted by the non-profit Tailhook Association. Tailhook also refers to the Tailhook “gauntlet,” a infamous annual practice of luring women into a hallway crowded with male cadets, who then accosted the women.

The gauntlet can be considered a ritualized practice, where participation was viewed as consistent with the naval aviators’ professional role. As the IIC case discusses in greater detail, the incorporation of women in the military, and the changing understandings of women’s role in society, were sharply juxtaposed to the gauntlet and the generalized masculine “warrior” ethos in the armed services. The gauntlet was a practice that manifested ethical standards not considered proper and legitimate to most Americans in the late 20<sup>th</sup> century.

In addition to the function that roles, standards, and resource capacities play in sustaining an ethical culture within an organization, case study research in the IIC project identified structures of *accountability* and of *governance* as crucial elements that maintain ethical stasis and, if disrupted, contribute to ethical conflict, crisis, and change. *Accountability* is the obligation to report to others, to explain, justify, and answer questions about how resources have been used and to what effect.<sup>1</sup> Accountability exists in lived experience as explicit rules and regulations—reporting requirements imposed by regulatory bodies, for example—and implicitly as the potential or threat to call to account. For example, a supervisor may not ask for daily reports on a worker’s activities but has the justifiable authority to do so. The justification derives from the established hierarchy of authority in the organization, as well as the organizational ethos which legitimates the given structure of authority.

<sup>1</sup> Accountability has three core features (Mulgan 2000). First, it is external to the individual. Thus, in the IIC framework, an individual cannot be “accountable” to herself. Second, it involves social interaction, with an individual or group calling another individual or group to account, where one side seeks answers and the other side responds. Third, accountability implies rights of authority, whereby those calling for an account assert rights of superior authority over those who are accountable.

Structures of accountability may also generate crisis when an entity or individual is held to more than one standard of accountability. As highlighted in the IIC Harvard and Berkeley cases, college presidents are accountable to state legislatures (if public institutions) and boards of trustees, and the standards of these bodies differ and often conflict (Dunning 2009; Dunning & Meyers 2009). In addition to varying sources of accountability, unclear lines of accountability are also a source of destabilization and conflict in organizational ethos. In Presley's (2009) examination of Merck's handling of its pharmaceutical Vioxx, we see clearly different standards of evaluation associated with two departments: the Marketing Department, focused on maximizing sales, and Merck Research Laboratories, focused on discovery of effective and safe drugs. In the case of private military and security companies like Blackwater USA (see IIC case by Dunning 2010), distinguishing clear lines of accountability were exacerbated by the conditions of war—with battle lines unclear, it was difficult for all concerned (the contractors, Iraqi civilians, U.S. soldiers, and civilian leaders) to distinguish who held responsibility for contractor actions.

Another consequential organizational element influencing ethical stasis and change in organizational ethos is *governance*. Governance refers to the explicit and implicit arrangements by which decision-making authority and responsibility within an organization are allocated among those who participate in the organization. Governance arrangements determine how resources and capabilities (e.g., money, authority, status, decision-making power, information, etc.) are distributed across an organization and to what effect. For example, the system of “shared governance” in universities, in which authority and responsibility is shared between faculty, administrators, and trustees, was challenged by new leadership at Harvard (Dunning & Meyer 2009), and by the accreditation of Jones International University (Ogden 2009b).

Governance is associated with accountability in that those who have control over resources can accept or avoid the accountability for their use. For example, Navy leaders tried to distance themselves from the independent Tailhook Association by claiming that they had no authority to control the association and thus could not be implicated in the events that took place at Tailhook 1991 (Ogden 2009c).

In summary, the IIC program of case study research revealed three aspects of organizational ethos as particularly salient to the maintenance and reproduction, and crisis and change, in the ethical cultures of organizations. First, a vibrant ethical culture emerges and is sustained when purposeful action is accomplished in a context of clear evaluative standards and the capacity to express these standards. Second, accountability structures and processes, which distribute responsibility across the organization and enforce evaluative standards, can bolster or disrupt ethical cultures. Third, governance structures and processes which distribute resources, apportion responsibility for their distribution, and thus influence the manifestation of purposeful action, maintain (and may disrupt) ethical cultures.

