

# Moral Imagination, Collective Action, and the Achievement of Moral Outcomes

*Timothy J. Hargrave*

**ABSTRACT:** Drawing upon the collective action model of institutional change, I reconceptualize moral imagination as both a social process and a cognitive one. I argue that moral outcomes are not produced by individual actors alone; rather, they emerge from collective action processes that are influenced by political conditions and involve behaviors that include issue framing and resource mobilization. I also contend that individual moral imagination involves the integration of moral sensitivity with consideration of collective action dynamics. I illustrate my arguments with a case study of the Chad-Cameroon oil project. The paper suggests new directions in teaching and research on moral imagination.

## INTRODUCTION

**I**N HIS 1993 BOOK *Moral Imagination*, Mark Johnson challenges the conventional view of moral deliberation as the application of general, abstract rules. Writing that the view that moral reasoning consists of “discerning the appropriate universal moral principle” (Johnson, 1993: 1) “is mostly at odds with what we are learning about human conceptual structure, judgment, and reasoning” (Johnson, 1993: 79–80), Johnson reframes moral reasoning as “basically an imaginative activity” (Johnson, 1993: ix–x).

Drawing on Johnson and others, Patricia Werhane (1999) introduces the concept of moral imagination into the business ethics discourse. Werhane argues that moral imagination can prevent ethical lapses in business by enabling managers to escape the mental models that typically shape their perceptions and decisions.

Werhane and other business ethics scholars have represented moral imagination as a cognitive process that involves attention to social process. The purpose of this paper is to extend this perspective. Drawing upon the collective action model of institutional change, I argue that in addition to involving consideration of social process, moral imagination *is* a social process. Morally imaginative arrangements emerge through dialectical processes that are influenced by actors’ relative power and political skill. Key features of these processes include the political opportunity structure, which is the set of formal and informal political conditions (Campbell, 2005); contests to frame the meanings of the issues at hand; and efforts to mobilize the resources needed to achieve objectives. I also argue that individual moral imagination involves the pragmatic integration of moral sensitivity with consideration of the dynamics of collective action.

I proceed as follows. In the following section I briefly review the literature on moral imagination and describe the collective action model of institutional change. In the paper's third section I present the implications of the collective action model for understanding of moral imagination, and in the paper's fourth section I present the case of Exxon Mobil's Chad-Cameroon Development Project to illustrate and elaborate my argument. In the final section I offer concluding thoughts.

### THEORETICAL BACKGROUND

Johnson defines moral imagination as "an ability to imaginatively discern various possibilities for acting within a given situation and to envision the potential help and harm that are likely to result from a given action" (Johnson, 1993: 202). As noted, he invokes the concept of moral imagination to challenge the dominant view that moral deliberation involves the application of abstract rules. This embrace of imagination does not constitute a rejection of rule following; rather, it suggests that principles be treated as guidelines rather than commands. Johnson writes that "general principles are often indispensable as improvable tools to experimentally develop a situation's individualized meanings" (1993: 58).

In introducing the concept of moral imagination into the business ethics discourse, Werhane emphasizes that moral imagination involves practical consideration of context. She writes that "moral awareness and moral judgment begin with the particular—with a particular situation, temptation, or dilemma" (Werhane 1999: 92). Werhane (2002) draws on Mitroff and Linstone's (1993) "systemic multiple perspectives approach" to further develop a pragmatic conception of moral imagination. She argues that moral imagination involves "concentration on the network of relationships and patterns of interaction" in which a moral dilemma unfolds, understanding of various stakeholders' perspectives, and inquiry into which stakeholders have not been considered (Werhane, 2002: 40; also see Werhane, 2008).

Moberg and Seabright take a similar view. They conclude that moral imagination includes consideration of "the practical demands of the situation" (Moberg & Seabright, 2000: 872). Arnold and Hartman also situate moral imagination in social context, theorizing that "*moral* imagination allows one to conceive of the *moral relationships* that should be in place within the system" (Arnold & Hartman, 2003: 431, italics in original). Arnold and Hartman demonstrate that the managers of two apparel and footwear companies, Nike and adidas-Solomon, broadened their conception of the boundaries of morally relevant stakeholders to include contractors and factory workers, among others.

This extant literature presents moral imagination as a socially situated cognitive process, the implicit assumption being that individual actors create morally imaginative arrangements. For example, Werhane opens her 1999 book by referring to Malden Mills CEO Aaron Feuerstein's decision to respond to a disastrous factory fire by quickly rebuilding the factory and continuing to pay his employees while the plant was being rebuilt. Werhane attributes this outcome to Feuerstein's moral imagination, and in particular his ability to perceive a "web of economic relationships" as "a web of moral relationships" (Werhane, 1999: 6).

I propose to extend current understanding by drawing upon the collective action model of institutional change (Hargrave and Van de Ven, 2006). As elaborated in the next section, this model provides two insights into moral imagination. First, it suggests that moral imagination be conceptualized not only as an individual cognitive process that involves consideration of social process, but also as a social process itself. Second, the model identifies the key features of this social process that influence the development and shape of morally imaginative outcomes.

The collective action model contributes to the development of the neoinstitutional theory of organizational sociology. Neoinstitutional theory is concerned with the relationship between organizations and institutions, which are humanly devised rules that enable and constrain action and make social life predictable and meaningful (Scott, 2001). Initial formulations of the theory portrayed institutions as having a deterministic influence on organizations' activities and characteristics (DiMaggio and Powell, 1983; Meyer and Rowan, 1977). Early works that portrayed institutional change as occurring through faceless diffusion processes contributed to this view of institutions as totalizing (Burns & Wholey, 1993; Strang & Meyer, 1993; Tolbert & Zucker, 1996).