The *Institutions in Crisis* program suggests that these key elements are central to gaining an understanding of ethical stasis and change within organizations. IIC also serves as a starting point to consider the salience of other variables that can affect ethical culture. For example, *identity*, the affective sense of belonging that institutions generate and perpetuate, can be a more or less salient component of an organizational culture, and spans the spectrum from strong to weak. Business organizations, for example, typically have weaker affective identities than religious or military organizations. A strong sense of identity among Navy and Marine Corps pilots may have prolonged a “warrior ethos” within the military, while values and standards in the wider social environment concerning women's participation in the military (and other areas of life) changed more rapidly. Structural features related to the degree of *centralization* and *hierarchy* in an organization can also influence the eruption and development of an ethical crisis. For example, university academic departments, characterized by a decentralized and flat hierarchy, may not be as able to quickly respond to an ethical crisis as a more centralized and hierarchical organization. The loose confederation of members of the Anglican Church appears to have diffused the disagreements and tensions or simply delayed an impending ethical crisis (Ogden 2010). The centralization or hierarchy of authority can also create “silos” that prevent a strong and coherent ethos from forming across units within the organization. For example, ethical siloing between the Marketing and Research divisions was one feature leading to the ethical crisis within Merck (Presley 2009), as individuals within these silos operated according to different ethical standards. The complexity of organizations, the type of tasks associated with different organization sub-units (e.g., the relative autonomy of the tasks), and characteristics of the organizational leadership are all

variables that may influence ethical culture and the occurrence of or response to a crisis. These additional organizational features may have direct influence on ethical culture or may interact with accountability and governance.

## Organizations, Institutions, and Society

The IIC case studies analyze ethical crises as they occur in organizations. An organization, as defined above, is both a set of social relationships used to achieve collective goals as well as a set of understandings and associated activities. *Institution*, while often used interchangeably with *organization*, is understood in the IIC framework to encompass areas of social life, where these areas are also in a sense populated by organizations. Thus a single university is an organization within the institution of higher education. A single company is an organization within the institution of business or markets. Ethical cultures within organizations are sets of meanings and practices that define, express, and reproduce standards of moral evaluation within an organization.

Institutional realms can also be characterized as having dominant ethos. What is considered an appropriate practice within one sphere (tipping a waiter at a restaurant) is considered an unacceptable practice within another (tipping the host at a family dinner). Ethical standards expressed in practice can bleed across institutional boundaries: the political practice of lobbying has been adopted by religious organizations; the business practice of auditing has been adopted by educational organizations. Organizations can also straddle institutional realms: family-owned companies, combining evaluative standards of kinship as well as business; or pharmaceutical companies, combining standards of business and public health, are two examples.

In the analysis of ethical crisis, we look at the connection between ethical crisis at the organizational level and the potential the crisis has to impact institutional-level ethos. If changes in Harvard's curricula erode the mission of a liberal arts education, can we imagine this happening across higher education? If the commercial surrogacy case leads to a change in legal codes, institutionalizing the legitimacy of multiple mothers and contract births, will this alter widely shared understandings of what birth, parenthood and family mean? And what are the broader implications for society?

Just as organizational phenomena have the potential to impact institutional ethos, so too can changes in beliefs or changes in the distribution of resources in the wider institutional context trigger an ethical crisis within an organization. In Ogden's (2009a) case study of changing ideals regarding religious freedom within the Catholic Church, we see how altered ideals of political liberty and a concurrent rise of the nation state and civil society served to challenge existing dominant understandings of religious liberty. As a second example, consider the competition for public resources among colleges and universities in the 1970s and 1980s, and the effect this has had on beliefs about the moral appropriateness of corporate sponsorship of university research (Dunning & Meyers 2009, Dunning 2009).

Because of the implications that organizational-level decisions have for broader social institutions, ethical crises like those presented in the IIC program should trigger careful consideration of how the response to crises may impact not only the individuals and organizations associated with a specific phenomenon or event, but also society as a whole. Again consider the Merck/Vioxx case study. The differing standards of evaluation between the Marketing Division and Merck Research Labs that created an ethical crisis within Merck are symptomatic of institutional conflicts that continue to exist in the production and distribution of pharmaceuticals. These conflicts should prompt organizational-level inquiries, such as, "How do we accomplish our business goals of profit maximization while also protecting consumer safety; and, "What accountability structures need to be in place to accomplish these goals?" As well, citizens and policymakers should be asking questions such as, "Does the current accountability and governance regime, which exists in structures and processes of drug development and drug safety testing, best promote individual and social well-being?" While most of the media attention on Merck's "crisis" focused on the financial repercussions for Merck in the form of legal fees, consumer compensation, and a loss in stock value, the issues that are most troublesome, and have the greatest potential to impact individual and societal well-being, are ethical ones.

## Conclusion

The specific objectives of the *Institutions in Crisis* program have been to identify the causes, process, and content of ethical crises in organizations and institutions with the goal of increasing our understanding of normative stasis and change: How does our conception of what is “good” change over time? What factors make it more or less likely that normative change occurs within an organization or social institution?