In recent years, neoinstitutionalists have given increasing attention to the role of agency (purposive action) in institutional processes (Fligstein, 1997; Garud, Hardy, & Maguire, 2007; Leca & Naccache, 2006; Oliver, 1991). Lawrence and Suddaby (2006) introduce the concept of institutional work into the study of institutions and institutional change. They define institutional work as "the purposive action of individuals and organizations aimed at creating, maintaining and disrupting institutions" (Lawrence & Suddaby, 2006: 2).

The collective action model contributes to the development of this emerging actor-oriented view of institutional processes. Collective action processes are dialectical processes in which proponents of existing arrangements interact with proponents of alternative arrangements, setting the stage for the production of new arrangements. Contradictions are central to dialectical processes of change because they create the conditions for the emergence of new arrangements (Clemens, 1997; Clemens & Cook, 1999; Seo & Creed, 2002).

Scholars have posited many variations of dialectical processes. These can be distinguished (among other ways) by their views on how contradictions are resolved, their determinacy, and the nature of the institutional arrangements they produce (Nielsen, 1996b). In Marxian and Hegelian dialectical processes, conflict is the motor of change. Incumbents who support and are supported by current institutional arrangements (thesis) are challenged by an opposing group espousing an antithesis, setting the stage for a synthesis which both negates and preserves the thesis and antithesis (Schneider, 1971). This synthesis is seen as a product of historical forces and therefore as not conditional upon the behavior or skills of particular actors.

In contrast, other models view social processes as more indeterminate and contingent. According to this view, institutional arrangements are not transformative syntheses but rather temporary truces that reflect the relative power and political skill of opposing parties (Hargrave & Van de Ven, 2006; Seo & Creed, 2002; Van de Ven & Poole, 1995). The Bakhtinian (Bakhtin, 1981) dialogical perspective ex-

tends this viewpoint, characterizing social spheres as “discursive spaces which are shaped by a multiplicity of voices, dominant and peripheral, which together make up a contested and ever-changing arena of human action” (Belova, King, & Sliwa, 2008: 495). Underlying the collective action model is this more contingent and “polyphonic” (Bakhtin, 1981) view of history. The collective action model provides a comprehensive framework that encompasses the political process social movements framework (Davis & Thompson, 1994; McAdam, 1982) used by Nielsen (2000) in the business ethics literature to develop remedies for systemic corruption.

The collective action model emerged from examination of the descriptions of the dynamics of change found in the social movements and technology innovation and management (TIM) literatures (Hargrave & Van de Ven, 2006). The TIM literature has found that technological contests rarely are based on technical considerations alone or decided by single actors; rather, they play out through pluralistic processes of negotiation, compromise and accommodation (Anderson & Tushman, 1990; Bijker, Hughes, & Pinch, 1987; Murmann & Tushman, 2001; Rosenkopf & Tushman, 1994; Tushman & Anderson, 1986). Garud and Karnøe (2003) illustrate this view in their study of the global wind turbine market. They conclude that the Danes succeeded in dominating this market because they developed new technology through a distributed social process. Breakthroughs emerged in the Danish network of designers, users, research centers, and regulators as these actors pursued their immediate goals and interests.

The social movements literature also testifies to the dialectical, emergent nature of change. For example, in his study of the efforts of the Texas Industrial Area Foundation (TIAF) to build an interfaith and multiracial network in the southwestern United States, Warren (2001) finds that while the TIAF offered central direction to community organizers, at the same time it served as a “free space” for community leaders to communicate and collaborate. Movement leaders succeeded in making change because they both engaged in centralized, planned decision making and allowed strategy to emerge from its membership.

#### MORAL IMAGINATION AND COLLECTIVE ACTION

The collective action model suggests that moral imagination is a dialectical social process as well as an individual cognitive one. Moral imagination—the “ability to imaginatively discern various possibilities for acting . . . and to envision the potential help and harm that are likely to result” (Johnson, 1993: 202)—plays out through interpersonal and interorganizational processes as well as cognitive ones. Imaginative solutions to ethical dilemmas are not created whole-cloth by inspired individuals working alone, as the extant literature suggests; rather, they emerge from pluralistic processes in which multiple actors with opposing moral viewpoints interact, and no single actor is in control. Nielsen’s (1996a) seminal book on the “politics of ethics” also portrays moral outcomes as emerging from social interactions. His focus is on formal dialogical methods used within organizations.

The collective action model identifies important elements that influence the outcomes of collective action processes of moral imagination. One of these is the

struggle over the meanings of relevant issues (Benford & Snow, 2000). Social movements scholars have come to view activists as “signifying agents” (Snow & Benford, 1988) engaged in *framing battles*. This suggests that morally imaginative arrangements emerge from contests over the moral meanings of relevant issues.

Social situations inherently contain moral contradictions. For example, contradictions exist between public and private interests, and between opposing conceptions of what is ethical (e.g., consequentialist and non-consequentialist perspectives; “masculine” and “feminine” conceptions of virtues). Indeed, as I already have suggested, a contradiction exists between the conception of ethics as rigid, acontextual rule following and the opposing conception which emphasizes pragmatism and imagination. The collective action model suggests that the moral perspectives that come to be shared among a field of actors emerge from lived tensions between contradictory perspectives.

The collective action model also identifies the *political opportunity structure* as an important element of social processes. Campbell (2005) describes the political opportunity structure as a set of formal and informal political conditions that encourage, discourage, channel, and otherwise affect movement activity. Political opportunity structures differ in the degree to which they are open versus closed to challengers, and the degree to which they are based on internally consistent and defensible paradigms (Clemens & Cook, 1999; Sewell, 1992). The implication for understanding of collective action processes of moral imagination is that proposals for morally imaginative new arrangements must not only support moral action but also be politically feasible. In the context of a hostile political opportunity structure, a modest morally imaginative proposal may be preferable to a more ambitious one.

Finally, the collective action model portrays the outcomes of collective action processes as reflecting competing parties’ abilities to build coalitions, and in particular to convert existing relationships into *mobilizing structures* that possess the skills and resources needed to overcome political resistance. Actors are more likely to realize morally imaginative arrangements when they are able to develop such structures, and do so more effectively than opponents. The US Civil Rights Movement provides an example of such capacity: Movement leaders accomplished their achievements in part by converting black colleges, black churches, and local chapters of the NAACP into “instruments of contention” (McAdam, 1982; McAdam, Tarrow, & Tilly 2001).

The collective action model and the dialectical perspective also have implications for understanding of individual moral imagination. They suggest that morally imaginative actors recognize and integrate contradictory moral viewpoints, and also integrate moral sensitivity with the contextual considerations just identified—issue framing, the political opportunity structure, and resource mobilization. Dewey took this view, describing moral judgment as involving the integration of “empathetic projection” and “creatively tapping a situation’s possibilities” (Fesmire, 2003: 65). This dialectical perspective on individual moral imagination is supported by the management literature which finds that actors can be more effective when they engage in “both/and” thinking that re-frames complex contradictory forces as complementary and a source of creative energy (Cameron & Quinn, 1988; Cameron,

Quinn, DeGraff, & Thakor 2006; Eisenhardt & Wescott, 1988; Ford & Backoff, 1988; Quinn & Cameron, 1988).

Figure 1 depicts the conceptions of individual and collective moral imagination just presented. The figure captures this paper’s main argument that morally imaginative arrangements emerge from dialectical social interactions. It also shows that at the individual level, moral imagination involves a both/and embrace of moral sensitivity and practical considerations. Finally, Figure 1 captures the relationship between individual and collective moral imagination, portraying individual acts of moral imagination as influencing but not determining the collective process of moral imagination.

The collective action model describes some of the situations that morally imaginative managers face better than others. Decisions differ with respect to the number of stakeholders they involve and the degree to which decision-making is concentrated. The collective action model is most applicable in pluralistic social settings in which power is dispersed among many actors. Note, however, that contradictory positions are present even in situations in which power is concentrated; they just may not be visible because challengers are too weak to mobilize. Even in these situations the decision maker has the opportunity to seek out contradictory viewpoints and use them as a source of creative tension.

Dialectical Social Process of Moral Imagination

- Framing contests
- Political opportunity structure
- Resource mobilization

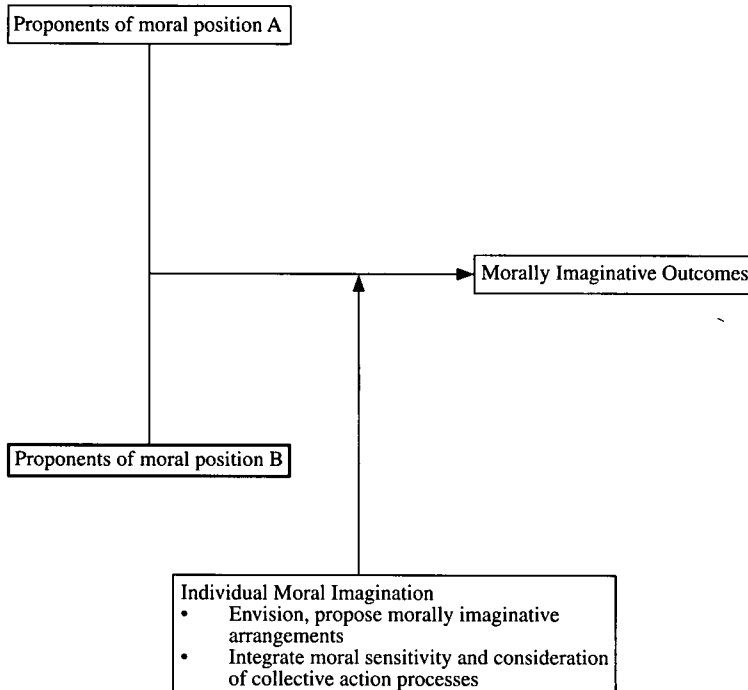


Figure 1: Social and Individual Processes of Moral Imagination<sup>1</sup>

## EXAMPLE: EXXON MOBIL'S CHAD-CAMEROON PROJECT

Werhane (2008) has referred to Exxon Mobil's<sup>2</sup> Chad-Cameroon petroleum development and pipeline project to illustrate the concept of moral imagination. Here I generate further insights into moral imagination by using the collective action model to analyze the project.

*Method*

To develop this case study, I collected background information from documents found on the websites of Exxon (Esso Exploration and Production Chad, 2008), the World Bank (2008), and numerous nongovernmental organizations interested in the project; a project overview and analysis provided by World Bank staff; World Bank reports on its social and environmental initiatives; articles on the project in the business and general circulation periodicals *Business Week*, *Financial Times*, *Forbes*, *Fortune*, *New York Times*, *Times of London*, *The Wall Street Journal*, and the *Washington Post*; a Darden Business School case by Werhane, Freeman, and Wicks (2003); and Harvard Business School cases written by Esty (2006), Esty and Ferman (2006), and Esty and Sesia (2006). I also interviewed a researcher of one of the case studies, and I corresponded with a World Bank official who works on the project. Finally, I analyzed Exxon Mobil management's mental models of public issues management and environmental management. I provide a description of this content analysis in the Appendix.

*Findings*

Oil companies first discovered oil in Chad in 1969. Development followed shortly thereafter, was suspended in 1979 due to unrest in the country, and then was restarted in the early 1990s by a consortium led by Exxon. In 1996 this consortium signed a memorandum with the governments of Chad and Cameroon to undertake a two-part project. The first involved the development of oil fields in southern Chad, while the second involved the construction of a 650-mile pipeline through Chad and Cameroon to the Cameroonian coast. The project consortium initially included Exxon, Royal Dutch/Shell, and Elf. In 1999, however, Shell and Elf dropped out of the project. They were replaced by Malaysian national oil company Petronas, which owns 35 percent of the project, and Chevron Texaco, which owns 25 percent. Exxon Mobil holds a 40 percent stake and is the project's operator.