From a pragmatic standpoint, a greater understanding of ethical cultures and processes of change could guide managers and policymakers in the structuring of more positive ethical cultures within organizations and institutions. Potentially fruitful next steps in the IIC research program include further exploration across a variety of organizations and institutional realms and the identification of causal relationships between organizational and institutional characteristics and ethical change, stasis, and crisis.

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\*indicates an *Institutions in Crisis* case study available at the following URL:  
<http://kenan.ethics.duke.edu/education/case-studies-in-ethics/institutions-in-crisis/>

## Appendix

### Theoretical Background and Methods of Analysis

The theoretical foundation of the framework lies at the intersection of moral philosophy, cultural sociology, and organizational studies. Thus, we begin by examining these fields of study and their points of intersection.

*Moral philosophy.* Moral philosophy, the study of values and value systems, is typically divided into three major areas distinguished by level of abstraction. At the highest level of abstraction, *metaethics* focuses on the essence of what constitutes “good” and “evil.” *Applied ethics*, as the least abstract, applies definitions of good and evil to specific cases, such as animal rights or abortion. The third area, *normative ethics*, focuses on how understandings of what is good or evil, right or wrong, manifest in daily living; how these understandings guide decision-making; and how these moral frameworks affect the well-being of individuals, groups, and societies. The IIC project is grounded in normative ethics because it is concerned with the characterization of ethical frameworks in organizations and institutions, under what conditions these decision-making frameworks are sustained or altered, and how they impact human well-being and flourishing.<sup>2</sup>

*Cultural Sociology.* The IIC conceptual framework also draws on the analytical perspective and methods of cultural sociology. Sociology examines social organization and the social causes and consequences of human action. Cultural sociology is a perspective that considers the shared nature of attitudes, values, goals, and patterns of human behavior which characterize an institution, organization, or group. As cultural sociologist Jeffrey Alexander states, the task of cultural sociology is “to bring the unconscious cultural structure that regulates society into the light of the mind” (2003: 3-4). Patterns of thinking—cultural structures or “schema”—reciprocally relate to patterns of behavior or the “practices” which enact and reproduce schema.

The proposition that areas of social life are comprised of dualistically related sets of ideas and associated practices is reflected in a number of theoretical formulations: the “reflexive sociology” of Bourdieu (1990); the “duality” of Breiger (1974; 2000); “structuration” and “duality of structure” of Giddens (1984), Sewell (1992), and Greenwood & Hinings (1988; 1996); the “inhabited institutions” approach of Hallett & Ventresca (2006); and ideas of negotiated orders (Fine 1984). Rather than arguing for the primacy of either ideas or material resources in the constitution of phenomena, these perspectives view structures—defined as observable phenomena that have a broadly recognized meaning among a group or population—as “sets of mutually sustaining schemas and resources that empower and constrain social action and that tend to be reproduced by that social action” (Sewell 1992: 19).<sup>3</sup>

<sup>2</sup> In this document *well-being* and *flourishing* are used interchangeably, though philosophical distinctions exist between them.

<sup>3</sup> A related area of research crosscutting the humanities and social sciences is the analysis of variation in meaning systems as they are observed across different realms of social activity, and the categorization of these activities into distinctive types. Sociologists Thornton and Ocasio (2008), for example, have examined how “logics” vary across the social institutions of the market, the state, the corporation, professions, religion, and family. Using company documents, they trace over time how the logic in higher education publishing changed from an “editorial” logic based on reputation and relationships to a “market” logic based on competition and growth. Townley (2002) draws on Max Weber’s categories of rationality to examine how decision-making in the context of a single art museum shifted over time from decisions based on substantive rationality to those based on instrumental rationality. Social historian William H. Sewell, Jr. (1992) and social theorist Anthony Giddens (1984) theorize society as comprised of intersecting and overlapping institutional spheres, whereby the logics and dynamics of one sphere (e.g., kinship, education, religion) are distinct from yet potentially influence the logics and dynamics of other spheres. Political theorist Micheal Walzer (1983) created a qualitative categorization of different areas of social life defined by the distributive rules associated with each, and Rogers Smith (1993) categorized “political orders” that have informed the basis of American political debate. Boltanski and Thevenot (1999) organize social life into six “orders of worth”: civic, market, inspired, fame, industrial, and domestic, inductively deriving these six orders from a content analysis of texts used in managerial training in French corporations. From a psychological perspective, Victor and Cullen (1988) and colleagues have categorized “ethical climates” in organizations, measuring individual perception by means of standardized questionnaires. Three ethical climates—principled, benevolent, and egoistic—have emerged from factor analysis of the responses.