The Chad-Cameroon project's cost of approximately \$4 billion makes it the largest private sector investment ever undertaken in sub-Saharan Africa. According to initial estimates, the project was expected to generate \$2 billion in royalties, taxes and dividends for Chad over twenty-five years, increasing the country's national budget by over 50 percent. In addition the project was expected to generate \$500 million in pipeline transit fees, taxes, and dividends for Cameroon, and \$5.7 billion in upstream cash flow and dividends for the project's private partners. A mid-range initial estimate showed the net present value of the project to be over \$800 million for Chad, approximately \$140 million for Cameroon, and nearly \$1.4 billion for

the oil companies. Actual revenues and returns to project participants thus far have been much higher than originally projected because of high oil prices. For example, while as noted the project was expected to generate \$2 billion in revenues for Chad over twenty-five years, it had already done so by mid-2007.

Since the project's inception, the oil consortium and its lenders have been concerned about political risk, including the risk that the government of Chad would seek to renegotiate its royalty agreement. They also have been concerned that the Chadian government, which came to power through a coup and has a history of corruption and repression, will use project revenues for the benefit of a few and against its political opposition. In addition, activists have argued that the project will result in a host of environmental problems including deforestation, biodiversity loss, ecosystem disruption, oil spills, and groundwater contamination. They also expect that the project will harm indigenous communities that rely on the disturbed environments for their survival.

To address the project's political, social, and environmental risks, Exxon and its partners invited the World Bank into the project. This was because of the Bank's experience in working with non-democratic governments, and with the Chadian and Cameroonian governments in particular. In addition, and as discussed below, it had experience in stakeholder management and was interested in improving its credentials and reputation in this area (Davis, 2004).

The World Bank agreed to join the project in late 1994, subject to the approval of its Board of Governors. This required the completion of a comprehensive environmental assessment, which in turn involved an extensive stakeholder consultation process. According to Exxon Mobil, "the Project has held nearly 5,000 public consultation meetings reaching tens of thousands of people in hundreds of villages throughout the Project area" (Exxon Mobil, 2003a). The stakeholder consultation process led to many amendments that addressed the project's social and environmental impacts. The project's final design included among other things the creation of an environmental foundation, re-routing of the pipeline, two national parks in Cameroon, adoption of third party environmental monitoring safeguards, an "Indigenous Peoples Plan" to address the project's impacts on local peoples, HIV/AIDS and malaria prevention programs, and the construction of schools, health clinics and other community facilities.

The Chad-Cameroon project is also notable for its Revenue Management Plan with the government of Chad. Because the World Bank recognized that the project's success as an economic development project depended on the productive deployment of oil revenues, it made its participation in the project contingent on a satisfactory plan for disbursing these revenues. In 1998 the Bank and the government of Chad agreed on an initial plan which dedicated approximately 85 percent of direct oil revenues (royalties and dividends) to education, health, and rural development initiatives and ten percent to a trust to finance poverty reduction for future generations. All expenditures were to be supervised by a nine-person oversight committee that included four representatives from nongovernmental "civil society" organizations.

After completion of the environmental assessment and adoption of attendant modifications, the World Bank's Board of Governors approved funding for the project in



June, 2000. Construction began later that year. The project began producing oil in 2003, and Chad received its first revenues from the project in July, 2004.

In 2005 the Chadian government sought to unilaterally amend the initial Revenue Management Plan to allow for military spending. The World Bank responded by suspending all new loans and grants to the country. Shortly thereafter, the Bank and the Chadian government reached an interim memorandum of understanding which calls for Chad to dedicate 70 percent of its 2007 national budget (not just direct project revenues) to social spending in "priority sectors." The parties also have agreed to strengthen the international oversight body monitoring the implementation of the revenue management program. Project critics contend that the project has had negative impacts on the natural environment and the poor, provided little development benefit, and does not hold the Chadian government sufficiently accountable.

Werhane has called Exxon Mobil's approach to the Chad-Cameroon project a model of moral imagination because it "is holistic, envisioning the company as part of an alliance that takes into account and is responsible to multiple stakeholders, not merely shareholders and oil consumers" (Werhane, 2008: 470-71). The project's most morally imaginative arrangements are the stakeholder consultation process and the Revenue Management Plan. Exxon Mobil has called the stakeholder process "by far the most extensive public consultation process ever undertaken in Africa" (Exxon Mobil, 2003a), and the Revenue Management Plan's earmarking of project revenues to environmental and development initiatives is unprecedented among development projects.

Analysis based on the collective action model extends Werhane's insights into the case. This analysis reveals that the project's morally imaginative arrangements came about not only because Exxon Mobil envisioned the project as an alliance, as Werhane notes, but also because the World Bank exercised both/and thinking, and because of the workings of a dialectical social process involving actors with contradictory moral perspectives.

The content analysis described in Appendix 1 indicates that Exxon Mobil management long has tended to take the view that the company satisfies its social responsibilities by providing needed energy, developing new technology, increasing shareholder value, and creating economic development benefits to host countries. Consistent with this tradition, company management took a utilitarian, shareholder-oriented view of the Chad-Cameroon project.

Project critics have tended to take a more rights- and stakeholder-oriented approach to the project than Exxon Mobil. They sought to derail the project and have been most interested in seeing that a broad range of stakeholders' basic rights are respected, and project benefits distributed equitably. Project opponents have been particularly skeptical that the project will have broad development benefits for the people of Chad and Cameroon. One Chadian, quoted in a Harvard Business School case, looked to the "resource curse" that has afflicted other oil-producing nations and wondered: "The exploitation of oil has retarded [the] development [of Nigeria, Angola, the two Congos, and Gabon]. What are the chances that things will be any different in Chad or Cameroon?" (Esty, 2006: 9).

Although Exxon management steadfastly held to its position, it also recognized that its opponents had a different view and the power to bring it to bear. Company

management understood that stakeholder pressure on oil companies had increased in the 1990s following the Exxon Valdez oil spill in 1989 and two highly publicized incidents in the mid-1990s involving Royal Dutch/Shell (Fombrun & Rindova, 2000).<sup>3</sup> Thus it invited the World Bank into the project. While doing so certainly did not satisfy all project critics, the move was responsive to stakeholder pressure and provided the company with a powerful ally in favor of the project.

Exxon's decision to bring in the World Bank was particularly effective because the Bank had the capacity and disposition to address stakeholder concerns, and because the formal and visible process by which the Bank's Governors considered and ultimately approved the project became the focal point for criticism. In effect, the Bank absorbed much of the project's social and political risk. Said Gregor Binkert, the World Bank's representative in Chad, "I don't mind if we become a lightning rod" (Useem, 2002). Ultimately, Exxon Mobil succeeded in carrying out the project not just because its managers could conceive of new moral relationships with stakeholders (Arnold & Hartman, 2003) but because they understood the project's political environment and were able to identify a partner which could help it effectively respond to others' moral concerns. Exxon spoke to this in its 2003 Corporate Citizenship Report, which states that,

[a]s a private company, ExxonMobil cannot dictate what governments do with their money. But what we can do is work with international institutions like the World Bank to provide a mechanism such that there is some transparency with regard to where the money is going. The Chad-Cameroon Project Revenue Management Plan is one example. (Exxon Mobil, 2003b: 19)

The World Bank exercised moral imagination in developing and implementing the extensive stakeholder consultation process and the novel Revenue Management Plan. These actions were a product of the Bank's recent history. From the mid-1980s to the mid-1990s the Bank developed "methods and tools . . . for incorporating social considerations and the views of poor people into the design of development projects" (Davis, 2004: v). This occurred in response to criticism of the adverse social and environmental impacts of some of the Bank's large scale development projects, and especially the Narmada dam project in India. The result was a "flurry of conceptual and organizational changes" at the Bank in the mid-1990s "which put social development concepts and social development practitioners into the mainstream of development practice" (Davis, 2004: v). Whereas in the early 1990s, the Bank had no staff assigned to work with civil society, by the end of fiscal 2001 it had specialists and liaison officers in about seventy missions (World Bank, n.d.).

At the time it became involved in the Chad-Cameroon project, the World Bank was looking for opportunities to imaginatively address tensions between revenue generation and social and environmental issues. By predicating its involvement on the development and implementation of project social and environmental standards, the Bank hoped to create a model for future large-scale projects. The Bank also recognized that it had the leverage needed to implement the revenue management plan because the project presented the government of Chad with a rare opportunity

to develop a large-scale project and therefore significantly increase its budget. While even if it were the case, as many argue, that the World Bank is a sympathetic and supportive partner of the US government and corporations, it appears that the Chad-Cameroon project was realized because World Bank staff incorporated other stakeholders into their thinking as well.

The morally imaginative features of the Chad-Cameroon project emerged not only from moral imagination at Exxon and the World Bank but also from the dynamics of collective action. Opposing interests and positions characterize every large-scale development project, but other projects have not generated arrangements like those of the Chad-Cameroon project. While Exxon and World Bank managers made imaginative decisions, they may not have in another context. The Revenue Management Plan and stakeholder consultation process bore no resemblance to the arrangements that any of the project participants initially envisioned. They resulted from a series of actions and were crafted primarily by an actor, the World Bank, which was not initially involved in the project.

One particularly important element of the Chad-Cameroon project is the tension between contradictory moral positions. In fact, the project's imaginative arrangements may not have been possible had the positions of the parties not been so sharply opposed.

Exxon Mobil is well-known for being resolute and persistent. Arvind Ganesan of Human Rights Watch, one of the Chad/Cameroon project's critics, noted that "Exxon is so consistently recalcitrant that it's almost funny" (Bianco, Forest, Reed, Belton, Webb, & Wheatley, 2001). Exxon management does not disagree; speaking of the company's controversial stances on environmental issues, former company Executive Vice President Rene Dahan once said of the company that "Comfort is not on our menu when we determine what we believe in and decide to speak up" (Dahan, 2001).

Activists also were strongly committed to their view of the project. One reason for their concern was the track record of Exxon Mobil, which was responsible for the Valdez oil spill and strongly and publicly resisted greenhouse gas regulation. Another was that the Cameroonian and Chadian governments were considered among the world's most corrupt and repressive. Employing both/and thinking, the World Bank took a position that was responsive to both the oil consortium and activists.

In sum, because the Chad-Cameroon project was large, highly visible, and contained a volatile mix of interests and positions, creative tension was high and imaginative arrangements were produced. If opponents of the project had been unable to mobilize their position, less creative tension had existed among contradictory positions, or both/and thinking had not been used, then imaginative arrangements would have been less likely to emerge.

The Chad-Cameroon project underscores the complexity and messiness of dialectical processes of moral imagination. The project supports the Bakhtinian perspective that dialectical processes can be indeterminate rather than conclusive and transformative. While the Chadian revenue management plan and the project's environmental and social safeguards are unique and innovative, they continue to be contested. The project's arrangements at any given time appear to be temporary settlements that are contested anew when power relations shift. The Chad-Cameroon project suggests that

in addition to being both an individual and collective achievement, moral imagination must be continuous, because arrangements at any given time may be tenuous.

### CONCLUSION

To date business ethics scholars have conceptualized moral imagination as a cognitive process that involves attention to social processes. Drawing upon the collective action model of institutional change, I have argued that moral imagination is itself a social process: Morally imaginative arrangements are not produced by individual actors alone but rather emerge through collective action processes. The imaginative discernment of possibilities for acting and the envisioning of potential help and harm (Johnson, 1993) take place socially as well as cognitively.