The IIC project shares the qualitative and inductive method of analysis used by most of these researchers but is less concerned with providing an all-inclusive categorization of ethical belief systems. IIC takes a more pragmatic approach, focusing on key structural elements in organizations

Just as the reciprocal relationship between practice and schema undergird the organization of society, the destabilization of practices and schemas can alter social organization. Of particular interest to sociologists, schema-practice arrangements impact the distribution of resources (money, power, knowledge, etc). Working in the opposite direction, a change in the way society is organized (e.g., demographic changes that lead to growth in the elderly population) or in the distribution of resources (e.g., higher inheritance taxes that redistribute resources from richer to poorer groups), can influence and alter existing dominant schema and practice. It is through these changes in schema and practice—within the organization, among organizations, and in conjunction with other social structures—that normative change occurs. Though a generalization, sociology is more concerned with describing what “is” and normative ethics with what “ought to be.” The IIC conceptual framework and curriculum are equally concerned with the empirical identification and study of belief and behavior as well as the normative aspects of these.

For one example of destabilization of an existing schema, consider the case of commercial surrogacy (IIC case by Points 2009). The organization in crisis is the Akanksha Infertility Clinic, located in Anand, India, considered to be a global hub for the surrogacy industry. A contract negotiated between a Japanese couple and Akanksha resulted in the division of creating a child across three different women: one woman who supplied an egg, one who supplied a gestational home (the surrogate mother), and one who contracted for these services and would be the child’s legal mother at birth. Legal complications accompanying the baby’s birth challenged existing understandings of motherhood and family, prompting a questioning of the social meaning of “mother” in the context of modern society and modern reproductive technologies. Traditional understandings of motherhood and family (the schema), institutionalized in national legal codes and human relationships (the practice), were not easily applied to this event, constituting a crisis for the family, the reproductive clinic, and the governments of India and Japan.

*Organizational Studies.* Because the unit of analysis—the object of our attention in the case studies—is the organization, the IIC analytic framework also draws from the study of organizations. The primary instrumental goal within organizational studies is to understand why some organizations perform better than others and to discover steps that can be taken to improve organizational performance. Because this particular social arrangement, “the organization,” is ubiquitous in modern life, with individuals typically defined by their membership in or relationship to various organizations, steps taken by managers to alter the operation of organizations (or, analogously, by policymakers to alter the operation of institutions), are potentially consequential for society as a whole. By adopting an organizational meso-level for analysis, the IIC framework connects micro-level individual considerations to those at the macro-level of society. For example, again drawing from the commercial surrogacy case, we can consider not only features of the fertility clinic and its practices as having contributed to the ethical crisis but also the interplay between reproductive clinics and reproductive technologies within society. Thus, ethical crises within single organizations expose (and can contribute to) ethical crises in broader social institutions.

## Methods of Analysis

Normative ethics and cultural sociology, reflecting their disciplinary homes in the humanities and the social sciences, differ in analytical approach and methods of analysis. Moral philosophers examine ethics primarily through reflection and deductive reasoning. Sociologists examine beliefs and behaviors—with ethics constituting a subset of these—as cultural objects that can be empirically described and characterized, categorized, and compared over time and space. Cultural sociologists operate inductively, drawing on observation, interviews, and historical and textual analysis to make general conclusions about social life. IIC case studies use secondary data (e.g., analysis of historical events written by others) and primary data in the form of interviews, newspaper accounts, and

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and institutions that appear to have the most influence upon decision-making and in maintaining ethical systems or prompting change in them over time.

observation to construct a narrative of events which represented or triggered an ethical conflict or ethical crisis in an organization. The set of concepts employed in the case analyses (discussed in the main text of this document) provide a framework for inductive analysis of ethical stasis and change within single organizations or sets of like organizations. For example, in Ogden's (2009a) case study of Vatican II, the author examines changes over time in the meaning of religious liberty, accomplishing this through an analytic comparison of church documents from Vatican I and Vatican II. In this case, we see traditional beliefs about the church's authority over religious liberty challenged by Enlightenment principles of individual liberty and scientific reason.

The IIC project seeks to conceptualize ethical change in organizations and institutions and to more closely specify the structures and processes which comprise organizational ethos. Beyond the goal of deepening our understanding of the human condition, we also have an instrumental objective. By specifying what organizational processes and structures appear to reproduce or alter ethos, IIC provides the possibility that ethical cultures can be strengthened and ethical crisis avoided or remediated.