I have also used the collective action model to identify the key features of collective action processes that influence the development of morally imaginative outcomes. Further, I have argued that morally imaginative actors integrate moral sensitivity with consideration of these features. In envisioning new arrangements that are both morally sensitive and politically feasible, these actors embrace moral contradictions; read the political opportunity structure; and re-conceptualize existing relationships as "mobilizing structures" in order to build political support.

The collective action model provides insight into Werhane's three stage process model of individual moral imagination. This model characterizes moral imagination as involving: *reproductive imagination*, which is an awareness of what is at issue in a particular situation and the mental models one employs to understand it; *productive imagination*, in which one assesses and challenges existing mental models; and (c) *free reflection*, which enables one to "envision and actualize novel, morally justifiable possibilities" to answer moral questions (Werhane 1999: 105). The arguments in this paper re-cast productive imagination as involving the ability to simultaneously hold in mind two contradictory moral positions, and free reflection as creative use of the tensions between these positions. While the collective action model applies more to pluralistic social processes involving multiple stakeholders than to situations in which power is concentrated, this ability to creatively use contradictions can also benefit managers in the latter case.

The collective action model has implications for business ethics teaching and research. First, it suggests that business ethics scholars give attention to the social processes through which morally imaginative arrangements emerge, in addition to considering individuals' cognitions and actions. As noted, the model suggests that researchers give attention to how framing contests, the political opportunity structure, and resource mobilization efforts influence the achievement (or not) of morally imaginative outcomes.

In addition, the model suggests the need to study and teach individual ethical decision-making as the integration of moral sensitivity and practical political concerns. Moral imagination involves but is not wholly constituted by moral sensitivity. While "direct valuing" of stakeholders (Fesmire, 2003: 67) is an element of individual moral imagination, "best intentions" are more likely to be realized if integrated with an appreciation of the dynamics of collective action.

## APPENDIX

## ANALYSIS OF EXXON MOBIL MANAGEMENT'S MENTAL MODELS

I analyzed the public issues management and environmental management logics of Exxon Mobil's top managers for the period 1985 to 2004. The public issue management logic is the manager's understanding of how to manage public issues and related issues and stakeholders, and the environmental management logic is the manager's understanding of how to manage public issues and related stakeholders that relate particularly to the natural environment.

My primary sources were the company's annual reports, social and environmental reports, corporate magazines, speeches, and press releases. I used two methods to analyze Exxon Mobil's managers' mental models. First, I created narrative accounts of their characteristics and evolution. Second, I conducted content analysis of annual reports (Barr, 1998; Barr, Stimpert, & Huff, 1992; Bettman & Weitz, 1983; Clapham & Schwenk, 1991; Huff & Schwenk, 1990). I first developed a coding scheme through a process of iteration between theory and data, using the software package Atlas.ti to code the data. To assess the validity of my final coding scheme, I employed two independent raters to code annual reports on a sample basis. After a reconciliation process to correct for exceptions resulting from misapplication of codes, the independent coders and I achieved an overall agreement level of 94.9 percent and a Cohen's kappa of 88.9 percent. Cohen's kappa is a measure of reliability that takes into account chance agreement. A Cohen's kappa of 80 percent is considered reasonable (Poole, Van de Ven, Dooley, & Holmes, 2000). My final coding scheme is available upon request.

## NOTES

I am grateful to Norman Bowie, Jared Harris, *BEQ* Associate Editor Marshall Schminke, and three anonymous *BEQ* reviewers for their comments on earlier drafts.

1. Although the collective action model views dialectical processes as complex interactions among potentially many actors, for the sake of simplicity, here I have depicted these processes as contests between two opposed elements. Further, while Figure 1 could be read to suggest that individual morally imaginative actions are taken by third parties who are not proponents of a particular viewpoint, this need not be the case.

2. In 1999, Exxon and Mobil merged to form the Exxon Mobil Corporation. When referring to the company generally, I use the name "Exxon Mobil." When referring to a specific activity, I use the company's name at the time of the activity.

3. In one of these, Shell reversed course and decided not to sink its Brent Spar offshore drilling platform, after Greenpeace led a highly publicized boycott of the company. In the other, Shell was fiercely criticized for its perceived complicity in the Nigerian government's execution of minority rights activist Ken Saro-Wiwa (Fombrun & Rindova, 2000).

## BIBLIOGRAPHY

- Anderson, P., & Tushman, M. L. 1990. Technological discontinuities and dominant designs: A cyclical model of technological change. *Administrative Science Quarterly*, 35(4): 604-33.

- Arnold, D. G., & Hartman, L. P. 2003. Moral imagination and the future of sweatshops. *Business and Society Review*, 108(4): 425–61.
- Bakhtin, M. M. 1981. *The dialogic imagination: Four essays by M. M. Bakhtin*, trans. C. Emerson & M. Holquist. Austin: University of Texas Press.
- Barr, P. S. 1998. Adapting to unfamiliar environmental events: A look at the evolution of interpretation and its role in strategic change. *Organization Science*, 9(6): 644–69.
- Barr, P. S., Stimpert, J. L., & Huff, A. S. 1992. Cognitive change, strategic action, and organizational renewal. *Strategic Management Journal*, 13: 15–36.
- Belova, O., King, I., & Sliwa, M. 2008. Introduction: Polyphony and organization studies: Mikhail Bakhtin and beyond. *Organization Studies*, 29: 493–500.
- Benford, R. D., & Snow, D. A. 2000. Framing processes and social movements: An overview and assessment. *Annual Review of Sociology*, 26: 611–39.
- Bettman, J. R., & Weitz, B. A. 1983. Attributions in the board room: Causal reasoning in corporate annual reports. *Administrative Science Quarterly*, 28(2): 265–83.
- Bianco, A., Forest, S. A., Reed, S., Belton, C., Webb, A., & Wheatley, J. 2001. Exxon unleashed. *Business Week*, April 9. Business Source Premier database.
- Bijker, W. E., Hughes, T. P., & Pinch, T. (Eds.). 1987. *The social construction of technological systems: New directions in the sociology and history of technology*. Cambridge, MA: MIT Press.
- Burns, L. R., & Wholey, D. R. 1993. Adoption and abandonment of matrix management programs; effects of organizational characteristics and interorganizational networks. *Academy of Management Journal*, 36: 106–38.
- Campbell, J. L. 2005. Where do we stand? Common mechanisms in organizations and social movements research. In G. F. Davis, D. McAdam, W. R. Scott, & M. N. Zald (Eds.), *Social movements and organization theory*: 41–68. Cambridge: Cambridge University Press.
- Cameron, K. S., & Quinn, R. E. 1988. Organizational paradox and transformation. In R. E. Quinn and K. S. Cameron (Eds.), *Paradox and transformation: Toward a theory of change in organization and management*: 1–18. Cambridge: Ballinger.
- Cameron, K. S., Quinn, R. E., DeGraff, J., & Thakor, A. V. 2006. *Competing values leadership: Creating value in organizations*. Cheltenham, UK: Edward Elgar.
- Clapham, S. E. & Schwenk, C. R. 1991. Self-serving attributions, managerial cognition, and company performance. *Strategic Management Journal*, 12, 219–29.
- Clemens, E., & Cook, J. 1999. Politics and institutionalism: Explaining durability and change. *Annual Review of Sociology*, 25: 441–66.
- Clemens, E. S. 1997. *The people's lobby: Organizational innovation and the rise of interest group politics in the United States, 1890–1925*. Chicago: University of Chicago Press.
- Dahan, R. 2001. *Environmental performance and policy: An ExxonMobil perspective*. Oil-Money Conference, London, October 30, 2001. Posted at Exxon Mobil website, [www2.exxonmobil.com/Corporate/Newsroom/SpchsIntvws/Speeches\\_and\\_Interviews/rd\\_103001.asp](http://www2.exxonmobil.com/Corporate/Newsroom/SpchsIntvws/Speeches_and_Interviews/rd_103001.asp) (page no longer available).

- Davis, G. 2004. *A history of the social development network in the World Bank, 1973–2002*. Washington, DC: World Bank. Paper No. 56, March 2004. Available at <http://siteresources.worldbank.org/EXTSOCIALDEVELOPMENT/Resources/244362-1164107274725/3182370-1164201144397/SocialDevelopment-History.pdf?&resourceurlname=SocialDevelopment-History.pdf>.
- Davis, G. F., & Thompson, T. A. 1994. A social movement perspective on corporate control. *Administrative Science Quarterly*, 39: 141–73.
- DiMaggio, P. J., & Powell, W. W. 1983. The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. *American Sociological Review*, 48: 147–60.
- Eisenhardt, K. M., & Wescott, B. J. 1988. Paradoxical demands and the creation of excellence. The case of just-in-time manufacturing. In R.E. Quinn and K.S. Cameron (Eds.), *Paradox and transformation: Toward a theory of change in organization and management*: 169–93. Cambridge: Ballinger.
- Esso Exploration and Production Chad, Inc. 2008. *Chad/Cameroon Development Project*. Available at [http://www.esso.com/Chad-English/PA/TD\\_HomePage.asp](http://www.esso.com/Chad-English/PA/TD_HomePage.asp).
- Esty, B. C. 2006. *The Chad-Cameroon Petroleum Development and Pipeline Project (A)*. Cambridge, MA: Harvard Business School Press. Case 9-202-010. Rev. March 17, 2006.
- Esty, B. C., & Ferman, C. 2006. *The Chad-Cameroon Petroleum Development and Pipeline Project (B)*. Cambridge, MA: Harvard Business School Press. Case 9-202-012. Rev. June 5, 2006.
- Esty, B. C., & Sesia, A. 2006. *The Chad-Cameroon Petroleum Development and Pipeline Project (C)*. Cambridge, MA: Harvard Business School Press. Case 9-206-129. Rev. April 18, 2006.
- Exxon Mobil. 2003a. *Chad-Cameroon oil project celebrates official project inauguration*. Press release, October 10, 2003. [www.exxonmobil.com/Corporate/Newsroom/Newsreleases/xom\\_nr\\_101003.asp](http://www.exxonmobil.com/Corporate/Newsroom/Newsreleases/xom_nr_101003.asp) (page no longer available).
- \_\_\_\_\_. 2003b. *Corporate citizenship report*. Irving, TX: Exxon Mobil.
- Fesmire, S. 2003. *John Dewey and moral imagination: Pragmatism in ethics*. Bloomington: Indiana University Press.
- Fligstein, N. 1997. Social skills and institutional theory. *American Behavioral Scientist*, 40(4): 397–405.
- Fombrun, C. J., & Rindova, V. P. 2000. The road to transparency: Reputation management at Royal Dutch/Shell. In M. Schultz, M. J. Hatch, & M. H. Larsen (Eds.), *The expressive organization: Linking identity, reputation, and the corporate brand*: 77–96. New York: Oxford University Press.
- Ford, J. D., & Backoff, R. W. 1988. Organizational change in and out of dualities and paradox. In R. E. Quinn and K. S. Cameron (Eds.), *Paradox and transformation: Toward a theory of change in organization and management*: 81–121. Cambridge: Ballinger.
- Garud, R., Hardy, C., & Maguire, S. 2007. Institutional entrepreneurship as embedded agency: An introduction to the special issue. *Organization Studies*, 28: 957–69.

- Garud, R., & Karnøe, P. 2003. Bricolage versus breakthrough: Distributed and embedded agency in technology entrepreneurship. *Research Policy*, 32(2): 277–300.
- Hargrave, T. J., & Van de Ven, A. H. 2006. A collective action model of institutional innovation. *Academy of Management Review*, 31(4): 864–88.
- Huff, A. S. & Schwenk, C. 1990. Bias and sense making in good times and bad. In A. S. Huff (Ed.), *Mapping strategic thought*: 89–108. Chichester, UK: Wiley.
- Johnson, M. 1993. *Moral imagination*. Chicago: University of Chicago Press.
- Lawrence, T. B., & Suddaby, R. 2006. Institutions and institutional work. In S. R. Clegg, C. Hardy, and W. R. Nord (Eds.), *Handbook of organization studies*, 2nd ed., 215–54. London: Sage.
- Leca, B., & Naccache, P. 2006. A critical realist approach to institutional entrepreneurship. *Organization*, 13(5): 627–51.
- Martin, R. 2007. *The opposable mind: How successful leaders win through integrative thinking*. Cambridge, MA: Harvard Business School Press.
- McAdam, D. 1982. *Political process and the development of Black insurgency 1930–1970*. Chicago: University of Chicago Press.
- McAdam, D., Tarrow, S., & Tilly, C. 2001. *Dynamics of contention*. New York: Cambridge University Press.
- Meyer, J. R., & Rowan, B. 1977. Institutionalized organizations: Formal structure as myth and ceremony. *American Journal of Sociology*, 83: 340–63.
- Mitroff, I. I., & Linstone, H. 1993. *The unbounded mind*. New York: Oxford University Press.
- Moberg, D. J., & Seabright, M. A. 2000. The development of moral imagination. *Business Ethics Quarterly*, 10: 845–84.
- Murmann, J. P., & Tushman, M. L. 2001. From the technology cycle to the entrepreneurship dynamic: The social context of entrepreneurial innovation. In C. B. Schoonhoven & E. Romanelli (Eds.), *The entrepreneurship dynamic: Origins of entrepreneurship and the evolution of industries*: 178–203. Stanford, CA: Stanford University Press.
- Nielsen, R. P. 1996a. *The politics of ethics: methods for acting, learning, and sometimes fighting with others in addressing ethics problems in organizational life*. The Ruffin Series in Business Ethics. Oxford: Oxford University Press.
- . 1996b. Varieties of dialectic change processes. *Journal of Management Inquiry*, 5(3), 276–92.
- . 2000. The politics of long-term corruption reform: A combined social movement and action-learning approach. *Business Ethics Quarterly*, 10: 305–17.
- Oliver, C. 1991. Strategic responses to institutional processes. *Academy of Management Review*, 16: 145–79.
- Poole, M. S., Van de Ven, A. H., Dooley, K., & Holmes, M. E. 2000. *Organizational change and innovation processes: Theory and methods for research*. New York: Oxford University Press.



- Quinn, R. E., & Cameron, K. S. 1988. Paradox and transformation: A framework for viewing organization and management. In R. E. Quinn and K. S. Cameron (Eds.), *Paradox and transformation: Toward a theory of change in organization and management*, 289–308. Cambridge: Ballinger.
- Rosenkopf, L., & Tushman, M. 1994. The co-evolution of technology and organizations. In J. A. C. Baum & J. V. Singh (Eds.), *Evolutionary dynamics of organizations*: 403–24. New York: Oxford University Press.
- Schneider, L. 1971. Dialectic in sociology. *American Sociological Review*, 36(4), 667–78.
- Scott, W. R. 2001. [1995]. *Institutions and organizations*, 2nd ed. Thousand Oaks, CA: Sage.
- Seo, M., & Creed, W. E. D. 2002. Institutional contradictions, praxis, and institutional change: A dialectical perspective. *Academy of Management Review*, 27(2), 222–47.
- Sewell, W. H., Jr. 1992. A theory of structure: Duality, agency, and transformation. *American Journal of Sociology*, 98(1): 1–29.
- Snow, D. A., & Benford, R. D. 1988. Ideology, frame resonance and participant mobilization. *International Social Movement Research*, 1: 197–218.
- Strang, D., & Meyer, J. W. 1993. Institutional conditions for diffusion. *Theory and Society*, 22(4): 487–511.
- Tolbert, P. S., & Zucker, L. G. 1996. The institutionalization of institutional theory. In S. R. Clegg, C. Hardy, & W. R. Nord (Eds.), *The handbook of organization studies*: 175–190. London: Sage.
- Tushman, M. L., & Anderson, P. 1986. Technological discontinuities and organizational environments. *Administrative Science Quarterly*, 31(3): 439–65.
- Useem, J. 2002. Exxon's African adventure. *Fortune (Europe)*, 145(8) (April 15): 50–57.
- Van de Ven, A. H., & Poole, M. S. 1995. Explaining development and change in organizations. *Academy of Management Review*, 20(3): 510–40.
- Warren, M. R. 2001. *Dry bones rattling: Community building to revitalize American democracy*. Princeton, NJ: Princeton University Press.
- Werhane, P. H. 1999. *Moral imagination and management decision making*. New York: Oxford University Press.
- . 2002. Moral imagination and systems thinking. *Journal of Business Ethics*, 38: 33–42.
- . 2008. Mental models, moral imagination and systems thinking in the age of globalization. *Journal of Business Ethics*, 78: 463–74.
- Werhane, P. H., Freeman, R. E., & Wicks, A. C. 2003. *ExxonMobil and the Chad Cameroon Pipeline*. Charlottesville, VA: Darden Business Publishing. Case UVA-E-0262.
- World Bank. 2008. *The Chad-Cameroon Petroleum Development and Pipeline Project*. Available at [www.worldbank.org/afr/ccproj](http://www.worldbank.org/afr/ccproj).

World Bank. N.D. *World Bank–civil society collaboration: Progress report for fiscal years 2000 and 2001*. Washington, DC. Prepared by Carmen Monico under the supervision of William Reuben, with assistance of Adrian Alvarez and David Sands. Available at <http://siteresources.worldbank.org/CSO/Resources/ProgRptFY0001.pdf>.